

**TERMS AND CONDITIONS**  
**FOR**  
**WEALTH MANAGEMENT SERVICES**

China International Capital Corporation Hong Kong Securities Limited

## PRELIMINARY

**Please read these Terms and Conditions carefully – they contain the terms of the contract between the Client and China International Capital Corporation Hong Kong Securities Limited.**

These Terms and Conditions contain the general terms and conditions governing the provision of wealth management services by China International Capital Corporation Hong Kong Securities Limited (“CICCHKS”, “we” or “us”).

Where the Client (or “you”) is treated by CICCHKS as:

- (i) an Institutional Professional Investor – CICCHKS is exempt from the requirements set out in the paragraph entitled “Consequences of categorization as an Institutional Professional Investor” of the Institutional Professional Investor Notice;
- (ii) an Exempt Corporate Professional Investor – CICCHKS is exempt from the requirements set out in the paragraph entitled “Consequences of categorization as a Corporate Professional Investor” of the the Corporate Professional Investor Notice; and
- (iii) a Non-Exempt Corporate Professional Investor or an Individual Professional Investor – CICCHKS is exempt from the requirements set out in the paragraph entitled “Consequences of categorization as a Professional Investor” of the Professional Investor Notice.

For the avoidance of doubt, if the Client is an Institutional Professional Investor, an Exempt Corporate Professional Investor, a Non-Exempt Corporate Professional Investor or an Individual Professional Investor, any provision in the Client Agreement that imposes obligations or requirements on CICCHKS for which CICCHKS is exempt (as set out above) shall not be applicable. In particular, but without limitation, the following clauses of the Terms and Conditions do not apply where the Client is an Institutional Professional Investor or an Exempt Corporate Professional Investor: (a) Clause 2.5 of Part A; and (b) Clause 12A.1 of Part A.

Notwithstanding the above, CICCHKS may (at its sole and absolute discretion) perform acts that satisfy the requirements for which it is exempt. The performance of those acts shall not affect the applicability of any exemption that CICCHKS is entitled to.

Upon acceptance by CICCHKS which will provide the relevant Service(s) to the Client, the Account Opening Form, which sets forth the types of Services requested and chosen by the Client, the documents referred to in the Account Opening Form (including the Institutional Professional Investor Notice, the Corporate Professional Investor Notice and the Professional Investor Notice (as applicable)), the China Connect Supplemental Terms and these Terms and Conditions shall constitute a binding agreement that seeks to define CICCHKS' relationship with the Client in respect of all types of Accounts opened or to be opened from time to time by the Client with CICCHKS and all types of Services provided or to be provided from time to time by CICCHKS. For the avoidance of doubt, the Terms and Conditions with respect to any Services that are not expressly requested by the Client through the Account Opening Form (or as otherwise agreed in writing by CICCHKS) shall not be binding upon CICCHKS and the Client. Additional documentation required prior to utilising any specific Service will need to be signed by the Client, and the Client may also be required to sign separate security documentation prior to the availability of any Service.

In the event of a conflict between the general terms and conditions (as set out in Part A) and the specific terms applicable to a specific Service (as set out in Part B) or to a specific jurisdiction (as set out in Part C), those for the specific Service or the specific jurisdiction shall prevail. Also, in the event of a conflict between the specific terms applicable to a specific Service (as set out in Part B) and the specific terms set out in the jurisdiction schedule (as set out in Part C), those for the specific jurisdiction shall prevail, except in

relation to certain terms and conditions relating to the Hong Kong Capital Investment Entrant Scheme Services (as set out in Schedule VI), in which case those specific terms and conditions shall prevail.

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## PART A – GENERAL TERMS AND CONDITIONS

### 1. DEFINITIONS AND INTERPRETATIONS

The Glossary sets out the meanings of capitalised terms used in, and the rules of interpretation of, these Terms and Conditions.

### 2. SERVICES

- 2.1 **Availability of Services:** All Services are made available to the Client by CICCHKS, subject to applicable laws and regulations, the rules, regulations and practices of any relevant exchange, market, clearing house or depositary and CICCHKS' internal policies and regulations. CICCHKS may automatically enrol and provide new Services to the Client from time to time. When new Services are to be provided to the Client, CICCHKS will notify the Client of such new Services and the new terms and conditions (if any) governing such new Services which will supplement and form part of the Terms and Conditions and will be binding on the Client.
- 2.2 **Specific Services required:** If the Client requires specific Services from CICCHKS, the Client must specifically indicate this on the Account Opening Form or in writing to CICCHKS.
- 2.3 **No obligation to provide Services:** CICCHKS shall not be obliged to provide or continue to provide any Service to the Client, and may refuse to do so with or without any reason. The Services described in these Terms and Conditions are available upon CICCHKS' acceptance of the Client's Application. The Client must satisfy all applicable conditions precedent and sign all additional documentation prescribed by CICCHKS (including providing sufficient Margin and signing Collateral Documents). Whether CICCHKS provides or continues to provide any Service to the Client is determined by CICCHKS at its discretion.
- 2.4 **Exercising of certain actions:** In providing a Service to the Client, CICCHKS may take such action as it considers necessary or desirable to permit it to perform its duties and exercise its rights and discretions under these Terms and Conditions and to comply with the provisions of any applicable laws or regulation. In particular, CICCHKS and its Affiliates are required to act in accordance with laws, regulations, notices and directions of public and regulatory authorities operating in various jurisdictions which relate to, amongst other things, the prevention of money laundering, terrorist financing and the provision of financial and other services to any person or entity which may be subject to sanctions. CICCHKS may take or may instruct any of its Affiliates to take any action which CICCHKS in its discretion considers appropriate to take in accordance with or by reference to all such laws, regulations, notices and directions.
- 2.5 **Solicitations and Recommendations:** If CICCHKS solicits the sale of or recommends any financial products to the Client, the financial products must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision of these Terms and Conditions or any other document we may ask the Client to sign and no statement we may ask the Client to make derogates from this Clause<sup>1</sup>.

Note: "Financial product" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO. Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity.

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<sup>1</sup> Please refer to Note 1 in Part E- Explanatory Notes.

- 2.6 **Relationship:** CICCHKS shall be entitled at its discretion to deal as principal on its own account or as agent for the Client. Unless otherwise notified to the Client or expressly stated in these Terms and Conditions, CICCHKS shall act as agent of the Client in relation to any Transaction.
- 2.7 **No fiduciary duty:** The relationship between CICCHKS and the Client is as described in these Terms and Conditions. Neither that relationship, the Services provided by CICCHKS (for the avoidance of doubt, this shall include any Transaction entered into with or on behalf of the Client) nor any other matter arising out of these Terms and Conditions will give rise to any fiduciary or equitable duties on CICCHKS' part.
- 2.8 **Delegation:** CICCHKS may also delegate all or any of its functions, powers, discretion, privileges and duties under these Terms and Conditions to any person or entity (whether local or overseas), including an Affiliate. CICCHKS will exercise reasonable care in the selection of such person, but shall have no responsibility for any action taken or omitted by any such person.

### 3. INSTRUCTIONS

- 3.1 **Acting on an Instruction:** The Client authorises CICCHKS to act on any Instruction given in accordance with Sub-Clause 3.2 of Part A.
- 3.2 **Giving of an Instruction:** Every Instruction shall be given by the Client (or through its Authorised Persons) in accordance with the Mandate orally in person or by telephone or in writing, delivered by hand, post, facsimile, electronic mail or any other means or medium, to CICCHKS at such addresses or numbers as designated by CICCHKS from time to time.
- 3.3 **Authorised Person:** An Authorised Person must be appointed by the Client under a Mandate. All acts of an Authorised Person shall be absolutely and conclusively binding on the Client. If the Client is an individual, an Authorised Person is not permitted to change the Mandate of the Account.
- 3.4 **Changes in and revocation of a Mandate:** The Client shall notify CICCHKS promptly in writing in relation to a change to a Mandate (including changes in relation to Authorised Persons, the signature of Authorised Persons and the way the Account is operated) or revocation of a Mandate. Any such change or revocation shall only be effective upon CICCHKS' satisfactory verification and authentication (in particular, as to compliance with all applicable laws and regulations and CICCHKS' internal procedures). Unless and until such change or revocation takes effect, CICCHKS may continue to act in accordance with the existing Mandate.
- 3.5 **Death and incapacity of individual:** In the event of the death or legally recognised declaration of incapacity or incapability of a Client that is an individual, the acts of an Authorised Person are binding upon the deceased's executors or administrators until valid notice is given to CICCHKS. Upon receipt of such valid notice, the deceased individual's executor(s) or administrator(s) will be the only person(s) recognised by CICCHKS as the deceased individual's successor(s). Upon the deceased individual's death, CICCHKS and its Affiliates are entitled to retain any Investments held for, and any monies payable to, the deceased individual until such time as the deceased individual's successor produces a grant of probate or letter of administration (or legal equivalent) to CICCHKS.
- 3.6 **Capacity:** Unless otherwise disclosed in the Account Opening Form (or in such other manner acceptable to CICCHKS) that the Client is acting as agent and the Client provides full details of its principal(s) as required by CICCHKS, the Client shall be deemed as acting as principal for all purposes in its dealing with CICCHKS.
- 3.7 **Acceptance and timing:** CICCHKS is authorised and entitled (but is not obliged) to accept, rely on and execute any Instruction given in accordance with Sub-Clause 3.2 of Part A. Without prejudice

to any provision in these Terms and Conditions, CICCHKS may accept an Instruction for an order to enter into a Transaction:

- (a) if no Expiry Date is provided in such Instruction, on the day such Instruction is received by CICCHKS during Business Hours and within sufficient time (as determined by CICCHKS at its sole and absolute discretion) before the close of business of any Exchange or the time at which the Transaction can be entered into (as determined by CICCHKS at its sole and absolute discretion) and accordingly the Expiry Date shall be deemed that day; or
- (b) if an Expiry Date is provided in such Instruction, on or before such Expiry Date.

If such Instruction or any part of such Instruction has not been executed on the Expiry Date, such Instruction or part of that Instruction shall be deemed to have been cancelled automatically. If the Expiry Date is not a Business Day, such Expiry Date shall be deemed to be on the immediately following Business Day. For the avoidance of doubt, an Instruction may or may not be executed on or before its Expiry Date.

3.8 **Binding and irrevocable:** Any Instruction given or purported to be given to CICCHKS (regardless of whether any such Instruction was (a) in fact given by the Client (or an Authorised Person), (b) given in accordance with the Mandate, (c) authorised by the Client or (d) forged, fraudulent, erroneous and/or ambiguous), that is genuinely believed by CICCHKS to have been given by the Client (or its Authorised Person) or a person acting on the authority of the Client and which has been acted on or relied upon by CICCHKS, shall at all times be irrevocable (subject to Sub-Clause 3.10 of Part A) and binding on the Client. CICCHKS shall not be under any duty to enquire or verify the identity of the person giving such Instruction or the authenticity of such Instruction.

### 3.9 Declining to act

- (a) **Right to decline to act:** CICCHKS may decline to act on any Instruction (whether or not notice has been given to the Client) without giving any reason (in particular, in the circumstances where it considers that any such Instruction (i) is ambiguous, incomplete, erroneous or unauthorised, (ii) is or would be in violation of any applicable law or regulation or (iii) is in a form which does not comply with CICCHKS' requirements) and shall not be held liable to the Client or any other person for any Loss or consequence in connection with its declining to act on any such Instruction.
- (b) **Ambiguous and conflicting Instructions:** Without prejudice to any other provision in these Terms and Conditions, where any Instruction is ambiguous or in conflict with any other Instruction, CICCHKS shall be entitled but not obliged to rely and act on any such Instruction in accordance with any reasonable interpretation of that Instruction which any officer, employee or agent of CICCHKS believes in good faith to be the correct interpretation.

3.10 **Cancellation and amendment:** CICCHKS shall not be obliged to act on any Instruction for cancellation, variation or amendment of any Instruction already given to CICCHKS nor be responsible or liable to the Client for any Loss suffered or incurred by the Client if the original Instruction has already been completed or, in the opinion of CICCHKS, CICCHKS has insufficient time or is unable to act on any such Instruction to cancel, vary or amend the original Instruction.

3.11 **Time allowed to act:** In acting on an Instruction, CICCHKS shall be allowed such amount of time as may be reasonable having regard to the systems and operations of CICCHKS and the other circumstances then prevailing and shall not be liable for any Loss arising from any delay on the part of CICCHKS in acting on such Instruction.

3.12 **Recording:** Telephone calls or other forms of oral communication between the Client and CICCHKS may be recorded or otherwise electronically monitored without any warning messages and such recording may be used as final and conclusive evidence of the Instruction given by the Client in case of disputes and may be produced by CICCHKS as evidence in any legal or other proceedings or investigation by any regulatory authority. Such recording is the property of CICCHKS and may be destroyed after such period of time CICCHKS considers prudent.

#### 4. ACCOUNTS

4.1 **Opening:** CICCHKS may, from time to time, open and maintain in its books one or more Account(s) in the name of the Client in connection with any Service provided to the Client.

4.2 **Closing:** CICCHKS may, at its absolute discretion and without assigning any reason, close any Account at any time by giving reasonable advance notice to the Client.

4.3 **Suspension:** CICCHKS may, at its absolute discretion and without assigning any reason, suspend the operation of any Account.

4.4 **Dormant account:** Where an Account has been inactive (or has had no trading activity) for a continuous period of 18 months or such other period as determined by CICCHKS from time to time, CICCHKS may designate such Account as a "Dormant Account". Upon such designation, CICCHKS may restrict or impose such conditions (and deal with the assets held in that Account) as it thinks fit in relation to the operation and handling of such Account.

4.5 **Reference currency:** An Account shall be denominated in Hong Kong dollars or such other currencies as CICCHKS may agree from time to time with the Client.

4.6 **Joint accounts:** Where the Account is opened in the name of Joint Account Holders, then each Joint Account Holder agrees (unless CICCHKS otherwise agree in writing) that:

- (a) the liabilities and obligations under these Terms and Conditions are joint and several so CICCHKS may demand repayment from either, any or all of such Joint Account Holders;
- (b) CICCHKS may settle or vary the liability of or grant time or other indulgence to any of them without prejudicing CICCHKS' rights and remedies against any of the other Joint Account Holders;
- (c) CICCHKS may accept Instructions from and for all purposes deal with any one Joint Account Holder without notice to the other Joint Account Holder(s) (including an Instruction to liquidate or withdraw Investments or monies from an Account), and CICCHKS is not responsible for determining the purposes or propriety of an Instruction CICCHKS receives (however, CICCHKS reserves the right to require written Instructions from all such Joint Account Holders at its discretion);
- (d) in connection with paragraph (c) above, each Joint Account Holder:
  - (i) appoints the other(s) to act singly as his true and lawful attorney and agent to act for and on his behalf and in his name for such purpose; and
  - (ii) approves, ratifies and confirms for all purposes the acts done or purported to be done by reason of (i) above;
- (e) where separate Instructions are given by two or more of the Joint Account Holders and they are in conflict, CICCHKS may either act on any of those Instructions, delay in acting on



those Instructions until the apparent conflict has been resolved or act only on the unanimous Instructions of all Joint Account Holders;

- (f) any delivery of payment or Investment to any Joint Account Holder shall be a valid and complete discharge of CICCHKS' obligations to each Joint Account Holder regardless of whether such delivery is made before or after the death of that Joint Account Holder;
- (g) any Confirmation, statement of account, receipt, notice, communication and demand sent to one such Joint Account Holder will be deemed to be given to all Joint Account Holders;
- (h) on the death of any Joint Account Holder (being survived by any other such Joint Account Holder):
  - (i) these Terms and Conditions shall not terminate;
  - (ii) the interest in the Account of the deceased Joint Account Holder will be vested in and enure for the benefit of the surviving Joint Account Holder(s) and all monies, and Investments in such Account shall be held by CICCHKS to the order of the surviving Joint Account Holder(s). Payment, withdrawal or delivery of any monies or Investments from the Account to the surviving Joint Account Holder(s) shall be a complete discharge of CICCHKS' obligation however:
    - (A) CICCHKS may act on the Instructions of the personal representatives or liquidator of the deceased Joint Account Holder upon receiving proof of their authority;
    - (B) CICCHKS shall retain all rights CICCHKS would otherwise have in respect of any Investments and any items, goods or properties in the Account;
    - (C) CICCHKS may take any step which CICCHKS reasonably deems desirable in view of any claim or potential claim by any person other than the surviving Joint Account Holder(s); and
    - (D) CICCHKS may request the surviving Joint Account Holder(s) to produce such documentation to the satisfaction of CICCHKS that no estate duty is payable on the monies and Investments held in the Account in respect of any payment, withdrawal or delivery of such monies or Investments from such Account, including an indemnity to CICCHKS for permitting the payment, withdrawal or delivery;
  - (iii) no surviving Joint Account Holder can enforce any rights or remedies under the Account or otherwise until all obligations of the Joint Account Holder(s) to CICCHKS have been fully satisfied; and
  - (iv) remittances received in favour of a Joint Account Holder alone may automatically be credited to the Account unless CICCHKS has received specific Instructions to the contrary;
- (i) any automatic disposal or standing instructions for an Account will cease upon CICCHKS' receipt of notification of the death, insanity, incapacity, bankruptcy or liquidation of any of the Joint Account Holders;

- (j) these Terms and Conditions shall be binding on the heirs, executors, administrators, personal representatives, successors and assigns (as the case may be) of each of the Joint Account Holders; and
- (k) the surviving Joint Account Holder(s) shall give CICCHKS written notice immediately upon becoming aware of the death of any of its or their other Joint Account Holder.

4.7 **Partnerships:** Where the Account is opened by the Client that is a partnership, then under these Terms and Conditions:

- (a) any liability or obligation owing by each partner of the partnership in connection with the Account whether in the name of or on behalf of the partnership or otherwise will be the joint and several liability of the partners constituting the partnership at any time;
- (b) CICCHKS may accept Instructions from any one or more of the partners in respect of an Account held under the name of a partnership if such Instruction is given in accordance with the Mandate (however, CICCHKS reserves the right to require written Instructions from all such partners at its discretion);
- (c) if CICCHKS receives Instructions from any one or more of the partners which, in CICCHKS' opinion, contradicts the Instructions of any other partner(s), CICCHKS will be entitled, upon notice being given to any one partner, to thereafter act only on the unanimous Instructions of all partners and/or take such action as CICCHKS deems fit;
- (d) any delivery of payment or Investment to any one partner shall be a valid and complete discharge of CICCHKS' obligations to each partner of the partnership regardless of whether such delivery is made before or after that partner ceases to be a partner of the partnership;
- (e) any Confirmation, statement of account, receipt, notice, communication and demand sent to any one partner will be deemed to be given to all partners of the partnership in connection with the Account;
- (f) each person who ceases to be a partner of the partnership (whether as a result of death, retirement, resignation, replacement, bankruptcy or otherwise) will remain liable for all liabilities and obligations owed by the partnership to CICCHKS which have accrued up to and including the date that such person ceases to be a partner of the partnership; and
- (g) each partner authorises CICCHKS at any time and without notice to the partner to combine or consolidate all or any Accounts of the partnership and the individual Accounts of the partners with the partnership's obligations to CICCHKS and to set off or transfer any sum standing to the credit of any one or more of such Account(s) in or towards satisfaction of any of the obligations.

**5. FEES AND OTHER CHARGES**

5.1 **Fees and commissions:** CICCHKS may impose fees, commissions and charges for providing any Service, carrying out any Instruction, opening and/or maintaining any Account or entering into any Transaction for or with the Client. Details of such fees, commissions and charges are set out in the Fee Schedule, which may be revised by CICCHKS at its discretion from time to time. The fees, commissions and charges may not be as favourable as those that might be obtained if the Transactions were placed through other financial intermediaries.

5.2 **Disbursements and other charges:** The Client shall be liable for, where applicable, all levies imposed by any Exchange and Clearing House (including any transaction levies), brokerage

expenses, stamp duties, bank charges, transfer fees, interests, currency conversion expenses, nominee or custodial expenses, premiums on any options purchased, taxes (including any goods and services tax and capital gains tax) and other charges, penalties and disbursements. All such amounts shall be payable by the Client immediately when due.

## 6. PAYMENTS DUE FROM THE CLIENT

6.1 **Payment to CICCHKS:** Notwithstanding any provision in these Terms and Conditions, sums due to CICCHKS from the Client shall be:

- (a) paid in the currency in which they are due and within the time period as notified by CICCHKS; or
- (b) deducted from any Account or money received for or on the account of the Client.

Such payment or deduction shall be without set off or counterclaim and free and clear of and without deduction of or withholding any present or future tax that may be imposed. If the Client is required to make deduction of or withhold any present or future tax, the sums payable by the Client to CICCHKS shall be increased as may be necessary so that after such deduction or withholding, CICCHKS receives the actual amount due to it.

6.2 **Payment on demand:** The Client shall pay to CICCHKS forthwith upon demand by CICCHKS, or subject to Sub-Clause 6.3 of Part A, CICCHKS shall be authorised to deduct from any Account or money received for or on the account of the Client, any sum whatsoever owing by the Client (including any sum owing jointly with any other person) to CICCHKS. For the avoidance of doubt, any such sum shall include:

- (a) sums that are advanced or paid to or for the Client's use or in respect of any Account;
- (b) commissions payable and charges, fees and disbursements incurred on any Account either actually or contingently; and
- (c) other sums in respect of which the Client becomes or shall become liable to CICCHKS in any manner whatever (including sums incurred by the Client in relation to any Investment or Transaction).

6.3 **Deduction from Account:** CICCHKS shall only deduct from the Account such sum(s) owing by the Client to CICCHKS as may be permitted under the applicable client money & asset rules to which CICCHKS is subject.

6.4 **Payment made in other currencies:** Except as otherwise agreed between the Client and CICCHKS in writing and where necessary, each payment received by CICCHKS from the Client or made by CICCHKS for the Client (which, for the avoidance of doubt, shall include payment received in relation to the crediting into any Account, the payment of any sum due to CICCHKS and the payment in connection with any Investment or Transaction) may be converted by CICCHKS at its absolute discretion at such rate of exchange as it may conclusively determine, and the Client shall bear the cost of such conversion. CICCHKS is authorised to debit any Account in relation to the costs, charges or exchange losses incurred by CICCHKS in connection with such conversion.

6.5 **Interest on overdue payment:** CICCHKS may charge interest on any sum or payment due to CICCHKS from the Client at such rate and calculated and/or compounded in such manner as CICCHKS may reasonably determine from time to time and debit such interest from any Account.

## 7. CUSTODY

- 7.1 **Client money:** Subject to the applicable laws and regulations, CICCHKS shall deposit any money held for the Client in a segregated account (which is designated as a trust account or client account) established and maintained with such financial institution(s) as CICCHKS considers fit. The Client acknowledges that interest will not accrue on and it shall not be entitled to interest on such money.
- 7.2 **Client Securities:** Subject to the applicable laws and regulations, CICCHKS shall, at its discretion, in respect of Client's Securities deposited by the Client with CICCHKS or purchased or acquired by CICCHKS on behalf of the Client and kept in custody:
- (a) register in the name of the Client, CICCHKS, CICCHKS' associated entity or any nominee appointed by CICCHKS, or otherwise in accordance with the applicable laws and regulations;
  - (b) deposit in safe custody in a segregated account (which is designated as a trust account or client account) established and maintained by CICCHKS or its associated entity with an institution properly authorised by the applicable laws and regulations; or
  - (c) deposit with an overseas custodian or overseas clearing house.
- 7.3 **Client Securities Collateral:** Subject to the applicable laws and regulations, CICCHKS shall, at its discretion, in respect of Client's Securities Collateral deposited by the Client with CICCHKS or otherwise provided by or on behalf of the Client to CICCHKS:
- (a) register in the name of the Client, CICCHKS, CICCHKS' associated entity or any nominee appointed by CICCHKS, or otherwise in accordance with applicable laws and regulations;
  - (b) deposit in safe custody in a segregated account (which is designated as a trust account or client account) established and maintained by CICCHKS or its associated entity with an institution properly authorised by the applicable laws and regulations;
  - (c) deposit in an account in the name of CICCHKS or its associated entity (as the case may be) with an institution properly authorised by the applicable laws and regulations; or
  - (d) deposit with an overseas custodian or overseas clearing house.
- 7.4 **Act as custodian:** The Client appoints CICCHKS to act as custodian for the Client to keep custody of its Securities and Collateral. The Client agrees not to pledge, charge, sell, grant an option or otherwise deal in any of its Securities or Collateral forming part of any Account without the prior written consent of CICCHKS.
- 7.5 **Collection of dividend, distribution and other benefit and compliance with instructions:** In relation to Securities kept by CICCHKS in custody pursuant to this Clause 7, CICCHKS shall itself, or shall use reasonable efforts to procure any associated entity, institution, custodian or intermediary appointed by it to:
- (a) in the absence of prior written Instruction from the Client to the contrary, collect and credit any dividend, distribution or other benefit arising in respect of such Securities to the Account or make payment to the Client as agreed with the Client. Where the Securities form part of a larger holding of identical Securities held for CICCHKS' clients, the Client is entitled to the same share of the dividend, distribution or other benefit arising on the holding as the Client's share of the total holding; and

- (b) exercise any voting or other rights attaching to or conferred on such Securities provided that if any payment or expense is required to be made or incurred in connection with such exercise, neither CICCHKS nor any associated entity, institution, custodian or intermediary shall be required to act on any Instruction received from the Client unless and until (i) it receives all amounts necessary to fund such exercise; and (ii) the Instruction received from the Client is given sufficient time to enable CICCHKS to make the necessary arrangements. Subject to the applicable laws and regulations, nothing in these Terms and Conditions shall in any way impose on CICCHKS any duty to inform the Client or to take any action with regard to the attendance of meetings and to vote at such meetings. CICCHKS has no duty in respect of notices, communications, proxies and other documents, relating to the Securities received by CICCHKS or to send such documents or to give any notice of the receipt of such documents to the Client, except in the case where the Client requests information on such documents in relation to such Securities. CICCHKS has the right to charge the Client for its service in taking any action pursuant to the Instructions received from the Client.

7.6 **Return of non-identical Securities and Collateral:** In respect of this Clause 7, CICCHKS or any associated entity, institution, custodian or intermediary is not bound to deliver to the Client the identical Securities and Collateral received from or for the Client, but may deliver to the Client any Securities and Collateral of like quantity, type and description.

7.7 **Disposal of Securities and Collateral:** Subject to applicable laws and regulations, CICCHKS may dispose of or initiate a disposal by an associated entity of any Securities or Collateral (and CICCHKS shall have absolute discretion to determine which Securities or Collateral are to be disposed of) in settlement of any sums or liability owed by or on behalf of the Client to CICCHKS or (but only to the extent permitted by applicable laws and regulations) an associated entity or a third party or otherwise as permitted under these Terms and Conditions.

7.8 **Limitations on treatment of Securities and Collateral:** CICCHKS shall take reasonable steps to ensure that Client's Securities and Collateral are not deposited, transferred, lent, pledged, repledged or otherwise dealt with for any purpose except as permitted by applicable laws and regulations and in accordance with this Clause 7 or any Client's Instruction, Standing Authority, or otherwise as permitted under applicable laws and regulations.

## 8. STATEMENTS OF ACCOUNT AND CONFIRMATIONS

8.1 **Statements:** Where required by applicable laws and regulations, CICCHKS will send to the Client a statement of account showing a summary of all Transactions and/or a statement of the Client's assets, positions and cash balances (if any) and/or such other matters as required by applicable laws and regulations, at the interval specified by and in accordance with the requirements under applicable laws and regulations.

8.2 **Confirmations:** CICCHKS will report the execution of a Transaction to the Client:

- (a) promptly either by telephone, facsimile, electronic mail or other means as agreed;
- (b) by sending to the Client at its address on record a copy of the Confirmation and/or a daily statement of account (where applicable) in accordance with the applicable laws and regulations; and/or
- (c) such other means as set out specifically in the Schedule relevant to the Transaction.

In relation to (b), if more than one Transaction has been entered into on the same day, reporting of all such Transactions may be consolidated in a single Confirmation and/or daily statement of account (where applicable).

- 8.3 **Receipts:** On each occasion that CICCHKS or its associated entity receives monies, Securities, Collateral or such other assets as determined by CICCHKS or its associated entity from time to time from or on behalf of the Client, CICCHKS or its associated entity shall issue a receipt to the Client in accordance with the applicable laws and regulations.
- 8.4 **Effect:** Without prejudice to Sub-Clause 8.5 of Part A:
- (a) each Confirmation and statement of account is for the Client's reference and does not necessarily indicate the correct balance of the Account;
  - (b) CICCHKS' records shall (in the absence of obvious error) be conclusive in showing the correct balance of the Account;
  - (c) CICCHKS has the right, at any time without notice or liability to the Client, to rectify and/or correct any error in any Confirmation, statement of account and receipt caused by CICCHKS' own error or omission; and
  - (d) any Confirmation, statement of account and receipt so rectified or corrected shall be binding between CICCHKS and the Client.
- 8.5 **Duty to examine:** The Client shall have a duty to (a) examine any issued Confirmation, statement of account and receipt carefully and (b) notify CICCHKS immediately in writing of any alleged error or irregularity within 7 days after the date of dispatch (or such other period of time as may be specified by CICCHKS). The Client agrees that CICCHKS is not liable for any damages (including from any market fluctuation) resulting from any delay in reporting an error to CICCHKS. Otherwise, in the absence of obvious error, such Confirmation, statement of account and receipt shall be conclusive and the Client shall be deemed to have waived any error and CICCHKS will be released from all claims by the Client in connection with such Confirmation, statement of account and receipt or any action or omission by CICCHKS regarding the Account.
- 9. RETENTION OF CORRESPONDENCE (OR HOLD MAIL)**
- 9.1 **Retention and dispatch:** If so requested and authorised by the Client, CICCHKS may retain all correspondence (including Confirmations, statements of account, receipts and prospectuses relating to any Account, Service, Investment or Transaction) directed to the Client and shall, if instructed to do so, send any uncollected correspondence to the Client at such intervals as may be specified by the Client in such request, to the address of the Client last known to CICCHKS. Any such uncollected correspondence retained by CICCHKS shall be deemed validly delivered to the Client as of the date it bears or the date it is issued. However, if no such Instruction has been made, all such correspondence may be retained by CICCHKS until destroyed in accordance with Sub-Clause 9.3 of Part A.
- 9.2 **Collection:** The Client shall promptly collect in person all correspondence (as referred to in Sub-Clause 9.1 of Part A), and review them in detail to ensure that any anomaly, mistake, error or irregularity can be detected in a timely fashion.
- 9.3 **Destruction:** Except where the Client instructs CICCHKS to dispatch any uncollected correspondence to the Client's last known address, CICCHKS may destroy any uncollected correspondence retained by it for the Client within a period as determined by CICCHKS at its sole and absolute discretion or at any time afterward as required by applicable laws and regulations. CICCHKS accepts no responsibility or liability arising out of the retention destruction or dispatch of such correspondence.
- 9.4 **Acknowledgements:** The Client acknowledges, confirms and agrees that:

- (a) the retention of correspondence service shall not apply to any notice of demand, notice to provide additional Collateral or Margin, notice of termination or Account closure to the Client from CICCHKs;
  - (b) it shall accept and take full responsibility for all risks and liability associated with the retention of correspondence service including Losses associated with: (i) any delay in detecting fraud, omission, discrepancy or error in connection with any Account, Service or Transaction (and the Client may be precluded from raising any objection to CICCHKs in relation to such fraud, discrepancy, error or omission); (ii) any amendment to or revision of any of CICCHKs' agreements, documents, the China Connect Supplemental Terms and/or these Terms and Conditions (including the China Connect Terms), and any revision of or amendment or change to any information whatsoever in connection with any Account, Service or Transaction (including fees and charges), having come into effect or being deemed to have come into effect.
- 9.5 **Charges:** CICCHKs is authorised to debit any Account for charges relating to any retention of correspondence service (including requests from the Client to re-print any destroyed document). If the Client fails to make necessary payment for such charges, CICCHKs shall have the right to cancel such service immediately and CICCHKs' liability under these Terms and Conditions shall be fully discharged by CICCHKs upon the destruction of or sending to the Client all uncollected correspondence it has retained.
- 9.6 **Renewal of authority:** CICCHKs shall provide written notice to the Client prior to the expiry of the specified retention period under applicable laws and regulations, and in the absence of Instruction to the contrary, such service shall be terminated upon expiry. Any correspondence directed to the Client after the expiry of such service shall be promptly dispatched to the last known address of the Client (or any other address as instructed by the Client).

## 10. CONFLICTS OF INTEREST

- 10.1 **Permissible transactions:** The Client understands and agrees, to the extent permissible by applicable laws and regulations, that CICCHKs shall be entitled, without prior reference to the Client, to:
- (a) be the issuer of any Investment;
  - (b) combine the Client's Instructions with CICCHKs' own orders, its Affiliates' orders or orders of its other clients;
  - (c) sell, buy or deal in the sale or purchase of Investments of any kind, nature or description whatever to or from the Client for the account of CICCHKs, its Affiliates, its other clients or otherwise deal as principal with the Client, and CICCHKs may retain for its own absolute use and benefit any profit which CICCHKs may derive from such dealings or in connection with such dealings;
  - (d) purchase, for or on behalf of the Client, Investments held or owned directly or indirectly by CICCHKs, its Affiliates, or other clients of CICCHKs;
  - (e) match Client's Instruction with that of another client of CICCHKs by acting on that client's behalf as well as on the Client's behalf, in accordance with applicable rules and CICCHKs' internal policies. In particular, the Client agrees and acknowledges that CICCHKs may have potentially conflicting division of loyalties to both parties and if acting as executing broker, may receive commissions from both parties;

- (f) take the opposite position to Client's Instruction whether it is on CICCHKS' own account, its Affiliates account or on behalf of other clients of CICCHKS;
- (g) deal in Investments for the Client where CICCHKS is involved in a new issue, rights issue, takeover or similar transaction concerning such Investments, including CICCHKS may have sponsored or underwritten or otherwise maybe participating in the transaction; and
- (h) advise or recommend to the Client a product, investment or Transaction, or provide a Service, in which CICCHKS, its Affiliates or their connected persons may (i) have an interest, relationship or arrangement that is material (including acting as arranger, issuer or selling agent), (ii) be dealing as principal for its own account when dealing in the product, investment or transaction concerned with the Client, (iii) be acting as agent or trustee or intermediary for the counterparty or issuer, or any of their respective agents, (iv) take positions opposite to the Client or (v) be in competition with the Client to acquire the same or similar positions,

provided that the terms of the Transaction in which the Client is involved are not less favourable than they would have been had the Transaction been entered into at arm's length on the day in question and are fair, reasonable and made in good faith. Unless specifically required under any applicable laws or regulations, CICCHKS shall not be liable to account to the Client for, or disclose to the Client, any commissions, profits or other benefits whatever resulting from CICCHKS carrying out any of the above actions or entering into any of the above transactions, nor shall it be deemed to be affected with notice of or to be under any duty to disclose to the Client any fact or thing which may come to its knowledge or that of any of its employees or in relation to performing any such actions or entering into any such transaction. CICCHKS may retain such commissions, profits or other benefits for its own account.

**10.2 Interested parties:** The Client acknowledges that:

- (a) directors, officers, agents and shareholders of the Client are or may be interested in CICCHKS as directors, officers, shareholders or otherwise;
- (b) directors, officers, shareholders and agents of CICCHKS are or may be interested in the Client as directors, officers, shareholders or otherwise; and
- (c) Affiliates (or any of them) are or may be interested in the Client or in any Transaction with the Client or CICCHKS.

**10.3 Other remuneration:** CICCHKS may, to the extent in compliance with all applicable laws and regulations:

- (a) receive and retain commission, cash rebates, goods and services and other soft dollar benefits arising out of (i) entering into Transactions for or with the Client and (ii) client referrals from any agent, delegate, broker, Affiliate and other person in connection with such Transactions and client referrals;
- (b) pay or share commission, cash rebates, goods and services and other soft dollar benefits arising out of (i) entering into Transactions for or with the Client and (ii) client referrals to any agent, delegate, broker, Affiliate and other person in connection with such Transactions and client referrals; and
- (c) make and retain gains by entering into Transactions for or with the Client at prices which are different to the prices at which CICCHKS has entered into with any other person (including any Affiliate).



## 11. REPRESENTATIONS AND WARRANTIES

11.1 **General representations and warranties:** The Client represents and warrants to CICCHKs on a continuing basis (such representations and warranties being deemed to be repeated every time a Transaction contemplated under these Terms and Conditions is entered into) that:

- (a) any information relating to it contained in the Account Opening Form or other information supplied by or on behalf of the Client to CICCHKs in connection with these Terms and Conditions (including any information provided to CICCHKs to enable CICCHKs to comply with its suitability obligations under the SFC Code of Conduct)<sup>2</sup> is true, accurate and complete and CICCHKs is entitled to rely on such information until CICCHKs has received notice in writing from the Client in respect of changes to that information;
- (b) (in the case the Client is a corporation) it is validly incorporated and existing under the laws of its place of incorporation;
- (c) it has the full power, capacity and authority to enter into these Terms and Conditions and the Transactions contemplated therein, and to perform its obligations under these Terms and Conditions and the Transactions and (where applicable) its entering into of these Terms and Conditions and Transactions has been duly authorised by its governing body and is in accordance with its constitutive documents and all applicable laws and regulations;
- (d) these Terms and Conditions have been duly executed and delivered by the Client and constitute the Client's valid and binding obligations;
- (e) the entering into and the performance of its obligations under these Terms and Conditions (including any relevant Transaction entered into or any Instruction given) will not breach or cause to be breached any undertaking, agreement, contract, by-law or other organisational document or the applicable laws and regulations. In particular, it is not domiciled or resident in or a national of any country or jurisdiction which would restrict it from purchasing, subscribing for or holding any Investment which the Client has acquired or intends to acquire. The Client will promptly inform CICCHKs if it becomes subject to such restrictions and the Client acknowledges and agrees that it may be required to dispose of such Investment(s) in these circumstances;  
  
it is lawfully authorised to enter into each Transaction and has obtained and maintained all necessary authority, powers, consents, licences and authorisations in connection with the entering into and performance of its obligations under these Terms and Conditions and all conditions attached to any such authority, powers, consents, licences and authorisations have been and will be complied with;
- (f) any Authorised Person and any person representing the Client in entering into these Terms and Conditions and any Transaction has been duly authorised to do so on its behalf;
- (g) it has the full and unqualified right to transfer Collateral to CICCHKs as required under these Terms and Conditions and any transfer will be free and clear of any lien, claim, charge or encumbrance;
- (h) save where it is acting on behalf of one or more customers, it is and will continue at all times to be the absolute and sole beneficial owner of all Investments in the Client's Account, free

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<sup>2</sup> Please refer to Note 2 in Part E- Explanatory Notes.

from all liens, charges, options, encumbrances and third party rights whatsoever (except any lien, charges, options and encumbrances created under these Terms and Conditions);

- (i) it shall pay all calls, instalments and other amounts due in respect of the Client's assets and Investments held by CICCHKS when due;
- (j) the Client understands the nature, terms and risks associated with the Transactions contemplated under these Terms and Conditions;
- (k) the Client understands all the terms and conditions of a Transaction prior to entering into such Transaction and, if the Client has any doubts regarding the terms and conditions of the Transaction, the Client will request further information and/or documentation (including, but not limited to, any product or contract specification, prospectus or other offering document in connection with such Transaction) from CICCHKS or its own independent financial adviser;
- (l) the Client is capable of making its own assessment to enter into a Transaction and as to whether such Transaction is appropriate in light of the Client's financial situation, investment experience and investment objectives (based upon the Client's own judgement and advice received from such independent advisers as the Client deems necessary) and the Client has undertaken such assessment prior to entering into the Transaction. For the avoidance of doubt, this does not affect and is not meant to be a derogation from CICCHKS' obligations under Clause 2.5<sup>1</sup>;
- (m) the Client is responsible for making all decisions to enter into a Transaction and any decision to enter into a Transaction will be made at the Client's own risks and the Client understands that CICCHKS has no responsibility or obligation regarding any condition, action or other third party in connection with entering into a Transaction;
- (n) the Client agrees and understands that no communication, whether written or oral, received from CICCHKS shall be deemed to be an assurance or guarantee as to the expected returns of, performance of or profitability of any Transaction;
- (o) unless it notifies CICCHKS in accordance with Sub-Clause 3.6 of Part A, it will be acting as principal in relation to all Transactions and not as trustee or agent or on behalf of any other person and all such Transactions are effected for the benefit of the Client and no other person has any interest in those Transactions;
- (p) if (i) it is acting on its own behalf, the Transactions effected are legitimate and all monies and assets applied to such Transactions are the result of bona fide activities and (ii) it is acting on behalf of one or more clients (the identities of which have not been disclosed to CICCHKS), it has conducted and satisfactorily completed its internal "know-your-client" and anti-money laundering procedures on each such client in accordance with applicable laws and regulations and will continue to comply with such procedures in relation to each of those clients;
- (q) if it is acting as agent on behalf of one or more customers, the customer(s) has/have the requisite capacity, power, authority, consents, licences and authorisations to enter into any Transaction contemplated under these Terms and Conditions and the Client has carried out the requisite due diligence to satisfy itself of this and of the suitability for the customer(s) of

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<sup>2</sup> Please refer to Note 2 in Part E- Explanatory Notes.

the Transactions the Client will enter into with CICCHKS or its Affiliates on its/their behalf<sup>3</sup>. In addition, the customer(s) has/have given the Client proper authority to enter into these Terms and Conditions on its/their behalf and to enter into all Transactions that the Client will enter into on its/their behalf pursuant to these Terms and Conditions;

- (r) subject to any security interest of CICCHKS or any Affiliate created pursuant to any agreement between CICCHKS or such Affiliate and the Client, all Securities deposited by the Client into any Account are fully paid with valid and good title;
  - (s) it has not had any action or steps taken against it which amounts to or is likely to amount to an Insolvency Event and is not entering into any Transaction with the intent to hinder, delay or defraud any person to which it is, or may become, indebted;
  - (t) it has satisfied itself and will continue to satisfy itself as to the tax implications in relation to these Terms and Conditions and any Transaction;
  - (u) in connection with entering into a Transaction, it will comply with all applicable laws and regulations (including but not limited to those relating to market manipulation, insider dealing and disclosure of interest requirements), all relevant restrictions, and the terms and conditions of all relevant agreements and offering documents;
  - (v) no Event of Default has occurred and/or is continuing; and
  - (w) the Client is not a US Person and will notify CICCHKS if this changes
- 11.2 **Risk disclosures:** The Client acknowledges and agrees that it has read and understood the Risk Disclosure Schedule provided by CICCHKS. The Client also acknowledges that it has read and understood the risks of investing in the Investments and is financially capable of sustaining any Losses which may result from such Investments<sup>4</sup>.

## 12. COVENANTS AND UNDERTAKINGS

- 12.1 **Information:** The Client undertakes to notify CICCHKS immediately in writing of (a) changes to its particulars (including name, address, telephone and facsimile numbers, identification documents and, if applicable, seal or chop used for giving Instructions to CICCHKS in respect of or the use of the Services) and (b) any material change in any other information previously supplied to CICCHKS, including information regarding its financial situation, investment experience and investment objectives<sup>5</sup> CICCHKS will not be responsible for acting on any Instruction based on the previous information given prior to receiving such written notice.
- 12.2 **Compliance:** The Client undertakes to comply, at its own cost, with these Terms and Conditions and the applicable laws and regulations in respect of all Transactions and Investments. The Client further undertakes to ensure at all times that it obtains and complies with the terms of, and does all that is necessary to maintain in full force and effect, all authority, powers, consents, licences and authorisations necessary for the entering into or performance of its obligations under these Terms and Conditions.
- 12.3 **Notice:** The Client undertakes to give notice promptly to CICCHKS of the occurrence of any Event of Default or potential Event of Default, including its nature and the steps being taken by the Client to remedy or mitigate the effect of the Event of Default or potential Event of Default. In addition,

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<sup>3</sup> Please refer to Note 3 in Part E- Explanatory Notes.

<sup>4</sup> Please refer to Note 4 in Part E- Explanatory Notes.

<sup>5</sup> Please refer to Note 5 in Part E- Explanatory Notes.

the Client undertakes to notify CICCHKS immediately if it (i) proposes to enter into any transactions which may trigger reporting or approval requirements; or (ii) proposes to enter into any transactions which may cause CICCHKS, any of its Affiliates or the Client to be in breach of any applicable law or regulation (including any insider trading provisions or any provision relating to the disclosure of substantial shareholdings). The Client agrees that CICCHKS and any of its Affiliates (or any of their directors, officers, employees, agents, delegates or representatives) shall not be responsible for monitoring or advising the Client in respect of its obligations under this Sub-Clause.

12.4 **Illegal activities:** The Client undertakes not to use the Account or carry out or enter into any Transactions or Investments for the purposes of money laundering, terrorist financing or to utilise funds obtained from illicit, criminal or illegal activities.

12.5 **Cooperation:** The Client undertakes to cooperate with CICCHKS to the full extent possible in the prosecution or defence of any action or proceeding brought by or against CICCHKS or by or against any third party in relation to any Transaction or Service. The Client further undertakes to provide such information as may be required by CICCHKS for compliance with the applicable laws and regulations (including but not limited to information relevant for the purposes of complying with the laws and regulations regarding anti-money laundering and tax whether in or outside Jurisdiction) and confirms that such information provided by it is accurate, complete and not misleading.

**Further assurances:** The Client undertakes to execute all such instruments or documents and do all such acts or deeds (at the Client's own cost) as may be required by CICCHKS from time to time or in connection with any provision under these Terms and Conditions.

## 12A UNDERTAKINGS BY CICCHKS

12A.1 **Notification by CICCHKS:** Where the Client is neither an Institutional Professional Investor nor an Exempt Corporate Professional Investor, CICCHKS undertakes to notify the Client of any material change (a) in respect of CICCHKS' business which may affect the Services and (b) to the information provided in connection with these Terms and Conditions, including (i) nature of Services to be provided or available to the Client; (ii) description of any remuneration (and basis for payment) for such Services, (iii) where applicable, details of Margin requirements, interest charges and circumstances under which the Client's position may be closed without the Client's consent, and (iv) name, address and licence/registration status of CICCHKS<sup>4</sup>.

## 13. COLLECTION AND DISCLOSURE OF INFORMATION

13.1 **Information from clients:** CICCHKS may, in the performance of its obligations under the relevant laws, regulations and these Terms and Conditions, require the Client and each of its Authorised Persons from time to time to provide certain Relevant Information (including Personal Data).

13.2 **Information to clients:** In performing its obligations under these Terms and Conditions, CICCHKS shall not be obliged to disclose to the Client or take into consideration any information, fact, matter or thing unless:

- (a) such information, fact, matter or thing is not held solely on the other side of a Chinese Wall from the individual making the decision or taking the step in question;
- (b) disclosure or use of such information, fact, matter or thing would not breach a duty of confidence to any other person or result in a breach of the law; and
- (c) such information, fact, matter or thing has come to the actual notice of the individual making the decision or taking the step in question (whether or not it comes to the notice of any officer, director, employee or agent of CICCHKS or any Affiliate).

No further disclosure to, or consent from, the Client is required in relation to or as a result of any matter referred to in this Sub-Clause 13.2.

**13.3 Disclosure of information:**

- (a) It is CICCHKS' policy to observe the applicable data protection and privacy laws and regulations in the collection, maintenance and use of Relevant Information.
- (b) From time to time, the Client may be required to supply CICCHKS with Relevant Information in connection with the opening or maintenance of an Account, provision of a Service or the Client's relationship with CICCHKS generally. The Client understands that failure to supply such Relevant Information may result in CICCHKS being unable to open or maintain an Account, provide or continue to provide a Service or maintain the Client's relationship with CICCHKS.
- (c) The purposes for which Relevant Information relating to the Client may be used (including transferred), collected and disclosed by CICCHKS include:
  - (i) carrying out the daily operations of the Accounts and Services provided to the Client;
  - (ii) conducting credit checks and ensuring ongoing creditworthiness of the Client;
  - (iii) designing financial services or related products or services for the Client's use;
  - (iv) risk management, internal audit or client account management;
  - (v) marketing financial services or related products or services;
  - (vi) determining the amount of indebtedness owed to or by the Client;
  - (vii) collecting amounts outstanding from the Client and those providing security for the Client's obligations;
  - (viii) meeting the requirement to make disclosure under the applicable laws and regulations including but not limited to the United States federal law, the Foreign Account Tax Compliance Act;
  - (ix) making disclosure at the request of any governmental body, authority or regulator having jurisdiction over CICCHKS or its Affiliates (including but not limited to the SFC and CSRC), or as required by law, regulations or otherwise;
  - (x) commencing, defending or otherwise participating in any legal or administrative proceedings or inquiry before any court or competent authority;
  - (xi) enabling an actual or proposed assignee, sub-participant or other transferee of CICCHKS' rights under these Terms and Conditions and any other agreement entered into for a specific Transaction to evaluate the Transaction intended to be the subject of the assignment, sub-participation or transfer; and
  - (xii) any purpose relating to the above.
- (d) The Client authorises and permits CICCHKS and any officer of CICCHKS to disclose any Relevant Information with respect to the Client as CICCHKS shall consider appropriate for any purposes to:

- (i) any Affiliate (including the head office and any branches and representative offices of CICCHKS) wherever located;
- (ii) any agent, contractor, third party service provider or any other person (wherever situated):
  - (A) to (or through) whom CICCHKS assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations pursuant to any of the Services or proposed Services;
  - (B) with (or through) whom CICCHKS enters into (or may potentially enter into) any transaction in connection with the purchase or sale of any credit insurance or any other contractual protection or hedging with respect to the Client's obligations under any of the Services or proposed Services;
  - (C) with whom CICCHKS enters into (or may potentially enter into) any contractual or other arrangement in relation to any of the Services or proposed Services;
  - (D) who provides administrative, telecommunication, computer, payment or securities clearing or other services to CICCHKS in connection with the operation of its business or to whom CICCHKS outsources the performance of its operational functions (including CICCHKS' printer or other agents for the purposes of dispatch or sending out notices, circulars, newsletters, reports or any other correspondence to the Client from time to time);
  - (E) which CICCHKS appoints as its custodian, agent or broker or to whom CICCHKS delegates any of its duties, functions or obligations under these Terms and Conditions;
  - (F) pursuant to the procuring or management of data relating to any of the Services or proposed Services or the Client;
  - (G) who is a person, or who belongs to a class of persons, specified in the applicable laws and regulations;
  - (H) to whom (including all government or quasi-government agencies, regulators, securities exchanges, future exchanges, fiscal, monetary and/or any other authorities wherever situated) such disclosure is required by the applicable laws and regulations or pursuant to the directives or requests of any of those persons (including in respect of the Client's holdings of financial instruments (irrespective of where they are traded, held, registered, held in custody or processed));
  - (I) as necessary in order for CICCHKS to validly effect, manage, administer and/or enforce any Services or Transactions requested or authorised by the Client;
  - (J) who provide introducing services to CICCHKS or to whom CICCHKS provides introductions or referrals;
  - (K) to whom CICCHKS is under a duty to disclose;

- (L) with (or through) whom CICCHKS enters into any Transaction as counterparty, or who is the issuer, vendor, purchaser or any agent of any of them; and
  - (M) to whom CICCHKS considers it appropriate in order to allow the Client to claim double taxation treaty relief under any applicable, reduced withholding tax rate upon the Client's return of investment in countries with withholding tax regimes;
  - (iii) any governmental body, authority or regulator, whether in or outside the Jurisdiction, for the purpose of determining the tax liability of the Client or otherwise; and
  - (iv) any governmental body, authority or regulator having jurisdiction over CICCHKS or its Affiliates (including but not limited to the SFC and CSRC), for the purpose of meeting their request or as required by law, regulations or otherwise;
  - (v) any auditor, legal and/or other professional adviser of CICCHKS or any other person under a duty of confidentiality to CICCHKS.
- (e) The Client understands and agrees that CICCHKS may disclose Relevant Information to any or all of the parties stated in Sub-Clause 13.3(d) of Part A and may do so regardless of the recipient's place of business or that such information following disclosure will be collected, held, processed or used by such recipient in whole or in part outside the Jurisdiction.
  - (f) In addition to the above, the Client acknowledges and confirms that CICCHKS is regulated by and is subject to the regulatory notices, rules, guidelines, regulations, orders, promulgations and directives as issued by the relevant regulators in the Jurisdiction (in each case, as may be amended, varied, supplemented or replaced from time to time) and expressly authorises and permits CICCHKS to disclose any Relevant Information in accordance with the requirements specified in those notices and otherwise.
  - (g) This Clause 13 is not, and shall not be treated as constituting, an express or implied agreement by CICCHKS with the Client for a higher degree of confidentiality than that prescribed in the applicable laws and regulations. The rights conferred on CICCHKS in this Clause 13 shall be in addition to and shall not be in any way prejudiced or affected by any other agreement, expressed or implied, between the Client and CICCHKS in relation to any Relevant Information nor shall any such other agreement be in any way prejudiced and/or affected by this Clause 13.
  - (h) Without prejudice to (a) to (g) above, the Client consents to CICCHKS making disclosure to any person to whom any fees, commissions or other amounts may be payable, for the purpose only of determining the amount of such fees, commissions or other amounts, such Relevant Information as may be necessary in order to properly calculate such amount.
  - (i) CICCHKS is subject to all applicable laws and regulations concerning the confidentiality of the Client's affairs. If and to the extent that CICCHKS considers, however, that non-disclosure of information relating to the Client (where such information has been requested by any regulatory authority in any Jurisdiction as a result of judicial proceedings or other regulator) would result in the assets, operations or personnel of CICCHKS or any Affiliates becoming liable to seizure, interference or prejudice, CICCHKS reserves the right to make disclosure of such information. In all other respects, the duty of confidentiality owed by CICCHKS remains unaffected.

- (j) For the avoidance of doubt, the consent and authorisations to CICCHKS with respect to any usage and disclosure of Relevant Information shall continue notwithstanding the death, insolvency or incapacity to act of the Client, the closure of an Account and/or termination of CICCHKS' relationship with the Client.
- (k) The Client acknowledges and accepts the risk that the Relevant Information disclosed may be further disclosed to other persons in accordance with the laws of the country of the recipient. Such disclosure may be wider in scope and less restrictive than the applicable laws and regulations in the Jurisdiction. The Client shall bear all possible consequences resulting from any disclosure and dissemination of information and documents pursuant to these Terms and Conditions.
- (l) If any Relevant Information provided by the Client to CICCHKS relates to any third party, the Client confirms and warrants that it has obtained the consent of such third party to provide such information to CICCHKS for the purposes (including use and disclosure) as stipulated in this Clause 13.

## 14. REFERRALS

- 14.1 **Referral to and engagement of Affiliates:** CICCHKS may subject to all applicable laws and regulations (but is not obliged to) refer the Client to a Referred Entity from time to time. The Client may elect to engage a Referred Entity to provide any service and in such case, the Client shall be solely responsible for complying with the applicable contractual obligations and legal and regulatory requirements with such Referred Entity.
- 14.2 **Relationship:** In referring the Client to a Referred Entity, CICCHKS is, at all times, acting as an independent contractor and not an agent or a representative of the Client. CICCHKS shall not be responsible for any actions and/or omissions of the Referred Entity.
- 14.3 **Waiver of conflicts:** Any prevailing and/or potential conflicts of interest pursuant to the referral arrangements between CICCHKS and Referred Entity shall be unconditionally waived by the Client in favour of CICCHKS and the Referred Entity.
- 14.4 **Non-recourse:** The Client acknowledges that the Client has no right of recourse against CICCHKS in respect of any transaction and/or investment arising from the referral of CICCHKS, save for matters arising from CICCHKS' negligence, wilful default or fraud.

## 15. EXCLUSIONS OF LIABILITY

- 15.1 **General exclusions:** Subject to applicable laws and without prejudice to Clause 2.5<sup>1</sup>, neither CICCHKS nor any of its directors, officers, employees or agents (except where and to the extent that it has been established that it or any of them has acted fraudulently, negligently or in wilful default) shall have any liability whatsoever (whether in contract, tort or otherwise) for any Loss suffered by the Client under or as a result of these Terms and Conditions, including (without limitation) any liability as a result of:
  - (a) any act or omission of CICCHKS pursuant to any Instruction or otherwise as permitted by or under these Terms and Conditions including any execution, failure to execute or mistake in the execution of any Instruction;

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<sup>1</sup> Please refer to Note 1 in Part E- Explanatory Notes.



- (b) any Loss incurred by the Client as a result of or in connection with the transfer to the Client or the collection or deposit or crediting to any Account of invalid, fraudulent or forged Investments or any entry in any Account which may be made in that connection;
  - (c) CICCHKS in good faith acting or relying on any Instruction given by the Client, whether or not such Instruction was given following any recommendation or advice given by CICCHKS or any Affiliate or by any of their directors, officers, employees or agents;
  - (d) any inability, failure or delay on the part of CICCHKS to comply with or carry out any such Instruction or any ambiguity or defect in any such Instruction;
  - (e) any Client's Securities, Collateral and other property being kept in custody pursuant to Clause 7 of Part A;
  - (f) any curtailment of, or restriction on, the capacity of CICCHKS to trade in respect of open positions of any Investment as a result of action taken by any regulator or other authority under the applicable laws and regulations or for any other reason, and that in such circumstances, the Client may be required to reduce or close out its open positions with CICCHKS;
  - (g) any Exchange, Clearing House, agent or other person ceasing for any reason to recognise the existence or validity of any Transaction entered into by CICCHKS on behalf of the Client, or failing to perform or close out positions of any such Transaction provided that such cessation or failure shall not affect the Client's obligations in respect of or arising from any such Transaction; or
  - (h) any misunderstanding or misinterpretation of any Instruction given or placed verbally or electronically, or any interruption, suspension, delay, loss, mutilation or other failure in transmission or wrongful interception of any Instruction or other information however caused (including any equipment or system owned and/or operated by or for CICCHKS).
- 15.2 **Performance:** CICCHKS shall not be responsible or liable for, and gives no warranty or representation in connection with, the performance or profitability of your Account or any part thereof.
- 15.3 **Force majeure:** CICCHKS shall not in any circumstance be liable to the Client for Loss suffered or incurred by the Client by reason of any failure or delay in the performance of CICCHKS' obligations under these Terms and Conditions which is caused by or the result of any event which is not within the reasonable control of CICCHKS, and any such event shall include (without limitation):
- (a) the existence or imposition of any form of foreign exchange control, legal, governmental or regulatory restriction or requirement whatsoever;
  - (b) the closure of or ruling by any Exchange or any one of its divisions;
  - (c) the suspension of trading of any Investment or Underlying on any Exchange;
  - (d) the failure of any Exchange, Clearing House, agent or other person to perform its obligations;
  - (e) the occurrence of an Insolvency Event in relation to a delegate or agent of CICCHKS;
  - (f) the occurrence of fire, flood, war, earthquakes, strikes, acts of God, terrorist action or any disaster;

- (g) the occurrence of any industrial dispute affecting a third party for which a substitute third party is not reasonably available; and
- (h) the occurrence of any breakdown, power failure, failure or malfunction of telecommunications lines, connections or equipments, computer services or systems owned by or supplied by any third party.

15.4 **Indirect damages:** Subject to applicable laws and notwithstanding any provision in these Terms and Conditions other than Clause 2.5<sup>1</sup>, under no circumstances shall CICCHKS be liable to the Client or any other person for any incidental, consequential, indirect, special or exemplary damages of any kind or nature whatever or for any loss of revenue, loss of profit, loss of business, loss of opportunity or loss of goodwill arising from any representation or recommendation, any breach of implied term or any duty at common law or under any statute or express term of these Terms and Conditions, and whether such liability is asserted on the basis of contract, tort or otherwise, whether or not foreseeable, even if CICCHKS has been advised or was aware of the possibility of such indirect damages.

## 16. INDEMNITIES

16.1 **Client's indemnities:** Subject to applicable laws and without prejudice to any provision in these Terms and Conditions, the Client shall fully indemnify and hold harmless the Indemnified Persons and reimburse on demand against any and all Losses that may be suffered or incurred by any or all of the Indemnified Persons, arising out of or in connection with the operation of Client's Account, the provision of any Service or the carrying out of any Instruction or Transaction under these Terms and Conditions, including any Loss resulting from:

- (a) any action or omission by CICCHKS pursuant to these Terms and Conditions;
- (b) any revocation or alteration of any Instruction;
- (c) any information provided by the Client;
- (d) any alleged or actual breach by the Client of any of its obligations under these Terms and Conditions, including any cost reasonably incurred by CICCHKS in collecting debts due to CICCHKS or unpaid deficiency in any Account and in enforcing the rights of CICCHKS, and any penalty charged as a result of any Transaction to CICCHKS by any Exchange and/or Clearing House;
- (e) any interview, enquiry, investigation, litigation or proceeding by or involving any government agency, market, Exchange, Clearing House or other self-regulatory body, or any third party or other market participant with respect to any Account or Transaction; and
- (f) closing of any Account,

except to the extent that the Loss is the direct result of the Indemnified Person's negligence, wilful default or fraud.

16.2 **Acting as agent or trustee to claim benefit of the indemnity:** In the event that for whatever reason, any of the Indemnified Persons is unable to claim the benefit of the indemnity against the Client in Sub-Clause 16.1 of Part A, CICCHKS shall act as agent or trustee (as the case may be) on such Indemnified Person's behalf to claim such benefit.

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<sup>1</sup> Please refer to Note 1 in Part E- Explanatory Notes.

## 17. LIEN, CONSOLIDATION, SET-OFF AND SECURITY

- 17.1 **Lien:** Without prejudice to any right of set-off or other similar right to which CICCHKs may be entitled under the applicable laws and regulations or these Terms and Conditions, all Client assets (including those held jointly with others) held by or in the possession of CICCHKs at any time shall be subject to a general lien in favour of CICCHKs as continuing security to offset and discharge all of the Client's liabilities and obligations, arising from any Investment, Transaction or otherwise, to CICCHKs and any Affiliate.
- 17.2 **Consolidation and set-off:** Without prejudice to any general lien or other similar right, which CICCHKs may be entitled under the applicable laws and regulations or these Terms and Conditions, CICCHKs may, for itself and as agent for any Affiliate, at any time without notice to the Client:
- (a) combine or consolidate any or all Accounts with CICCHKs and/or accounts with any Affiliate (including those held jointly with others); and
  - (b) set off or transfer any of the Client's assets in any of such Accounts or accounts to satisfy obligations or liabilities of the Client to CICCHKs or any Affiliate, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several, and whether or not such obligations and liabilities arise from the purchase and sale of Investments by the Client on a cash-against-delivery basis.
- 17.3 **Security:** As beneficial owner and as continuing security for the payment and satisfaction on demand of all monies and liabilities and the performance of all obligations under these Terms and Conditions (except for any obligations which, if it were so included, would result in these Terms and Conditions contravening Section 275 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)) which are now or any time hereafter may be due, owing or incurred by the Client to CICCHKs or (to the extent permitted by applicable laws and regulations) any of its Affiliates, the Client hereby charges in favour of CICCHKs and (to the extent permitted by applicable laws and regulations) its Affiliates, free of all encumbrances and adverse interests
- (a) by way of a first fixed charge, its interests, benefits and rights in all present and future Securities and monies (including any dividends, rights, monies or property accruing in respect thereof) delivered to, deposited with, transferred to, or held in the possession of, in the name of, or under the control or direction of CICCHKs, any of its Affiliates or the nominee of CICCHKs or any Affiliate; and
  - (b) by way of a first floating charge its interests in all Securities referred to in paragraph (a) above insofar as not already charged by way of fixed charge under these Terms and Conditions.

In the event of the occurrence of any Event of Default, CICCHKs and (to the extent permitted by applicable laws and regulations) any of its Affiliates may, without prior notice to the Client or prior authorisation from any person, sell or otherwise dispose of any of the Charged Property, at the absolute discretion of CICCHKs or (to the extent permitted by applicable laws and regulations) such Affiliate (as applicable) as to the manner and time of sale and consideration and other terms and conditions (but without being in any way responsible or liable for any loss and damage occasioned thereby and howsoever arising) and deduct from the sale proceeds such amount as is necessary to pay, discharge and satisfy the liabilities, indebtedness due and owing to CICCHKs or (to the extent permitted by applicable laws and regulations) such Affiliate by the Client, whether such obligations and liabilities are present or future, actual or contingent, primary or collateral, or joint or several.

The Client must, at its own expense, take whatever action (including executing any instruments or documents) CICCHKs or (to the extent permitted by applicable laws and regulations) any of its

Affiliates may require for: (a) creating, perfecting or protecting any security intended to be created by these Terms and Conditions; or (b) facilitating the realisation of any Charged Property, or the exercise of any right, power or discretion exercisable by CICCHKS or (to the extent permitted by applicable laws and regulations) any of its Affiliates or any of their delegates in respect of any Charged Property.

## 18. EVENTS OF DEFAULT

18.1 **Rights:** Without prejudice to any other right of CICCHKS which it may have under these Terms and Conditions or otherwise at law, upon the occurrence of an Event of Default, CICCHKS may (but is not obliged to) immediately or at any time afterward do any one or more of the following without the Client's consent (where applicable):

- (a) suspend (indefinitely or otherwise) or terminate all or any Service, Account or part of these Terms and Conditions, and accelerate all or any liability of the Client to CICCHKS so that any such liability shall become immediately due and payable;
- (b) decline to accept any further Instructions;
- (c) terminate all outstanding Transactions made by CICCHKS on the Client's behalf (including any Transaction for Securities which has yet to be settled on the day on which the Event of Default occurs);
- (d) close out, replace, reverse, exercise or abandon any one or more Transactions by whatever means CICCHKS considers appropriate;
- (e) settle, cover, reduce or eliminate the Client's positions, contracts or commitments in respect of any Investment by purchasing, selling, borrowing or lending any money, Investment, Underlying or other property or entering into any other Transaction for and on behalf of the Client;
- (f) take such other action as a reasonably prudent person would take in the circumstances to protect CICCHKS' position;
- (g) liquidate or sell any Securities, Collateral or other property, or part of them, at a price which CICCHKS deems appropriate in the circumstances;
- (h) exercise any other power or right which CICCHKS may have under the applicable laws and regulations or these Terms and Conditions;
- (i) in relation to any amount of whatever nature standing to the credit of the Client (including any Securities, Collateral or other property) (i) apply any such amount against any amount which the Client owes to CICCHKS (of whatsoever nature and howsoever arising, including any amount due and unpaid under any Transaction and any contingent amount) and (ii) hold any such amount pending full settlement of any other obligations of the Client;
- (j) demand any amount which the Client owes to CICCHKS (of whatever nature and however arising, including any amount due and unpaid under any Transaction and any contingent amount); and/or
- (k) without prior notice to the Client, exercise any of its rights under Clause 17 of Part A.

18.2 **Adjustments:** If, in relation to any Transaction or otherwise in relation to any Account, an Extraordinary Event, Adjustment Event or a Price Disruption Event occurs, CICCHKS shall have the

sole discretion to determine any adjustment or action necessary in relation to any such Transaction or Account in view of the Extraordinary Event, Adjustment Event or Price Disruption Event. Any such adjustment or action may include (i) determining, altering or varying the quantities of any Investment, Underlying or other property or the exchange rates or specifications (including price, expiry date and any other terms and conditions) of any Investment, Underlying or other property acquired or disposed of in respect of the relevant Transaction, or (ii) terminating the relevant Transaction or Account in question. Any such adjustment or action shall be binding on the Client who shall be liable for any additional Loss incurred by CICCHKS on its behalf or for which it is consequently liable as a result of any such adjustment or action.

18.3 **Settlement and discharge:** Any settlement or discharge between CICCHKS and the Client shall be conditional upon no security provided to, or payment to, CICCHKS being avoided or reduced or required to be paid away by virtue of any requirement (whether or not having the force of law) or enactment, whether relating to bankruptcy, insolvency, liquidation, judicial management or administration or otherwise, at any time in force or by virtue of any obligation to give any preference or priority and in any such event CICCHKS shall be entitled to recover the value or amount of any security or payment from the Client as if such settlement or discharge had not occurred.

18.4 **Sale, liquidation and disposal of assets:** In the event of any sale, liquidation or disposal of Investment, Collateral or other property pursuant to this Clause 18:

- (a) CICCHKS shall not be responsible for any resultant Loss, however arising, if CICCHKS has used reasonable endeavours to sell, liquidate or dispose of Investment, Collateral or other property, in whole or in part at the then available market price;
- (b) CICCHKS shall be entitled to keep for itself or sell, liquidate or dispose of any Investment, Collateral or other property in whole or in part, at the available market price to any person at its discretion without being in any way responsible for any resultant Loss however arising and without being accountable for any profit made by CICCHKS and/or any Affiliate; and
- (c) the Client agrees to pay to CICCHKS any deficiency if the net proceeds of the sale, liquidation or disposal shall be insufficient to cover all the outstanding balances owed by the Client to CICCHKS.

## 19. TERMINATION

19.1 **Without cause:** Without prejudice to any right which CICCHKS has under these Terms and Conditions, CICCHKS or the Client may terminate the provision of any Services under these Terms and Conditions, or any part of them, by giving to the other not less than 30 days' prior notice in writing, unless otherwise agreed between the parties.

19.2 **With cause:** CICCHKS may terminate the provision of any Service under these Terms and Conditions at any time without advance notice to the Client in accordance with any right given to CICCHKS under these Terms and Conditions (such as when an Event of Default occurs) or in order to comply with applicable laws and regulations.

19.3 **Consequences:** Upon termination of these Terms and Conditions (whether pursuant to Sub-Clause 19.1 or 19.2 of Part A):

- (a) all amounts owed by the Client to CICCHKS under these Terms and Conditions or any agreement in connection with these Terms and Conditions shall become immediately due and payable;

- (b) the Client shall instruct CICCHKS as to the proper disposal or transfer of monies and its other properties and if the Client fails to do so within 14 days after such notice is given, CICCHKS may exercise any of its rights under Clause 18 of Part A as if an Event of Default had occurred;
- (c) CICCHKS shall cease to have any obligations to acquire or dispose of Investments for or with the Client in accordance with these Terms and Conditions, notwithstanding any Instruction from the Client to the contrary;
- (d) CICCHKS may terminate, close out or otherwise realise the outstanding positions with respect to all or part of any Transaction or other commitments made on behalf of the Client or with the Client by determining its value in good faith as of the date of the close-out or as soon as practicable after the close-out;
- (e) CICCHKS may sell, realise, redeem, liquidate or otherwise dispose of all or part of the Investments to satisfy all indebtedness of the Client to CICCHKS and any net cash proceeds received by CICCHKS pursuant to such sale, realisation, redemption, liquidation or other disposal shall be returned to the Client, after first deducting or providing for all monies and sums due or owing and other liabilities accrued or accruing due to CICCHKS and outstanding (whether actual or contingent, present or future or otherwise). All Investments not realised or disposed of together with any relevant document of title in CICCHKS' possession shall be delivered to the Client at the Client's sole risk and expense; and
- (f) CICCHKS may close all or any Accounts opened and maintained in the name of the Client.

19.4 **Rights and obligations:** Termination of the provision of Services under this Clause 19 shall take place without prejudice to the completion of Transactions already initiated by CICCHKS for the Client, nor will it prejudice or affect any rights or obligations of CICCHKS or the Client which may have accrued on or before the date of termination.

19.5 **Survival after termination:** All warranties, representations, undertakings, covenants, exclusions and indemnities given by the Client under these Terms and Conditions and the provisions in Clauses 13.3, 15, 17, 19.3, 19.4, 20 and 21 of Part A shall survive termination of these Terms and Conditions.

## 20. COMMUNICATIONS

20.1 **Form:** Communications shall be in written or electronic form which may be delivered in person or transmitted by post, facsimile or electronic mail:

- (a) if to the Client, at the address, facsimile number or electronic mail address given in the Account Opening Form or at such other address, facsimile number or electronic mail address as notified by the Client in writing to CICCHKS; and
- (b) if to CICCHKS, at its address as notified by CICCHKS to the Client from time to time.

20.2 **Timing of receipt:** 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) two (2) Business Days after the date of posting, if sent by local mail; or
- (c) five (5) Business Days after the date of posting, if sent by overseas mail.

20.3 **Notice of death:** In case of the death of the Client who is an individual, until CICCHKS has received written notice of the grant of probate of the will or letters of administration (or legal equivalent) of the estate of the deceased, any Communications by CICCHKS sent and addressed to the deceased shall for all purposes be deemed sufficiently served on the deceased and his personal representatives and shall be as effectual as if the deceased were still living.

## 21. MISCELLANEOUS

### 21.1 Assignment and transfer:

- (a) All provisions of these Terms and Conditions shall be binding and enure to the benefit of CICCHKS and the Client and their respective heirs, executors, administrators, other personal representatives, successors and permitted assigns and transferees, except that the Client's rights and obligations under these Terms and Conditions (including the credit balance of the Account) cannot in any way be assigned, transferred or charged to any third party whether by way of security or otherwise.
- (b) CICCHKS may at any time and from time to time assign or transfer any or all its rights and obligations under these Terms and Conditions, or any instrument in that connection or in connection with any Account, and may deliver all or any of the property then held as security, to its transferee(s), who shall then become vested with all the powers and rights in relation to that property given to CICCHKS or in the instrument transferred, and CICCHKS shall be relieved and fully discharged from any liability or responsibility in relation to that property (but, for the avoidance of doubt, CICCHKS shall retain all rights and powers given under these Terms and Conditions with respect to any and all instruments, rights and properties not so transferred).
- (c) CICCHKS may at any time and from time to time change the office from or through which any Service is provided or made available or at which any Transaction is booked, recorded or affected, or through which it makes or receives payments or deliveries for the purpose of any Service or Transaction.

21.2 **Amendment:** CICCHKS may amend any part of these Terms and Conditions by giving the Client reasonable notice of the changes in writing at any time. Any amendment to these Terms and Conditions shall take effect from the effective date as specified in the notice and the Client will be deemed to have accepted the amendment if it does not terminate the Account and/or the relevant Service (as applicable).

### 21.3 Severability

- (a) **Partial invalidity:** The invalidity or unenforceability of any provision or part of any provision of these Terms and Conditions shall not affect the validity or enforceability of any other provision or part, and any such invalid or unenforceable provision or part shall be deemed to be separate, severable and distinct and no provision or part shall be deemed dependent upon any other such provision or part unless expressly provided for in these Terms and Conditions.
- (b) **Invalidity in certain jurisdictions:** If the whole or any part of a provision of these Terms and Conditions is void, unenforceable or illegal in a jurisdiction, it is severed for that jurisdiction. The remainder of these Terms and Conditions has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This Sub-Clause has no effect if the severance alters the basic nature of these Terms and Conditions or is contrary to public policy.

21.4 **No waiver:** No failure or delay by CICCHKs in exercising any right, power or privilege under these Terms and Conditions shall operate as a waiver, nor shall any single or partial exercise preclude any other or further exercise or the exercise of any other right, power or privilege. Any remedy provided to CICCHKs in these Terms and Conditions is not intended to be exclusive of any other remedy and each and every remedy shall be cumulative and in addition to every other remedy given under these Terms and Conditions now or in the future existing at law or in equity, by statute or otherwise.

21.5 **Illegality:** In any event, if by reason of any applicable laws and regulations or any change to or judicial decision in respect of any applicable laws and regulations or its interpretation, administration or application, it shall become (or it shall appear to CICCHKs that it has or will become) unlawful or otherwise prohibited for CICCHKs to maintain or give effect to any of its obligations under these Terms and Conditions, CICCHKs shall notify the Client to that effect, after which, the Client shall immediately upon receipt of such notification pay all monies owed to CICCHKs by the Client at such time.

## 21.6 **Governing law and jurisdiction**

- (a) **Governing Law:** These Terms and Conditions as well as all rights and obligations under them shall be governed by and construed in accordance with the laws of the Jurisdiction.
- (b) **Applicable Laws:** These Terms and Conditions as well as all of the Client's and CICCHKs' rights and obligations, and Transactions made and Services provided, under these Terms and Conditions shall be subject to all applicable laws and regulations of the Jurisdiction.
- (c) **Exclusive Jurisdiction:** With respect to any suit, action or proceedings relating to these Terms and Conditions, both parties irrevocably submit to the exclusive jurisdiction of the courts of the Jurisdiction.
- (d) **Process agent:** If the Client does not have an address in the Jurisdiction, the Client undertakes to nominate an agent with an address in the Jurisdiction to accept service of any legal process in the Jurisdiction on its behalf. Such agent shall acknowledge in writing to CICCHKs its appointment as such agent. Service of legal process on such agent shall be treated as constituting service on the Client.

## 22 **Third Party Rights**

No person other than CICCHKs and the Client will have any right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623, Laws of Hong Kong) to enforce any terms of, or enjoy any benefit under these Terms and Conditions.



## PART B – SERVICES

### Schedule I Listed and Plain Vanilla Securities

This Schedule I shall, in addition to the provisions in Part A (as supplemented by the relevant Supplement), apply in connection with any Transactions involving Listed and Plain Vanilla Securities (as defined below).

#### 1. DEFINITIONS

Capitalised terms used in this Schedule I shall have the same meanings as those defined in the Glossary, unless the context otherwise requires.

In this Schedule I:

**"Listed and Plain Vanilla Securities"** means:

- (a) stocks, shares, units and other equity securities that are traded on any Exchange;
- (b) plain vanilla bonds, convertible bonds, warrants, notes and other debt securities, whether or not they are traded on any Exchange;
- (c) certificate of deposits, whether or not they are traded on any Exchange;
- (d) investment products and derivative instruments or commonly referred to as "structured investment products" that are traded on any Exchange; and
- (e) other interests, rights, properties or investments in whatever form as determined by CICCHKS to be securities relevant to this Schedule I.

For the avoidance of doubt, it does not include any Interests in Funds (as defined in Schedule IV) or any instruments that are futures contracts and CICCHKS shall in its absolute discretion determine whether any Investment falls within the meaning of "plain vanilla".

**"Settlement Date"** means the date specified in the relevant Confirmation for payment or delivery under a Transaction.

#### 2. SCOPE OF THIS SCHEDULE I

2.1 **Application:** This Schedule I shall apply to all Transactions in Listed and Plain Vanilla Securities, including:

- (a) the purchase of or subscription for Listed and Plain Vanilla Securities;
- (b) the sale or disposal of Listed and Plain Vanilla Securities;
- (c) the borrowing or lending of Listed and Plain Vanilla Securities; and
- (d) the entering into of a transaction as determined by CICCHKS from time to time to be a transaction in Listed and Plain Vanilla Securities..

2.2 **Execution of a Transaction:** CICCHKS will execute orders for Transactions in Listed and Plain Vanilla Securities on the Client's behalf and upon the Client's specific Instructions if such Listed and Plain Vanilla Securities are of a type and are traded on markets in which CICCHKS is prepared at its discretion to transact. CICCHKS may, on the Client's Instructions, effect Transactions on any

Exchange or with such counterparty, negotiate and execute counterparty and account opening documentation on the Client's behalf and take all routine or day-to-day decisions and otherwise act as CICCHKS considers appropriate in implementing the Client's Instructions. CICCHKS may take such steps as are necessary to enable it to comply with the rules, regulations and proper market practices of any relevant market, Exchange or Clearing House.

- 2.3 **Binding agreement:** A Transaction is legally binding on the Client at the time when such Transaction is entered into by the Client or by CICCHKS on behalf of the Client. In relation to Listed and Plain Vanilla Securities traded on an Exchange, the terms and conditions of such Transaction shall be, where applicable, subject to and in accordance with the contract specifications required by that Exchange and the procedures, constitutive documents, rules and regulations of that Exchange, or recorded in a Confirmation, regardless of whether or not such terms and conditions (including any product or contract specifications and any prospectus or offering document) were given to the Client before such Transaction was entered into. Such Confirmation shall be, in the absence of any obvious error, evidence of the binding terms and conditions of such Transaction. In the event of any inconsistency between the terms and conditions in the Confirmation and these Terms and Conditions, the Confirmation shall prevail. The Confirmation will be issued by CICCHKS to the Client in accordance with Clause 8 of Part A. Any delay or failure in delivering a Confirmation will not affect the validity of such Transaction.
- 2.4 **Available Listed and Plain Vanilla Securities:** CICCHKS may determine from time to time the Listed and Plain Vanilla Securities that are available for entering into a Transaction pursuant to these Terms and Conditions.
- 2.5 **Provision of information:** Where required under applicable laws and regulations and/or upon request by the Client, CICCHKS shall provide to the Client product or contract specifications, prospectus and other offering document in respect of any Listed and Plain Vanilla Securities that are available pursuant to Sub-Clause 2.4 of this Schedule I.
- 2.6 **Operation:** CICCHKS is authorised to:
- (a) pay all dividends, distributions or other benefits accrued in respect of Listed and Plain Vanilla Securities held in CICCHKS' custody that are in the name of the Client in accordance with Sub-Clause 7.5 of Part A;
  - (b) credit proceeds of a Transaction to and debit all payments, costs and other amounts arising as a result of a Transaction (on such date as CICCHKS may determine for the purpose of effecting such Transaction) from the relevant Account, or otherwise as agreed with the Client;
  - (c) credit any Listed and Plain Vanilla Securities purchased on behalf of the Client to, and withdraw any Listed and Plain Vanilla Securities pursuant to or as a result of a Transaction (on such date as CICCHKS may determine for the purpose of effecting such Transaction) from the relevant Account; and
  - (d) not effect an Instruction if there are insufficient funds in the relevant Account (CICCHKS may however at its discretion act on such Instruction without approval of or giving prior notice to the Client).
- 2.7 **Transactions on different Exchanges:** The Client acknowledges that there may be varying levels and types of protection in relation to Transactions on different Exchanges.

- 2.8 **Time of the essence:** Time shall in all respects be of the essence in relation to the Client's performance of all of its obligations in respect of a Transaction (including any settlement obligation) under this Schedule I.
- 2.9 **Relationship:** Without prejudice to any other provisions of these Terms and Conditions, the Client acknowledges and consents that in entering into a Transaction which it has instructed CICCHKS to effect, CICCHKS may:
- (a) (subject to applicable laws and regulations) enter into such Transaction with the Client as principal or counterparty and pursuant to Clause 10 of Part A, CICCHKS shall be absolutely entitled to all gains, profits and benefits derived from such Transaction;
  - (b) enter into such Transaction for another person with the Client (whether or not at the same time acting as agent of the Client) by acting as agent of that person; or
  - (c) enter into such Transaction by acting as agent of the Client.

### 3. DEALING PRACTICES

- 3.1 **Handling of orders:** CICCHKS may, at its discretion, determine the priority in the execution of any Instruction for an order to enter into a Transaction, including:
- (a) the Client's orders;
  - (b) CICCHKS' own orders;
  - (c) orders of persons connected with CICCHKS; and
  - (d) orders of other persons, having due regard to the sequence in which such orders were received and the applicable laws and regulations, and the Client shall not have any claim of priority to another client as such.
- 3.2 **Aggregation of orders:** CICCHKS may aggregate the Client's order with:
- (a) CICCHKS' own orders;
  - (b) orders of persons connected with CICCHKS; or
  - (c) orders of other persons.

Market conditions may not permit the Client's aggregated order to be executed at once or in a single transaction. In such event, CICCHKS may execute such order over such period as it deems appropriate and report to the Client a volume weighted average price for a series of Transactions so executed instead of the actual price of each Transaction.

- 3.3 **Confirmations:** The Client acknowledges and agrees that, in the case that there is more than one purchase or sale Transaction (as the case may be) of the Securities in the Account during the same day, the price to be provided in the Confirmation, contract note or daily statement of account shall be the average price per unit of the total purchase or sale (as the case may be) of the Securities.
- 3.4 **Execution practices:** CICCHKS may not (for various reasons including restrictions on the trading practices of the relevant Exchange) be able to execute an Instruction for an order to enter into a Transaction at prices quoted "at best" or "at market".

- 3.5 **Position and transaction limits:** CICCHKS may at its discretion impose or vary any position or transaction limit for trading Listed and Plain Vanilla Securities from time to time and the Client shall not exceed such position or transaction limits imposed, which may include minimum sizes for Transactions. The Client acknowledges that, in certain circumstances, the effect may be an immediate change in limits or levels of and/or require additional Collateral to be deposited immediately, and the Client waives any right to object on the grounds that such variation of positions or transaction limits are or were unreasonable.
- 3.6 **CICCHKS' rights:** In addition to Sub-Clause 3.5 of this Schedule I, CICCHKS shall have the right to:
- (a) refuse to accept any Instruction in relation to an order to enter into a Transaction that establishes a new position;
  - (b) assign limits or limit Transactions or sizes of any open position which the Client may carry with it at any time;
  - (c) require the Client to reduce open positions carried with it; and
  - (d) close out or otherwise liquidate existing positions if it deems necessary for its or the Client's protection.

The Client shall not knowingly, either alone or in concert with others, allow its open position with CICCHKS and/or other brokers to exceed any position or transaction limit as may be imposed pursuant to Sub-Clause 3.5 of this Schedule I.

#### 4. NEW LISTING OF SECURITIES

- 4.1 **Additional representations and warranties:** In the event that the Client requests and authorises CICCHKS to apply for Listed and Plain Vanilla Securities in respect of a new listing and/or issue of Listed and Plain Vanilla Securities on any Exchange as its agent for its benefit or for the benefit of any other person, the Client, in addition to the representation and warranties given in these Terms and Conditions, represents and warrants to CICCHKS that:
- (a) it shall have authority to make such application and satisfies all eligibility criteria set out in the prospectus, application form and other relevant documentation in respect of such new listing and/or issue;
  - (b) it has read and understood the prospectus, application form and other relevant documentation in respect of the new listing and/or issue, and it agrees to be bound by and will comply with all the terms and conditions governing the Listed and Plain Vanilla Securities of the new listing and/or issue and the application for such new Listed and Plain Vanilla Securities set out in the prospectus, application form and other relevant documentation in respect of such new listing and/or issue;
  - (c) it has not submitted and will not submit, directly or indirectly, multiple applications for its benefit in the subscription tranche;
  - (d) it has not made and will not make, directly or indirectly, any application for its benefit in the placing tranche (where applicable); and
  - (e) it is not a director, chief executive or shareholder of the issuer or any of its affiliates.

4.2 **Additional undertakings:** The Client, in addition to the undertakings given in these Terms and Conditions, undertakes that:

- (a) it shall give CICCHKS all the representations, warranties and undertakings which an applicant for Listed and Plain Vanilla Securities in a new listing and/or issue is required to give (whether to the issuer, sponsors, underwriters or placing agents of the relevant Listed and Plain Vanilla Securities, the relevant Exchange or any other relevant regulator or person);
- (b) it authorises CICCHKS to disclose and warrant to the relevant Exchange on any application form (or otherwise) and to any other person as appropriate, that any such application made by CICCHKS as its agent is the only application made, and the only application intended to be made, by CICCHKS or on CICCHKS' behalf, to benefit the Client or the person for whose benefit the Client is applying (this shall be relied upon by CICCHKS and by the issuer, sponsors, underwriters or placing agents of the relevant Listed and Plain Vanilla Securities, the relevant Exchange or any other relevant regulator or person in respect of any application made by CICCHKS as the Client's agent); and
- (c) it will provide to CICCHKS 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 CICCHKS may in its sole and absolute discretion determine from time to time.

4.3 **Bulk application:** In relation to a bulk application to be made by CICCHKS or CICCHKS' agent on CICCHKS' own account and/or on behalf of the Client and/or CICCHKS' other clients:

- (a) the Client acknowledges that such bulk application may be rejected for reasons which are unrelated to the Client and the Client's application, and neither CICCHKS nor CICCHKS' agent shall, in the absence of fraud, negligence or wilful default, be liable to the Client or any other person in consequence of such rejection;
- (b) the Client shall indemnify CICCHKS in accordance with the indemnity provisions of these Terms and Conditions if such bulk application is rejected either in circumstances where the representations and warranties have been breached or otherwise because of factors relating to the Client (and, in such event, the Client may also be liable in damages to other persons affected by such breach or other factors); and
- (c) notwithstanding Sub-Clause 4.1 of this Schedule I, in the event that the bulk application is only partially filled, CICCHKS shall be entitled to allocate the Securities allotted at its absolute discretion and the Client shall not have any claim against CICCHKS in relation to the Securities or claim of priority to another client in relation to the application.

## 5. SETTLEMENT

5.1 **Payment and delivery:** On the Settlement Date, in relation to each Transaction (where applicable), the Client shall make payment or delivery as specified in each Confirmation. Payments shall be made on each relevant Settlement Date for value as specified in the relevant Confirmation or otherwise pursuant to these Terms and Conditions. Where settlement is by delivery, such delivery will be made for receipt on the Settlement Date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in these Terms and Conditions.

5.2 **Cleared funds and good title:** In respect of each Transaction, unless otherwise agreed by CICCHKS or CICCHKS is already holding monies or the relevant Listed and Plain Vanilla Securities or Underlyings on the Client's behalf to settle each such Transaction, the Client shall pay all monies to CICCHKS in cleared funds or deliver to CICCHKS the relevant Listed and Plain

Vanilla Securities or Underlyings which are fully paid with valid and good title and in deliverable form by such time as CICCHKS has notified the Client in relation to each such Transaction.

- 5.3 **Payment notification:** The Client shall immediately notify CICCHKS after payment of funds to CICCHKS by delivering to CICCHKS written evidence of such payment. The Client acknowledges that payment of funds to CICCHKS may not be accredited to Client's Account or reflected in any statement of account until such notification is received by CICCHKS. The Client agrees that any interest payable to or receivable by CICCHKS under Sub-Clause 6.5 of Part A shall be calculated on this basis.
- 5.4 **Settlement of options contracts:** In respect of a Transaction of an options contract traded on an Exchange under this Schedule I:
- (a) if such options contract is cash-settled, upon the exercise of that options contract, the Client shall make cash payment to or receive cash payment from CICCHKS the difference (if any) between the exercise price of the Underlying in the options contract and official settlement price of the Underlying (in the case of both a call and a put option); or
  - (b) if such options contract is physically-settled and the Client intends to make physical delivery, the Client will provide to CICCHKS the type, quality and quantity of the Underlying required for making delivery; or if the Client intends to take physical delivery, the Client will provide to CICCHKS the amount of money necessary to pay for delivery. Any failure by the Client to provide such Underlying or payment to CICCHKS within the time required by CICCHKS shall relieve CICCHKS of any obligation to give such notice of exercise on behalf of the Client.

In relation to paragraph (b) above, the Client acknowledges that exercise assignment notices (where applicable) are allocated by the relevant clearing corporation at any time during the day. CICCHKS will allocate such notices on a fair and reasonable basis.

- 5.5 **Requests in relation to delivery:** The Client shall comply with all requests from CICCHKS in connection with any open position that could result in a delivery or delivery obligation, including any request requiring the Client to deliver the Underlyings or notice of delivery intention (or notice of intention not to deliver) at least one (1) Business Day prior to any applicable delivery date or such earlier time as required by applicable laws and regulations.
- 5.6 **Conditions precedent:** Unless CICCHKS otherwise agrees with the Client, if CICCHKS is obliged to make payment or delivery to the Client in relation to a Transaction, such payment or delivery is subject to the condition precedent that there is no Event of Default subsisting.
- 5.7 **Failure to settle:** If:
- (a) in the event that the Client fails to deliver Listed and Plain Vanilla Securities, Underlyings or money to CICCHKS within the time required by CICCHKS under the terms of the contract relating to a Transaction, CICCHKS shall be entitled to, without further notice or demand, (i) borrow or purchase in the market (at the prevailing market price) the relevant Listed and Plain Vanilla Securities or Underlyings required for delivery in respect of such sale effected for the Client in order to complete the settlement of the relevant Transaction, or (ii) accept delivery of Listed and Plain Vanilla Securities or Underlyings and sell such Underlying at a price to be determined at CICCHKS' discretion, and the Client shall bear all Losses arising out of or in connection with any such Transaction;
  - (b) in the event that (i) the counterparty fails to deliver Listed and Plain Vanilla Securities or Underlyings to the Client or CICCHKS on behalf of the Client under the terms of the

contract relating to a Transaction, (ii) the purchase of the relevant Listed and Plain Vanilla Securities by the Client cannot be effected by the Client or CICCHKS on behalf of the Client for any reason or (iii) CICCHKS at its absolute discretion determines not to purchase the relevant Listed and Plain Vanilla Securities on behalf of the Client, the Client will not be entitled to the relevant Listed and Plain Vanilla Securities at the matched price but shall only be entitled to the monies that it paid for the purchase of the relevant Listed and Plain Vanilla Securities;

- (c) in the event that the Client fails to deposit the necessary settlement amount to CICCHKS or otherwise make payment under the terms of the contract relating to a Transaction, CICCHKS shall be entitled to sell any and all Securities or Collateral held in any Account and use the sale proceeds, after deducting all costs, in settlement of the Transaction; and
- (d) in the event that the counterparty fails to make payment under the terms of the contract relating to a Transaction, the Client shall only be entitled to the relevant Listed and Plain Vanilla Securities but not the sale proceeds of the relevant Listed and Plain Vanilla Securities,

and without prejudice to any of the above, the Client shall bear its own Losses and shall be responsible to CICCHKS for any Losses resulting from its and/or its counterparty's settlement failures.

- 5.8 **Indemnity:** Without prejudice to any indemnity provision in these Terms and Conditions, the Client shall be liable for any deficit resulting from any and all Losses including off-setting transactions and/or transactions initiated and any cost or expense (including commissions and legal costs) incurred by CICCHKS, on a full indemnity basis. In respect of Sub-Clause 5.1 of this Schedule I, the Client shall have no claim against CICCHKS for Losses (a) arising from the Client's failure to make payment or provide the relevant Underlying to CICCHKS, (b) arising from CICCHKS' inability to give notice to exercise an options contract (where applicable) on behalf of the Client or (c) otherwise in connection with any other matter however arising.

## 6. SHORT SELLING

The Client undertakes to notify CICCHKS at the time of placing the relevant Instructions of any Transactions which are short sales and the Client will comply with applicable laws and regulations at all times.

## 7. INSIDE INFORMATION

- 7.1 **Use or disclosure:** The Client acknowledges that, in the event that it is a connected person or it may be a connected person in possession of inside information in relation to a corporation listed on any Exchange, the use or disclosure of such inside information may be regulated or prohibited by applicable laws and regulations. The Client undertakes not to use or disclose the inside information for any unlawful purpose.
- 7.2 **Restrictions:** Access to inside information may render the Client an insider in relation to the corporation listed on an Exchange, and this fact may restrict the Client's ability to disclose such information, to trade, to counsel or procure others to trade, or to carry out other activities in relation to the Listed and Plain Vanilla Securities in question. The Client must make an independent evaluation of any such potential restrictions and ensure compliance with all applicable laws and regulations.
- 7.3 **Notifications:** The Client represents and warrants that, in respect of entering into any Transaction, it is in compliance with all applicable laws and regulations relating to insider dealing and other market

misconduct, and undertakes to notify CICCHKS immediately if this is not the case. The Client further undertakes that it will give CICCHKS such information and/or assurances in relation to compliance with all applicable laws and regulations relating to insider dealing and other market misconduct as CICCHKS may require from time to time.



## Schedule II Securities Margin Account

This Schedule II shall, in addition to the provisions in Part A (as supplemented by the relevant Supplement) and other Schedules, apply in connection with the Facility (as defined below) granted by CICCHKS to the Client.

### 1. DEFINITIONS

Capitalised terms used in this Schedule shall have the same meanings as those defined in the Glossary, unless the context otherwise requires.

In this Schedule II:

References to "**Account**" in the Terms and Conditions are deemed to include the Margin Account as established pursuant to this Schedule.

"**Charge**" means the first fixed charge described in Sub-Clause 3.1 of this Schedule II.

"**Credit Limit**" means the maximum amount of Facility that CICCHKS will grant the Client irrespective of the amount of Client's Collateral and Margin Ratio.

"**Facility**" means a line of credit facility granted by CICCHKS to the Client in order to facilitate acquisitions or holdings of listed Securities by CICCHKS for the Client.

"**IPO Application**" means an application for new listing and/or issue of Securities on the Exchange.

"**Margin Account**" means an Account with the Facility.

"**Margin Call**" means a demand made by CICCHKS pursuant to Sub-Clause 2.5 of this Schedule, requiring the Client to deliver additional Collateral.

"**Margin Ratio**" means the percentage of the value of the Collateral up to which the Client is permitted to borrow (or otherwise to secure other forms of financial accommodation) from CICCHKS against the Collateral.

"**Margin Facility Terms**" means the provisions set out in Part A, Schedule I, this Schedule and the Fee Schedule.

"**New Securities**" means the Securities allocated, purchased or transferred pursuant to the IPO Application.

### 2. MARGIN FACILITY

2.1 **Margin Facility Terms:** The Facility is extended by CICCHKS to the Client in accordance with the Margin Facility Terms.

2.2 **Grant of Facility:** Subject to Sub-Clause 2.5 of this Schedule II, CICCHKS may, at its sole discretion, grant the Client the Facility of such amount up to the Credit Limit as may be notified to the Client from time to time. The Credit Limit available to the Client and the Margin Ratio may be varied by notice by CICCHKS from time to time. Notwithstanding the Credit Limit as notified to the Client, CICCHKS may at its discretion (and shall not be obliged) extend the Facility to the Client in excess of the Credit Limit and the Client agrees that it shall be liable to repay the full amount of any Facility given by CICCHKS in accordance with Clause 7.1 of this Schedule II.

- 2.3 **Purpose of Facility:** The Client acknowledges that the Facility is provided to the Client to facilitate acquisitions or holdings of Securities by CICCHKS for the Client and the Client agrees to use the Facility only for such purpose.
- 2.4 **Drawdown by CICCHKS:** CICCHKS is instructed and authorized by the Client to draw on the Facility to settle any amounts due to CICCHKS in respect of the Client's purchase of Securities, margin maintenance obligations for any position required by CICCHKS, or payment of any commission, interest, expense or other costs owing to CICCHKS, including costs and expenses that may be incurred in connection with the disposal of any Collateral.
- 2.5 **Availability:** CICCHKS will not at any time be obliged to provide any Facility to the Client. In particular, the Client understands that CICCHKS may not provide any Facility to the Client if any of the following circumstances should arise:
- (a) the Client is in default of any provisions of these Terms and Conditions;
  - (b) in the opinion of CICCHKS, there is or has been a material adverse change in the Client's financial condition or in the financial condition of any person which might adversely affect the Client's ability to discharge the Client's liabilities or perform the Client's obligations under the Terms and Conditions;
  - (c) making an advance would cause the applicable Credit Limit to be exceeded; or
  - (d) CICCHKS in its absolute discretion considers it prudent or desirable for its protection not to do so.
- 2.6 **Withdrawal of Collateral:** For so long as there exists any indebtedness to CICCHKS on the Client's part, CICCHKS shall be entitled at any time and from time to time to refuse any withdrawal of any or all of the Collateral and the Client shall not without the advance written consent of CICCHKS be entitled to withdraw any Collateral in part or in whole from its Account.
- 2.7 **Deposit and Margin call:** The Client shall satisfy all Margin Calls in such amount and in such form into a designated Account and within such time as specified by CICCHKS, as CICCHKS in its absolute discretion determines necessary to provide adequate security in respect of the Facility. For the purpose of a Margin Call, CICCHKS shall promptly (a) send the Client a Margin Call notice by electronic mail at the electronic mail address(es) on record; (b) send to the Client a Margin Call notice by facsimile to the facsimile number(s) on record; or (c) contact the Client by telephone on the telephone number(s) on record. The Client agrees that it shall be treated as having been properly notified of the Margin Call at the time of transmission by electronic mail or facsimile (as the case may be) even if the Client fails to receive the written notice, or otherwise CICCHKS fails to contact the Client by telephone. CICCHKS may refuse to execute the Client's Instructions unless the Margin Call has been met.
- 2.8 **Time of the essence:** Time is of the essence in respect of any Margin Call and such Margin Call must be met as demanded by the time specified by CICCHKS. If no time is stipulated by CICCHKS when making a demand, then the Client is required to comply with such demand before the expiry of two hours from the time of making the demand.
- 2.9 **Failure to meet Margin Call:** Any failure by the Client to comply with Sub-Clauses 2.7 and 2.8 of this Schedule II will constitute an Event of Default giving rise to CICCHKS' rights under Clause 18 of Part A (including the ability for CICCHKS to close out the Client's positions without consent).
- 2.10 **Interest charge:** The Client agrees to pay interest on a daily basis on the amount of Facility extended to the Client. The interest rate shall be at a percentage above CICCHKS' cost of funds

which will vary according to the prevailing money market situation and as notified to the Client by CICCHKS from time to time. Such interest charges may be deducted by CICCHKS from the Margin Account or any other Account of the Client with CICCHKS or its Affiliates.

### 3. CHARGE

- 3.1 **First fixed charge:** The Client, as beneficial owner, charges in favour of CICCHKS by way of first fixed charge all the Client's respective rights, title, benefits and interests in and to all Collateral as a continuing security for the payment and satisfaction 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 in the future may be due, owing or incurred from or by the Client to CICCHKS or (to the extent permitted by applicable laws and regulations) its Affiliates, or for which the Client may be or become liable to CICCHKS or (to the extent permitted by applicable laws and regulations) its Affiliates on any account or in any manner whatsoever (whether alone or jointly with any other person and in whatever name style or firm) 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 CICCHKS or (to the extent permitted by applicable laws and regulations) its Affiliates. CICCHKS may procure registration of the charge created under this Sub-Clause in accordance with the applicable laws and regulations.
- 3.2 **Continuing security:** 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 Client to CICCHKS and/or (to the extent permitted by applicable laws and regulations) its Affiliates and notwithstanding the closing of any of Client's Accounts with CICCHKS and which are subsequently reopened or the subsequent opening of any Account by the Client either alone or jointly with others and shall extend to cover all or any sum of monies which shall for the time being constitute the balance due from the Client to CICCHKS or (to the extent permitted by applicable laws and regulations) its Affiliates on any account or otherwise.
- 3.3 **Representation and warranty:** The Client represents and warrants that the Collateral is legally and beneficially owned by the Client, that the Client is entitled to deposit the Collateral with CICCHKS or its Affiliates, that the same is and will remain free from any lien, charge or encumbrance of any kind, and any stocks, shares and other securities comprised in the Collateral are and will be fully paid up.
- 3.4 **Release of Charge:** Upon irrevocable payment in full of all sums which may be or become payable and the full performance of the Client's obligations under the Margin Facility Terms, CICCHKS will at the Client's request and expense release to the Client all the rights, title and interests of CICCHKS in the Collateral and will give such Instructions and directions as the Client may require in order to perfect such release.
- 3.5 **Exercise of rights attached to Collateral:** Until the Charge becomes enforceable, (a) CICCHKS will have the right, subject only to giving the Client notice, to exercise rights relating to the Collateral to protect the value of the Collateral, and (b) except as otherwise provided in this Schedule, the Client may direct the exercise of other rights attaching to, or connected with, the Collateral, but not in any manner which is inconsistent with the Client's obligations under the Margin Facility Terms, or which in any way may prejudice CICCHKS' rights in relation to the Collateral.

### 4. POWER OF ATTORNEY

- 4.1 The Client by way of security irrevocably appoints CICCHKS to be the Client's agent and attorney on the Client's behalf and in the Client'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 Client by or pursuant to the Margin Facility Terms and

generally for enabling CICCHKS to exercise the respective rights and powers conferred on it by or pursuant to the Margin Facility Terms or by the applicable laws and regulations including:

- (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.
- 4.2 The Client represents and warrants that the agency and power of attorney under this Clause 4 shall have full force and effect, and the Client undertakes to indemnify CICCHKS and its Affiliates to the extent of any Loss sustained by them or any of them in respect of the validity and/or enforceability of the agency and/or power of attorney under this Clause 4.

## **5. DISPOSAL OF COLLATERAL**

The Client agrees that in the event of any sale pursuant to the Margin Facility Terms, any Collateral will be sold or disposed of in the absolute discretion of CICCHKS and upon any sale by CICCHKS, a declaration made by an officer of CICCHKS 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 CICCHKS or its nominees shall be concerned to inquire into the circumstances of the sale.

## **6. NEW LISTING OF SECURITIES**

For the avoidance of doubt, in the event that CICCHKS agrees to grant the Facility to the Client for the Client's IPO Application for the benefit of the Client or any other person, the Margin Facility Terms shall apply to such Facility and the New Securities, provided that in the application of the Margin Facility Terms the definition of "Collateral" shall be replaced by the following:

**"Collateral"** means all New Securities and all monies in relation to the IPO Application which are now or which shall at any time in the future be deposited with, transferred or caused to be transferred to or held by CICCHKS or its Affiliates, including those monies and Securities that shall come into the possession, custody or control of CICCHKS or its Affiliates from time to time in relation to the IPO Application (which shall include any additional or substituted Securities and all dividends or interest paid or payable, rights, interest, monies or property accruing 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).

## **7. TERMINATION OF FACILITY**

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

- (a) the withdrawal or non-renewal of the Client's authorisation to CICCHKS as required by the applicable laws and regulations of the Jurisdiction; or
- (b) any termination in accordance with Clause 18 or 19 of Part A, and any notice of termination for that purpose shall be deemed to be a notice of termination of the Facility.
- (c) upon termination of the Facility, any outstanding indebtedness by the Client shall immediately be repaid to CICCHKS.

7.2 Repayment of all or any of the Facility amounts owed to CICCHKS will not of itself constitute cancellation or termination of the Margin Facility Terms.

## **8. SECURITY UNAFFECTED**

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

- (a) any other security, guarantee or indemnity now or in the future held by CICCHKS or its Affiliates under 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 (including, except to the extent of the relevant variation, amendment, waiver or release, the Charge);
- (c) the enforcement or absence of enforcement or release by CICCHKS or its Affiliates of any security, guarantee or indemnity or other document (including the Charge);
- (d) any time, indulgence, waiver or consent given to the Client or any other person whether by CICCHKS or its Affiliates;
- (e) the making or absence of any demand for payment of any sum payable under the Margin Facility Terms made on the Client whether by CICCHKS or any other person;
- (f) the insolvency, bankruptcy, death or insanity of the Client;
- (g) any amalgamation, merger or reconstruction that may be effected by CICCHKS with any other person or any sale or transfer of the whole or any part of the undertaking, property or assets of CICCHKS to any other person;
- (h) the existence of any claim, set-off or other right which the Client may have at any time against CICCHKS or any other person;
- (i) any arrangement or compromise entered into by CICCHKS with the Client 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; or

- (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 Client 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 CICCHKS or any other person or any other dealing, fact, matter or thing which, but for this provision, might operate to prejudice or affect the Client's liabilities under the Margin Facility Terms.

### Schedule III Structured Products and Other Derivatives

This Schedule III shall, in addition to the provisions in Part A (as supplemented by the relevant Supplement), apply in connection with any Transactions involving Structured Products (as defined below).

#### 1. DEFINITIONS

Capitalised terms used in this Schedule III shall have the same meanings as those defined in the Glossary, unless the context otherwise requires.

In this Schedule III:

"**Settlement Date**" means the date specified in the relevant Confirmation for payment or delivery under a Transaction.

"**Structured Products**" means any investment product that is **NOT** (a) covered by the definition of "Listed and Plain Vanilla Securities" under Schedule I, (b) Interests (as defined in Schedule IV), (c) futures/options contracts and/or (d) foreign exchange contracts.

#### 2. SCOPE OF THIS SCHEDULE III

2.1 **Application:** This Schedule III shall apply to all Transactions in Structured Products, including:

- (a) the purchase of or subscription for Structured Products;
- (b) the sale or disposal of Structured Products; and
- (c) the entering into of a Transaction as determined by CICCHKS from time to time subject to and in accordance with applicable laws to be a Transaction in Structured Products.

2.2 **Binding agreement:** A Transaction is legally binding on the Client at the time when such Transaction is entered into by Client or by CICCHKS on behalf of the Client. The Transaction shall be subject to and in accordance with the terms and conditions relating to such Structured Product regardless of whether or not such terms and conditions (including any prospectus or offering document) were given to the Client prior to such Transaction being effected. The Confirmation shall, in the absence of any obvious error, be evidence of the binding terms and conditions of such Transaction. In the event of any inconsistency between the terms and conditions in the Confirmation and these Terms and Conditions, the Confirmation shall prevail. The Confirmation will be issued by CICCHKS to the Client in accordance with Clause 8 of Part A. Any delay or failure in delivering a Confirmation will not affect the validity of such Transaction.

2.3 **Available Structured Products:** CICCHKS may determine from time to time the Structured Products that are available for entering into a Transaction pursuant to this Schedule III.

2.4 **Provision of information:** Where required under applicable laws and regulations and/or upon request by the Client, CICCHKS shall provide to the Client product or contract specifications, prospectus and other offering document in respect of any Structured Products.

2.5 **Operation:** In connection with a Transaction, CICCHKS is authorised to:

- (a) pay all distributions or other benefits accrued in respect of any Structured Product held in CICCHKS' custody that are in the name of the Client in accordance with Sub-Clause 7.5 of Part A;

- (b) credit proceeds of a Transaction to and debit all payments, costs and other amounts arising as a result of a Transaction (on such date as CICCHKS may determine for the purpose of effecting such Transaction) from the relevant Account, or otherwise as agreed with the Client;
  - (c) credit any Structured Product purchased on behalf of the Client to, and withdraw any Structured Product pursuant to or as a result of a Transaction (on such date as CICCHKS may determine for the purpose of effecting such Transaction) from the relevant Account; and
  - (d) not place (or withdraw) an Instruction, if there are insufficient funds in the Account (CICCHKS may however at its discretion act on such Instruction without approval of or giving prior notice to the Client).
- 2.6 **Time of the essence:** Time shall in all respects be of the essence in relation to the Client's performance of its obligations in respect of a Transaction (including any settlement obligation) under this Schedule III.
- 2.7 **Relationship:** Without prejudice to any other provisions of these Terms and Conditions, the Client acknowledges and consents that in entering into a Transaction which it has instructed CICCHKS to effect, CICCHKS may:
- (a) (subject to applicable laws and regulations) enter into such Transaction (including any over-the-counter or note-form contract) with the Client as principal or counterparty and pursuant to Clause 10 of Part A, CICCHKS shall be absolutely entitled to all gains, profits and benefits derived from such Transaction;
  - (b) enter into such Transaction for another person with the Client (whether or not at the same time acting as agent of Client) by acting as agent of that person; or
  - (c) enter into such Transaction by acting as agent of the Client.

### 3. DEALING PRACTICES

- 3.1 **Handling of orders:** Subject to applicable laws and regulations, CICCHKS may, at its discretion, determine the priority in the execution of any Instruction for an order to enter into a Transaction, including:
- (a) the Client's orders;
  - (b) CICCHKS' own orders;
  - (c) orders of persons connected with CICCHKS; and
  - (d) orders of other persons, having due regard to the sequence in which such orders were received and the applicable laws and regulations, and the Client shall not have any claim of priority to another client as such.
- 3.2 **Aggregation of orders:** Subject to applicable laws and regulations, CICCHKS may aggregate the Client's order with:
- (a) CICCHKS' own orders;
  - (b) orders of persons connected with CICCHKS; or



- (c) orders of other persons.

Market conditions may not permit the Client's aggregated order to be executed at once or in a single transaction. In such event, CICCHKS may execute such order over such period as it deems appropriate and report to the Client a volume weighted average price for a series of Transactions so executed instead of the actual price of each Transaction.

- 3.3 **Position and transaction limits:** CICCHKS may at its discretion impose or vary any position or transaction limit for trading Structured Products from time to time and the Client shall not exceed such position or transaction limits imposed, which may include minimum sizes for Transactions. The Client acknowledges that, in certain circumstances, the effect may be an immediate change in limits or levels of and/or require additional Collateral to be deposited immediately, and the Client waives any right to object on the grounds that such variation of positions or transaction limits are or were unreasonable.
- 3.4 **CICCHKS' rights:** In addition to Sub-Clause 3.3 of this Schedule III, CICCHKS shall have the right to:
  - (a) refuse to accept any Instruction in relation to an order to enter into a Transaction that establishes a new position;
  - (b) assign limits or limit Transactions or sizes of any open position which the Client may carry with it at any time;
  - (c) require the Client to reduce open positions carried with it; and
  - (d) close-out or otherwise liquidate existing positions if it deems necessary for its or the Client's protection.

The Client shall not knowingly, either alone or in concert with others, allow its open position with CICCHKS and/or any other person to exceed any position or transaction limit as may be imposed pursuant to Sub-Clause 3.3 of this Schedule III.

#### 4. SETTLEMENT

- 4.1 **Payment and delivery:** On the Settlement Date, in relation to each Transaction (where applicable), the Client shall make payment or delivery as specified in the relevant Confirmation. Payments shall be made on each relevant Settlement Date for value as specified in the relevant Confirmation or otherwise pursuant to these Terms and Conditions. Where settlement is by delivery, such delivery will be made for receipt on the Settlement Date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in these Terms and Conditions.
- 4.2 **Cleared funds and good title:** In respect of each Transaction, unless otherwise agreed by CICCHKS or CICCHKS is already holding monies or the relevant Structured Products or Underlyings on the Client's behalf to settle each such Transaction, the Client shall pay all monies to CICCHKS in cleared funds or deliver to CICCHKS the relevant Structured Products or Underlyings which are fully paid with valid and good title and in deliverable form by such time as CICCHKS has notified the Client in relation to each such Transaction.
- 4.3 **Payment notification:** The Client shall immediately notify CICCHKS after payment of funds to CICCHKS by delivering to CICCHKS written evidence of such payment. The Client acknowledges that payment of funds to CICCHKS may not be accredited to the Account or reflected in any statement of account until such notification is received by CICCHKS. The Client agrees that any

interest payable to or receivable by CICCHKS under Sub-Clause 6.5 of Part A shall be calculated on this basis.

- 4.4 **Evidence of instruments and property:** If the Client engages in any exchange of Structured Products for physical instruments or property, the Client shall, upon CICCHKS' request, provide CICCHKS with sufficient evidence of such instruments or property. If CICCHKS, on the Client's behalf, arranges for packing, shipping, storage or insurance of any property, CICCHKS' liability shall be limited to the extent of its fraud, negligence and wilful default in making such arrangement.
- 4.5 **Requests in relation to delivery:** The Client shall comply with all requests from CICCHKS in connection with any open position that could result in a delivery or delivery obligation, including any request requiring the Client to deliver the Underlyings or notice of delivery intention (or notice of intention not to deliver) at least one (1) Business Day prior to any applicable delivery date or such earlier time as required by applicable laws and regulations.
- 4.6 **Conditions precedent:** Unless CICCHKS otherwise agrees with the Client, if CICCHKS is obliged to make payment or delivery to the Client in relation to a Transaction, such payment or delivery is subject to the condition precedent that there is no Event of Default subsisting.
- 4.7 **Failure to settle:**
- (a) in the event that the Client fails to deliver the Structured Product, Underlyings or money to CICCHKS within the time required by CICCHKS under the terms of the contract relating to a Transaction, CICCHKS shall be entitled to, without further notice or demand, (i) borrow or purchase in the market (at the prevailing market price) the relevant Structured Product or Underlyings required for delivery in order to complete the settlement of the relevant Transaction, or (ii) accept delivery of the Structured Product or Underlyings and sell such Underlying at a price to be determined at CICCHKS' discretion, and the Client shall bear all Losses arising out of or in connection with any such Transaction;
  - (b) in the event that (i) the counterparty fails to deliver the Structured Products or Underlyings to the Client or CICCHKS on behalf of Client under the terms of the contract relating to a Transaction, (ii) the purchase of the relevant Structured Product by the Client cannot be effected by the Client or CICCHKS on behalf of the Client for any reason or (iii) CICCHKS at its absolute discretion determines not to purchase the relevant Structured Product on behalf of the Client, the Client will not be entitled to the relevant Structured Product at the matched price but shall only be entitled to the monies that it paid for the purchase of the relevant Structured Product;
  - (c) in the event that the Client fails to deposit the necessary settlement amount to CICCHKS or otherwise make payment under the terms and conditions relating to a Transaction, CICCHKS shall be entitled to sell any and all Structured Products or Collateral held in any Account and use the sale proceeds, after deducting all costs, in settlement of the Transaction; and
  - (d) in the event that the counterparty fails to make payment under the terms of the contract relating to a Transaction, the Client shall only be entitled to the relevant Structured Product but not the sale proceeds of the relevant Structured Product,

and without prejudice to any of the above, the Client shall bear its own Losses and shall be responsible to CICCHKS for any Losses resulting from its and/or its counterparty's settlement failures.

- 4.8 **Indemnity:** Without prejudice to any indemnity provision in these Terms and Conditions, the Client shall be liable for any deficit resulting from any and all Losses including off-setting transactions and/or transactions initiated and any cost or expense (including commissions and legal costs) incurred by CICCHKS, on a full indemnity basis. In respect of Sub-Clause 4.1 of this Schedule III, Client shall have no claim against CICCHKS for Losses (a) arising from Client's failure to make payment or provide the relevant Underlying to CICCHKS or (b) otherwise in connection with any other matter however arising.

## 5. REPRESENTATIONS AND WARRANTIES

In addition to the representations and warranties set out under Clause 11 of Part A, the Client represents and warrants the following:

- (a) the Client has read and understood the terms and conditions and other information provided by CICCHKS or on behalf of CICCHKS to the Client in relation to the Structured Product in their entirety, before undertaking any Transaction;
- (b) the Client is fully aware of and understands the nature of the Structured Product that the Client intends to invest in and the extent of the Client's exposure;
- (c) the Client has considered the suitability of the Structured Product as an investment in the light of the Client's own circumstances (including taxation), financial condition, investment objectives, investment horizon, knowledge, experience and otherwise and where deemed necessary by the Client, the Client has consulted with its own legal, tax, accounting, financial and other professional advisers<sup>2</sup>; and
- (d) the Client has read, is fully aware of and understands the **risk factors** relating to the Structured Product, including (but not limited to) the risk factors set out in product or contract specification, offering documents and other documentation provided to the Client in respect of the Transaction as well as the following risk factors:
  - (i) **The price of the Structured Product may fall in value as rapidly or more rapidly as it may rise and the Client may (depending on the specific terms and conditions of the Structured Product) sustain a total loss of its investment.**
  - (ii) **It is not possible to predict whether the secondary market for the Structured Product will be liquid or illiquid. In certain circumstances, the issuer of the Structured Product or its affiliates may be the only liquidity provider (if any) for the Structured Product.**
  - (iii) **There can be no assurance that future results or events will be consistent with any opinions, forecasts or estimates relating to the Structured Product. Actual results may differ materially from those set out in any forward-looking statement.**
  - (iv) **Past performance of any index, asset, asset class or similar or equivalent product, or otherwise, should not be taken as an indication or guarantee of future performance.**
  - (v) **A Structured Product constitutes the general unsecured contractual obligations of the issuer (and any guarantor) of the Structured Product and of no other**

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<sup>2</sup> Please refer to Note 2 in Part E- Explanatory Notes.

person. If the Client invests in the Structured Product, it relies on the creditworthiness of the issuer (and any guarantor) of the Structured Product and may have no rights under the Structured Product against any Underlyings. Accordingly, if the issuer (or guarantor) of the Structured Product becomes insolvent, then the Client may receive less than the amount it was expecting and possibly nothing. Any such payments on insolvency may not be paid for a substantial amount of time. Any change to the credit standing (including the credit rating) of the issuer (or guarantor) of the Structured Product could adversely affect the price and value of the Structured Product.

- (vi) The Structured Product may have a range of different economic and legal elements and may be structured in such a manner that the payment of any coupons/interest/premiums and/or the redemption thereof may be subject to the performance of one or more Underlyings, which may entail substantial risks.
- (vii) To the extent that any principal protection, capital guarantee or capital protection is referred to in any material relating to a Structured Product, it is a guarantee or protection only to the extent that the issuer of the Structured Product does not default upon its obligations, either through bankruptcy or any other event. Such protection is normally only to the extent that the holder of the Structured Product holds it to maturity.
- (viii) In certain circumstances and if specified in the terms and conditions of the Structured Product, the issuer of the Structured Product may redeem the Structured Product before maturity.
- (ix) Unless specified in the terms and conditions of the Structured Product, the Structured Product cannot be terminated by investors during its term. In such case, the economic value of the Structured Product can only be realised through the sale of the Structured Product. A sale of the Structured Product requires that the market maker or some other market participant is willing to purchase the Structured Product at an acceptable price. The issue of the Structured Product does not result in any obligation to investors on the part of the issuer or any guarantor to provide a market price for the Structured Products or to redeem the Structured Product. Under some circumstances, the value of the Structured Product cannot be realised.
- (x) The Client has reviewed and is aware of the financial and other information in respect of the issuer of the Structured Product.

## 1.2 ACKNOWLEDGEMENTS

The Client acknowledges and agrees that:

- (a) No warranty or undertaking is given by CICCHKS as to the performance or profitability of any Structured Product.
- (b) The documentation for a particular Structured Product may not disclose all of the risks and other significant aspects of the Structured Product, and investment decisions should not be made solely on the basis of the risk factors set out in such documentation (or any other isolated element or elements of such documentation).

- (c) Neither CICCHKS nor any of its Affiliates is providing the Client with any advice (including any legal, tax, accounting and financial advice) relating to the Structured Products (except to the extent expressly agreed between CICCHKS and the Client under Schedule V) or acting in any form of fiduciary capacity. Therefore, the Client should only decide to deal in Structured Products after careful consideration together with Client's own legal, tax, accounting, financial and other advisers.
- (d) Subject to applicable laws and without prejudice to Clause 2.5 of Part A<sup>1</sup>, CICCHKS shall not be liable to the Client for any statement made by CICCHKS or on its behalf in connection with the sale of the Structured Product (although this does not exclude any liability that may arise from fraud, wilful default or negligence).

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<sup>1</sup> Please refer to Note 1 in Part E- Explanatory Notes.

## Schedule IV Funds

This Schedule IV shall, in addition to the provisions in Part A (as supplemented by the relevant Supplement), apply in connection with the provisions of Fund Investment Services and/or Money Market Funds Services (as defined below).

### 1. DEFINITIONS

Capitalised terms used in this Schedule IV shall have the same meanings as those defined in the Glossary, unless the context otherwise requires.

In this Schedule IV:

**"Deal"** or **"Dealing"** means the purchase, subscription, redemption, conversion or other dealing of or with an Interest.

**"Dealing Application"** means an application to Deal in the Interests.

**"Fund Investment Services"** means the services provided by CICCHKS to the Client under Sub-Clause 2.2 of this Schedule IV.

**"Funds"** means any listed or unlisted collective investment schemes, including mutual funds, unit trusts, limited partnerships or other equivalent schemes, whether or not managed by CICCHKS and whether or not authorised by any regulator (and CICCHKS shall be entitled to determine whether any such scheme constitutes a "Fund" for the purposes of this Schedule IV). As the context may allow, references to a "Fund" include references to its manager, administrator or equivalent acting on behalf of the Fund in relation to processing Dealings.

**"Fund Documents"** means the placement memorandum, prospectus, explanatory memorandum (or other offering documentation however it may be described), the subscription agreement, promotional and advertising materials, publications and statistical information, and other information in relation to the Fund that the Client intends to invest in.

**"Interests"** means the shares, units, or interests in a Fund (depending on the form of vehicle of the Fund).

**"Money Market Funds"** means money market funds subject to the Money Market Funds Services, as agreed between the Client and CICCHKS from time to time.

**"Money Market Fund Account(s)"** means the Account(s) specified by the Client in the Account Opening Form which are subject to the Money Market Funds Services.

**"Money Market Funds Services"** means the services provided by CICCHKS to the Client under Clause 4 of this Schedule IV.

### 2. APPOINTMENT AS AGENT

2.1 This Schedule IV confirms how CICCHKS, as agent on behalf of the Client, provides Fund Investment Services and/or Money Market Funds Services to the Client.

2.2 The Client appoints and authorises CICCHKS to act as its agent for the purposes of: (a) carrying out any Instruction in respect of any Dealing (including submitting any Dealing Application on behalf of the Client) and; (b) dealing with any proceeds resulting from an Interest in accordance with any Instruction.

### **3. CLIENT INSTRUCTIONS**

- 3.1 Any Instruction in respect of any Interest shall be given to CICCHKS in accordance with Clause 3 of Part A and any relevant terms and conditions of the offering document(s) of the Fund.
- 3.2 The Client acknowledges and agrees that:
- (a) Dealing in respect of any Interest may be subject to certain dealing deadlines, as prescribed by CICCHKS or the Fund. Any Instruction which is received by CICCHKS outside the relevant dealing deadlines will be dealt with on the next available Dealing day in accordance with the constitution of the Fund or (if stricter) as otherwise determined by CICCHKS.
  - (b) A Fund may not be obliged to accept or act on a Dealing Application, whether in whole or in part.
  - (c) CICCHKS shall not be responsible or liable for: (i) procuring or ensuring that a Fund accepts or acts on any Dealing Application which is made by CICCHKS on behalf of the Client; or (ii) any losses, claims, liabilities, damages, expenses or costs of any kind which the Client may suffer or incur (including any loss of investment opportunity or decline in value of any Interest) as a result of a Fund's refusal to accept or act on any Dealing Application.
  - (d) CICCHKS shall be entitled to act on any Instruction which relates to an Interest, notwithstanding that the price of such Interest has changed (even to the disadvantage of the Client) between the time of receipt of the Instruction and the time that the Instruction is executed.
  - (e) Certain additional fees and expenses may be incurred in respect of any Dealing in an Interest. Such fees and expenses shall be borne by the Client in accordance with this Schedule IV.
  - (f) The Client is restricted from Dealing in any Interest in a Fund which is not authorised by any regulator, unless the Client is a "professional investor" as defined under the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) or equivalent applicable laws or regulations.

### **4. MONEY MARKET FUNDS SERVICES**

Where the Client has indicated on the Account Opening Form that it requires Money Market Funds Services:

- (a) the Client authorises CICCHKS, in its sole and absolute discretion, to subscribe for Interests in Money Market Funds on behalf of the Client, based on the available cash amount and currency in the Money Market Fund Account(s) on each Business Day;
- (b) the Client authorises CICCHKS, in its sole and absolute discretion, to redeem Interests in the Money Market Funds, based on the available cash amount and currency (if applicable) to be settled in the Money Market Fund Account(s) on each Business Day;
- (c) the Client acknowledges and agrees that CICCHKS may prescribe a minimum threshold for the subscription for Interests in the Money Market Funds, which may be amended from time to time without notice to the Client;
- (d) if CICCHKS confirms that it will provide Money Market Funds Services to the Client, the Client may terminate the Money Market Funds Services by giving 30 days' notice in writing

to CICCHKs, provided that such termination shall not affect any subscription of Interests in Money Market Funds already effected on behalf of the Client; and

- (e) if CICCHKs confirms that it will provide Money Market Funds Services to the Client, the authorisations contained in this Clause 4 shall be deemed to be a Standing Authority and valid for a period of 12 months commencing from the date of such confirmation, unless terminated in writing by the Client.

## **5. OTHER COMMUNICATIONS**

- 5.1 Where CICCHKs holds an Interest on behalf of the Client, CICCHKs shall use reasonable efforts to deliver to the Client all written communications that it receives from the manager, issuer or relevant service provider of the Fund.
- 5.2 Information in respect of the Fund and the price of any Interest is provided by the manager, issuer or relevant service provider of the Fund. CICCHKs does not guarantee the accuracy or completeness of such information and is not liable for any loss or damage arising from any inaccurate or incomplete information provided by the manager, issuer or relevant service provider of the Fund.
- 5.3 The price of an Interest quoted by CICCHKs is for reference only and shall not be binding on CICCHKs or the manager, issuer or relevant service provider of the Fund.

## **6. REDEMPTION**

- 6.1 Upon the redemption of any Interest, CICCHKs shall credit any consideration received by CICCHKs to Client's Account (net any fees, taxes, disbursements, charges or expenses incurred in connection with such redemption). CICCHKs shall not have any duty or responsibility in respect of the accuracy or adequacy of such consideration.

## **7. SETTLEMENT**

- 7.1 Subject to the settlement procedures set out in the offering document(s) of the relevant Fund, the Client shall settle the relevant transaction in accordance with Clause 5 of Schedule I.

## **8. REPRESENTATIONS AND WARRANTIES**

- 8.1 In addition to the representations and warranties set out under Clause 11 of Part A, the Client represents and warrants the following:
  - (a) the Client has read, understood and agreed to comply with, as the case may be, the Fund Documents in their entirety prior to any Dealing;
  - (b) the Client is not a resident in a country where there is any restriction on the Client's purchasing, subscribing for and/or holding the Interests, and the Client shall observe and comply with all the selling restrictions applicable to the Funds that are set out in the Fund Documents and applicable laws;
  - (c) the Dealing of any Interest shall be based on the Client's own judgement, not based on any representations, advice, recommendations or otherwise, of CICCHKs and that the Client is fully aware of the risks involved in investing in Funds, including the risks set out in the Risk Disclosure Schedule.

## **9. ACKNOWLEDGEMENTS**



9.1 The Client acknowledges and agrees that no warranty or undertaking is given by CICCHKS as to the performance or profitability of any Interests.

## Schedule V Investment Advisory

This Schedule V shall, in addition to the provisions in Part A (as supplemented by the relevant Supplement), apply in connection with the provision of Investment Advice (as defined below) by CICCHKS to the Client.

### 1. DEFINITIONS

Capitalised terms used in this Schedule V shall have the same meanings as those defined in the Glossary, unless the context otherwise requires.

In this Schedule V:

**"Investment Advice"** means advice in relation to (amongst other things) the acquisition, disposal, retention, exchange or other dealing in Investments (but does not relate to advising in respect of corporate finance-related matters).

**"Product Information"** means product specification(s) or document(s), prospectus, offering document(s), marketing material(s) and any other related documents of the relevant Investments.

### 2. INVESTMENT ADVISORY SERVICES

- 2.1 This Schedule V confirms how CICCHKS acts as the Client's investment adviser.
- 2.2 CICCHKS may, at its sole and absolute discretion, provide Investment Advice to the Client from time to time.
- 2.3 CICCHKS may request the Client to provide CICCHKS such information as CICCHKS deems necessary, in its sole and absolute discretion, to allow CICCHKS to comply with its obligations under applicable laws and regulations. The Client undertakes to provide CICCHKS with all such information including information regarding the Client's financial situation and circumstances and investment objectives (where applicable)<sup>5</sup>.
- 2.4 CICCHKS will provide relevant Product Information or a copy of such Product Information to the Client where required under applicable laws and regulations and/or upon request by the Client.
- 2.5 CICCHKS may, at its sole and absolute discretion, agree to act on an Instruction given in accordance with Part A. In giving any Instruction which relates to any Investment Advice provided by CICCHKS to the Client, the Client warrants and represents that it has read and understood the relevant information, including Product Information provided to it by CICCHKS.

### 3. ACKNOWLEDGEMENTS

- 3.1 The Client acknowledges and agrees that:
  - (a) Investment Advice given by CICCHKS to the Client is based on the information provided by the Client to CICCHKS and relevant Product Information that CICCHKS has in its possession at the time of providing the Investment Advice. The Client acknowledges and agrees that if the Client does not provide CICCHKS with all relevant information regarding the Client's financial situation, investment experience and investment objectives, the Investment Advice provided to the Client by CICCHKS may not take into account all

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<sup>5</sup> Please refer to Note 5 in Part E- Explanatory Notes.

information relevant to the Client. CICCHKS shall not be under any responsibility or liability for the accuracy and completeness of any third party Product Information.

- (b) The Client's investment decisions with respect to the acquisition, disposal, retention, exchange or other dealing in Investments are made by the Client at its own risk.
- (c) In providing Investment Advice under this Schedule V, CICCHKS acts as the Client's adviser.
- (d) No warranty or undertaking is given by CICCHKS as to the performance or profitability of any Investment.

**Schedule VI Family Office Services – Immigration Services (Hong Kong) (This Schedule VI does not apply to Entrant Scheme Accounts opened on or after 15 January 2015)**

**Hong Kong Capital Investment Entrant Scheme**

This Schedule VI shall, in addition to the provisions in Part A (as supplemented by the Hong Kong Supplement), apply in connection the provision of Hong Kong Entrant Scheme Services (as defined below).

**1. DEFINITIONS**

Capitalised terms used in this Schedule VI shall have the same meanings as those defined in the Glossary, unless the context otherwise requires.

In this Schedule VI:

**"Approval-in-Principle"** means a preliminary and provisional grant of approval in writing given by the Director to the Client to enter Hong Kong and/or remain in Hong Kong pursuant to the Scheme.

**"Director"** means the Director of Immigration.

**"Dividends or Income"** means any cash dividend income or interest income arising directly from any Specified Financial Asset held in the Entrant Scheme Account.

**"Entrant Scheme Account"** means the designated account opened in the Client's name and operated by CICCHKS in accordance with this Schedule VI, the Rules and such technical, commercial and financial terms as the Director considers appropriate for the purposes of the Scheme.

**"Formal Approval"** means a confirmed grant of approval in writing given by the Director to the Client to enter Hong Kong and/or remain in Hong Kong pursuant to the Scheme.

**"Hong Kong Entrant Scheme Services"** means services provided by CICCHKS as a qualified financial institution to the Client under this Schedule VI to facilitate the Client's application under the Scheme.

**"Market Value"** means the best price reasonably obtainable for which assets should exchange as between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties had each acted knowledgeably, prudently, without compulsion or regard to the Scheme. For the avoidance of doubt, the best price reasonably obtainable is the gross price not the net proceeds.

**"Minimum Value"** means HK\$10,000,000 or such other amount specified under the Rules.

**"Net"** means in relation or by reference to any asset, property or equity, the figure in Hong Kong dollars after deducting the amount of any and every charge, lien, encumbrance which may be secured on or attached to that asset, property or equity, as the case may be.

**"Prevailing Clauses"** means Sub-Clauses 1, 2.2, 2.5, 2.6, 3.5, 3.6, 3.7, 3.8, and 7 of this Schedule VI.

**"Rules"** means the rules for the Scheme, published by the Director for the purposes of the Scheme, as amended from time to time.

**"Scheme"** means the Capital Investment Entrant Scheme, under which eligible applicants may apply to enter and/or remain in Hong Kong, subject to the Rules.

"**Scheme Application**" means an application to the Immigration Department of Hong Kong to enter or remain in Hong Kong under the Scheme (including any application for the extension of stay).

"**Specified Financial Assets**" means the "Specified financial assets" defined and referred to in the Rules.

"**Working Day**" means a day other than a Sunday, a public holiday or a gale warning day or a black rainstorm warning day (as defined in Section 71(2) of the Interpretation and General Clauses Ordinance (Cap. 1, Laws of Hong Kong)).

## **2. ACCOUNT OPENING/APPOINTMENT OF MANAGER**

2.1 This Schedule VI confirms how the Client appoints and authorises CICCHKS to act as a financial intermediary to facilitate the Client's Scheme Application.

2.2 CICCHKS shall open an Entrant Scheme Account in the name of the Client, which shall only hold the following:

- (a) Specified Financial Assets;
- (b) cash proceeds of sale or other realisation of Specified Financial Assets;
- (c) cash transferred to the Entrant Scheme Account by the Client for investment in Specified Financial Assets; and
- (d) cash representing Dividends or Income.

2.3 The Client shall transfer cash (which shall not be less than the Minimum Value) into the Entrant Scheme Account for the purposes of investing in Specified Financial Assets.

2.4 For the avoidance of doubt, subject to this Schedule VI and the Rules, there is no obligation on the Client to transfer additional cash or otherwise top up the Entrant Scheme Account in the event that the aggregate Market Value of the Specified Financial Assets falls below the Minimum Value.

2.5 All cash transferred to the Entrant Scheme Account by the Client and all cash proceeds of sale or other realisation of Specified Financial Assets shall be invested or re-invested in Specified Financial Assets in accordance with the Rules.

2.6 The Client acknowledges and agrees that:

- (a) the Client may at any time sell or otherwise realise the value of any Specified Financial Assets in the Entrant Scheme Account, provided that not less than the entire Market Value of such Specified Financial Assets is reinvested in other Specified Financial Assets;
- (b) The Client shall ensure that not more than 14 calendar days elapses between the date of the contract for the sale of the Specified Financial Asset being disposed of and the date of the contract for the purchase of the reinvestment Specified Financial Asset being acquired. In this Sub-Clause:
  - (i) "date of contract" shall mean the date on which the agreement (whether written or unwritten) comes into legal effect;
  - (ii) the first date referred to shall be excluded and the last date referred to shall be included; and

- (iii) if the first and/or last day of the period is a non-Working Day, the first and/or last day shall instead be the next following Working Day and the period shall be extended accordingly; and
- (c) for the purposes of the Scheme, the Director has the right to ascertain the Market Value of any Specified Financial Assets in such manner and by such means as the Director thinks fit. In the event that the price or consideration advanced or relied upon as being the Market Value of a Specified Financial Asset is not the Market Value of such Specified Financial Asset as ascertained by the Director, the Director may substitute the Market Value for all purposes of the Scheme. The Client acknowledges that this may result in the Client not becoming eligible for or being or becoming disqualified from the Scheme.

### **3. OBLIGATIONS OF CICCHKS**

- 3.1 CICCHKS shall assist the Client to prepare the Scheme Application. For the avoidance of doubt, the Client remains solely responsible for the Scheme Application and its contents (including all statements, declarations, representations and undertakings contained in the Scheme Application).
- 3.2 CICCHKS shall be entitled to appoint any agent to assist the Client to prepare the Scheme Application. In particular, the Client may engage a Certified Public Accountant (Practising) who is a member of the Hong Kong Institute of Certified Public Accountants to issue a report to verify the representation set out in Sub-Clause 6(b) of this Schedule VI.
- 3.3 CICCHKS shall, on behalf of the Client, notify the Director in writing that it is the appointed financial intermediary of the Client and it shall provide the Director with its details (including, without limitation, CICCHKS' CE No. and the relevant contact persons and their contact details).
- 3.4 CICCHKS shall keep a record of every acquisition or disposal of Specified Financial Assets held or to be held in the Entrant Scheme Account. The Client acknowledges that CICCHKS may be required to provide such records to the Director.
- 3.5 CICCHKS shall notify the Director in writing within seven (7) Working Days of acquiring actual knowledge of any of the following:
  - (a) the Client has withdrawn any assets held in the Entrant Scheme Account (other than any Dividends or Income);
  - (b) any instruction from the Client to withdraw any assets held in the Entrant Scheme Account (other than any Dividends or Income);
  - (c) if the proceeds of any sale or other realisation of any Specified Financial Assets are not reinvested in further Specified Financial Assets in accordance with Sub-Clause 2.6 of this Schedule VI;
  - (d) any instruction from the Client to transfer the Entrant Scheme Account or any assets in the Entrant Scheme Account (other than any Dividends or Income) to any other financial intermediary or other person;
  - (e) (other than any lien created in favour of CICCHKS for unpaid fees and expenses under Part A) the Client has charged, assigned or created any interest in any assets held in the Entrant Scheme Account (including any Dividends or Income held in the Entrant Scheme Account) in favour of any third party;

- (f) the Client has ceased to be the sole beneficial owner of all of the assets in the Entrant Scheme Account (other than any Dividends or Income); and/or
  - (g) any instruction by the Client to close the Entrant Scheme Account.
- 3.6 Within 14 Working Days after the first anniversary and each subsequent anniversary of the grant of Formal Approval to the Client to join the Scheme, CICCHKS shall:
- (a) notify the Director in writing of the composition of the Entrant Scheme Account at the relevant anniversary and the acquisition cost (exclusive of all dealing charges, commission and stamp duty) of the Specified Financial Assets held in the Entrant Scheme Account at that date; and
  - (b) confirm in writing to the Director that, to the best of CICCHKS' knowledge, CICCHKS has complied fully with the reporting obligations set out above in respect of the 12 month period immediately before the relevant anniversary, or notify the Director in writing of all matters which should have been reported in respect of such period.
- 3.7 CICCHKS shall at all times comply with the Rules and/or any directions of the Director. In particular, CICCHKS shall promptly answer all queries addressed to it by the Director concerning the Entrant Scheme Account and shall promptly supply such documents (whether copies or originals) concerning the Entrant Scheme Account as the Director requests. The Client irrevocably authorises CICCHKS to answer all such questions and to provide all such documents.
- 3.8 CICCHKS shall supply a copy of the account opening package including but not limited to Account Opening Form and the Terms and Conditions (including this Schedule VI) to the Director within seven (7) Working Days from the date that CICCHKS agrees to provide Hong Kong Entrant Scheme Services to the Client. In addition, CICCHKS shall supply a copy of every amendment or variation to this Schedule VI (or if relevant, the Terms and Conditions) to the Director within seven (7) Working Days of such amendment or variation.
- 3.9 The Client acknowledges and agrees that the Client is under an obligation to make a declaration to the Director every 12 months (and as and when required by the Director) to confirm that he is, and has remained since the date of the previous declaration (if any) (or for the period specified by the Director) the absolute beneficial owner of the Specified Financial Assets held in the Entrant Scheme Account.

#### **4. WITHDRAWAL**

- 4.1 The Client may at any time withdraw or instruct CICCHKS to withdraw Dividends or Income.
- 4.2 The Client may not withdraw or instruct CICCHKS to withdraw any assets held in the Entrant Scheme Account (other than any Dividends or Income).

#### **5. COVENANTS AND UNDERTAKINGS OF THE CLIENT**

- 5.1 Other than any lien created in favour of CICCHKS for any unpaid fees and expenses under Part A, the Client shall not charge, assign or create any interest in any assets held in the Entrant Scheme Account (including any Dividends or Income in the Entrant Scheme Account) in favour of any third party.
- 5.2 The Client has not appointed and shall not appoint any other financial intermediary to manage the Entrant Scheme Account or the Specified Financial Assets contained in the Entrant Scheme Account at the same time as CICCHKS.

- 5.3 The Client may instruct CICCHKs to transfer the Entrant Scheme Account to another qualified financial intermediary for the purposes of the Rules, provided that all of the Specified Financial Assets in the Entrant Scheme Account shall be transferred to the new account in its entirety (except any Dividends or Income). If the Client transfers the Entrant Scheme Account to another qualified financial intermediary, the Client acknowledges and agrees to notify the Director in writing within seven Working Days of such transfer.
- 5.4 The Client shall not, whether on his own or in collusion with others, enter into, facilitate, or permit any transaction, agreement or arrangement, whether or not legally effective or binding, directly or indirectly, which has as its purpose or effect or one of its purposes or effects, the removal of or reduction or diminution in the value or benefit of Specified Financial Assets held in the Entrant Scheme Account, or incur any indebtedness in any form whatsoever using the Specified Financial Assets as collateral for such indebtedness.
- 5.5 Whether or not for bona fide commercial reasons, the Client must not, whether on his own or in collusion with others, enter into, facilitate or permit any transaction, agreement or arrangement, whether or not legally binding, which has as its purpose or effect or one of its purposes or effects, the contravention or avoidance of the Rules.
- 5.6 An Approval-in-Principle or Formal Approval is subject to certain conditions of stay. The Client shall at all times comply with such conditions of stay, the Rules and/or any directions of the Director.
- 5.7 The entry of the Client's dependents is subject to certain conditions. The Client shall at all times comply with such conditions and shall ensure that the Client's dependents shall at all times comply with such conditions.
- 5.8 The Client shall promptly provide CICCHKs with all information and documentation, and shall promptly execute any documentation reasonably requested, to enable CICCHKs to perform its obligations under this Schedule VI and/or otherwise comply with the Rules and/or any directions of the Director.

## **6. REPRESENTATIONS AND WARRANTIES OF THE CLIENT**

In addition to the representations and warranties set out under Clause 11 of Part A, the Client hereby represents and warrants the following:

- (a) the Client is aged 18 or over;
- (b) the Client has Net assets or Net equity to which he is absolutely beneficially entitled with a Market Value of not less than HK\$10 million Net throughout the preceding two years;
- (c) the Client is and will continue at all times to be the absolute and sole beneficial owner of all assets in the Entrant Scheme Account, free from all liens, charges, options, encumbrances and third party rights whatsoever (except any lien created under Part A);
- (d) this Schedule VI, each transaction conducted under this Schedule VI and the related obligations are binding on the Client and enforceable against the Client in accordance with such terms;
- (e) the Client is capable of supporting and accommodating himself/herself and his/her dependants, if any, on his/her own without relying on any return on the Specified Financial Assets, employment, self-employment, office, business or public assistance in or carried on in Hong Kong, as the case may be;



- (f) the Client does not have any adverse immigration record and meets normal immigration and security requirements; and
- (g) the Client is not a foreign national which is excluded from the Scheme, more particularly set out under the Rules.

## **7. PREVAILING CLAUSES**

The Prevailing Clauses shall be of the essence and shall prevail in the event of any conflict or inconsistency between any Prevailing Clause and any other Sub-Clause in this Schedule VI or Clause in the Terms and Conditions. The Prevailing Clauses shall not be altered without the written consent of the Director.

## **8. TERMINATION**

The Hong Kong Entrant Scheme Services shall continue in effect until terminated by one party giving seven (7) days prior written notice to the other. CICCHKS shall notify the Director in writing within seven (7) Working Days of the termination of the Hong Kong Entrant Scheme Services.

## **9. AMENDMENTS**

- 9.1 No amendment, modification or waiver in respect of this Schedule VI shall be effective unless and until, insofar as required under applicable law, written consent is given by the Director.
- 9.2 The Client shall promptly agree to any amendment of the Terms and Conditions (including this Schedule VI) where such amendment is necessary in order to comply with the Rules and/or any directions of the Director and/or any other applicable regulatory requirements.

## **10. GENERAL**

- 10.1 For the purpose of the Hong Kong Entrant Scheme Services, CICCHKS shall not provide margin trading facilities to the Client in relation to the Client's investment in the Specified Financial Assets.
- 10.2 This Schedule VI is governed by and shall be construed in accordance with Hong Kong law and the parties submit to the exclusive jurisdiction of the Hong Kong Courts.

## Schedule VII Family Office Services – Referral Services

### Tax/Estate Planning, Insurance, Trust and Immigration

This Schedule VII shall, in addition to the provisions in Part A (as supplemented by the relevant Supplement), apply in connection with the provision of tax/estate planning, insurance, trust and immigration services (other than the services subject to Schedule VI) to the Client.

#### 1. Definitions

Capitalised terms used in this Schedule VII shall have the same meanings as those defined in the Glossary, unless the context otherwise requires.

In this Schedule VII:

**"Third Party Service Providers"** means any outside service provider introduced to the Client by CICCHKS that will provide tax/estate planning (including tax advice), insurance, trust and/or immigration services directly to the Client.

#### 2. TAX/ESTATE PLANNING, INSURANCE, TRUST AND IMMIGRATION SERVICES

2.1 From time to time, CICCHKS may, subject to applicable laws and regulations, introduce and/or refer Third Party Service Providers or (insofar as permissible under applicable laws and regulations) engage Third Party Service Providers on behalf of the Client to provide tax/estate planning, insurance, trust and/or immigration services to the Client.

2.2 Where the Client, pursuant to an introduction and/or referral under this Schedule VII, directly engages a Third Party Service Provider to provide tax/estate planning, insurance, trust or immigration services, then the Third Party Service Provider's terms and conditions will apply to the provision of such services and the Client shall be solely responsible for entering into client documentation with such Third Party Providers.

2.3 Where CICCHKS engages a Third Party Service Provider on behalf of the Client to provide tax/estate planning, trust or immigration services to the Client, the Client authorizes CICCHKS to disclose information relating to the Client to the Third Party Service Provider for the purposes of receiving the services from the Third Party Service Provider.

2.4 CICCHKS shall have no responsibility whatsoever for any advice or service given or provided by any Third Party Service Provider or for any action taken or omitted by any Third Party Service Providers.

#### 3. ACKNOWLEDGEMENTS

The Client acknowledges and agrees that:

- (a) By introducing and/or referring the Client to a Third Party Service Provider pursuant to this Schedule VII, CICCHKS shall not act as agent for the Third Party Service Provider or the Client;
- (b) CICCHKS shall not provide advice relating to tax/estate planning, trust, immigration, legal, insurance, accounting or tax matters to the Client directly;
- (c) in respect of any insurance matters, CICCHKS shall not engage a Third Party Service Provider on behalf of the Client or otherwise act as the Client's agent; and

- (d) no warranty or undertaking is given by CICCHKS that advice given or action taken by any Third Party Service Provider is suitable for the Client's purposes.

**4. FEES AND EXPENSES**

The Client shall be solely responsible for all fees and expenses to any Third Party Service Provider and shall pay such fees and expenses directly to that Third Party Service Provider, in accordance with that Third Party Service Provider's terms and conditions. For the avoidance of doubt, where CICCHKS engages, introduces or refers a Third Party Service Provider to or on behalf of the Client to provide tax/estate planning, trust or immigration services, or (without prejudice to Sub-Clause 3 of this Schedule VII) in relation to insurance matters to the Client, CICCHKS shall be entitled to charge the Client a service fee for coordinating the provision of services by the Third Party Service Provider. In addition, the Client shall be responsible for all expenses incurred by CICCHKS on the Client's behalf (including, but not limited to, the cost of translation, travel, photocopies, telephone calls, and document transmission).

**5. SOFT DOLLAR BENEFITS AND REBATES**

The Client acknowledges and agrees for all purposes that CICCHKS may, as a result of referring the Client to a Third Party Service Provider, receive and retain commission, cash rebates, goods and services and other soft dollar benefits from such Third Party Service Provider.

## Schedule VIII Direct Market Access

This Schedule VIII shall, in addition to the provisions in Part A (as supplemented by the relevant Supplement), apply in connection with the provision of DMA Services (as defined below).

### 1. DEFINITIONS

Capitalised terms used in this Schedule VIII shall have the same meanings as those defined in the Glossary, unless the context otherwise requires.

In this Schedule VIII:

"**CICC System**" means the electronic order management system made available or provided by CICC, either directly or through third parties.

"**Client Limit**" means a maximum order limit (whether it is an order limit per execution and/or daily limit and/or otherwise).

"**Connected Exchange**" means the Exchange(s) to which CICCHKS has a direct electronic connection via the CICCHKS System.

"**DMA Orders**" means orders for the sale and purchase of listed Investments using the DMA Services to be transmitted to the relevant Connected Exchange via the CICCHKS System.

"**DMA Services**" means the electronic connectivity service provided by CICCHKS which transmits DMA Orders from the User Network, via the CICCHKS System, to the relevant Connected Exchange for execution and settlement.

"**User Network**" means a secure telecommunication line/network connecting the CICCHKS System with a service provider approved by CICCHKS.

### 2. PRECONDITIONS AND CONFIRMATION

2.1 If the Client intends to use the DMA Services:

- (a) the Client must establish and maintain a User Network or the Client must currently maintain a User Network; and
- (b) the Client shall provide such information as requested by CICCHKS to set up the Client's reference data on the CICCHKS System for the provision of the DMA Services.

2.2 CICCHKS shall not be obliged to provide the DMA Services to the Client unless the Client has complied with Sub-Clause 2.1 of this Schedule VIII.

### 3. EXECUTION LIMIT

3.1 The Client acknowledges and agrees that CICCHKS may set Client Limit on the DMA Orders placed by the Client and CICCHKS has the right to reject any order which, if executed, would exceed the Client Limit.

3.2 CICCHKS may change the Client Limit from time to time at its sole and absolute discretion and CICCHKS will notify the Client of such change as soon as practicable afterward.

### 4. PLACING OF DMA ORDERS

- 4.1 The Client warrants that only authorised persons can access and place DMA Orders and that each such authorised person is authorised under the applicable laws and regulations to conduct proprietary or brokerage trading.
- 4.2 The Client shall be liable for and accept the consequences of all transactions transmitted by accessing the CICCHKS System even if any such transactions are incorrect, originate from a person other than an authorised person or are miscommunicated due to a malfunction of the CICCHKS System. The Client shall not assert the absence of additional controls as a reason for rejecting commitments arising from DMA Orders transmitted via the CICCHKS System.
- 4.3 CICCHKS is not obliged to investigate the authenticity or authority of any person effecting a DMA Order on behalf of the Client or verify the accuracy and completeness of such DMA Order.

## **5. ACCEPTANCE OF ORDER**

- 5.1 A DMA Order will only be accepted by CICCHKS and/or the CICCHKS System for transmission to the Connected Exchange if all of the following information has been provided:

*If the DMA Order relates to Securities:*

- (a) stock code;
  - (b) Connected Exchange;
  - (c) buy/sell;
  - (d) order quantity;
  - (e) order type (i.e. limit, market etc.);
  - (f) (if applicable) limit price;
  - (g) (if applicable) QFII number;
  - (h) (if applicable) Investment ID number;
  - (i) (if applicable) sub account; and
  - (j) such other information as may be requested by CICCHKS and/or the CICCHKS System.
- 5.2 The Client agrees to check the details of a DMA Order before transmission and acknowledges that it may not be possible to cancel the DMA Order once transmitted.
  - 5.3 The CICCHKS System may automatically reject a DMA Order, and CICCHKS shall be entitled in its sole and absolute discretion (without any liability to the Client) to reject, stop, intercede or cancel a DMA Order, for any reason whatsoever, including, if the conditions described in Sub-Clause 5.1 of this Schedule VIII are not fulfilled or if, in its sole and absolute opinion, the execution of such DMA Order would be in breach of any applicable laws and regulations or otherwise adversely affect CICCHKS's interests or the interests of any Affiliate of CICCHKS.
  - 5.4 Once a DMA Order has been accepted and executed by the relevant Connected Exchange, an execution report will be sent to the Client confirming the execution. Confirmation of the execution of a DMA Order will be sent to the Client at the close of the trading day on which such DMA Order is placed. However, any delay, error, interruption or failure in the delivery of a confirmation due to

the breakdown, interruption, error or failure of the CICCHKS System shall not affect the validity of an executed DMA Order.

## **6. REPRESENTATIONS AND WARRANTIES**

In addition to the representations and warranties set out under Clause 11 of Part A, the Client represents and warrants that it shall not use the DMA Services or the CICCHKS System except to place DMA Orders to trade listed Investments on the relevant Connected Exchange.

## **7. EMERGENCY MEASURES**

In case of emergency, CICCHKS may (without any liability to the Client) halt, suspend, or terminate the DMA Services and the transmission of DMA Orders via the CICCHKS System at its sole and absolute discretion, and CICCHKS will notify the Client of any such actions as soon as practicable afterward.

## **8. ACKNOWLEDGEMENTS**

The Client acknowledges and agrees to each of the following:

- 8.1 CICCHKS does not expressly or impliedly warrant the result of the use of the DMA Services or with respect to any data or information that CICCHKS may provide in connection with the DMA Services or that any or all failures, defects, or errors will be corrected, or that the DMA Services will meet the Client's requirements.

No condition, warranty or representation of any kind is or has been given by or on behalf of CICCHKS in respect of the merchantability, quality, accuracy, completeness, reliability, performance or fitness for a particular purpose, title, non-infringement, timeliness, currency, absences of viruses or damaging or disabling code for the use of the DMA Services, the CICCHKS System or any part of it, and accordingly the Client confirms that it has not, in determining whether to use the DMA Services, relied on any condition, warranty or representation by CICCHKS or any person on CICCHKS' behalf, express or implied, whether arising by law or otherwise in relation to the DMA Services, the CICCHKS System or any part of it.

- 8.2 CICCHKS shall not be liable or have any responsibility whatsoever for any delays, errors, interruptions or failure in transmission of DMA Orders caused by or arising from the User Network.
- 8.3 The Client expressly acknowledges and agrees that CICCHKS has not made any recommendation with respect to the DMA Services or any transactions in connection with the DMA Services and that CICCHKS and any third party service providers selected by CICCHKS provide the DMA Services on an "as is" basis at the Client's sole risk.
- 8.4 CICCHKS and such third party service providers are not responsible for maintaining the DMA Services, the CICCHKS System or for supplying any corrections, updates or releases concerning the DMA Services or the CICCHKS System.
- 8.5 The Client does not have intent to place DMA Orders relating to short selling and will not do so.
- 8.6 The Client has appropriate arrangements in place to ensure that all of its DMA users are proficient and competent in using the system.
- 8.7 The Client understands and has the ability to comply with the applicable regulatory requirements.

- 8.8 The Client has in place adequate arrangements to monitor the orders entered through CICCHKS' DMA Services.
- 8.9 The Client does not sub-delegate CICCHKS' DMA Services to any third parties that CICCHKS has not approved of in writing.

## Schedule IX Internet Trading

This Schedule IX shall, in addition to the provisions in Part A (as supplemented by the relevant Supplement) and any relevant Schedule, apply in connection with the provisions of Internet Trading Services (as defined below).

### 1. DEFINITIONS

Capitalised terms used in this Schedule IX shall have the same meanings as those defined in the Glossary, unless the context otherwise requires.

In this Schedule IX:

**"Information Provider"** means a third party that transmits Market Information to CICCHKS.

**"Internet Trading Services"** means the service provided by CICCHKS to the Client which enables the Client to use the Platform to give electronic Instructions, to obtain Market Information and to perform such other functions as permitted by CICCHKS at its sole and absolute discretion from time to time.

**"Login ID"** means the Client's identification, used in conjunction with the Password, to gain access to the Platform.

**"Market Information"** means any transaction or market data, bid and ask quotations, news reports, third party analysts' reports, research and other information relating to Securities and the Securities markets.

**"Password"** means the Client's password, used in conjunction with the Login ID, to gain access to the Platform.

**"Platform"** means the electronic trading platform provided by CICCHKS (either directly or through third parties) which enables the Clients to use the Internet Trading Services.

### 2. PRECONDITIONS AND CONFIRMATION

2.1 On confirmation that it will provide the Internet Trading Services to the Client, CICCHKS shall issue the Login ID and Password to the Client.

2.2 The Client may be required to enter into an agreement with Information Providers and/or Information Providers may require that the Client fulfil certain other conditions before the Client can receive Market Information from that Information Provider. The Client is solely responsible for making such arrangements, and CICCHKS shall not be obliged to provide the Market Information if the Client does not fulfil those requirements.

### 3. PLACING ORDERS

3.1 The Client shall be liable for and accept the consequences of all transactions transmitted by accessing the Platform, even if any such transactions are incorrect, originate from a person other than an authorised person or are miscommunicated due to a malfunction of the Platform. The Client shall not assert the absence of additional controls as a reason for rejecting commitments arising from orders transmitted via the Platform.

3.2 After placing any order via the Platform, the Client shall check that such order has been correctly acknowledged by CICCHKS.



#### **4. ACCEPTANCE OF ORDER**

- 4.1 An order through the Platform will only be accepted by CICCHKS if all of the information required by CICCHKS, and notified from time to time to the Client, has been provided to CICCHKS or its Affiliates or agents.
- 4.2 The Client agrees to check the details of an order before transmission and acknowledges that it may not be possible to cancel the order once transmitted.
- 4.3 The Platform may automatically reject an order, and CICCHKS shall be entitled in its sole and absolute discretion (without any liability to the Client) to reject, stop, intercede or cancel an order, for any reason whatsoever, including, if the conditions described in Sub-Clause 4.1 of this Schedule IX are not fulfilled or if, in its sole and absolute opinion, the execution of such Order would be in breach of any applicable laws and regulations or otherwise adversely affect CICCHKS' interests or the interests of any Affiliate of CICCHKS.
- 4.4 Once an order has been accepted and executed, an execution report will be sent to the Client confirming the execution. Confirmation of the execution of an order will be sent to the Client at the close of the trading day on which such order is placed. However, any delay, error, interruption or failure in the delivery of a confirmation due to the breakdown, interruption, error or failure of the Platform shall not affect the validity of an executed order.

#### **5. EMERGENCY MEASURES**

In case of emergency, CICCHKS may (without any liability to the Client) halt, suspend, or terminate the Internet Trading Services and the transmission of orders via the Platform at its sole and absolute discretion, and CICCHKS will notify the Client of any such actions as soon as practicable afterward.

#### **6. PROVISION OF MARKET INFORMATION**

- 6.1 CICCHKS may convey Market Information to the Client through the Platform. The Client may be charged a fee for any Market Information provided by CICCHKS which has been obtained from any Information Providers.
- 6.2 The Market Information is the property of CICCHKS, the Information Providers and/or others and is protected by copyright. The Client shall:
  - (a) not upload, post, reproduce or distribute any Market 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; and
  - (b) not use the Market Information or any part of it other than for its own use or in the ordinary course of its own business.
- 6.3 The Client agrees not to:
  - (a) reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit the Market Information in any manner without the express written consent of the relevant copyright owner;
  - (b) use the Market Information for any unlawful purpose;

- (c) use the Market Information or any part of it to establish, maintain or provide or to assist in establishing, maintaining or providing a trading floor or dealing service for trading in Securities.
- 6.4 The Client agrees to comply with reasonable written requests by CICCHKS to protect the Information Providers' and CICCHKS' respective rights in the Market Information and the Internet Trading Services.
- 6.5 The Client shall comply with such reasonable directions as CICCHKS may give from time to time concerning the permitted use of the Market Information.
- 6.6 The Client authorises CICCHKS to provide information on the Internet Trading Services supplied to the Client to enable CICCHKS to comply with any provision contained in the licence that it holds with any Information Provider.

## **7. INTELLECTUAL PROPERTY RIGHTS**

- 7.1 The Client acknowledges that the Internet Trading Services, and any software comprised in it, is proprietary to CICCHKS. The Client 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 Internet Trading Services or any of the software comprised in it. The Client agrees that CICCHKS shall be entitled to terminate the Internet Trading Services if at any time the Client breaches, or if CICCHKS at any time reasonably suspects that the Client has breached this warranty and undertaking.

## **8. ACKNOWLEDGEMENTS**

- 8.1 The Client acknowledges and agrees that:
  - (a) Only persons authorised by the Client can access the Platform and use the Internet Trading Services.
  - (b) The Client shall be responsible for the confidentiality and use of its Login ID and password.
  - (c) The Client shall be solely responsible for all Instruction entered through the Internet Trading Services and any Instructions received by CICCHKS shall be deemed to be made by the Client at the time received by CICCHKS and in the form received.
  - (d) The Client shall immediately inform CICCHKS if it becomes aware of any loss, theft or unauthorised use of the Login ID or Password.
  - (e) CICCHKS has the right to suspend the Internet Trading Services if an incorrect Login ID and/or Password are entered on more than 3 consecutive occasions.
  - (f) CICCHKS reserves the right to terminate the Client's access to the Internet Trading Services or any portion of them in its sole and absolute discretion, without notice and for any reason whatever, including the unauthorised use of the Client's access number(s), password(s) and/or account number(s), breach of the Terms and Conditions (including this Schedule IX), discontinuance of the Client's access to any Market Information by any Information Provider or termination of one or more agreements between CICCHKS and any Information Provider.
  - (g) CICCHKS may, in its sole and absolute discretion, provide statements, confirmations, notifications and other communications to the Client electronically.

- (h) CICCHKS may in its sole and absolute discretion impose restrictions on the types of orders and the range of prices for orders which can be placed through the Platform.
  - (i) The Client shall log off the Platform immediately following the completion of each session.
- 8.2 CICCHKS does not expressly or impliedly warrant the result of the use of the Internet Trading Services or with respect to any data or Market Information that CICCHKS may provide in connection with the Internet Trading Services or that any or all failures, defects, or errors will be corrected, or that the Internet Trading Services will meet the Client's requirements.
- 8.3 No condition, warranty or representation of any kind is or has been given by or on behalf of CICCHKS in respect of the merchantability, quality, accuracy, completeness, reliability, performance or fitness for a particular purpose, title, non-infringement, timeliness, currency, absences of viruses or damaging or disabling code for the use of the Internet Trading Services, the Platform or any part of them, and accordingly the Client confirms that it has not, in determining whether to use the Internet Trading Services, relied on any condition, warranty or representation by CICCHKS or any person on CICCHKS' behalf, express or implied, whether arising by law or otherwise in relation to the Internet Trading Services, the Platform or any part of them.
- 8.4 CICCHKS shall not be liable or have any responsibility whatever for any delays, errors, interruptions or failure in transmission of orders caused by or arising from the Platform.
- 8.5 CICCHKS shall not be liable or have any responsibility whatever for the accuracy or completeness of any Market Information.
- 8.6 The Client expressly acknowledges and agrees that CICCHKS has not made any recommendation with respect to the Internet Trading Services or any transactions in connection with the Internet Trading Services and that CICCHKS and any third party service providers selected by CICCHKS provide the Internet Trading Services on an "as is" basis at the Client's sole risk.
- 8.7 CICCHKS and such third party service providers are not responsible for maintaining the Internet Trading Services, the Platform or for supplying any corrections, updates or releases concerning the Internet Trading Services or the Platform.

## Schedule X China Connect

### 1 Applicability

- 1.1 By giving China International Capital Corporation Hong Kong Securities Limited (“us”) instructions to trade China Connect Securities via China Connect, you agree to be bound by these China Connect Terms and acknowledge that you have read and understood the Risk Disclosures and Other Information set out in the Annex hereto.
- 1.2 These China Connect Terms amend and are supplemental to, and are without prejudice to, the Existing Terms, as Schedule X of Part B under the Terms And Conditions for Wealth Management Services. In the event of any inconsistency between these China Connect Terms and the Existing Terms, the provisions of these China Connect Terms shall prevail.

### 2 Definitions

Capitalised terms used herein will have the meanings given below or otherwise in the Existing Terms.

“**A Shares**” means any securities issued by companies incorporated in Mainland China which are listed and traded on Mainland China A Share markets (Shanghai and Shenzhen) and not on the SEHK.

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

“**Average Pricing**” means the allocation or application of an average price per China Connect Security to each individual fund managed by the same fund manager in respect of trades in such China Connect Security on the same Trading Day.

“**Cash**” means all cash or cash equivalents in Renminbi received and held by us on the terms of these China Connect Terms.

“**CCASS**” means the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on The Stock Exchange of Hong Kong Limited and/ or any system established for the purpose of China Connect.

“**China Connect**” means a securities trading and clearing link programme developed or to be developed by the SEHK, each China Connect Market, HKSCC and ChinaClear for the establishment of mutual market access between SEHK and each China Connect Market.

“**China Connect Authorities**” means the regulators which regulate China Connect and activities relating to China Connect, including without limitation, the CSRC, PBOC, SAFE, SFC and any other regulator, agency or authority with jurisdiction, authority or responsibility in respect of China Connect.

“**China Connect Entities**” means the exchanges, clearing systems and other entities which provide services relating to China Connect, including without limitation, the SEHK, HKSCC, each SEHK Subsidiary, China Connect Markets and ChinaClear.

“**China Connect Laws**” means the laws and regulations of Hong Kong and Mainland China from time to time in respect of China Connect or any activities arising from China Connect.

“**China Connect Market**” means each of the SSE, SZE and such other authorised trading venues as designated from time to time.

“**China Connect Market System**” means the system used for the trading of China Connect Securities on a China Connect Market, as operated by the relevant China Connect Market.

“**China Connect Rules**” means any rules, policies, operational procedures, notices or guidelines published or applied by any China Connect Authority or China Connect Entity from time to time in respect of China Connect or any activities arising from China Connect.

“**China Connect Securities**” means any securities listed on a China Connect Market which may be eligible for trading by Hong Kong and international investors on China Connect.

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

“**China Connect Terms**” means these China Connect Supplemental Terms and the accompanying Annex(es), as may be amended, supplemented, modified or varied from time to time.

“**ChinaClear**” means China Securities Depository and Clearing Corporation Limited.

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

“**Clearing Participant**” has the meaning given to such term in the rules of the Central Clearing and Settlement System of Hong Kong.

“**ChiNext shares**” means A Shares accepted for listing and admitted to trading on SZE ChiNext from time to time.

“**Client Securities Rules**” means the Securities and Futures (Client Securities) Rules (Capital 571H of the Laws of Hong Kong).

“**CSC**” means the China Stock Connect System for receiving and routing orders under Stock Connect to the trading system on a China Connect Market for automatic matching and execution.

“**CSRC**” means China Securities Regulatory Commission.

“**CSRC China Connect Rules**” means such rules, regulations, procedures and notices as promulgated by CSRC to prescribe for the launch and operation of the China Connect.

“**Exchange Participant**” has the meaning given by the rules of the SEHK.

“**Existing Terms**” means the applicable existing Terms And Conditions For Wealth Management Services, Client Identity Rule Schedule, Personal Data (Privacy) Schedule and/or other relevant notices and disclosure between the Client and us that govern our provision of securities dealing services to you whether written or unwritten.

“**Forced-sale Notice**” has the meaning given in Clause **Error! Reference source not found.**

“**H Shares**” means any securities issued by companies incorporated in Mainland China and listed on the SEHK.

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

“**HKSCC**” means the Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of HKEx.

“**Institutional Professional Investor**” means a “professional investor” within the meaning of paragraphs (a) to (i) of the definition of “professional investor” in section 1 of Part 1 of Schedule 1 to the SFO.

“**Mainland China**” means the People’s Republic of China (excluding Hong Kong, Macau and Taiwan).

“**Mainland China Listco**” has the meaning given in paragraph 14 of the Annex hereto.

“**Mainland China Resident**” means a person who is a citizen of the People’s Republic of China and does not have permanent right of abode in a jurisdiction outside Mainland China.

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

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

“**PBOC**” means the People’s Bank of China.

“**Pre-Trade Checking**” means the requirement under the China Connect Laws pursuant to which a China Connect Market may reject a sell order if an investor does not have sufficient and available China Connect Securities in its account.

“**Related Person**” means any of our Affiliates, or any director, officer, employee or agent of us or our Affiliates.

“**Renminbi**” or “**RMB**” means the lawful currency of Mainland China, deliverable in Hong Kong.

“**SAFE**” means the State Administration of Foreign Exchange.

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

“**SEHK Subsidiary**” means (i) Gangsheng Information Services (Shanghai) Limited that provides order-routing services under China Connect to SSE, or (ii) Gangyu Information Services (Shenzhen) Limited that provides order-routing services under China Connect to SZE.

“**SFC**” means the Securities and Futures Commission.

“**SFO**” means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

“**Short Selling**” means the sale of Short Selling Securities in respect of which the seller has a presently exercisable and unconditional right to vest the Short Selling Securities in the purchaser by virtue of having borrowed such securities under a stock borrowing and lending arrangement.

“**Short Selling order**” means a China Connect sell order to effect Short Selling.

“**Short Selling Ratio**” means the number of shares sold via Short Selling orders for a Short Selling Security on a given Trading Day divided by the number of shares of that Short Selling Security held by all investors through CCASS as at the commencement of that Trading Day, expressed as a

percentage rounded to 2 decimal places.

“**Short Selling Securities**” means any China Connect Securities which are from time to time included in the list of China Connect Securities eligible for Short Selling.

“**Special China Connect Securities**” means any securities listed on a China Connect Market which the SEHK from time to time accepts or designates as eligible only for China Connect sell orders and not China Connect buy orders.

“**SSE**” means the Shanghai Stock Exchange.

“**SZE**” or “**SZSE**” means the Shenzhen Stock Exchange.

“**Taxes**” means all retrospective, present or future taxes, duties, levies, imposts, charges, assessments, deductions, withholdings and related liabilities, including additions to tax, penalties and interest imposed on or in respect of (i) China Connect Securities or Cash, (ii) any transaction effected under these China Connect Terms or (iii) you.

“**Trading Day**” means a day on which SEHK is open for Northbound trading, where “**T day**” denotes the Trading Day on which a transaction is executed and “**T+1 day**” denotes the day which is one Trading Day, or in the context of the settlement of funds, one business day (on which banks in Hong Kong and Mainland China are generally open for business) after T day.

“**you**” means the client to whom these China Connect Terms are addressed and, if applicable, the principal(s) on whose behalf such client act(s).

### **3 Eligible Investors**

You represent and undertake on a continuing basis, including without limitation on the first date that these China Connect Terms are effective and on each date that you place an order or give an instruction in respect of China Connect Securities under these China Connect Terms, that:

- (a) (i) you are not a Mainland China Resident or an entity incorporated, domiciled or registered under the laws of Mainland China, (ii) if you are a Mainland China Resident, you are using funds lawfully owned by you and located outside Mainland China to make investments in China Connect Securities or (iii) if you are an entity incorporated, domiciled or registered under the laws of Mainland China, your investment in China Connect Securities has been conducted pursuant to any program (including the Qualified Domestic Institutional Investor Program, if applicable) approved by, or any other approval of, any competent Mainland China regulator;
- (b) your investment in China Connect Securities does not violate the laws and regulations of Mainland China, including those in relation to foreign exchange control and reporting; and
- (c) to the extent as required by the China Connect Rules, in connection with your trading in ChiNext shares under China Connect, that you are an Institutional Professional Investors; and if you are an intermediary (as defined in the SFO) or a person who carries on business outside Hong Kong in an activity in respect of which it is regulated overseas and which, if carried on in Hong Kong, would constitute a regulated activity under the SFO, you agree that you will not accept any instruction to buy ChiNext shares from any of your clients unless they are an Institutional Professional Investor.

#### 4 Compliance with China Connect Laws and China Connect Rules

- 4.1 Any trading in China Connect Securities will be subject to all China Connect Laws and China Connect Rules, certain of which are referred to in the Annex hereto.
- 4.2 These China Connect Terms highlight certain key features of China Connect as of the date hereof. We are not liable for any inaccuracies or misstatements in the information set out in the Annex hereto. These China Connect Terms do not purport to cover all China Connect Laws and China Connect Rules. You shall be fully responsible for understanding and complying with all China Connect Laws and China Connect Rules and for any consequences of Northbound trading. We will not, and does not intend to, advise you on any China Connect Laws or China Connect Rules. For further information, please refer to the web pages on the HKEx website and the SFC website relating to China Connect from time to time and other relevant sources.
- 4.3 We shall have the right to apply any procedures or requirements in respect of any trading of China Connect Securities through China Connect which we determine in our absolute discretion to be necessary or desirable for the purpose of any China Connect Laws, China Connect Rules or market practice. Neither we nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from such procedures or requirements.
- 4.4 We may, in our absolute discretion, refuse to execute any instruction given by you, if (for example, and without limitation):
- 4.4.1 such instruction is not compliant with any China Connect Laws or China Connect Rules or if we reasonably believe that such instruction may not be compliant with any China Connect Laws or China Connect Rules or if we are required by the SEHK not to accept such instruction;
  - 4.4.2 without prejudice to your obligations in Clause **Error! Reference source not found.**, in respect of any instruction to make a Northbound sell order, we determine in our absolute discretion that you do not have sufficient securities at the time of such order instruction to settle the delivery obligation or if submission of the order would cause us to be in breach of the Pre-Trade Checking requirements or related requirements under the China Connect Rules or China Connect Laws; or
  - 4.4.3 in respect of any instruction to make a Northbound buy order, we determines in our absolute discretion that you do not have sufficient funds to settle the payment obligation in respect of such order on the settlement day.
- Neither we nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from such refusal.
- 4.5 Without limitation to the foregoing, we may in our absolute discretion suspend, terminate or limit your ability to access the China Connect through us without advance notice to you, including but not limited to where requested or directed by a China Connect Authority.
- 4.6 In the event that SEHK, the relevant SEHK Subsidiary or HKSCC is notified by a China Connect Market, ChinaClear or any other relevant exchange, clearing house or governmental or regulatory body that there is reasonable cause to believe that you have failed to comply with or have breached any China Connect Laws or China Connect Rules, you shall, upon the request of us provide such information (including translations into Chinese if requested by us) as we may reasonably request to



enable us to assist the relevant exchange, clearing house or governmental or regulatory body including without limitation any China Connect Market, ChinaClear or any PRC governmental or regulatory authority or authorities to assess whether there is any non-compliance or breach of the China Connect Laws or China Connect Rules and/or the extent of any non-compliance or breach.

## **5 Risk Disclosures and Acknowledgement**

You shall be deemed to acknowledge the following by instructing us in respect of any transaction relating to China Connect Securities.

- 5.1 You acknowledge that you have read and understood the risk disclosures and other information set out in the Annex hereto and that you understand your obligations set out in such Annex including any consequences of a breach of China Connect Laws or China Connect Rules.
- 5.2 You acknowledge that there is a risk of prohibition from trading China Connect Securities and that your instructions to trade China Connect Securities may not be accepted.
- 5.3 You acknowledge that neither we nor any Related Person shall be liable for any loss, liability or third party claim or demand that you may suffer directly or indirectly as a result of any action or inaction by us or any Related Person in connection with the provision of trading services in respect of China Connect Securities to you by us including, without limitation, the materialisation of any of the risks described in the Annex hereto.
- 5.4 You acknowledge that SEHK has the power not to extend the China Connect Service to you, and the power to require us not to accept instructions from you, if it is found that you, we or any of our clients have or may have committed any abnormal trading conduct set out in or failed to comply with any China Connect Rules.
- 5.5 You acknowledge that if the China Connect Laws or China Connect Rules are breached, or the disclosure and other obligations referred to in any China Connect Laws or China Connect Rules are breached, (i) each China Connect Market has the power to carry out investigations, and may, through SEHK (or through the relevant SEHK Subsidiary, or any other governmental or regulatory body), require us or a Related Person to (a) provide relevant information and materials relating to you including, without limitation, in relation to your identity, personal data and trading activity; and (b) to assist in a China Connect Authority's investigation in relation to you and/or your trading activity; and (ii) you may be subject to regulatory investigations and legal and regulatory consequences if you are in breach of, or fail to comply with, such laws, rules and regulations.
- 5.6 You acknowledge that the SEHK may (for the purpose of assisting each China Connect Market with its regulatory surveillance and enforcement of the China Connect Rules and as part of the regulatory cooperation arrangement between the SEHK, the relevant SEHK Subsidiary and each China Connect Market), at the request of a China Connect Market, require us to provide information (including, without limitation, in relation to your identity, personal data and trading activity) in relation to you and any other persons referred to in the SEHK China Connect Rules with respect to any China Connect orders placed or China Connect transactions made or entered into by us on your or their behalf.
- 5.7 You acknowledge that where a China Connect Authority considers that there is a serious breach of the China Connect Rules, we may be required by a China Connect Authority to (a) issue warning

statements (verbally or in writing) to you; and (b) cease providing you with any service relating to trading China Connect Securities through China Connect.

- 5.8 You acknowledge that, prior to us informing you that a Northbound buy order instructed by you has been settled, you shall not instruct a Northbound sell order in respect of the China Connect Securities which are the subject of such Northbound buy order.
- 5.9 You acknowledge that a relevant China Connect Entity may, for the purpose of assisting a China Connect Market with its regulatory surveillance and enforcement activities and as part of regulatory cooperation between them, require us to release information concerning you and other persons referred to in Rule 537 of HKEx (*Disclosure of Information about Clients*) with respect to any China Connect orders input or China Connect Securities trades made or entered into by us on your behalf. You hereby authorise us to disclose, transfer and provide information and personal data concerning you and other persons referred to in Rule 537 of HKEx (*Disclosure of Information about Clients*) to a China Connect Market in accordance with China Connect Laws.
- 5.10 You acknowledge and consent to us or any Related Person providing information relating to you and your profile, including the type and value of Northbound buy and sell orders and transactions executed on your behalf to a China Connect Authority at such intervals and in such form as such China Connect Authority may specify from time to time including in relation to an investigation or surveillance by a China Connect Authority.
- 5.11 You acknowledge and accept responsibility for paying all fees, charges, levies and taxes and shall comply with any filing or registration obligations as may be required under any China Connect Laws or China Connect Rules relating to any China Connect Securities and any dividends or entitlements in respect of such China Connect Securities.
- 5.12 You acknowledge and accept that we will be subject to recordkeeping requirements under the China Connect Rules and may therefore retain records (including telephone and electronic communications and account information) in relation to your Northbound orders and trading for 20 years or as otherwise required under the China Connect Rules or the China Connect Laws.
- 5.13 You acknowledge and accept that the SEHK may upon a China Connect Market's request require us to reject any order made on your behalf.
- 5.14 You acknowledge and accept that none of the China Connect Authorities or their respective directors, employees and agents shall be responsible or held liable for any loss or damage directly or indirectly suffered by us or any Related Person, you or any other third party arising from or in connection with (i) the trading of China Connect Securities or the operation of the CSC in respect of China Connect Securities, or (ii) any amendments, making or enforcement of the China Connect Rules; or (iii) any action taken by a China Connect Authority in discharge of its supervisory or regulatory obligations or functions (including any action taken in respect of abnormal trading activities).
- 5.15 You acknowledge and accept that by giving us a Short Selling order, (i) you have borrowed sufficient Short Selling Securities to settle the Short Selling order if executed; (ii) where you have borrowed Short Selling Securities from a third-party stock lender, you will appropriately flag that the return of the Short Selling Securities is the subject of a Short Selling order; (iii) to the extent that the Short Selling order is an SPSA order, you hereby confirm that the borrowed Short Selling Securities are held in the relevant SPSA and the order meets the pre-trade checking and settlement requirements as set out in the China Connect Rules.

## **6 Representations**

You make the representations set out in this Clause to us on a continuing basis:

- 6.1 that you are aware of and shall comply with all China Connect Laws and China Connect Rules to which you may be subject;
- 6.2 that you are eligible to place Northbound orders and the execution of any instruction you give to us shall not result in any breach of any China Connect Laws or China Connect Rules; and
- 6.3 that you understand and have assessed the risks relating to China Connect and you are willing to undertake the risks relating to China Connect.
- 6.4 You make the following representations to us on each date you instruct an order to sell China Connect Securities:
  - 6.4.1 that you do not know of any fact that might impair the validity of such China Connect Securities and that you have full authority to receive, deal with and give instructions, authorisations or declarations in respect of the same;
  - 6.4.2 that there is no adverse claim to such China Connect Securities; and
  - 6.4.3 that there is no restriction on the transfer of such China Connect Securities other than those expressly provided for under the SEHK rules or CCASS rules.

## **7 Order Handling**

- 7.1 We will handle client orders fairly. We may aggregate your Northbound orders with the Northbound orders of any other client or of its affiliates when we process such orders. This may sometimes operate to your disadvantage and, because of the quota restrictions described in the Annex, may result in your order only being partially executed or not at all.
- 7.2 All client orders and transactions to be undertaken for clients (“**Client Orders**”) which are for submission to the applicable open auction or start of continuous trading session (the “**Opening**”) and in case of SZE, closing call auctions (the “**Closing**”), shall be handled by us in a way that seeks to ensure that all such Client Orders have a fair and equal opportunity to participate in the Opening and/or Closing, as the case may be. We will regard all such Client Orders as having been received by us only at the point at which our system submits Client Orders into the applicable trading session.

## **8 Compliance with Pre-Trade Checking Requirements**

- 8.1 You undertake that you will comply with any requirements relating to Pre-Trade Checking mandated by the China Connect Authorities, the China Connect Entities or as notified to you by us.
- 8.2 In addition, you undertake to ensure there are sufficient and available China Connect Securities in your account by the applicable cut-off time (as notified to you by us from time to time) to cover any proposed sell order given on the relevant Trading Day.
- 8.3 If we consider that you do not for whatever reason have sufficient and available China Connect Securities in your account to settle a sell order by the applicable cut-off time (as notified to you by us from time to time) we may in our absolute discretion:
  - 8.3.1 reject your sell order (in whole or in part);

- 8.3.2 use any China Connect Securities in our designated CCASS stock account(s) to fulfil the Pre-Trade Checking requirement in respect of your sell order, in which case you shall reimburse us for any costs, losses or expenses which we incur as a result of buying in or otherwise sourcing the amount of China Connect Securities which you have failed to deliver in respect of your sell order on such terms and at such price (including any associated fees and expenses) and at such time as we shall determine in our absolute discretion); or
- 8.3.3 perform any other act which we consider necessary or desirable to comply with Pre-Trade Checking and/or relevant China Connect Laws or China Connect Rules and to cover your shortfall (including but not limited to applying any other China Connect Securities available to us from other sources.
- 8.4 In addition, we may in our absolute discretion reject your sell order (in whole or in part) if for any other reason we consider that there is or may be non-compliance with any China Connect Laws or China Connect Rules. Any risk, loss or cost resulting from non-compliance or potential non-compliance with Pre-Trade Checking and/or the relevant China Connect Laws or China Connect Rules shall be borne by you.
- 8.5 If you give any sell order in respect of any China Connect Securities allocated to any fund managed by you, you undertake to ensure that there are sufficient and available China Connect Securities in your account allocated to such fund by the applicable cut-off time (as notified to you by us from time to time) to cover any such proposed sell order on the relevant Trading Day. In all cases, it is your responsibility to ensure that each of the funds managed by you complies with all China Connect Laws and China Connect Rules to which the relevant fund may be subject.

Any risk, loss or cost resulting from non-compliance or potential non-compliance with Pre Trade Checking and/or the relevant China Connect Laws or China Connect Rules shall be borne by you.

## **9 Settlement and Currency Conversion**

- 9.1 As all Northbound trading is effected and settled in Renminbi, if we do not receive sufficient Renminbi before settlement of a Northbound buy order to settle such purchase of China Connect Securities, settlement may be delayed and/or fail and you may not acquire title to, or become entitled to sell or transfer the relevant China Connect Securities. Where we hold any funds on your behalf, if there are insufficient Renminbi funds to settle any Northbound buy order or other payment obligation in connection with China Connect, you authorise us to convert any funds in any other currency which we hold on your behalf into Renminbi for the purposes of settlement thereof.
- 9.2 Notwithstanding any provisions in the Existing Terms, where it is necessary to convert one currency to another pursuant to these China Connect Terms, such conversion may be carried out automatically by us in a commercially reasonable manner without prior notice to you. Any risk, loss or cost (including fees, charges and/or commissions) in connection with or resulting from any conversion of one currency into another currency pursuant to these China Connect Terms shall be borne by you.
- 9.3 You agree that in the event that you fail to settle in a timely manner any payment obligation in relation to an instruction to purchase China Connect Securities, we have the right to immediately and without prior notice to you take such action as we consider appropriate to reduce or eliminate any loss or liability that we suffer or may suffer (including but not limited to taking any steps to sell, realize, dispose of or otherwise deal with the relevant China Connect Securities) and that you shall indemnify and hold us harmless for any liabilities, expenses or other losses we may incur in

exercising the foregoing right. You further agree that we shall have no liability to you for any loss, diminution in value or other damages whatsoever for any action or inaction of us or our agents pursuant to this Clause.

- 9.4 Notwithstanding any provisions in the Existing Terms, where we determine that there is insufficient liquidity in RMB to settle any buy orders, we may, in our sole and absolute discretion, reject your instructions to place such buy order.

## **10 Sale, Transfer and Disgorgement**

- 10.1 Where, under the terms of the China Connect Rules, we receive notice (a “**Forced-sale Notice**”) from a China Connect Authority requiring us to sell and liquidate a specified number of China Connect Securities, we shall be entitled to issue a corresponding notice (a “**Client Forced-sale Notice**”) to you requesting you to sell and liquidate any number of such China Connect Securities that you hold in your account with us (as determined by us in our sole discretion) within the period specified by the relevant China Connect Authority, and you undertake to comply with any such Client Forced-sale Notice.
- 10.2 In relation to any Forced-sale Notice, you authorise us to sell or arrange for the sale of such China Connect Securities on your behalf at such price and on such terms as we may determine in our absolute discretion if you fail to comply in a timely manner with a Client Forced-sale Notice, to the extent necessary to comply with all China Connect Laws and China Connect Rules.
- 10.3 Where China Connect Securities owned by you that are the subject of a Client Forced-sale Notice have been transferred from the holding of the Clearing Participant that settled the relevant Northbound buy order (the “**Original CP**”) to another Clearing Participant or custodian (the “**Recipient Agent**”), you authorise us to provide instructions to the Recipient Agent on your behalf to return the relevant China Connect Securities to the Original CP for sale and liquidation in accordance with all China Connect Laws and China Connect Rules. You also undertake to inform the Recipient Agent of such authorisation and, where required, you undertake to instruct the Recipient Agent to act accordingly.
- 10.4 You authorise us to sell or arrange for the sale of any amount of China Connect Securities owned by you if we receive notice from any China Connect Authority requiring you to disgorge any profits as a result of the “short swing profit rule”, as described in paragraph 15 (*Short Swing Profit Rule*) of the Annex hereto.
- 10.5 In addition to the above, you authorise us to sell, transfer or carry out any other action in relation to China Connect Securities owned by you if we are instructed to do so by any China Connect Authority or if we otherwise determine in our absolute discretion that it is necessary or desirable to do so in order to comply with any China Connect Laws or China Connect Rules.
- 10.6 Neither we nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from any actions taken by us or a Related Person in respect of this Clause.

## 11 Custody<sup>6</sup>

### 11.1 Applicability

This Clause is only applicable when (i) you have delivered to us the China Connect Securities in relation to Pre-Trade Checking under the China Connect Rules and China Connect Laws, and (ii) we do not provide custodial services to you pursuant to Section 7 (Custody) of Part A under the Terms And Conditions For Wealth Management Services.

### 11.2 Nature of custodial services

11.2.1 You acknowledge that the primary or only reason that we are offering you custodial services is in relation to Pre-Trade Checking under the China Connect Rules and China Connect Laws, and that the provision of custodial services is not part of our normal business activities. Accordingly, any custodial services offered by us are limited in their nature. The provisions in this Clause **Error! Reference source not found.** are without prejudice to any agreements you may have with our affiliates providing you with custodial services.

11.2.2 You acknowledge that we conduct business in China Connect Securities for other clients and for our own account.

11.2.3 You shall be solely responsible for all filings, tax returns and reports of any transaction in respect of or relating to China Connect Securities held under this Clause **Error! Reference source not found.**, as may be required by any relevant authority, whether government or otherwise.

### 11.3 Establishment of custody account

11.3.1 You authorise us to establish on our books a custody account or accounts (the "**Custody Account**") for the receipt, safekeeping and maintenance of China Connect Securities.

11.3.2 We will determine in our reasonable discretion whether to accept in the Custody Account any proposed delivery of China Connect Securities.

### 11.4 Custodial procedures

11.4.1 We will be under no obligation to credit China Connect Securities to the Custody Account before our receipt of such China Connect Securities by final settlement.

11.4.2 If we receive one or more instructions to deliver from the Custody Account an amount of China Connect Securities exceeding those credited to the Custody Account, we may reject any such instruction or elect to perform any instruction in whole or in part, and in any order.

11.4.3 You acknowledge that deliveries of China Connect Securities and payments therefor may not be simultaneous. Accordingly, if we receives an instruction to deliver China Connect Securities against payment or to pay for China Connect Securities against delivery, we may make or accept payment for or delivery of China Connect Securities in accordance with relevant market practices and/or rules and/or applicable law or regulation.

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<sup>6</sup> This Clause 11 is intended to apply where the relevant broker does not provide custodial services in the normal course of its business, and is not required if the broker already provides custodial services that are covered under detailed terms and conditions.

- 11.4.4 We shall make payment for and/or receive or deliver China Connect Securities only upon receipt of and in accordance with specific instructions (except as otherwise specifically provided in these China Connect Terms).
- 11.4.5 Unless we have received and accepted a contrary instruction, we may carry out the following without any instruction:
- (i) in your name or on your behalf, sign any document relating to China Connect Securities which may be required (i) to obtain receipt of any China Connect Securities or funds or (ii) by any tax or regulatory authority; and
  - (ii) collect and/or receive and/or take other necessary or appropriate action in relation to any payment or distribution in respect of China Connect Securities (whether pursuant to a stock dividend, bonus issue, share sub-division or reorganisation, capitalisation of reserves or otherwise).
- 11.4.6 You acknowledge that we may re-deliver to you or to your usual custodian, at such time as we may determine in our absolute discretion, any China Connect Securities which have not been utilised by us in the settlement of any transaction on your behalf. You acknowledge that we may, within one Trading Day of receipt, deliver or pay to you or your usual custodian or bank (net of any fees or other expenses payable by you to us) any distribution or payment received by us in respect of China Connect Securities for your account. You will, promptly on our request, give such instructions (to us and/or your usual custodian and/or any other person) as we may require to pre-authorise any such re-delivery or payment.
- 11.4.7 In circumstances where we have not, after using reasonable endeavours, been able to (a) re-deliver to you or to your usual custodian any such China Connect Securities, or (b) deliver or pay to you or your usual custodian or bank any such distribution or payment, including, for example, and without limitation, where (a) you fail to provide such instructions upon our reasonable request and/or (b) your usual custodian refuses to accept any such delivery of China Connect Securities or payment, you authorise us in our absolute discretion to sell, liquidate or otherwise dispose of the relevant China Connect Securities and to transfer the sale, liquidation and / or disposal proceeds and/or any distribution or payment to your usual bank account or, if there is no bank account, to an account established for you by us with a third party bank selected by us in our absolute discretion pending instructions for payment to your preferred account.
- 11.4.8 We shall have no obligation whatsoever to collect or receive or take any other action (including attending any general meeting and/or exercising any voting rights) in relation to any payment or distribution in respect of China Connect Securities for your account or to notify you of the existence of or the terms of any notice, circular, report, announcement or similar corporate action in respect of China Connect Securities. You acknowledge that in certain circumstances, including, without limitation, as a result of any China Connect Laws or China Connect Rules, it may be difficult, impracticable or impermissible for HKSCC or its nominee (and for us or you) to exercise any rights or entitlements or to participate in any actions, transactions or other matters in respect of China Connect Securities. If we make any such collection or receipt, take any such action or give you any such notification or take any action pursuant to any such notification, we shall not have:

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

#### **11.5 Pooling/sub-custodians/clearance systems**

11.5.1 We may pool China Connect Securities and treat them as fungible with the same China Connect Securities of other clients. We may at any time allocate equivalent China Connect Securities to you and shall not be bound to return to you the original China Connect Securities delivered to us.

11.5.2 We may deposit China Connect Securities with any sub-custodian or with any clearance system as required by law, regulation or market practice, and are not responsible for performance by or monitoring of any sub-custodian or by any clearance system or its practices. In addition, we shall not be liable for any act or omission by, or the insolvency of, any clearance system. In the event you incur a loss due to the negligence, wilful default, or insolvency of any clearance system, we will make reasonable endeavours, in our discretion, to seek recovery from the relevant clearance system, but we will not be under any obligation to institute legal proceedings, file any proof of claim in any insolvency proceeding, or take any similar action.

#### **11.6 Confirmations by you**

11.6.1 You confirm that during the subsistence of these China Connect Terms:

- (i) you have authority to deposit and hold China Connect Securities in the Custody Account and there is no claim or encumbrance that will or may adversely affect any delivery of China Connect Securities; and
- (ii) if you act as an agent for any of your own customers, whether or not expressly identified to us at any time, no such customer shall be or be considered a customer or indirect customer of us, and your obligations under these China Connect Terms are as principal.

11.6.2 You will, promptly on our request, execute such documents and do such acts and things as we may require in order to perform our obligations under these China Connect Terms or otherwise to comply with the China Connect Rules or China Connect Laws.

#### **11.7 Custodial duties and liabilities**

11.7.1 We shall have only those duties expressly provided in these China Connect Terms. We shall have no fiduciary duties or other implied duties or obligations whatsoever.

11.7.2 The performance by us of our duties is subject to:

- (i) all relevant local laws, regulations, decrees, orders and government acts;
- (ii) the rules, operating procedures and practices of any relevant stock exchange, clearance system or market; and
- (iii) any event or circumstance beyond our reasonable control.



11.7.3 In respect of any custodial services described in this Clause **Error! Reference source not found.**:

- (i) we will not be liable for any loss or damage suffered by you unless such loss or damage results from our negligence, wilful misconduct or fraud;
- (ii) we shall not be liable for consequential loss or damage (including, without limitation, lost profits) in any circumstances, whether or not foreseeable and regardless of the type of action in which such a claim may be brought, with respect to the Custody Account or our services hereunder; and
- (iii) in the case of negligence or wilful misconduct our liability shall not exceed the replacement cost or the market value of the relevant China Connect Securities at the relevant time (whichever is lower).

11.7.4 We may establish cut-off times for receipt of instructions. If we receive an instruction after an established cut-off time, we may regard the instruction as having been received on the following Trading Day and act on it accordingly.

## 11.8 Interest

No interest will be payable on your Custody Account.

## 11.9 Lien

In addition to any other remedy we may have, we shall have a continuing general lien on all China Connect Securities held for you or your account, for all amounts due or owing by you to us.

## 12 Indemnity

In addition and without prejudice to any of our rights under the Existing Terms, you will indemnify us and any Related Persons (together, the “**Indemnified Parties**”) on a full indemnity basis against any claims, demands, actions, proceedings, damages, costs, expenses, losses and all other liabilities whatsoever arising directly or indirectly from us or any Related Persons providing any services to you in respect of your trading or investment in China Connect Securities, including, without limitation, to (a) any Taxes resulting from any trading or holding of China Connect Securities in relation to China Connect, (b) the materialisation of any risk referred to in the Annex hereto, (c) any legal costs which any of the Indemnified Parties may incur in connection with any instruction given by you, (d) any fees or expenses payable to any clearance systems arising from the holding of China Connect Securities or (e) any costs incurred in connection with Clause **Error! Reference source not found. (Error! Reference source not found.)** above.

## 13 Fees and Taxation

13.1 You shall be responsible for paying all Taxes, and you shall be required to comply with any filing or registration obligations, in each case as may be required under any China Connect Laws or China Connect Rules relating to any China Connect Securities and any dividends or entitlements in respect of such China Connect Securities.

13.2 In the event we are required under China Connect Laws or China Connect Rules to pay any Taxes, we may notify you whenever necessary and request that you provide us with relevant information as we made deem necessary to fulfill our obligations. You must provide to us, promptly on such request,

such information and documents such as but not limited to costs of your purchase of the China Connect Securities, your and/or any underlying beneficial owner's tax status or residence. We may withhold or deduct relevant Taxes from any amount due to you and you will remain liable for any shortfall.

- 13.3 In the event we do not receive any requested information from you within a reasonable period of time to fulfill our obligations, we shall be forthwith entitled in our absolute discretion, without further notice or demand to you, to satisfy any obligation of us or you to pay or account for any amounts in respect of any Taxes by selling, realizing or otherwise dealing with, in such manner as we in our absolute discretion may determine, all or part of any property held by us for any purpose in any of your accounts held with us, and to apply the proceeds in reduction of all or part of your liability to any tax authority or us.
- 13.4 We shall have no responsibility to verify the accuracy of the information provided by you and is entitled to rely on such information to fulfil our obligations.
- 13.5 We shall have no liability whatsoever for the lack of any tax relief, or any failure to obtain the benefit of any tax credit.

#### **14 Liability**

Notwithstanding any other provisions in these China Connect Terms, neither we nor any Related Person shall be responsible for or have any liability to you for any damage, liability or loss (including loss of profit) unless such damage, liability or loss is a direct result of our or a Related Person's fraud, wilful default or gross negligence.

#### **15 Termination**

- 15.1 These China Connect Terms may be terminated by either party upon not less than 30 days' written notice to the other or automatically upon termination of the Existing Terms. Clauses **Error! Reference source not found.** (*Error! Reference source not found.*), 5 (*Risk Disclosures and Acknowledgement*), **Error! Reference source not found.** (*Error! Reference source not found.*), 12 (*Indemnity*), 14 (*Liability*) and **Error! Reference source not found.** shall survive termination of these China Connect Terms. On the termination of these China Connect Terms, we shall deliver China Connect Securities and cash in accordance with your instructions. If you fail to give instructions, we shall continue to hold China Connect Securities and/or cash for such fee(s) as we may in our sole discretion determine. We shall in any event be entitled to retain such China Connect Securities and/or cash as we may in our sole discretion determine in order to complete any transaction required to be settled on your behalf.

#### **16 Miscellaneous**

- 16.1 You will pay fees, charges and expenses in respect of these China Connect Terms in accordance with our fee scale from time to time in force.
- 16.2 You will enter into further documents by way of execution or deemed acceptance or consent, and provide such materials and/or information as we may reasonably request to enable us to perform our duties and obligations under these China Connect Terms which it deems necessary as and when the China Connect Rules are amended or supplemented from time to time.

- 16.3 You will provide all information (including translations into Chinese, if required) to us which we request if such information is requested by any China Connect Authority or any exchange, regulatory authority or any organisation (whether within or outside Hong Kong) with which HKEx or the SEHK has entered into an information sharing arrangement or agreement. You acknowledge that, your failure to comply with this provision may, amongst other things, result in a suspension of China Connect services to you.
- 16.4 We reserve the right to vary any of the terms of these China Connect Terms by written notice to you in accordance with the Terms And Conditions for Wealth Management Services.
- 16.5 If any provision in these China Connect Terms shall be held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the parties.
- 16.6 No failure or delay by either party in exercising any right or remedy provided under these China Connect Terms shall operate as a waiver of it, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise of it or the exercise of any other right or remedy. Any waiver of a breach of these China Connect Terms shall not constitute a waiver of any subsequent breach.
- 16.7 Neither party shall assign or transfer all or any of its rights or obligations under this Agreement without the prior written consent of the other party.

## **17 Governing Law and Jurisdiction**

- 17.1 These China Connect Terms shall be governed by Hong Kong law.
- 17.2 The parties agree to submit to the exclusive jurisdiction of the Hong Kong courts in relation to any dispute arising under or in connection with these China Connect Terms.

## ANNEX: RISK DISCLOSURES AND OTHER INFORMATION

This Annex describes some of the key risk factors and other information concerning China Connect. This Annex does not disclose all the risks and other significant aspects of Northbound Trading through China Connect. You should ensure that you understand the nature and risks of China Connect and Northbound trading and you should consider carefully (and consult your own advisers where necessary) whether trading in China Connect Securities is suitable for you in light of your circumstances. The decision to trade in China Connect Securities is yours, but you should not trade in China Connect Securities unless you fully understand and are willing to assume the risks associated with China Connect and are able to comply with all relevant China Connect Laws and China Connect Rules. You acknowledge the risks and agree to the terms set out in this Annex. You are responsible for monitoring changes in the China Connect Laws and China Connect Rules and complying with any new requirements.

We do not represent that the information set out in this Annex is up to date, and do not undertake to update the information set out in this Annex. In addition, we do not provide any warranty with respect to such information and no such information is to be construed as legal, financial or tax advice of any kind by us. This is not intended to be and must not be taken as legal advice.

### *Home Market Rules*

#### **1 Home Market Rules**

A fundamental principle of China Connect is that the laws and rules of the home market of the applicable securities shall apply to investors in such securities. In respect of China Connect Securities, Mainland China is the home market and thus the general principle is that investors in China Connect Securities should observe China Connect Rules and other Mainland China securities laws and regulations. If such rules and regulations are breached, each China Connect Market has the power to carry out an investigation.

Nevertheless, certain Hong Kong legal and regulatory requirements will also continue to apply to Northbound trading.

### *Trading and Settlement Restrictions*

#### **2 Pre-Trade Checking**

SEHK is required to check that in respect of any Northbound sell orders given by an Exchange Participant, the relevant Exchange Participant holds sufficient and available China Connect Securities to be able to fill such Northbound sell orders. Pre-Trade Checking will be carried out prior to the start of each Trading Day.

Accordingly, you may be unable to execute Northbound sell orders due to Pre-Trade Checking related requirements. Your attention is drawn to the provisions set out in Clause **Error! Reference source not found.** of the China Connect Terms. Note in particular that you may be unable to execute a sell order of China Connect Securities if there has been a delay or failure for whatever reason in the transfer of the relevant China Connect Securities to any clearing account of us or if for any other reason we consider that there is or may be non-compliance with any China Connect Laws or China Connect Rules.

Any risk, loss or cost resulting from non-compliance or potential non-compliance with Pre Trade

Checking and/or the relevant China Connect Laws or China Connect Rules shall be borne by you.

### **3 Settlement**

Northbound trades will follow the A Share settlement cycle. For settlement of China Connect Securities trades, ChinaClear will debit or credit the securities accounts of its participants (including HKSCC as clearing participant) on T day free of payment. We may have settlement arrangements in place different from the ChinaClear settlement arrangements. Unless we agree to prefund settlement, settlement of funds relating to such trading will be effected on T+1 day. We may, in our absolute discretion, decide to prefund settlement. In the event we agree to prefund the settlement of China Connect Securities trades, (a) we shall retain the funds received from the HKSCC on T+1 day; and (b) you shall reimburse us with respect to any 'excess' pre-funding provided by us.

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

You acknowledge that there is no guarantee that we will offer prefunding settlement and that if we decide to offer prefunding settlement, we may decide to terminate such service at any time.

### **4 Quota Restrictions**

Purchases of China Connect Securities through China Connect are subject to certain quota controls as described below. As a result, there is no assurance that a buy order can be successfully placed through China Connect.

There is a daily quota that limits the maximum value of all Northbound buy trades that can be executed by Exchange Participants on each Trading Day (“**Daily Quota**”). The Daily Quota may change from time to time without prior notice and investors are advised to refer to the HKEx website and other information published by the HKEx for up-to-date information.

The SEHK and the SSE may also set pricing and other restrictions on buy orders in order to prevent the artificial use or filling of the Daily Quota.

If there is a restriction, rejection or suspension of Northbound buying (which would include any order that has been accepted but not yet executed) as a result of a breach of the Daily Quota or the relevant pricing and other restrictions, we will be unable to carry out any buy orders and any instruction to buy submitted but not yet executed will be restricted or rejected.

Conversely, under the SEHK rules, investors may sell their China Connect Securities regardless of whether there is a breach of the Daily Quota.

### **5 Restriction on Day Trading**

Day (turnaround) trading is not permitted on the Mainland China A Share market. If you buy China Connect Securities on T day, you may be able to sell the shares only on or after T+1 day. Due to Pre-Trade Checking related requirements, we may accept an instruction to sell China Connect Securities that were bought on T day only on or after the applicable cut-off time (as notified to you by us from time to time) on T+1 day.

## **6 No off-exchange trading and transfers**

Unless otherwise provided by the CSRC, you, we and any Related Person shall not, with certain limited exceptions, trade or provide services to facilitate trading of any China Connect Securities otherwise than through the China Connect Market System, and we shall not match, execute or arrange the execution of any sale and purchase instructions or any transfer instructions from you or effect any Non-trade Transfer or settlement of instructions in respect of any China Connect Securities in any manner otherwise than through China Connect in accordance with the China Connect Rules, except in the following circumstances or as otherwise provided by a relevant China Connect Authority:

- (a) stock borrowing and lending of China Connect Securities which are eligible for Short Selling and with a tenor of no more than one month;
- (b) transfers between Exchange Participants and their clients for the purpose of rectifying trade errors;
- (c) stock borrowing and lending of China Connect Securities which are eligible for satisfying the Pre-trade Checking requirement, with a tenor of one day (and which is not renewable);
- (d) post-trade allocation of China Connect Securities by a fund manager across the funds and/or sub-funds it manages; and

any other situations specified by a China Connect Market or ChinaClear, including but not limited to any Non-trade Transfer as a result or for the purpose of (a) succession, (b) divorce, (c) dissolution, liquidation or winding up of any company or corporation, (d) donation to a charitable foundation; and (e) assisting in any enforcement action or proceedings of any court, prosecutor or law enforcement agency.

## **7 Placing Orders**

Only limit orders with a specified price are allowed pursuant to China Connect Laws and China Connect Rules, whereby buy orders must not be lower than at the current best price and sell orders may be executed at or higher than the specified price. Market orders will not be accepted.

## **8 Price Limits**

China Connect Securities are subject to a general price limit of a  $\pm 10\%$  based on the previous Trading Day's closing price. In addition, China Connect Securities which are on the risk alert board are subject a  $\pm 5\%$  price limit based on the previous Trading Day's closing price.

SEHK has put in place a dynamic price checking for buy orders. Buy orders with input prices lower than the current best bid (or last traded price in the absence of current best bid, or previous closing price in the absence of both current best bid and last traded price) beyond a prescribed percentage will be rejected by the relevant China Connect Market. During opening call auction, the current bid (or previous closing price in the absence of the current bid) will be used for checking. During closing call auction of SZE, the current bid (or last traded price in the absence of the current bid) will be used for checking. Dynamic price checking will be applied throughout the Trading Day, from the 5-minute input period before the start of opening call auction until market close of each China Connect Market. SEHK has set the dynamic price checking at 3%.

The price limit may be changed from time to time. All orders in respect of China Connect Securities

must be within the price limit. Any orders with a price beyond the price limit will be rejected by the relevant China Connect Market.

## **9 Delisting of listed companies**

According to the China Connect Market Rules, if any listed company is in the delisting process, its listing has been suspended by a China Connect Market, or its operation is unstable due to financial or other reasons such that there is a risk of being delisted or exposing investors' interest to undue damage, that listed company will be earmarked and traded on the risk alert board. Any change to the risk alert board may occur without prior notice. If a China Connect Security which is eligible for China Connect trading at launch of the programme is subsequently moved to the risk alert board, investors under China Connect will be allowed only to sell the relevant China Connect Security and will be prohibited from further buying. For details concerning the risk alert board, please refer to the China Connect Market Rules and SSE Risk Alert Board Provisional Trading Arrangement and any other relevant sources from time to time.

## **10 Account Information of Beneficial Owner**

The identity of the beneficial owner of China Connect Securities which are the subject of a sell order may need to be disclosed to HKSCC and/or relevant Mainland China authorities.

## **11 No Manual Trade or Block Trade**

There will be no manual trade facility or block trade facility for Northbound trading under China Connect.

## **12 Amendment of Orders and Loss of Priority**

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

## **13 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 a China Connect Market). In addition, any securities or options (which are not "eligible for China Connect trading") received by you as a result of any distribution of rights or entitlements, conversion, takeover, other corporate actions or abnormal trading activities will be accepted or designated by SEHK as Special China Connect Securities. You will only be able to sell, but not buy, any Special China Connect Securities.

### *Mainland China and Hong Kong Issues*

## **14 Disclosure of Interests**

Under Mainland China laws, rules and regulations, if you hold or control shares (on an aggregate basis, i.e., including both domestically and overseas issued shares of the same Mainland China Listco

(as defined below), whether the relevant holdings are through Northbound trading, QFII/RQFII regime or other investment channels) in a Mainland China incorporated company which is listed on a Mainland China stock exchange (a “**Mainland China Listco**”) above a certain threshold as may be specified from time to time by the relevant China Connect Authorities, you must disclose such interest within the period specified by the relevant China Connect Authority, and you must not buy or sell any such shares within the period specified by the relevant China Connect Authority. You must also disclose any substantial change in your holding as required by the relevant China Connect Authority.

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

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

## **15 Short Swing Profit Rule**

Under Mainland China laws, rules and regulations, the “short swing profit rule” requires you to give up/return any profits made from purchases and sales in respect of China Connect Securities of a particular Mainland China Listco if (a) your shareholding in that Mainland China Listco exceeds the threshold prescribed by the relevant China Connect Authority from time to time and (b) the corresponding sale transaction occurs within the six months after a purchase transaction, or vice versa. You (and you alone) must comply with the “short swing profit rule”.

## **16 Foreign Ownership Limits**

Under Mainland China laws, rules and regulations, there is a limit to how many shares a single foreign investor is permitted to hold in a single Mainland China Listco, and also a limit to the maximum combined holdings of all foreign investors in a single Mainland China Listco. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same issuer, whether the relevant holdings are through Northbound Trading, QFII/RQFII regime or other investment channels). It shall be your responsibility to comply with all foreign ownership limits from time to time imposed by China Connect Laws and China Connect Rules. Such legal and regulatory restrictions or limitations may have an adverse effect on the liquidity and performance of an investment in China Connect Securities due to factors such as limitations on fund repatriation, dealing restrictions, adverse tax treatments, higher commission costs, regulatory reporting requirements and reliance on services of local custodians and service providers. As a result, you may suffer losses through your trading or investment in China Connect Securities.

If we become aware that you have breached (or reasonably believes that you may breach upon execution of further Northbound buy orders) any foreign ownership limits, or if we are so required by any China Connect Authority, including, without limitation, as a result of any Forced-sale Notice issued by a China Connect Market, we will sell any China Connect Securities pursuant to Clause **Error! Reference source not found.** (*Error! Reference source not found.*) above if you fail to comply with the corresponding Client Forced-sale Notice in order to ensure compliance with all China



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

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

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

## **17 Taxation**

Prior to investing in China Connect Securities, you are strongly urged to consult your own tax advisers and counsel with respect to the possible Hong Kong and/or Mainland China tax consequences to you of such investment since such tax consequences may differ in respect of different investors.

You will be fully responsible for any Taxes in respect of China Connect Securities including, without limitation, any capital gains tax or other Mainland China taxes, and will indemnify us and any Related Person from and against all Hong Kong and/or Mainland China Taxes which we or Related Persons may incur arising in connection with any China Connect Securities which you hold, trade or otherwise deal in.

We assume no responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with China Connect, nor will we provide any service or assistance in this regard. Please refer to Clause **Error! Reference source not found.** (*Error! Reference source not found.*) for details of the applicable legal terms.

## **18 Insider Dealing, Market Manipulation and Other Market Conduct Rule**

Northbound trading through the China Connect will be subject to Mainland China laws and regulations prohibiting activities that constitute market manipulation, insider dealing and related offences. The scope of these restrictions may not be the same as equivalent requirements under Hong Kong law. In particular, defences applicable under Hong Kong market misconduct rules may not be applicable under Mainland China laws and regulations. If you are unfamiliar with Mainland China market conduct requirements and restrictions, you should seek specialist advice before engaging in trading through the China Connect. You confirm that you are not in possession of inside information

when trading China Connect Securities or procuring others to do so.

## **19 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. Investor protection measures which are required under the SFO to be observed by Exchange Participants vis-à-vis their clients, such as those relating to dealings with client securities and payment of client money into segregated accounts, are applicable to Northbound trading activities undertaken by Exchange Participants for their clients under China Connect.

## **20 Investor Compensation Fund**

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

## **21 Ownership of China Connect Securities**

Hong Kong law recognises the proprietary interest of investors in shares held for them by their broker or custodian in CCASS. Such recognition should apply equally to China Connect Securities held for Hong Kong and overseas investors by the Clearing Participant through HKSCC. In addition, in Mainland China (where China Connect Securities are registered in a securities account opened with ChinaClear in the name of HKSCC), it is expressly stipulated in the CSRC China Connect Rules that HKSCC acts as the nominee holder and the Hong Kong and overseas investors are the beneficial owners of the China Connect Securities. Accordingly, the regulatory intention appears to be that Hong Kong and overseas investors should also have proprietary rights over China Connect Securities under Mainland China laws.

You should conduct your own review of the materials published by HKEX on China Connect in relation to the ownership of China Connect Securities and the applicable China Connect Rules as they may be amended and supplemented from time to time. You should also consult your own legal advisers to make your own assessment of your rights as a Northbound investor in China Connect Securities.

You should also note that as China Connect is a recent initiative there may be some uncertainty surrounding such arrangements. In addition, while Hong Kong and overseas investors may have proprietary rights over China Connect Securities, HKSCC as nominee is not obliged to enforce such rights in Mainland China on behalf of such investors.

### *ChinaClear Risk*

## **22 Risk of ChinaClear Default**

ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. If ChinaClear (as the host central counterparty) defaults, HKSCC has stated that it may (but shall have no obligation to) take any legal action or court proceeding to seek recovery

of the outstanding China Connect Securities and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable. As ChinaClear does not contribute to the HKSCC guarantee fund, HKSCC will not use the HKSCC guarantee fund to cover any residual loss as a result of closing out any of ChinaClear's positions. HKSCC will in turn distribute the China Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant China Connect Authorities. We in turn will be distributing China Connect Securities and/or monies to the extent recovered directly or indirectly from HKSCC. Although the likelihood of a default by ChinaClear is considered to be remote, investors should be aware of this arrangement and of this potential exposure before engaging in Northbound trading.

### **23 Risk of HKSCC Default**

Our provision of services pursuant to these China Connect Terms also depends upon the performance by HKSCC of its obligations. Any action or inaction of the HKSCC or a failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement of China Connect Securities and/or monies in connection with them and you may suffer losses as a result. Neither we nor any Related Persons shall have any responsibility or liability for any such losses.

#### *Other Operational Issues*

### **24 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.

### **25 Company Announcements on Corporate Actions**

Any corporate action in respect of China Connect Securities will be announced by the relevant issuer through the relevant China Connect Market's website and certain appointed newspapers. HKSCC will also record all corporate actions relating to China Connect Securities in CCASS and inform its clearing participants of the details via the CCASS terminals as soon as practicable on the announcement date. Investors engaged in Northbound trading may refer to the relevant China Connect Market's website and the relevant newspapers for the latest listed company announcements or, alternatively, the HKEx website's China Stock Markets Web (or such other replacement or successor web page from time to time) for corporate actions in respect of China Connect Securities issued on the previous Trading Day. Investors should note that issuers listed on China Connect Markets publish corporate documents in Chinese only, and English translations will not be available.

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

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

We do not and cannot ensure the accuracy, reliability or timeliness of any company announcements of corporate actions and neither we nor any Related Person accept any liability (whether in tort or contract or otherwise) for any loss or damage arising from any errors, inaccuracies, delays or omissions or any actions taken in reliance thereon. We expressly disclaim all warranties, expressed or

implied, as to the accuracy of any company announcement or as to the fitness of the information for any purpose.

## **26 Special Segregated Accounts and Fund Managers' Order Aggregation**

To facilitate investors whose Connect Securities are maintained with custodians to sell their Connect Securities without having to pre-deliver the China Connect Securities from their custodians to their executing brokers, the Special Segregated Account (“SPSA”) model was introduced that allows an investor whose Connect Securities are maintained with a qualified custodian to maintain its holdings in Connect Securities.

If we receive instructions from you to sell China Connect Securities held in a Special Segregated Account, and before we input such an order into the CSC, you must provide us with satisfactory evidence that (i) a Special Segregated Account has been designated to you, and an investor identification number has been assigned by CCASS to the Special Segregated Account in accordance with CCASS rules; (ii) you have provided us with authorization to execute the sale of China Connect Securities in the specified Special Segregated Account on your behalf, and (iii) your confirmation that there are sufficient China Connect Securities in the Special Segregated Account to settle the delivery obligation on the relevant settlement day and, if the SPSA order is executed, the relevant China Connect Securities will be delivered to us for settlement.

If you are a fund manager which manages funds or sub-funds through the use of two or more SPSAs (whether they are maintained with one or more qualified custodians), to the extent you wish to treat the separate SPSA orders as part of a single aggregated sell order such that each SPSA order is in fact intended to be for the benefit of all of the relevant SPSAs (not just for the SPSA identified for that order), you hereby represent and warrant to us that: (i) you have the authority to aggregate SPSA orders across the relevant SPSAs and to decide the appropriate allocation of trades to funds or sub-funds in those SPSAs; and (ii) doing so complies with applicable laws, rules and regulations and does not involve any misappropriation of client assets.

## **27 Average Pricing across Funds for Fund Managers**

If you act as a fund manager for more than one fund or an asset manager on behalf of more than one client and you pre-allocate China Connect orders across such funds or clients which you manage, we may offer Average Pricing for such orders notwithstanding such orders may be executed at different times during the same Trading Day. Where Average Pricing applies, each fund or client will be allocated China Connect Securities (or their proceeds) at the same averaged price, which may be higher or lower than the price which such fund or client would have paid or received had the orders been processed individually and in the order submitted directly or indirectly to us. Neither we nor any Related Person will be responsible for any such differences in pricing or any loss or risk arising from the application of Average Pricing.

## **28 Disclosure of Information and Publication of Trade Information**

SEHK may require us to provide information on your profile, and the type and value of your orders in relation to Northbound trading of China Connect Securities and the trades which we executed for you at such intervals and in such form as SEHK may specify from time to time for purposes of the publication, dissemination or public distribution of aggregated information in respect of China

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

## **29 Client Error**

Neither we nor any Related Person shall be liable for any loss, damage or expense or consequential loss, damage or expense suffered by an investor as a result of any trading based on the investor's instructions. We will not be able to unwind any trade, and investors should also take note of the settlement arrangements in respect of China Connect Securities under China Connect, including but not limited to quota restrictions.

The China Connect Rules generally prohibit any off-exchange trading or transfers. However transfers may be permitted between you and us to rectify a trade in limited circumstances, although there is a lack of clarity as to the circumstances in which such transfers may be permitted. We shall have absolute discretion to determine whether to conduct any transfer to rectify any error trade and shall have no obligation to do so. Neither we nor any Related Person shall have any liability for any losses which may result directly or indirectly from such errors or any refusal to conduct a transfer to correct an error trade.

## **30 Retention of Information**

You acknowledge and accept that we will be required under the China Connect Rules to keep records for a period of no less than 20 years of (a) all orders and trades executed on your behalf, (b) any instructions received from you; (c) your account information in relation to Northbound trading; and (d) all relevant information concerning margin trading and stock borrowing and lending of any China Connect Securities (including, without limitation, in respect of any such margin trading, the relevant securities margin trading arrangement and the funds provided.

## **31 China Connect Market System**

SEHK or the relevant SEHK Subsidiary (after consulting with SEHK) may, under certain circumstances as specified in the SEHK rules and/or whenever the 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. You will not be able to buy or sell China Connect Securities on SEHK through China Connect during any period in which trading of China Connect Securities is suspended. In particular, you should note that while trading of China Connect Securities is suspended by the SEHK, trading of such China Connect Securities may continue on the relevant China Connect Market. You may remain exposed to fluctuations in the price of China Connect Securities caused by trading on the China Connect Markets during the period when trading of such China Connect Securities is suspended by SEHK.

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

Northbound trading service permanently.

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

Such suspension, restriction or cessation will affect *our* ability to accept and process your orders and you are advised to refer to the HKEx website and other information published by the HKEx for up-to-date information. There can be no assurance that your orders will be accepted or processed, notwithstanding that China Connect Securities may be traded through other channels including, without limitation, by PRC investors on a 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 a China Connect Market for execution will normally remain available. However, SEHK may, in its discretion, restrict or suspend such service without prior notice and your ability to place sell orders and buy orders may be affected.

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

- (a) a suspension, restriction or cessation of the China Connect Service or the CSC, or any inability to access or use the CSC or the China Connect Service;
- (b) any special arrangement put in place or any action, step or measure taken or not taken to deal with an emergency or contingencies, including but not limited to the cancellation of any or all China Connect orders input by Exchange Participants;
- (c) any suspension, delay, interruption or cessation of trading of any China Connect Securities on a China Connect Market;
- (d) any delay, suspension, interruption or order cancellation of any China Connect Securities as a result of the hoisting of a Typhoon Signal No. 8 or above or the issuance of the Black Rainstorm Warning in Hong Kong;
- (e) any delay or failure to route any China Connect orders or any delay or failure to send any order cancellation requests or to provide the China Connect Service due to any system, communication or connection failure, power outage, software or hardware malfunction or other events beyond our control or the control of SEHK, us or a Related Person;

- (f) any China Connect order which we have requested to be cancelled not being cancelled for any reason whatsoever;
- (g) in the event that SEHK or the relevant China Connect Market requires that we reject any order for China Connect Services;
- (h) any delay, failure or error of any China Connect Market System or any system upon which we, the relevant SEHK Subsidiary or a Related Person is reliant in providing the China Connect Service; and
- (i) any delay or failure to execute, or any error in matching or executing, any China Connect order due to reasons beyond the control of SEHK, HKEx, the relevant SEHK Subsidiary, us or any Related Person, including but not limited to any action or decision taken or made, or not taken or made, by any China Connect Authority or any other relevant governmental or regulatory body.

If there is any delay or failure to send any order cancellation requests in any circumstance described in paragraph (e) above, you shall, in the event such order is matched and executed, remain responsible for fulfilling any settlement obligations in respect of such transaction.

You acknowledge that HKEx, SEHK, each SEHK Subsidiary, each China Connect Market, the subsidiaries of each China Connect Market and their respective directors, employees and agents are not responsible or held liable for any such losses.

### **32 Operational Hours**

SEHK has absolute discretion to determine from time to time the operational hours of the China Connect service, and will have absolute discretion to change the operational hours and arrangements of the China Connect service at any time and without advance notice whether on a temporary basis or otherwise. We shall not be under any obligation to inform you of any such determinations by the SEHK as to the operational hours of the China Connect service.

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

### **33 Margin Trading**

Subject to certain conditions prescribed by the China Connect Authorities, Hong Kong and overseas investors may conduct margin trading in China Connect Securities determined by the relevant China Connect Authorities to be eligible for margin trading (“**Eligible Margin Trading Securities**”). The HKEx will from time to time publish a list of Eligible Margin Trading Securities on its website or through such means as it considers appropriate for margin trading. Under no circumstances will an Exchange Participant provide funds or securities margin financing arrangements to any of its clients for the purpose of or with the view to facilitate the purchase of China Connect Securities that are not Eligible Margin Trading Securities.

A China Connect Market may suspend margin trading activities in any specific A Share if the volume of margin trading activities in such A Share exceeds a threshold determined by the relevant China

Connect Market and resume margin trading activities when the volume of margin trading activities drops below a prescribed threshold. Where the SEHK is notified by a China Connect Market that a suspension or resumption involves a security on the list of Eligible Margin Trading Securities, the HKEx will disclose such information on its website. In such circumstances, any margin trading (except for margin trading in respect of China Connect Securities buy orders) in the relevant China Connect Security shall be suspended and/or resumed accordingly, and such buy orders shall be placed with the deemed representation and confirmation to us that it does not involve margin trading. In any event, a China Connect Authority or China Connect Entity may still reject, suspend or restrict the routing of any buy order if it deems abnormal margin trading activities are taking place.

Each China Connect Market reserves the right to require at some future date for margin trading orders to be flagged when routed to China Connect. Neither we nor any Related person shall have any obligation to update you in respect of the list of Eligible Margin Trading Securities or any restrictions or suspensions in respect of margin trading from time to time.

### **34 Rights Issuances**

Where you receive any form of entitlement security from the issuer of a China Connect Security, if such entitlement security:

- (a) is a China Connect Security, you will be permitted to buy and sell the entitlement security through China Connect;
- (b) is not a China Connect Security but is a RMB denominated security listed on a China Connect Market, you may be allowed 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, you will not be allowed to buy or sell the entitlement security through China Connect; and
- (d) is not listed on a China Connect Market, you will not be allowed to buy or sell the entitlement security on China Connect unless and until appropriate arrangements (if any) have been provided by HKSCC. It is possible that no such alternative arrangements will be provided.

### **35 Odd Lot, Order Size and Tick Size**

Odd lot trading in China Connect Securities is available only for sell orders and all odd lots must be sold in one single order. A board lot order may be matched with different odd lot sell orders, resulting in odd lot trades. Board lot and odd lot orders are matched on the same platform on China Connect and subject to the same share price. The maximum order size is 1 million shares and the tick size is uniformly set at RMB0.01.

### **36 Short Selling<sup>7</sup>**

Short Selling of China Connect Securities is allowed provided such covered short selling satisfies the requirements specified by the relevant China Connect Authorities, including that short selling orders are only in respect of China Connect Securities designated as eligible for short selling as published from time to time, are appropriately flagged as a Short Selling order and that they are subject to price

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<sup>7</sup> If you wish to conduct *Short Selling* and *Stock Borrowing and Lending* activities, please contact your sales representative for more information.



restrictions such as:

- A Short Selling order for a Short Selling Security will not be accepted at a price lower than the most recent execution price for that Short Selling Security, or if there have been no executed trades for that Short Selling Security on the relevant Trading Day, the previous closing price for that Short Selling Security.
- Where shares in any Short Selling Security borrowed for Short Selling remain outstanding and have not yet been returned, you are required to comply with the above rule in respect of any instructions for the sale of that Short Selling Security, except for those instructions that exceed the number of the outstanding and unreturned shares.
- China Connect Entities or China Connect Authorities may set price restrictions, at such thresholds as they consider appropriate to block the input of Short Selling orders at an artificially high price which has the effect of artificially using up the limits of the Short Selling Ratio.

The Short Selling Ratio for any Short Selling Security shall not exceed 1% on any China Connect Market Trading Day, and the cumulative Short Selling Ratios for a Short Selling Security in any period of 10 consecutive Trading Days shall not exceed 5%. Any Short Selling order that, if executed, will cause the 1% daily limit or the 5% cumulative limit for a Short Selling Security to be exceeded during the course of a Trading Day will be rejected.

Naked short selling of China Connect Securities is prohibited. The China Connect Authorities may also suspend the ability to engage in short selling of any China Connect Security if the volume of short selling activity exceeds thresholds prescribed by the relevant China Connect Market. You will be fully responsible for understanding and complying with short selling requirements as in effect from time to time (including consulting the latest documentation published by the China Connect Authorities) and for any consequences of non-compliance.

### **37 Stock Borrowing and Lending<sup>2</sup>**

The SEHK has announced that stock borrowing and lending will be permitted for eligible China Connect Securities as specified by the China Connect Markets for the purpose of (a) covered short selling and (b) satisfying the Pre-Trade Checking requirement. Stock borrowing and lending of eligible China Connect Securities will be subject to restrictions set by SEHK and each China Connect Market, including but not limited to the following:

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

Each China Connect Market will determine a list of China Connect Securities eligible for stock borrowing and lending. We will be required to file a monthly report to the SEHK providing details of our stock borrowing and lending activities with respect to China Connect Securities. This may include

(amongst others) details of the borrower, lender, amount of shares borrowed/lent, amount of shares outstanding and date of borrowing/returning.

Investors are advised to refer to the relevant provisions from time to time applicable in the SEHK China Connect Rules (as and when these are published) and in the China Connect Laws and China Connect Rules.

### **38 RMB Conversion**

Any conversion of any currency into RMB pursuant to Clause **Error! Reference source not found.** (**Error! Reference source not found.**) may be subject to conversion limits. Settlement of a Northbound buy order may be delayed and/or fail if there is a delay in converting the relevant currency into RMB. Any risk, loss or cost resulting from any such delay or failure of settlement shall be borne by you.

*Risks associated with investing in China Connect Securities*

### **39 Other risks associated with investing in China Connect Securities**

*General Mainland China related risk*

Mainland China is an emerging market that possesses one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development stage or a weak economy. Emerging markets investments usually result in higher risks such as event risk, political risk, economic risk, credit risk, currency rate risk, market risk, liquidity/gapping risk, regulatory/legal risk, trade settlement, processing and clearing risks and bondholder/shareholder risk.

*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. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value.

*General legal and regulatory risk*

You must comply with all China Connect Laws and China Connect Rules. Furthermore, any change in any China Connect Laws or China Connect Rules may have an impact on the market sentiment which may in turn affect the performance of China Connect Securities. It is impossible to predict whether such an impact caused by any such change will be positive or negative for China Connect Securities. In the worst case scenario, you may lose a material part of your investments in China Connect Securities. In addition, any litigation or other legal actions brought before the courts in Mainland China will be subject to Mainland China laws, rules and procedures, which are not the same as those which apply to the courts in Hong Kong.

*Currency risk*

RMB is not yet freely convertible in Hong Kong, and is subject to foreign exchange controls and restrictions. Particularly, conversion of RMB through banks in Hong Kong is subject to certain restrictions. It may be difficult for investors to convert RMB into Hong Kong dollars or other currencies or vice versa at any specific time, and conversion will be subject to conversion costs and such costs and timings for conversion may not be of your preference.

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

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

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

## China Connect Supplemental Terms – Notice relating to Northbound Investor ID Model

### 1 Definition and Interpretation

1.1 Unless otherwise defined below, terms defined in the Existing Terms and China Connect Terms shall have the same meaning in this Supplement.

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

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

“**BCAN**” means the Broker-to-Client Assigned Number which is a unique and confidential number assigned by CICCHKS to the Client in respect of Northbound trading.

“**BCAN-CID Mapping File**” means a file compiled by CICCHKS which contains all the assigned BCANs and their corresponding CID, in such format as the SEHK may require from time to time.

“**CID**” or “**Client Identification Data**” means such identity information relating to the Client as the SEHK may request from time to time under the rules of the SEHK which may include, without limitation, the Client’s name, identity document type, identity document issuing country or jurisdiction and identity document number.

“**CSC trading day**” means a day on which the China Connect Service is available for the routing of China Connect orders.

“**Investor ID Model Effective Date**” means the date that the Northbound Investor ID model launches as notified by the SEHK or other China Connect Authorities on the HKEx website or the SFC website.

1.3 This Supplement is supplemental to, and without prejudice to, the Schedule X *China Connect Supplemental Terms*. This Supplement applies at any time that the Client trades China Connect Securities under China Connect through CICCHKS from the Investor ID Model Effective Date. In the event of any inconsistency between this Supplement and these Terms and Conditions and China Connect Supplemental Terms, this Supplement prevails in relation to the trading of China Connect Securities through China Connect after the Investor ID Model Effective Date.

### 2 BCAN and Provision of CID

2.1 The SEHK has introduced the Northbound Investor ID model for trading of China Connect Securities, which is expected to be launched in Q3 2018. Under this model, in order to place an order in respect of China Connect Securities on the Client’s behalf, CICCHKS will be required to:

- (a) tag each of the Client’s orders submitted to the CSC with a BCAN that is unique to the Client; and
- (b) provide to the SEHK the Client’s assigned BCAN and CID relating to the Client as the SEHK may request from time to time under the rules of the SEHK.

- 2.2 If the Client is a fund manager or asset management company who submits orders for one or more funds or discretionary accounts, the Client acknowledges that the Client's orders for all funds or discretionary accounts managed by the Client will be tagged with the same BCAN. *[Source: Paragraph 23(iv) of the HKEX Northbound Investor ID Information Paper]*
- 2.3 If the Client has multiple accounts with CICCHKS, the Client acknowledges that a single BCAN will be assigned to the Client unless the Client holds any joint account with any of our other clients, in which case, CICCHKS will assign a separate BCAN to such joint account, and the CID of both the Client and the joint holder(s) should be provided under the BCAN for such joint account. *[Source: SEHK Trading Rule 1425(1)(b)]*
- 2.4 If the Client is an exchange participant of the SEHK conducting the Northbound trading through CICCHKS, the Client agrees and acknowledges that:
- (e) The Client shall follow the rules and requirements and implement adequate policies and procedures in connection with the BCAN and CID, including but not limited to, assigning a BCAN to the Client's underlying clients within the BCAN range designated by CICCHKS ("**Designated Range**") and providing the BCANs and CID of the Client's underlying clients in the form of a BCAN-CID Mapping File to the SEHK in accordance with the rules and requirements prescribed by the SEHK from time to time *[Source: SEHK Trading Rule 1425A(1)(d)]*;
  - (f) With respect to any Northbound trading orders from the Client, (i) in the case where the Client is placing Northbound trading orders for the Client's client, the Client shall provide CICCHKS with the BCAN assigned by the Client to the Client's client (which should be within the Designated Range) (the "**Indirect Client BCAN**"), and CICCHKS will tag such Northbound trading order with the Indirect Client BCAN, or (ii) in the case where the Client is placing Northbound trading orders for yourself, CICCHKS will tag such Northbound trading orders with the Client's BCAN assigned by CICCHKS; and
  - (g) The Client shall include related or similar acknowledgements and statements contained herein into the Client's China Connect business terms with the Client's underlying clients, in particular, in relation to paragraph (b) above, the Client shall obtain the relevant authorizations and consents from the Client's underlying clients.

### **3 Acknowledgments and representations**

- 3.1 The Client represents and undertakes on a continuing basis, including at each time that the Client places an order, or otherwise gives an instruction, in respect of the China Connect Securities, that the CID provided to CICCHKS is accurate and up-to-date. If there are any changes to the CID after its provision, the Client shall inform CICCHKS as soon as possible and in any event, before the deadline prescribed by SEHK from time to time. *[Source: SEHK Trading Rule 1425A(2)-(4)]*
- 3.2 Without limitation to any notification CICCHKS have given the Client or consent CICCHKS have obtained from the Client in respect of the processing of the Client's personal data in connection with the Client's account and our services to the Client, the Client acknowledges and agrees that CICCHKS may collect, store, use, disclose and transfer personal data relating to the Client as required as part of our Northbound trading service, including as follows: *[Source: "Sample*

*Language for Inclusion in Personal Information Collection Statement concerning Northbound China Connect Orders” available on the HKEx website]*

- (a) to disclose and transfer the Client’s BCAN and CID to the SEHK and the relevant SEHK Subsidiaries from time to time, including by indicating the Client’s BCAN when inputting a China Connect Order into the CSC, which will be further routed to SSE or SZSE (as the case may be) on a real-time basis;
  - (b) to allow each of the SEHK and the relevant SEHK Subsidiaries to: (i) collect, use and store the Client’s BCAN, CID and any consolidated, validated and mapped BCANs and CID information provided by ChinaClear (in the case of storage, by any of them or via HKEx) for market surveillance and monitoring purposes and enforcement of the rules of the SEHK; (ii) transfer such information to SSE or SZSE (as the case may be) (directly or through ChinaClear) from time to time for the purposes set out in (c) and (d) below; and (iii) disclose such information to the relevant regulators and law enforcement agencies in Hong Kong so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets;
  - (c) allow ChinaClear to: (i) collect, use and store the Client’s BCAN and CID to facilitate the consolidation and validation of BCANs and CID and the mapping of BCANs and CID with its investor identification database, and provide such consolidated, validated and mapped BCANs and CID information to SSE or SZSE (as the case may be), the SEHK and the relevant SEHK Subsidiary; (ii) use the Client’s BCAN and CID for the performance of its regulatory functions of securities account management; and (iii) disclose such information to the Mainland regulatory authorities and law enforcement agencies having jurisdiction over it so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the Mainland financial markets; and
  - (d) to allow SSE or SZSE (as the case may be) to: (i) collect, use and store the Client’s BCAN and CID to facilitate their surveillance and monitoring of securities trading on SSE or SZSE (as the case may be) through the use of the China Connect Service and enforcement of the rules of SSE or SZSE (as the case may be); and (ii) disclose such information to the Mainland regulatory authorities and law enforcement agencies so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the Mainland financial markets.
- 3.3 By instructing CICCHKS in respect of any transaction relating to China Connect Securities, the Client acknowledges and agrees that CICCHKS may use the Client’s personal data for the purposes of complying with the requirements of the SEHK and its rules as in force from time to time in connection with Northbound trading. The Client also acknowledges that despite any subsequent purported withdrawal of consent by the Client, the Client’s personal data may continue to be stored, used, disclosed, transferred and otherwise processed for the above purposes, whether before or after such purported withdrawal of consent. *[Source: “Sample Language for Inclusion in Personal Information Collection Statement concerning Northbound China Connect Orders” available on the HKEx website]*
- 3.4 The Client acknowledges that:

- (a) The Client cannot place a trade order until the next CSC trading day after the Client receives a notice of the completion of account opening and/or successful update of the Client's CID from CICCHKS; *[Source: SEHK Trading Rule 1425A(2)]*
- (b) Notwithstanding that the Client have submitted the Client's updated CID, the Client's trade order may still be rejected if the CID provided by the Client and BCAN have not yet been submitted to and/or approved by SEHK, SSE or SZSE (as the case may be) or other China Connect Authorities at the time of such trade order, and CICCHKS shall not be liable to the Client for any failure or delay in submitting such CID and BCAN to SEHK, SSE or SZSE (as the case may be) or other China Connect Authorities;
- (c) If the CID and BCAN mapping information fails to pass the relevant validation check by SEHK, SSE or SZSE (as the case may be) or other China Connect Authorities, all the Client's trade orders will be rejected; *[Source: Paragraphs 19(ii) and 21 of the HKEX Northbound Investor ID Information Paper and SEHK Trading Rule 1425A(4)]*
- (d) If the Client is an individual, and do not provide the necessary consents and authorizations (both written and prescribed) in relation to the collection, storage, use, disclosure and transfer of the Client's CID and/or BCAN, or the Client's BCAN or BCAN-CID mapping are otherwise invalid or deficient, CICCHKS may, in its own discretion, place Northbound sell orders on behalf of the Client in relation to such BCAN, but no Northbound buy order is allowed in relation to such BCAN; *[Source: SEHK Trading Rule 1425A(6)]*
- (e) If the Client is an individual, and does not provide or subsequently withdraw the necessary consents and authorizations (both written and prescribed) in relation to the collection, storage, use, disclosure and transfer of the Client CID and/or BCAN, CICCHKS may,
  - (i) request the Client to confirm that the Client has not otherwise provided such consent to other brokers for Northbound trading;
  - (ii) conduct appropriate due diligence on the Client to ensure that the Client is not abusing the Northbound sell order exception in paragraph (d) above, and the Client agrees to cooperate with any due diligence; or
  - (iii) refuse to place any further Northbound trading orders for the Client until the Client provides the necessary consents or authorizations; and
- (f) The SEHK may suspend or restrict the input of China Connect Securities orders under any BCAN where the SEHK considers it appropriate and reasonable to do so, including where it is found that the Client has or may have committed any abnormal trading conduct under, or failed to comply with, any China Connect Rules. If the SEHK is notified by any China Connect Authorities that there is reasonable cause to suspect or believe that the Client has failed to comply with or have breached any applicable laws of the PRC with regard to the trading of China Connect Securities, SEHK may also require CICCHKS not to accept or input China Connect orders under the BCAN assigned to the Client. If the Client is a fund manager or asset management company who submits orders for one or more funds or discretionary accounts, such suspension or restriction would affect all the Client's funds or discretionary accounts tagged with the same BCAN. *[Source: SEHK Trading Rules 1436 and 1437(2)]*

- 3.5 The Client agrees and acknowledges that if the CID and BCAN mapping information fails to pass the relevant validation check by the SEHK, SSE or SZSE (as the case may be) or other China Connect Authorities, or the SEHK, SSE or SZSE (as the case may be) or other China Connect Authorities rejects the Client's Northbound trading orders due to such failure or any other reason:
- (a) CICCHKS has no obligation, liability or whatsoever, to provide any explanation or reason for such failure or rejection to the Client; and
  - (b) subject to the Applicable Requirements or notification from the SEHK, SSE or SZSE (as the case may be) or other China Connect Authorities, CICCHKS may deliver the failure or rejection message to the Client or follow up with the Client in relation to such failure or rejection in such manner and at such time as it deems appropriate;
- 3.6 CICCHKS cannot change the BCAN assigned to the Client or any of the Client's underlying clients without prior written approval from the SEHK. If orders in respect of China Connect Securities under the BCAN assigned to the Client are suspended, rejected or restricted by the China Connect Authorities for any reason, CICCHKS cannot assign another BCAN to the Client or any of the Client's underlying clients. *[Source: SEHK Trading Rule 1425A(1)(e)]*
- 3.7 The SEHK may require CICCHKS to provide information on the identity, address and contact details of, the person or entity (legal or otherwise) ultimately responsible for originating the instruction in relation to a China Connect Securities trade (and the instruction given) and of the person or entity (legal or otherwise) that stands to gain the commercial or economic benefit of the China Connect Securities trade and/or bear its commercial or economic risk and such other information within such period as the SEHK may request. *[Source: SEHK Trading Rule 1437(1)]*
- 3.8 CICCHKS shall not be responsible or held liable for any loss or damage directly or indirectly suffered by the Client arising from or in connection with any rejection of the Client's Northbound orders inputted under any BCAN or in connection with any such actions taken by SEHK, SSE or SZE (as the case may be), or other China Connect Authorities, or any delay, failure or error in the transmission of any information (including the Client's CID, BCAN and other information referred to in this notice). The Client agrees to indemnify CICCHKS for any loss incurred by CICCHKS in connection with any non-compliance or potential non-compliance with any requirements set out in this notice.



## PART C – SPECIFIC JURISDICTION PROVISIONS

### Hong Kong Supplement

This Hong Kong Supplement shall apply and supplement the Terms and Conditions where Transactions, Investments and/or Services are extended by CICCHKS to the Client in or from Hong Kong.

#### 1. DEFINITIONS

Capitalised terms used in this Hong Kong Supplement shall have the same meanings as those defined in the Glossary, unless the context otherwise requires.

In this Hong Kong Supplement:

"**Investment Advice**" does not include advising on corporate finance (Type 6 regulated activity) for the purposes of the SFO.

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

"**Personal Data**" means any data:

- (a) relating directly or indirectly to a living individual;
- (b) from which it is practicable for the identity of the individual to be directly or indirectly ascertained; and
- (c) in a form in which access to or processing of the data is practicable, and includes for the avoidance of doubt, (if the Client is a corporation) personal data relating to directors, shareholders, agents and employees of the Client or any third party.

"**Rebates**" means cash or money rebates.

"**SEOCH**" means the SEHK Options Clearing House Limited.

"**Soft Dollars**" means goods, services or other soft dollar benefits.

#### 2. STANDING AUTHORITY

2.1 **Standing Authority:** The Standing Authority is in respect of the treatment of Client's Securities or Securities Collateral. Upon entering into the Standing Authority, the Client authorises CICCHKS to:

- (a) apply any Securities or Securities Collateral pursuant to a securities borrowing and lending agreement;
- (b) deposit any Securities or Securities Collateral with an authorised financial institution as collateral for financial accommodation provided to CICCHKS;
- (c) deposit any Securities or Securities Collateral with any Exchange, recognised clearing house, or another intermediary licensed or registered for dealing in securities, as collateral for the discharge and satisfaction of CICCHKS' settlement obligations and liabilities; and
- (d) apply or deposit any Securities or Securities Collateral in accordance with (a), (b) and/or (c) above if CICCHKS provides financial accommodation to the Client in the course of dealing

in securities and also provides financial accommodation to the Client in the course of any other regulated activity for which CICCHKS is registered.

- 2.2 **Acknowledgements:** The Client acknowledges that:
- (a) CICCHKS may do any of the things set out in Sub-Clause 2.1 of this Hong Kong Supplement without giving the Client notice;
  - (b) the Client has been informed of the repledging practice of CICCHKS and the Client has provided CICCHKS with a Standing Authority to repledge the Client's Securities or Securities Collateral to other financial institutions as security or collateral for financial accommodation or facilities provided to CICCHKS; and
  - (c) the Standing Authority shall not in any way affect any of CICCHKS' rights under Sub- Clause 7.7 of Part A.
- 2.3 **Third party rights:** The Client understands that a third party may have rights to Securities or Securities Collateral, which CICCHKS must satisfy before such Securities or Securities Collateral can be returned to the Client.
- 2.4 **Validity:** The Standing Authority is valid for (a) an equivalent period to that stated in such Standing Authority, (b) a period not exceeding 12 months specified by CICCHKS, if the Client is not a "professional investor" (as defined in Part 1 of Schedule 1 to the SFO) or (c) a period of any duration specified by CICCHKS, if the Client is such a "professional investor".
- 2.5 **Renewal:** CICCHKS shall, at least 14 days prior to the expiry of the Standing Authority, provide to the Client a notification in writing of the impending expiry of such Standing Authority and inform the Client that unless the Client objects in writing prior to the expiry of the Standing Authority, such Standing Authority shall automatically be renewed on the same terms and conditions upon expiry and for (a) an equivalent period to that stated in such Standing Authority, (b) a period not exceeding 12 months specified by CICCHKS, if the Client is not a "professional investor" (as defined in Part 1 of Schedule 1 to the SFO) or (c) a period of any duration specified by CICCHKS, if the Client is such a Professional Investor. Where a Standing Authority is renewed in accordance with this Sub- Clause, CICCHKS shall give written confirmation of such renewal to the Client within one week after the date of expiry of such Standing Authority.
- 2.6 **Securities lending and borrowing:** In the event that CICCHKS applies Securities or Securities Collateral in accordance with Sub-Clause 2.1(a) of this Supplement, CICCHKS may either:
- (a) act as the Client's agent in entering into a securities borrowing and lending agreement with any person on such terms as CICCHKS thinks fit, provided that (subject to any other written agreement between CICCHKS and the Client):
    - (i) CICCHKS agrees to pay to the Client such fee as is set out in accordance with the Fee Schedule;
    - (ii) the Client's rights in Sub-Clause 7.5(a) of Part A continue to apply but the Client's rights in Sub-Clause 7.5(b) of Part A cease to apply; and
    - (iii) CICCHKS shall not be liable to the Client for any fee, dividend, distribution or other payment or return of any Securities or Securities Collateral lent if an event of default occurred in relation to the borrower of such Securities or Securities Collateral; or

- (b) (subject to CICCHKS and the Client having entered into a securities borrowing and lending agreement) act as principal in entering into a securities borrowing and lending agreement with any person for the purposes of on-lending those Securities or Securities Collateral.

### 3. CLIENT IDENTIFICATION

3.1 **Disclosure obligation:** If the Client effects a Transaction in Securities that are listed or traded on the SEHK, CICCHKS, whether as agent or by entering into matching transactions as principal with its client, has received an enquiry from the relevant regulators in relation to such Transaction, the following shall apply:

- (a) subject to paragraph (b) below, the Client shall, upon request and within the time limit required by CICCHKS, disclose to the relevant Regulators the identity, address, occupation and contact details of (i) the client for whose account such Transaction was effected, (ii) (so far as known to the Client) the person with the ultimate beneficial interest in such Transaction and (iii) any third party (if different from (i) or (ii)) who originated such Transaction; and
- (b) if the Client effected such Transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall, (i) upon request and within the time limit required by CICCHKS, disclose to the Regulators 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 it to effect such Transaction and (ii) as soon as practicable, inform CICCHKS when its discretion to invest on behalf of the scheme, account or trust has been overridden, and in such event, upon request and within the time limit required by CICCHKS, disclose to the Regulators the identity, address, occupation and contact details of the person(s) who has or have given the Instruction in relation to such Transaction.

3.2 **Client's client acting as intermediary:** If the Client effected such Transaction as referred to in Sub-Clause 3.1 of this Supplement for its client and is aware that such client is acting as intermediary for its underlying client but the Client does not know the identity, address, occupation and contact details of such underlying clients for whom such Transaction was effected, the Client undertakes and confirms that:

- (a) it has arrangements in place with such client which entitles the Client to obtain the information set out in Sub-Clause 3.1 of this Supplement from such client upon request and within the required time limit or procure that it be so obtained; and
- (b) it will, on request from CICCHKS in relation to such Transaction, promptly request the information set out in Sub-Clause 3.1 of this Supplement from such client on whose Instructions such Transaction was effected, and provide the information to the Regulators as soon as received from such client or procure that it be so provided.

3.3 **Consents and waivers:** The Client undertakes, represents and confirms that, where necessary, it has obtained all relevant consents and/or waivers from its clients, collective investment schemes, discretionary accounts or discretionary trusts for whose account a Transaction may be effected to release and allow the release of information to the Regulators of the identity and contact details of such clients, collective investment schemes, discretionary accounts or discretionary trusts, and of the person with the ultimate beneficial interest in any such Transaction, and (if different from such client/ultimate beneficiary) of the person who originated such Transaction. The Client further undertakes, represents and confirms that it is not subject to any law which prohibits its performance of this Clause 3, or if it is subject to such law, that it or its clients, as the case may be, have validly waived the benefit of such law and consented in writing to the performance of this Clause 3.

3.4 **Survival after termination:** The provisions of Clause 3 of this Supplement shall continue in effect notwithstanding the termination of the Terms and Conditions.

#### **4. PERSONAL DATA**

4.1 Subject to applicable laws and regulations, any individual has the right:

- (a) to check whether CICCHKS holds Personal Data about him and of access to such Personal Data;
- (b) to require CICCHKS to correct any Personal Data relating to him which is inaccurate;
- (c) to ascertain CICCHKS' policies and practices in relation to Personal Data and to be informed of the kind of Personal Data held by CICCHKS; and
- (d) in relation to customer credit, to request to be informed which items of Personal Data are routinely disclosed to credit reference agencies or debt collection agencies, and be provided with further information to enable the making of an access and correction request to the relevant credit reference agency or debt collection agency.

4.2 In accordance with the terms of the PDPO, CICCHKS has the right to charge a reasonable fee for the processing of any Personal Data access request.

4.3 Nothing in the Terms and Conditions shall limit the rights of the Client under the PDPO. The Personal Data (Privacy) Schedule provided to the Client by CICCHKS applies to the Client and the Client shall be bound by the terms contained therein.

#### **5. UNSOLICITED ELECTRONIC MESSAGES**

Unless otherwise notified in writing by the Client, the Client expressly agrees and permits CICCHKS to send unsolicited and/or in bulk, commercial electronic messages to the Client relating to the Services of CICCHKS and its Affiliate from time to time. This shall constitute consent of the Client for the purposes of the control of the sending of unsolicited electronic messages under section 5 of the Unsolicited Electronic Messages Ordinance (Cap. 593 of the Laws of Hong Kong).

#### **6. SHORT SELLING**

6.1 The Client acknowledges that:

- (a) uncovered short selling is unlawful in Hong Kong; and
- (b) only certain securities are designated securities eligible for short selling.

6.2 The Client agrees to expressly inform CICCHKS that a sale is a short sale at the time of giving the Instructions to effect the sale, and if the Client fails to do so, CICCHKS shall be entitled to assume for all purposes that the relevant sale is not a short sale. Accordingly, CICCHKS is not required to confirm whether or not a sale is a short sale whenever it receives an Instruction to sell from the Client.

6.3 For every short selling order conducted through CICCHKS, the Client shall, at the time of giving the Instructions, provide a confirmation to CICCHKS (in such form and manner as is acceptable to CICCHKS) that the Client or (where acting as agent) its underlying principal has a presently exercisable and unconditional right to vest the Securities in the purchaser of such Securities or the Client has made proper arrangements to cover the sale.

6.4 In respect of any short selling order, the Client agrees to provide CICCHKS with any confirmation, information and/or assurances that CICCHKS may require from the Client.

6.5 The Client shall at all times comply with the applicable laws and regulations of Hong Kong, and in particular the Client shall at all times comply with the provisions relating to short selling contained in the SFO and the Securities and Futures (Short Selling and Securities Borrowing and Lending (Miscellaneous)) Rules (Cap. 571R of the Laws of Hong Kong).

## **7. REBATES AND SOFT DOLLARS**

7.1 The Client acknowledges and agrees that CICCHKS (and any person to whom CICCHKS has delegated its duties) may receive (and has by virtue of this Sub-Clause 7.1 disclosed that fact), and is entitled to retain, Rebates relating to Transactions carried out on behalf of the Client, provided that brokerage rates are not in excess of customary full-service brokerage rates.

7.2 The Client acknowledges and agrees that CICCHKS (and any person to whom CICCHKS has delegated its duties to) may receive and is entitled to retain Soft Dollars from brokers and other person through whom any transactions are carried out, provided that:

- (a) the Soft Dollars are of demonstrable benefit to the Client; and
- (b) the transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary full-service brokerage rates.

## **8. PROFESSIONAL INVESTORS**

The Professional Investor Notice provided to the Client by CICCHKS applies to the Client and the Client shall be bound by the terms contained therein.

## **9. COMPLAINTS**

In the event that the Client should have any complaints or otherwise wish to contact CICCHKS, it should be noted that the Client can take up any such matters with CICCHKS. The relevant contact details are as follows:

Address: 29/F One International Finance Centre, 1 Harbour View Street, Central, Hong Kong

Email: [compliant\\_hk@cicc.com.cn](mailto:compliant_hk@cicc.com.cn)

Telephone: +852 2266 3940

Fax: +852 2872 2110

## **10. REFUND OBLIGATION**

Where a cooling-off mechanism is incorporated in any investment product, and the Client exercises its right under that mechanism to cancel the order, sell the product back to the issuer or its agent, or otherwise unwind the transaction in relation to that product, CICCHKS shall promptly execute Client's Instruction in that regard and pass on to the Client the full amount of the refund (including any sales commission received by CICCHKS in relation to that Transaction) received from the product issuer less the relevant administrative charge levied by CICCHKS at or before the point of sale in respect of that Transaction.

## **11. INVESTOR COMPENSATION**

The Client understands and agrees that in the event of a default committed by CICCHKS causing the Client to suffer a pecuniary loss, the Client's right to compensation under the Investor Compensation Fund established under the SFO will be restricted to valid claims as provided for in the SFO and the relevant subsidiary legislation and will be subject to the monetary limits specified in the Securities and Futures (Investor Compensation – Compensation Limits) Rules (Cap. 571AC of the Laws of Hong Kong). Accordingly, there can be no guarantee that the Client's loss may be recouped from the Investor Compensation Fund in full or in part.

## **12. COMPLIANCE**

Notwithstanding any other provision of these Terms and Conditions, nothing in these Terms and Conditions removes, excludes or restricts any of the Client's rights or CICCHKS' obligations under the laws of Hong Kong. CICCHKS may do or omit to do anything which it believes is necessary or desirable to ensure compliance with the applicable laws or regulatory requirements, guidance or requests.

## Part D - Glossary (Definition and Interpretation)

### 1. DEFINITIONS

<b>Account</b>	means any account (including any sub-account of that account) opened and maintained in the name or on behalf of the Client with CICCHKS (or its Affiliates) from time to time.
<b>Account Opening Form</b>	means the account opening form completed and signed by the Client in connection with the Services provided pursuant to these Terms and Conditions.
<b>Adjustment Event</b>	means any event occurring in respect of an Underlying: <ul style="list-style-type: none"><li>(a) which would ordinarily give rise to an adjustment of the strike price (including, but not limited to, an adjustment or a change to any hedge arrangement entered into by CICCHKS);</li><li>(b) which would ordinarily give rise to an adjustment of the total number of Underlying, the subject of the Transaction;</li><li>(c) which would require the relevant Exchange to make an adjustment under the rules of that Exchange as if the Transaction was traded through that Exchange;</li><li>(d) where the relevant Underlying is subdivided, consolidated, reconstructed or is the subject of a takeover offer, tender offer, exchange offer or similar event;</li><li>(e) where the entity that issued the Underlying makes a bonus issue, a distribution by way of return of capital or a rights issue or a special distribution (such as a special dividend) or otherwise alters its capital structure;</li><li>(f) where the entity that issued the Underlying is the subject of a takeover, is to merge or consolidate with another entity or transfers all or substantially all of its assets to another entity;</li><li>(g) where a call is made on partly paid shares;</li><li>(h) where CICCHKS is unable to, or unable to continue to, hedge its exposure (or CICCHKS will incur a materially increased amount of tax, duty, expense, fee or cost as a result of holding or continuing to hold a hedge arrangement); or</li><li>(i) which CICCHKS, at its discretion (acting reasonably), determines is an Adjustment Event.</li></ul>
<b>Affiliate</b>	means any entity which directly or indirectly controls, is controlled by or is under common control with CICCHKS.
<b>Application</b>	means the Client's application for Services as described in these Terms and

Conditions.

- Authorised Person** means a person appointed by the Client in the Mandate, and in respect of such person, CICCHKS has not received from the Client any written notice of revocation or termination of such person's appointment, powers or authority.
- Business Day** means any day (other than a Saturday, Sunday or a public holiday in the Jurisdiction) on which CICCHKS is open for business.
- Business Hour** means the period during which, on a Business Day, CICCHKS is open for business as CICCHKS may prescribe from time to time.
- Charged Property** means any present and future asset of the Client that is the subject of any security created by these Terms and Conditions.
- China Connect Risk Disclosures** means the Annex to the China Connect Supplemental Terms.
- China Connect Terms** has the meaning set out in Clause 1 of Schedule X (China Connect) to the Terms and Conditions.
- CICCHKS** means China International Capital Corporation Hong Kong Securities Limited (CE Number AEN894), a company incorporated in Hong Kong and having its principal place of business at 29/F One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.
- Clearing House** means a person whose activities or objects include the provision of services for the clearing and settlement of Transactions effected on an Exchange.
- Client** means the person identified in the relevant Account Opening Form and in whose name the Account is opened and maintained with CICCHKS. Where there is more than one such person, references to "Client" shall be construed, as the context requires, to include any, all or each of them.
- Client Agreement** means the agreement entered into between CICCHKS and the Client in relation to the Services, including the Account Opening Form, the Risk Disclosure Schedule, the Terms and Conditions, the China Connect Supplemental Terms, any applicable forms, supplements, schedules, notices, agreements, or guidelines, any other component document of the Client Agreement, any applicable documentation filled out and/or supplied by the Client in order to open and maintain the Account and/or expressly stated by CICCHKS to form part of the Client Agreement and any amendments to any of the foregoing.
- Collateral** means, as security or credit support for entering into any Transaction or the Client's obligations under these Terms and Conditions, collectively, (a) all monies and properties (including Securities Collateral) provided by or through the Client, which are now or at any time going forward held or controlled by or through CICCHKS or which are in transit to or from or allocated to or are otherwise in the custody of CICCHKS or which are carried in any Account and (b) all proceeds or distributions of the same.



**Collateral Document** means any document executed or to be executed from time to time by the Client and/or any third party creating or evidencing Collateral in CICCHKS's favour, as amended or supplemented from time to time.

**Communications** means all notices, statements, Confirmations, receipts and other communications.

**Confirmation** means a written notice (including a notice issued by electronic means from which it is possible to produce a hard copy) issued by CICCHKS to the Client containing a record of the specific terms and conditions of a Transaction entered into by the Client, whether or not it reflects to these Terms and Conditions. Any ancillary agreements referred to in a Confirmation are part of that Confirmation.

**Corporate Professional Investor** has the meaning ascribed to it in the SFC Code of Conduct.

**Corporate Professional Investor Notice** means the two-way Corporate Professional Investor Notice provided by CICCHKS to a client which is a Corporate Professional Investor and which satisfies the criteria set out in paragraph 15.3A(b) of the SFC Code of Conduct.

**Event of Default** means the occurrence of any one of the following:

- (a) the Client fails in any way to perform any of its obligations under, or otherwise breaches these Terms and Conditions and, if such failure is capable of remedy, the Client does not remedy such failure within seven days after notice from CICCHKS requiring the Client to remedy such failure;
- (b) the Client fails to perform its obligations with respect to (i) settlement of any Transaction entered into under these Terms and Conditions or (ii) any Investment held in any Account;
- (c) the Client fails to repay or discharge the Facility (as defined in Schedule II to these Terms and Conditions);
- (d) the Client fails to (i) timely deposit Collateral or any additional Collateral or (ii) maintain the Margin level as required by CICCHKS;
- (e) the Client fails to pay premium on any option purchased;
- (f) the Client creates, attempts to create or allows to exist any mortgage, pledge, assignment, hypothecation, security interest, lien, charge or other similar interest over any Collateral without obtaining CICCHKS's prior consent;
- (g) the Client moves, transfers or converts (or attempts to move, transfer or convert) any cash or assets which have been charged or

assigned to CICCHKS or any Affiliate without the consent of CICCHKS;

- (h) any information provided or representation or warranty made by the Client was incorrect or untrue in any material respect when given, made or repeated (or deemed to have been given, made or repeated);
- (i) the Client fails to provide any information required by CICCHKS or fails to inform CICCHKS of changes to its status;
- (j) the Client consolidates or amalgamates with, merges with or into, transfers all or substantially all of its assets to, or reorganises, reincorporates or reconstitutes into or as, another entity and the resulting, surviving or transferee entity fails to assume all of the obligations of such party under these Terms and Conditions or any Transaction or other documents;
- (k) any necessary licence, authorisation or consent of a party required by the Client to enter into any relevant Transaction, including any relevant financial services licence or exemption from holding such a licence, is revoked, not renewed, suspended or no longer exempted;
- (l) an Insolvency Event occurs in respect of the Client;
- (m) an Extraordinary Event, Adjustment Event or Price Disruption Event occurs and in CICCHKS's opinion it is not possible and/or desirable to deal with the occurrence of that event under Sub-Clause 18.2 of Part A;
- (n) CICCHKS reasonably believes that the ability of the Client to comply with these Terms and Conditions or a particular Transaction has been reduced due to a change in its business, assets or financial position;
- (o) the death of the Client (being an individual) or the Client is judicially declared insane or incompetent;
- (p) any dispute or proceeding between any of the persons making up the Client;
- (q) in CICCHKS's reasonable opinion, the Client appears to be or have been engaging in fraud, theft or other similar illegal activities;
- (r) any other matter or event including any applicable laws and regulations which in the opinion of CICCHKS renders termination necessary or advisable in the interests of CICCHKS;
- (s) these Terms and Conditions is or become wholly or partly void, voidable or unenforceable or is claimed to be so, by either the Client or anyone on the Client's behalf;
- (t) a default, an event of default or similar event as stated in this

definition occurs under any other agreement between the Client and CICCHKS or Affiliate;

- (u) any event which, in CICCHKS's sole opinion, might jeopardise any of its rights under these Terms and Conditions; or
- (v) any event which with the giving of notice, lapse of time or fulfilment of any condition would be likely to become an Event of Default.

**Exchange** means any recognised exchange or market or other trading forum in any part of the world dealing in Securities or other financial instruments of whatever nature for the time being offered, traded or dealt with by CICCHKS for or on behalf of the Client.

**Exempt Corporate Professional Investor** means a Corporate Professional Investor: (a) which satisfies the criteria set out in paragraph 15.3A(b) of the SFC Code of Conduct; (b) which has signed a Corporate Professional Investor Notice; and (c) in respect of which CICCHKS is exempt from the requirements listed in paragraphs 15.4 and 15.5 of the SFC Code of Conduct.

**Expiry Date** means the date on which an Instruction expires.

**Extraordinary Event** means, in relation to any Transaction, any event which CICCHKS in good faith believes to have a material adverse effect on that Transaction and/or which CICCHKS determines, at its absolute discretion, is beyond the reasonable control of CICCHKS (which shall include a Force Majeure Event) and any form of restriction or requirement which in CICCHKS's good faith belief or opinion adversely alters or changes the rights or obligations which CICCHKS undertook on entering into that Transaction.

**Fee Schedule** means the schedule or list of fees charged by CICCHKS for providing the Services, as published by CICCHKS from time to time.

**Force Majeure Event** means an event as provided in Sub-Clause 15.2 of Part A.

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

**Indemnified Persons** means CICCHKS and any Affiliate including their directors, officers, employees and agents.

**Individual Professional Investor** means an individual: (a) who falls under section 3(b) of the Securities and Futures (Professional Investor) Rules (Cap. 571D); (b) who has signed a Professional Investor Notice; and (c) in respect of whom CICCHKS is exempt from the requirements listed in paragraph 15.5 of the SFC Code of Conduct.

**Insolvency Event** means the occurrence of any of the following events to a person, by which:

- (a) the person becomes or is declared insolvent or bankrupt;
- (b) the person is the subject of any proceedings related to its voluntary winding up, liquidation, bankruptcy, insolvency, administration or receivership;
- (c) the person is the subject of any proceedings related to the appointment of an administrator, receiver, administrative receiver, trustee, liquidator or any similar or equivalent officer;
- (d) the person makes an assignment for the benefit of all or substantially all of its creditors;
- (e) the person calls a meeting of its creditors or otherwise makes or proposes to enter into an agreement or arrangement with its creditors for the composition, extension, or readjustment of its debts or obligations;
- (f) a filing is made, petition is presented or resolution passed or proposed for any of the events described in (a) to (e) above;
- (g) the person becomes or its parent becomes unable to pay its debts as they fall due; or
- (h) the person is subject to an analogous event in any jurisdiction.

**Institutional Professional Investor**

has the meaning ascribed to it in the SFC Code of Conduct.

**Institutional Professional Investor Notice**

means the one-way Institutional Professional Investor Notice provided by CICCHKS to a client which is an Institutional Professional Investor.

**Instruction**

means any instruction given by the Client to CICCHKS in connection with the Service, Account and/or Transaction pursuant to these Terms and Conditions.

**Investment**

means, subject to applicable laws and regulations, any investment involving any Securities.

**Joint Account Holders**

means two or more persons identified in the relevant Account Opening Form and in whose joint names the Account is opened and maintained with CICCHKS.

**Jurisdiction**

means Hong Kong or such other jurisdiction where an Account with CICCHKS is opened and maintained.

**Loss**

means any and all losses (whether direct, consequential or special), costs, claims, demands, actions, suits, proceedings, orders, damages, liabilities, penalties and expenses of whatever nature and however arising (including legal fees on a full indemnity basis and any goods and services tax or other

taxes or duties on any of them).

<b>Mandate</b>	means all mandates between CICCHKS and the Client, including the mandate set out in the Account Opening Form or under any power of attorney or other letter, document or instrument, which sets out the signing arrangement and other arrangement to give instructions with respect to the operation of any Account or Transaction, in such form acceptable to CICCHKS.
<b>Margin</b>	means, as required by CICCHKS, the amount of Collateral to be placed with CICCHKS by the Client as security or credit support in connection with any Transaction or Investment.
<b>Non-Exempt Corporate Professional Investor</b>	means a Corporate Professional Investor: (a) which (i) does not satisfy the criteria set out in paragraph 15.3A(b) of the SFC Code of Conduct; or (ii) does not wish to be treated as an Exempt Corporate Professional Investor; (b) which has signed a Professional Investor Notice; and (c) in respect of which CICCHKS is exempt from the requirements listed in paragraph 15.5 of the SFC Code of Conduct.
<b>Personal Data</b>	has the meaning given to it in the relevant Supplement.
<b>Professional Investor Notice</b>	means the two-way Professional Investor Notice provided by CICCHKS to (a) a Non-Exempt Corporate Professional Investor; or (b) an Individual Professional Investor.
<b>Price Disruption Event</b>	means any event which CICCHKS in good faith believes to have affected the calculation or determination of the settlement amount for any Transaction and shall include any suspension of or limitation imposed on trading by the relevant Exchange, the splitting of currency exchange rates into dual or multiple currency exchange rates, unavailability of currency exchange rates and/or any form of price disruption which in CICCHKS' good faith opinion adversely alters or changes the rights or obligations which CICCHKS undertook at the time of entering into that Transaction.
<b>Referred Entity</b>	means an Affiliate to whom the Client is referred by CICCHKS.
<b>Relevant Information</b>	means any information given by the Client or in the possession of CICCHKS relating to the Client or any Account of or Transaction entered into by the Client, and shall include, where the context permits, Personal Data and information relating to the identity of the ultimate beneficial owner of an Account or the party connected with any Transaction.
<b>Risk Disclosure Schedule</b>	means the risk disclosure schedule appended to the letter "Client Agreement – Wealth Management Account" forming part of the Client Agreement.
<b>Securities</b>	means: <ul style="list-style-type: none"> <li>(a) stocks, shares, units, warrants and other equity securities;</li> <li>(b) bonds, notes and other debt securities;</li> <li>(c) swaps, options, warrants, equity-linked instruments and other equity derivatives;</li> </ul>

- (d) investment products with embedded derivatives or commonly referred to as "structured investment products";
- (e) interests in collective investment schemes;
- (f) certificate of deposits;
- (g) interests, rights or properties, whether in the form of an instrument or otherwise, commonly known as securities; and
- (h) other investments of any kind whatever, in each case whether listed or unlisted, traded or not traded on any Exchange, privately placed or publicly offered and whether or not constituted, evidenced or represented by a certificate or other document (bearer, negotiable or otherwise).

<b>Securities Collateral</b>	means any Securities deposited with or otherwise provided by or on behalf of the Client to CICCHKS or any other intermediary or person, which are so deposited or provided as security for the provision of financial accommodation by CICCHKS or to facilitate the provision of financial accommodation by CICCHKS under an arrangement that confers a collateral interest in the Securities on CICCHKS.
<b>SEHK</b>	means The Stock Exchange of Hong Kong Limited.
<b>Service</b>	means any service made or to be made available by CICCHKS to the Client under these Terms and Conditions from time to time, as set out in Sub-Clause 2.1 of Part A.
<b>SFC</b>	means the Securities and Futures Commission of Hong Kong.
<b>SFO</b>	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
<b>SFC Code of Conduct</b>	means the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.
<b>Standing Authority</b>	means a standing authority given by the Client to CICCHKS or its Affiliate in the form as prescribed by CICCHKS or its Affiliate.
<b>Supplement</b>	means the specific terms and conditions in relation to the jurisdiction of which a Service is provided as set out in Part C.
<b>Terms and Conditions</b>	means these terms and conditions, and shall include the relevant Schedule(s) and Supplement(s) in Parts B and C respectively.
<b>Transaction</b>	means any transaction involving any Securities.
<b>Underlying</b>	means any (a) currency, (b) interest rate, (c) financial product (including any share, stock, unit trust, mutual fund, debenture, bond, note, bill or other Security), (d) precious metal, (e) commodity, (f) index on any of them or a group of them or other benchmark, (g) combination of one or more of any of

them and (h) any other item, instrument, property or thing as CICCHKS



may from time to time permit.

**US Person**

means:

- (a) any natural person resident in the United States of America;
- (b) any partnership or corporation organized or incorporated under the laws of the United States of America;
- (c) any estate of which any executor or administrator is a US Person;
- (d) any trust of which any trustee is a US Person;
- (e) any agency or branch of a foreign entity located in the United States of America;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated or (if an individual) resident in the United States of America; and
- (h) any partnership or corporation if: (A) organized or incorporated under the laws of any foreign jurisdiction; and (B) formed by a US Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by "accredited investors" (as defined in Rule 501(a) of Regulation D) who are not natural persons, estates or trusts.

Notwithstanding the above, the following are not US Persons:

- (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organized, incorporated or (if an individual) resident in the United States of America;
- (ii) any estate of which any professional fiduciary acting as executor or administrator is a US Person if: (A) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and (B) the estate is governed by foreign law;
- (iii) any trust of which any professional fiduciary acting as trustee is a US Person, if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settler if the trust is revocable) is a US Person;
- (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States of America and customary practices and documentation of such

country;

- (v) any agency or branch of a US Person located outside the United States of America if: (A) the agency or branch operates for valid business reasons; and (B) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
- (vi) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

## **2. RULES OF INTERPRETATION**

- (a) Reference to Clauses, Sub-Clauses, Schedules, Parts, Supplements and other provisions are references to clauses, sub-clauses, schedules, parts, supplements and other provisions of these Terms and Conditions.
- (b) The headings in these Terms and Conditions are for ease of reference only and shall not be taken into account in the construction or interpretation of any provision to which they refer.
- (c) Unless otherwise specified, words importing the singular number shall include the plural and vice versa and words importing the masculine shall include the feminine and neuter and vice versa.
- (d) For the avoidance of doubt, any reference to a document includes reference to that document as amended or supplemented from time to time.
- (e) The word "including" shall mean including without limitation or prejudice to the generality of any description, definition, term or phrase preceding that word, and the word "include" and its derivatives shall be interpreted accordingly.
- (f) The words "other" and "otherwise" are not to be interpreted as confining the meaning of any following words to the class of thing previously stated where a wider construction is possible.
- (g) The word "person" includes any individual, sole proprietor, firm, partnership, limited liability partnership, joint venture, unincorporated association, company, corporation, organisation, trustee, trust, state or agency of a state (in each case, whether or not having separate legal personality).

## **3. LEGISLATION AND REGULATIONS**

A reference to any statute, statutory provision or regulation shall be construed as a reference to the same as it may be amended, re-enacted or replaced from time to time.

## **4. LANGUAGE**

The Client acknowledges and confirms that English is its preferred language and it has read and understood the English version of these Terms and Conditions.

## Part E – Explanatory Notes

- <sup>1</sup> If the Client is an Institutional Professional Investor or an Exempt Corporate Professional Investor, CICCHKS is not required to ensure that a recommendation or solicitation is suitable for the Client in light of the Client’s financial situation, investment experience and investment objectives. In particular, and for the avoidance of doubt, where the Client is an Institutional Professional Investor or an Exempt Corporate Professional Investor, CICCHKS is not required to comply with the requirement in Clause 2.5 of Part A, despite the wording of this Clause.
- <sup>2</sup> If the Client is an Institutional Professional Investor or an Exempt Corporate Professional Investor (as the case may be), CICCHKS is not required to: (a) establish the Client’s financial situation, investment experience and investment objectives; and (b) ensure that a recommendation or solicitation is suitable in light of the Client’s financial situation, investment experience or investment objective. .
- <sup>3</sup> For the avoidance of doubt, if the Client is acting as agent on behalf of its customers (which are not themselves “clients” of CICCHKS for regulatory purposes), CICCHKS will not be responsible for ensuring the suitability of the Transactions for the Client’s customer(s).
- <sup>4</sup> If the Client is an Institutional Professional Investor or an Exempt Corporate Professional Investor, CICCHKS is exempt from the requirement to enter into a written agreement with the Client in the Client’s preferred language and in the form contemplated by the SFC Code of Conduct. In particular, and without limitation to the foregoing, CICCHKS is not required to include in the Client Agreement an undertaking by CICCHKS to notify the Client of any material change to: (i) the nature of Services to be provided or available to the Client; (ii) the description of any remuneration (and basis for payment) for such Services, (iii) where applicable, details of Margin requirements, interest charges and circumstances under which the Client’s position may be closed without the Client’s consent, and (iv) name, address and licence/registration status of CICCHKS, and to provide to the Client the relevant risk disclosure statements, including the risk disclosure statements prescribed by the SFC Code of Conduct, in respect of the risks involved in transactions the Client enters into with or through CICCHKS and to bring those risks to the Client’s attention.
- <sup>5</sup> If the Client is an Institutional Professional Investor or an Exempt Corporate Professional Investor, CICCHKS is not required to establish the Client’s financial situation, investment experience and investment objectives. Therefore, where the Client is an Institutional Professional Investor or an Exempt Corporate Professional Investor, CICCHKS may in its sole and absolute discretion (but is not obliged to) request the Client to provide CICCHKS with information regarding the Client’s financial situation, investment experience and investment objectives (the “**Relevant Information**”). Where CICCHKS has requested the Client to provide CICCHKS with any Relevant Information, the Client is required to notify CICCHKS of any changes to such Relevant Information.