China Connect: Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Terms and Conditions (these "Terms and Conditions")

1. INTERPRETATION

1.1 Terms and expressions used herein (including the Appendix hereto), unless the context requires otherwise, have the meanings set out in the Schedule hereto or otherwise in the Master Terms and Conditions.

1.2 In the event of any inconsistency between these Terms and Conditions and the Master Terms and Conditions, the terms of these Terms and Conditions shall prevail.

1.3 For the purpose of these Terms and Conditions, "China Connect Market" shall mean SSE, SZSE, and/or a stock market in the PRC acceptable to SEHK and included in the list of China Connect Markets which are eligible for China Connect trading (as the case may be), unless and until the Bank shall otherwise notify the Customer.

1.4 The English version shall prevail in the event of any inconsistency between the English and Chinese versions.

2. AUTHORITY AND APPLICATION

2.1 The Bank is hereby appointed and authorised by the Customer on the terms of these Terms and Conditions, as may be amended from time to time, to perform all or any of the Investment Services in respect of any trading of China Connect Securities through China Connect.

2.2 These Terms and Conditions are in addition and supplemental to, and without prejudice to, and form an integral part of, the Master Terms and Conditions. Notwithstanding any provision in the Master Terms and Conditions, these Terms and Conditions shall apply where the Customer informs or indicates to the Bank that the Customer wishes to trade China Connect Securities through China Connect.

3. COMPLIANCE WITH TRADING RESTRICTIONS AND MARKET REQUIREMENTS

3.1 These Terms and Conditions highlight only certain key features applicable to China Connect as of the date of these Terms and Conditions. The Bank is not liable for any inaccuracies or misstatements in the information set out in Appendix 1 to these Terms and Conditions. Any trading in China Connect Securities will be subject to the China Connect Rules and all Market Requirements, including, without limitation, any applicable requirements and/or restrictions pursuant to China Connect as may be amended from time to time, certain of which are referred to in Appendix 1 to these Terms and Conditions. These Terms and Conditions do not purport to cover all the rules, requirements and features relating to China Connect and all Market Requirements. The Customer shall be fully responsible for understanding and at all times complying with all Market Requirements as amended from time to time and for any consequences, risks, losses or costs of Northbound trading. In addition and without prejudice to the generality of the Master Terms and Conditions, the Customer shall at all times comply with the Market Requirements and all such trading restrictions applicable to China Connect, including, without limitation, the requirements and restrictions (as may be amended from time to time by the relevant China Connect Authorities) set out in Appendix 1 to these Terms and Conditions. The Bank shall not be under any obligation, or assume any responsibility, to advise the Customer on any of the Market Requirements. The Customer is advised to refer to the HKEx website and the SFC website relating to China Connect as updated from time to time and other relevant sources for detailed information.

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3.2 In addition, the Bank shall have the right to apply any procedures or requirements in respect of any trading in China Connect Securities pursuant to China Connect which the Bank determines in its absolute discretion to be necessary or desirable to comply with Market Requirements. Neither the Bank nor any Related Person shall have any liability for any losses or risks that the Customer may incur or suffer arising out of or resulting from such procedures or requirements.

3.3 In addition and without prejudice to any of the Bank's rights under the Master Terms and Conditions, the Bank may, in its absolute discretion and without further notice or demand, refuse to execute any Instruction given by the Customer, if (for example, and without limitation):

3.3.1 such Instruction is not compliant with any Market Requirements or if the Bank reasonably believes that such Instruction may not be compliant with any Market Requirements or if the Bank is required by SEHK not to accept such Instruction;

3.3.2 in respect of any Instruction to make a Northbound sell order, the Bank determines in its absolute discretion that the Customer does not have sufficient securities at the time of such Instruction to settle the delivery obligation; or

3.3.3 in respect of any Instruction to make a Northbound buy order, the Bank determines in its absolute discretion that the Customer does not have sufficient funds to settle the payment obligation in respect of such order on the settlement day.

Without prejudice to the foregoing, the Bank may in its absolute discretion refuse to receive and/or accept for deposit from the Customer or his custodian any China Connect Securities without giving any reason.

The Customer acknowledges and accepts that any Northbound order placed by the Customer may also be rejected by any China Connect Authority if such order is not compliant with any Market Requirements or if the relevant China Connect Authority believes that such order may not be compliant with any Market Requirements. Neither the Bank nor any Related Person shall have any liability for any losses or risks incurred or suffered, directly or indirectly, by the Customer arising out of or resulting from such refusal by the Bank or rejection by any China Connect Authority.

3.4 In the event that SEHK, the relevant SEHK Subsidiary(ies) or HKSCC is(are) notified by SSE, SZSE, CSDCC or any other relevant exchange, clearing house or governmental or regulatory body that there is reasonable cause to believe that the Customer has failed to comply with or has breached any Market Requirements, the Customer shall, upon the request of the Bank, provide such information (including translations into Chinese if requested by the Bank) as the Bank may reasonably request to enable it to assist the relevant exchange, clearing house or governmental or regulatory body (including, without limitation, SSE, SZSE, CSDCC or any PRC governmental or regulatory authority or agency) to assess whether there is any non-compliance or breach of Market Requirements and/or the extent of any non-compliance or breach, and, by providing such information, the Customer is deemed to waive the benefit of any bank or other secrecy laws and data protection laws which may be applicable.

4. RISK DISCLOSURES AND ACKNOWLEDGEMENT

By instructing the Bank in respect of any transaction relating to China Connect Securities, the Customer acknowledges, represents, warrants and confirms:

4.1 that (a) he has read, fully understood and accepted the risk disclosures and otherinformation applicable to China Connect set out in Appendix 1 to these Terms and Conditions; (b) the Customer understands and agrees that there is a risk of prohibition from trading China Connect Securities; (c) the Customer's Instructions to trade China Connect Securities may not be accepted; and (d) the Customer understands and agrees to accept his obligations when trading China Connect Securities

through China Connect including any consequences of a breach of Market Requirements;

4.2 that neither the Bank nor any Related Person shall be liable for any loss, liability, or third party claim or demand that he may suffer or incur directly or indirectly as a result of any action or inaction by the Bank or any Related Person in connection with the provision of trading services in respect of China Connect Securities to the Customer by the Bank including, without limitation, the materialisation of any of the risks described in Appendix 1 to these Terms and Conditions;

4.3 that SEHK has the power not to extend the China Connect Service to him and the power to require the Bank not to accept Instructions from him, if it is found that he, the Bank or any of the Bank's clients has or may have committed any abnormal trading conduct referred to in the SSE Rules and/or the SZSE Rules (as the case may be) or failed to comply with any China Connect Rules;

4.4 that the Bank and/or any Related Person may provide to a China Connect Authority relevant information and materials relating to the Customer, including, without limitation, in relation to the Customer's identity, personal data and trading activities for the purposes of assisting any investigation or surveillance by a China Connect Authority;

4.5 that if the SSE Rules and/or the SZSE Rules are breached, or the disclosure and other obligations referred to in any Market Requirements are breached, (a) the relevant China Connect Market(s) has(have) the power to carry out investigations, and may, through SEHK (or the relevant SEHK Subsidiary or any other governmental or regulatory body), require the Bank and/or any Related Person to (i) provide relevant information and materials relating to him (including, without limitation, in relation to his identity, personal data and trading activity) and any other information requested by any China Connect Authority; and (ii) assist in a China Connect Authority's investigation in relation to him and/or his trading activity, and (b) he may be subject to regulatory investigations and the relevant legal and regulatory consequences if he is in breach of, or fails to comply with, such laws, rules and regulations;

4.6 that SEHK may (for the purpose of assisting the relevant China Connect Market in its regulatory surveillance of the China Connect Market and enforcement of the relevant China Connect Rules and as part of the regulatory cooperation arrangement between SEHK, the relevant SEHK Subsidiary and the relevant China Connect Market), at the request of the relevant China Connect Market, require the Bank to provide information (including, without limitation, in relation to his identity, personal data and trading activity) in relation to him 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 the Bank on their behalf;

4.7 that where a China Connect Authority considers that there is a serious breach of the SSE Rules and/or the SZSE Rules, the Bank may be required by a China Connect Authority to (a) issue warning statements (verbally or in writing) to him; and (b) cease providing him with any service relating to trading China Connect Securities through China Connect;

4.8 that, prior to the Bank informing him that a Northbound buy order instructed by him has been settled, he shall not instruct a Northbound sell order in respect of the China Connect Securities which are the subject of such Northbound buy order;

4.9 that he consents to the Bank and/or any Related Person providing his Customer Information (as defined in Clause 10) and information relating to his profile and the types and values of Northbound buy and sell orders and transactions made and executed on his behalf to any China Connect Authority at such intervals and in such forms as such China Connect Authority may specify or require from time to time (including for the purpose of compliance with requirements arising under any China Connect Rules in relation to Northbound trading);

4.10 that he accepts responsibility for paying all fees, charges, levies and taxes and shall comply with any filing or registration obligations as may be required by any China Connect Authority or any Market Requirements relating to any China Connect Securities;

4.11 that the Bank will be required under the China Connect Rules to keep, for a period of not less than 20 years, records (including telephone records) of (a) all orders and trades executed on his behalf; (b) any Instructions received from him; and (c) his account information in relation to Northbound trading;

4.12 that SEHK may upon the request of the relevant China Connect Market require the Bank to reject any order made on his behalf; and

4.13 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 the Bank or any Related Person, the Customer or any other third party arising from or in connection with (a) the trading of China Connect Securities or the operation of the CSC in respect of China Connect Securities; (b) any amendment, making or enforcement of the China Connect Rules; or (c) any action taken by a China Connect Authority in the discharge of its supervisory or regulatory obligations or functions (including any action taken in respect of abnormal trading activities).

5. REPRESENTATIONS

5.1 The Customer makes the following representations to the Bank on a continuing basis:

5.1.1 that he is aware of and shall comply with all Market Requirements to which he may be subject;

5.1.2 that the execution of any Instruction he gives to the Bank shall not result in any breach of any Market Requirements;

5.1.3 that he understands and has assessed the risks relating to China Connect and he is willing to undertake the risks relating to China Connect;

5.1.4 that he is not a PRC Citizen resident or domiciled in the PRC and his authorised agents with authority to give Northbound trading Instructions with respect to China Connect Securities are not PRC Citizens resident or domiciled in the PRC;

5.1.5 that (a) his opening of any account with the Bank (or other member of the HSBC Group) is not prohibited by or restricted under any applicable PRC law or regulation; (b) all governmental and other consents (including, without limitation, any approval by SAFE) that are required to have been obtainedand are in full force and effect; and (c) all conditions of any such consents have been complied with;

5.1.6 that any funds used by the Customer for the purpose of trading in China Connect Securities is permitted under PRC laws and regulations to be placed in an offshore account;

5.1.7 that any personal data provided to the Bank is not a state secret as defined under PRC law and the Customer will indemnify the Bank and hold the Bank harmless from any illegal disclosure of state secrets; and

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

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In the event that the Customer becomes or has any reason to believe he is or may become in breach of any of the representations above, the Customer will notify the Bank immediately.

5.2 The Customer makes the following representations to the Bank on each date the Customer instructs an order to sell China Connect Securities:

5.2.1 that the Customer does not know of any fact that might impair the validity of such China Connect Securities and that the Customer has full authority to receive, deal with and give Instructions, authorisations or declarations in respect of the same;

5.2.2 that there is no adverse claim to such China Connect Securities;

5.2.3 that there is no restriction on the transfer of such China Connect Securities other than those expressly provided for under the SEHK China Connect Rules or CCASS China Connect Rules; and

5.2.4 that, where the order is for a sale of one or more odd lots in respect of a China Connect Security, such order relates to all, and not some only, of the odd lots held by the Customer in respect of that China Connect Security.

6. SETTLEMENT, RENMINBI PAYMENTS AND CURRENCY CONVERSION

6.1 As all Northbound trading is effected and settled in Renminbi, if the Bank does not receive sufficient funds in Renminbi before settlement of a Northbound buy order to settle such purchase of China Connect Securities, settlement may be delayed and/or fail and the Customer may not acquire title to, or become entitled to sell or transfer, the relevant China Connect Securities.

6.2 Where the Bank holds any funds on the Customer's behalf, if the Customer instructs (a) Northbound buy orders only or (b) both Northbound buy orders and other buy orders (in respect of Securities other than China Connect Securities) and if the Customer does not have sufficient Renminbi funds in his account to settle all such orders and all payment obligations in relation thereto, the Bank may reject all such orders or process only one or some of such orders with the available Renminbi funds in the Customer's account and the Bank may in its absolute discretion decide which of the buy orders to process without regard to the sequence in which the orders were placed by the Customer.

6.3 If the Bank receives any funds arising from any China Connect Securities which the Bank holds for the Customer and the Bank does not hold any cash account for the Customer in the same currency as the funds received, the Customer authorises the Bank to convert such funds into the currency of, and credit such funds to, any cash account that the Bank holds for the Customer as determined by the Bank in its absolute discretion.

6.4 Notwithstanding any provisions in the Master Terms and Conditions, where it is necessary to convert one currency to another pursuant to these Terms and Conditions, such conversion may be carried out by the Bank in a commercially reasonable manner without prior Instruction from or notice to the Customer at the prevailing market rate of exchange between the two currencies.

6.5 Unless and until the Customer has settled all payment obligations in connection with any and all Northbound buy orders, the Bank will not release to the Customer's account any China Connect Securities acquired by virtue of buy orders.

6.6 Notwithstanding any provisions in the Master Terms and Conditions, where the Bank determines that there is insufficient liquidity in Renminbi to settle any buy order, the Bank may, in its sole and absolute discretion, reject the Customer's Instruction to place such buy order.

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6.7 Any loss, risk or cost which may result to the Customer directly or indirectly from any actions taken by the Bank pursuant to this Clause shall be borne by the Customer.

7. SALE, TRANSFER AND DISGORGEMENT

7.1 Where, under the terms of the China Connect Rules, the Bank receives notice from a China Connect Authority requiring the Bank to sell and liquidate a specified number of China Connect Securities owned by the Customer (a "**Forced-sale Notice**"), the Customer hereby authorises the Bank to sell or arrange for the sale of such China Connect Securities on behalf of the Customer on such terms and at such price (including any associated fees and expenses, and without any obligation to ensure the best price) and at such time as the Bank may determine in its absolute discretion within the period specified by the relevant China Connect Authority.

7.2 Where China Connect Securities owned by the Customer that are the subject of a 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**"), the Customer hereby authorises the Bank to instruct the Recipient Agent on behalf of the Customer to return the relevant China Connect Securities to the Original CP for sale and liquidation in accordance with Market Requirements. The Customer also undertakes to inform the Recipient Agent of such authorisation and, where required, to instruct the Recipient Agent to act accordingly.

7.3 The Customer hereby authorises the Bank to sell or arrange for the sale of any amount of China Connect Securities owned by the Customer if the Bank receives notice from any China Connect Authority requiring the Customer to disgorge any profits as a result of the "short swing profit rule", described in paragraph 6 (*Short Swing Profit Rule*) of Appendix 1 to these Terms and Conditions.

7.4 In addition to the above, the Customer hereby authorises the Bank to sell, transfer or carry out any other action in relation to China Connect Securities owned by the Customer if the Bank is instructed to do so by any China Connect Authority or if the Bank otherwise determines in its absolute discretion that it is necessary or desirable to do so in order to comply with any Market Requirements (including, but not limited to, complying with eligibility requirements in respect of any ChiNext Shares).

7.5 Neither the Bank nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from any actions taken by the Bank or any Related Person pursuant to this Clause.

8. INDEMNITY

8.1 In addition and without prejudice to any of the Bank's rights under the Master Terms and Conditions, the Customer will indemnify the Bank and each Related Person 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 the Bank providing any services to the Customer in respect of the Customer's trading or investment in China Connect Securities, including without limitation (a) any Taxes arising out of or resulting from any trading or holding of or otherwise dealing in China Connect Securities pursuant to China Connect; (b) the materialisation of any risk referred to in Appendix 1 to these Terms and Conditions; (c) any legal costs which the Bank may incur in connection with any Instruction given by the Customer; or (d) any costs incurred in connection with Clause 7 (*Sale, Transfer and Disgorgement*) above.

8.2 In addition and without prejudice to any other right or remedy which the Bank may have, the Bank shall be entitled in its absolute discretion, without further notice or demand, forthwith to satisfy any claims, demands, actions, proceedings, damages, costs, expenses, losses and all other

liabilities whatsoever referred to in Clause 8.1 above, and any obligation of the Bank or any Related Person or the Customer to pay or account for any amounts in respect of any Taxes, by selling, realising or otherwise dealing with, in such manner as the Bank in its absolute discretion may determine, all or part of any property held by the Bank or any Related Person for any purpose in any of the Customer's accounts with the Bank or any Related Person, and to apply the proceeds in reduction of all or part of the Customer's liability to any tax authority or the Bank or any Related Person.

8.3 Neither the Bank nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from any actions taken by the Bank or any Related Person in connection with the foregoing.

8.4 The Customer shall be fully and solely responsible for paying all fees, charges, levies and taxes, and the Customer shall be required to comply with any filing or registration obligations, in each case as may be required by any China Connect Authority or any applicable Market Requirements, relating to any trading or investment or holding by the Customer of or in China Connect Securities.

9. LIABILITY

Notwithstanding any other provision in these Terms and Conditions, neither the Bank nor any Related Person shall be responsible for or have any liability to the Customer for any damage, liability or loss (including loss of profit) unless such damage, liability or loss is a direct result of the Bank's fraud, wilful default or gross negligence.

10. COLLECTION AND DISCLOSURE OF CUSTOMER INFORMATION

10.1 Definitions

Terms used in this Clause 10 shall have the meanings set out below.

"**Authorities**" includes any local or foreign judicial, administrative, public or

regulatory body, any government, any Tax Authority, securities or futures exchange, court, central bank or law enforcement body, self-regulatory or industry body or association of financial service providers or any of their agents with jurisdiction over any part of the HSBC Group or to which it may be subject.

"**Compliance Obligations**" means obligations of the HSBC Group to comply with (a) any Laws or international guidance or internal policies or procedures, (b) any demand from Authorities or reporting, disclosure or other obligations under Laws, and (c) Laws requiring the HSBC Group to verify the identity of its customers.

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

"**controlling persons**" means individuals who exercise control over an entity. For a trust, these are the settlor, the trustee(s), the protector, the beneficiaries or a class of beneficiaries, and anybody

else who exercises ultimate effective control over the trust, and for entities other than a trust, these are persons in equivalent or similar positions of control.

"**Customer Information**" means all or any of the following items relating to the Customer or a Connected Person, where applicable: (a) Personal Data, (b) information about the Customer, the Customer's accounts, transactions, use of the Bank's products and services and the Customer's relationship with the HSBC Group and (c) Tax Information.

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

"**Financial Crime Risk Management Activity**" means any action to meet Compliance Obligations relating to or in connection with the detection, investigation and prevention of Financial Crime that the Bank or members of the HSBC Group may take.

"**Laws**" include any local or foreign law, regulation, judgment or court order, voluntary code, sanctions regime, agreement between any member of the HSBC Group and an Authority, or agreement or treaty between Authorities and applicable to the Bank or a member of the HSBC Group.

"**Personal Data**" means any information relating to an individual from which such individual can be identified.

"**Services**" includes (a) the opening, maintaining and closing of the Customer's accounts, (b) the provision of credit facilities and other banking products and services, processing applications, and credit and eligibility assessment, and (c) maintaining the Bank's overall relationship with the Customer, including marketing services or products to the Customer, market research, insurance, audit and administration.

"**substantial owner**" means any individual entitled to more than 10% of the profits of or with an interest of more than 10% in an entity, directly or indirectly.

"**Tax Authorities**" means Hong Kong or foreign tax, revenue or monetary authorities.

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

The singular includes the plural (and vice versa).

10.2 Collection, Use and Sharing of Customer Information

This Clause 10.2 explains how the Bank will use information about the Customer and Connected Persons. The Notice relating to the Personal Data (Privacy) Ordinance (formerly known as Notice to Customers relating to the Personal Data (Privacy) Ordinance) (the "**Notice**") that applies to the Customer and other individuals also contains important information about how the Bank and the HSBC Group will use such information and the Customer should read this Clause in conjunction with the Notice. The Bank and members of the HSBC Group may use Customer Information in accordance with this Clause 10.2 and the Notice.

10.2.1 Disclosure

Customer Information will not be disclosed to anyone (including other members of the HSBC Group), other than where

(a) the Bank is legally required to disclose;

(b) the Bank has a public duty to disclose;

(c) the Bank's legitimate business purposes require disclosure;

(d) the disclosure is made with the data subject's consent; or

(e) it is disclosed as set out in this Clause 10.2 or the Notice.

10.2.2 Collection

The Bank and other members of the HSBC Group may collect, use and share Customer Information. Customer Information may be requested by the Bank or on behalf of the Bank or the HSBC Group, and may be collected from the Customer directly, from a person acting on behalf of the Customer, from other sources (including from publicly available information), and it may be generated or combined with other information available to the Bank or any other member of the HSBC Group.

10.2.3 Use

The Bank and members of the HSBC Group may use, transfer and disclose Customer Information (a) in connection with the purposes set out in this Clause 10.2, (b) as set out in the Notice (applicable to Personal Data) and (c) in connection with matching against any data held by the Bank or the HSBC Group for whatever purpose (whether or not with a view to taking any adverse action against the Customer) ((a) to (c) are collectively referred to as the "**Purposes**").

10.2.4 Sharing

The Bank may (as necessary and appropriate for the Purposes) transfer and disclose any Customer Information to the recipients set out in the Notice (who may also use, transfer and disclose such information for the Purposes).

10.2.5 The Customer's Obligations

(a) The Customer agrees to inform the Bank promptly, and in any event within 30 days, in writing if there is any change to Customer Information supplied to the Bank or a member of the HSBC Group from time to time, and to respond promptly to any request for Customer Information from the Bank or a member of the HSBC Group.

(b) The Customer confirms that every Connected Person whose information (including Personal Data or Tax Information) has been (or will be) provided to the Bank or a member of the HSBC Group has (or will at the relevant time have) been notified of and agreed to the processing, disclosure and transfer of such information as set out in this Clause 10.2 and the Notice (as may be amended or supplemented by the Bank from time to time). The Customer shall advise any such Connected Persons that they have rights of access to, and correction of, their Personal Data.

(c) The Customer consents and shall take such steps as are required from time to time for the purposes of any applicable data protection law or secrecy law to permit the Bank to use, store, disclose, process and transfer all Customer Information in the manner described in this Clause 10.2. The Customer agrees to inform the Bank promptly in writing if he is not able or has failed to comply with the obligations set out in paragraphs (b) and (c) in any respect.

(d) Where:

(i) the Customer or any Connected Person fails to provide promptly Customer Information reasonably requested by the Bank, or

(ii) the Customer or any Connected Person withholds or withdraws any consents that the Bank may need to process, transfer or disclose Customer Information for the Purposes (except for purposes connected with marketing or promoting products and services to the Customer), or

(iii) the Bank has, or a member of the HSBC Group has, suspicions regarding Financial Crime or an associated risk,

the Bank may:

(A) be unable to provide new, or continue to provide all or part of the, Services to the Customer, and reserves the right to terminate its relationship with the Customer;

(B) take actions necessary for the Bank or a member of the HSBC Group to meet the Compliance Obligations; and

(C) block, transfer or close the Customer's account(s) where permitted under local Laws.

In addition, if the Customer fails to supply promptly his, or a Connected Person's, Tax Information and accompanying statements, waivers and consents, as may be requested, then the Bank may make its own judgement with respect to the status of the Customer or the Connected Person, including whether the Customer or a Connected Person is reportable to a Tax Authority, and may withhold or require other persons to withhold amounts as may be legally required by any Tax Authority and to pay such amounts to the appropriate Tax Authority.

10.3 Financial Crime Risk Management Activity

10.3.1 Financial Crime Risk Management Activity may include: (a) screening, intercepting and investigating any instruction, communication, drawdown request, application for Services, or any payment sent to or by the Customer, or on the Customer's behalf; (b) investigating the source of or intended recipient of funds; (c) combining Customer Information with other related information in the possession of the HSBC Group; and (d) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming the identity and status of the Customer or a Connected Person.

10.3.2 The Bank's and the HSBC Group's Financial Crime Risk Management Activity may lead to the delay, blocking or refusing the making or clearing of any payment, the processing of the Customer's instructions or application for Services or the provision of all or part of the Services. To the extent permissible by law, neither the Bank nor any member of the

HSBC Group shall be liable to the Customer or any third party in respect of any loss (howsoever it arose) that may be suffered or incurred by the Customer or a third party, caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.

10.4 Tax Compliance

The Customer acknowledges that he is solely responsible for understanding and complying with his tax obligations (including tax payment or filing of returns or other required documentation relating to the payment of all relevant taxes) in all jurisdictions in which those obligations arise and relating to the opening and use of account(s) or Services provided by the Bank or members of the HSBC Group. Each Connected Person acting in his/its capacity as a Connected Person shall be regarded as making the same acknowledgement in his/its own regard. Certain countries may have tax legislation with extra-territorial effect regardless of the Customer's or a Connected Person's place of domicile, residence, citizenship or incorporation. Neither the Bank nor any member of the HSBC Group provides tax advice. The Customer is advised to seek independent legal and tax advice. Neither the Bank nor any member of the HSBC Group has responsibility in respect of the Customer's tax obligations in any jurisdiction which may arise including any that may relate specifically to the opening and use of account(s) and Services provided by the Bank or members of the HSBC Group.

10.5 Miscellaneous

10.5.1 In the event of any conflict or inconsistency between any of the provisions of this Clause 10 and those in or governing any other service, product, business relationship, account or agreement between the Customer and the Bank, this Clause 10 shall prevail.

10.5.2 If all or any part of any provision of this Clause 10 becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability of such provision in any other jurisdiction or the remainder of this Clause 10 in that jurisdiction.

10.6 Survival Upon Termination

This Clause 10 shall continue to apply notwithstanding any termination by the Customer or the Bank or a member of the HSBC Group of the provision of any Services to the Customer, or the closure of any of the Customer's accounts.

11. TAXATION

11.1 It is the Customer's sole responsibility to handle and/or fulfill any local, overseas or worldwide tax issues, liabilities and/or obligations under all Market Requirements (including, without limitation, tax reporting, filing relevant tax return(s), paying any applicable tax and dealing with any application for Tax Reclaim Arrangement) arising from or in connection with trading, holding, disposing of or otherwise dealing with Securities or investment via the Bank. The Customer must seek independent professional advice from his own tax advisors to determine his tax position, liabilities and obligations in relation to the relevant Securities or investments. The Bank assumes no responsibility for advising on or handling such tax issues, liabilities and/or obligations nor will the Bank provide any service or assistance in this regard.

11.2 In particular, the Customer agrees and accepts that, unless otherwise specified by the Bank, in no circumstances will the Bank or any of its nominees, custodians and/or agents be under any obligation or responsibility to apply for, or assist in the application for, any Tax Reclaim Arrangement that may be available to the Customer. The Customer agrees and accepts that neither the Bank nor its nominees, custodians and/or agents shall be held liable for the loss of Tax Reclaim Arrangement or any other losses, damages, costs and/or expenses incurred or suffered by the Customer in this regard.

11.3 Notwithstanding the above but without prejudice to the full force of the foregoing provisions, if the Bank so requests at its absolute discretion, the Customer shall complete, provide information, sign and file any tax forms, certificates or documents which the Bank or any of its nominees, custodians and/or agents is required by any tax authority of any applicable jurisdiction to submit in respect of the Customer in connection with any investment or transaction made on behalf of the Customer pursuant to the Master Terms and Conditions. The Customer agrees to cooperate with the Bank, its nominees, custodians and/or agents and provide the necessary information and assistance to them or any of them for such purposes.

11.4 Without prejudice to the foregoing, the Bank shall be entitled in its absolute discretion, without further notice or demand, forthwith to satisfy any actual or potential obligation of the Bank arising from or in connection with any trading, investment, holding, disposing of or otherwise dealing in any China Connect Securities by the Customer to: (a) require the Customer promptly to provide to the Bank the relevant details and information in respect of all of his transactions in China Connect Securities as and when required by the Bank; and (b) provide all required information related to the Customer and/or his transactions in China Connect Securities to any China Connect Authority as and when required by the Bank, and the Customer agrees and fully consents to the Bank providing the same.

11.5 Without prejudice to any of the rights of the Bank, the Bank shall be entitled in its absolute discretion, without further notice or demand, forthwith to satisfy any obligation or potential obligation of the Bank or any Related Person or the Customer to pay or account for any amounts in respect of any Taxes by selling, realising or otherwise dealing with (including but not limited to withholding or deducting any amount towards Taxes), in such manner as the Bank in its absolute discretion may determine, all or part of any property held by the Bank or any Related Person for any purpose in any of the Customer's accounts with the Bank or any Related Person, and to apply the proceeds in reduction of all or part of the Customer's liability to any tax authority or the Bank or any Related Person.

12. FURTHER INFORMATION AND SURVIVAL OF OBLIGATIONS

12.1 The Customer will execute any further documents and provide any materials and/or information as may be reasonably requested by the Bank to enable it to perform its duties and obligations under these Terms and Conditions which may become necessary as and when the China Connect Rules are amended from time to time.

12.2 The Customer will provide all information (including translations into Chinese, if required) to the Bank which the Bank requests if such information is requested by any China Connect Authority or any exchange or 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. Amongst other things, the Customer's failure to comply with this Clause 12.2 may result in a suspension of China Connect Services to the Customer.

12.3 The Bank reserves the right to vary any of the terms of these Terms and Conditions in accordance with the Master Terms and Conditions.

12.4 Clauses 3 (*Compliance with Trading Restrictions and Market Requirements*), 4 (*Risk Disclosures and Acknowledgement*), 7 (*Sale, Transfer and Disgorgement*), 8 (*Indemnity*), 10 (*Collection and Disclosure of Customer Information*), 11 (*Taxation*) and 12.2 of these Terms and Conditions and paragraphs 13 (*Taxation*) and 22 (*Disclosure of Information and Publication of Trade Information*) in Appendix 1 hereto (and such other provisions of these Terms and Conditions or of Appendix 1 hereto as the context requires) shall survive termination of these Terms and Conditions and the Master Terms and Conditions but otherwise these Terms and Conditions shall automatically terminate upon termination of the Master Terms and Conditions.

13. MARKET DATA INFORMATION

Where the Customer receives any Market Data Information from the Bank and/or any Related Person, the Customer agrees as follows:

13.1 he shall use the Market Data Information only as an end-user and shall not disseminate the Market Data Information to any person or grant any person any access to the Market Data Information, whether free of charge or otherwise;

13.2 he shall not use or permit the use of the Market Data Information for any illegal purpose;

13.3 he shall not use the Market Data Information for index computation and compilation or as the basis for any tradable derivative product;

13.4 subject to Clause 13.3, he shall use the Market Data Information only for his own purposes, in the ordinary course of his own business (which shall not include the dissemination of Market Data Information to any persons or third parties, whether on a for-profit basis or otherwise), or for the purpose of enabling his software system suppliers to develop, connect or apply relevant software solutions to facilitate his use of the Market Data Information;

13.5 he acknowledges that the China Connect Markets endeavour to ensure the accuracy and reliability of the information provided but does not guarantee its accuracy or reliability and accepts no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions;

13.6 he acknowledges that the SEHK, its holding company and/or any subsidiaries of such holding company endeavour to ensure the accuracy and reliability of the information provided but do not guarantee its accuracy or reliability and accept no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions; and

13.7 the Bank and/or any Related Person, by disseminating or making available any Market Data Information received from the SEHK to the Customer, does not warrant or represent the accuracy or reliability of any Market Data Information or accept any responsibility (whether in tort or contract or otherwise) with respect to any loss or damage caused to the Customer or any third parties arising from any inaccuracy or omission in or of the Market Data Information.

Schedule

Definitions

"**A Shares**" means any securities issued by companies incorporated in the PRC which are listed and traded on any PRC A Share market (i.e. the Shanghai Stock Exchange or the Shenzhen Stock Exchange) and not on SEHK.

"**Cash**" means all cash or cash equivalents in Renminbi received and held by the Bank on the terms of these Terms and Conditions.

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

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

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

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

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

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

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

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

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

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

"**Clearing Participant**" has the meaning given to such term in the rules of CCASS.

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

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

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

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

"**CSDCC**" means China Securities Depository and Clearing Corporation.

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

"**CSRC**" means China Securities Regulatory Commission.

"**Eligible Investor**" means a "professional investor" within the meaning of paragraph (a), (b), (c), (d), (e), (f), (g), (h) or (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the SFO or other types of investors that are permitted or approved by the China Connect Authorities to trade ChiNext Shares through Shenzhen Hong Kong Stock Connect.

"**Exchange Participant**" means (a) the Bank which is a person registered as a China Connect Exchange Participant (as defined in the SEHK China Connect Rules) by SEHK; or (b) where the context requires, any China Connect Exchange Participant (as defined in the SEHK China Connect Rules).

"**Forced-sale Notice**" has the meaning given to such term in Clause 7.1.

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

"**HKEx**" means the Hong Kong Exchanges and Clearing Limited.

"**HKMA**" means the Hong Kong Monetary Authority.

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

"**Market Data Information**" means any market data information in respect of any China Connect Security which SEHK or any other China Connect Authority from time to time disseminates or otherwise makes available to the Bank and which the Bank and/or any Related Person disseminates or otherwise makes available to the Customer.

"**Market Requirements**" has the meaning given in Section XI of the Master Terms and Conditions and, for

the purposes of these Terms and Conditions, shall include, without limitation, the China Connect Rules.

"**Master Terms and Conditions**" means the Integrated Account Terms and Conditions from time to time governing the Bank's provision of Services to the Customer, as supplemented by these Terms and Conditions.

"**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.

"**personal data**" has the meaning as defined in the Personal Data (Privacy) Ordinance (Cap 486 of the Laws of Hong Kong).

"**PRC**" means, for the purposes of these Terms and Conditions, the People's Republic of China (excluding Hong Kong, Macau and Taiwan).

"**PRC Citizen**" means any person holding a resident identification card or other equivalent government-issued identification of the PRC.

"**PRC Listco**" has the meaning given to such term in paragraph 5 of Appendix 1 to these Terms and Conditions.

"**Pre-Trade Checking**" has the meaning given to such term under paragraph 1 of Appendix 1 to this Schedule.

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

"**Related Person**" means (i) any Connected Company of the Bank, or (iii) any director, officer, employee or agent of the Bank or any Connected Company of the Bank.

"**Renminbi**" or "**RMB**" means the lawful currency of the PRC, deliverable in Hong Kong. "**RQFII**" means the RMB Qualified Foreign Institutional Investor program which was launched in 2011 to allow Hong Kong and other foreign jurisdictions to reinvest offshore RMB into the PRC securities market.

"**SAFE**" means the State Administration of Foreign Exchange of the PRC. "**SAT**" means the State Administration of Taxation of the PRC.

"**SEHK**" means The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of HKEx.

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

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

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

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

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

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

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

"**SSE**" means the Shanghai Stock Exchange.

"**SSE China Connect Rules**" means the SSE Regulations on the Shanghai-Hong Kong

Stock Connect Programme which have been published by SSE for the purposes of implementing China Connect, as amended, supplemented, modified and/or varied from time to time.

"**SSE Listing Rules**" means the Rules Governing the Listing of Stocks on Shanghai Stock

Exchange, as amended, supplemented, modified and/or varied from time to time.

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

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

"**SZSE**" means the Shenzhen Stock Exchange.

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

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

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

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

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

"**Tax Reclaim Arrangement**" means any tax refund, tax concession, tax differences reclaim, preferential tax treatment or the like, including any tax credit or refund or a reduced tax rate or preferential tax treatment on interest, dividend, or any other distribution, proceeds or gains from any investment or transaction contemplated under the Master Terms and Conditions and any tax differences reclaim as a result of any change of nationality or domicile or tax residency.

"**Terms and Conditions**" means this supplement (including the Appendix hereto) to the Master Terms and Conditions, as amended, supplemented, modified and/or varied from time to time.

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

Appendix 1

Risk Disclosures and Other Information

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

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

1. Pre-Trade Checking

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

If the Bank considers that the Customer has not (by the commencement of trading on the Trading Day on which he wishes to execute a sell order or any other cut-off time specified by the Bank from time to time) transferred sufficient available China Connect Securities to the Exchange Participant's designated CCASS stock account(s) to cover a proposed sell order, the Bank may (but shall not be obliged to) in its absolute discretion: (a) reject the Customer's sell order (in whole or in part); (b) where appropriate arrangements are in place and as permitted by Market Requirements, use any China Connect Securities in the Exchange Participant's (or any other Exchange Participant's) designated CCASS stock account(s) which the Bank holds for itself or on behalf of its other customers to fulfil the Pre-Trade Checking requirement in respect of the Customer's sell order, in which case, the Customer shall reimburse the Bank for any costs, losses or expenses which the Bank incurs as a result of buying in or otherwise sourcing the amount of China Connect Securities which the Customer has failed to deliver in respect of the Customer's sell order, on such terms and at such price (including any associated fees and expenses) and at such time as the Bank shall determine in its absolute discretion; or (c) perform any other act which the Bank considers necessary or desirable to comply with Pre- Trade Checking and/or relevant Market Requirements and to cover the Customer's shortfall (including but not limited to applying any other China Connect Securities available to the Bank) from any stock borrowing arrangements (to the extent permitted by Market Requirements and available to the Bank) or other sources. In addition, the Bank may in its absolute discretion reject the Customer's sell order (in whole or in part) if for any other reason the Bank considers that there is or may be non-compliance or potential non-compliance with Market Requirements. Any risk, loss or cost resulting from non-compliance or potential non-compliance with Pre-Trade Checking and/or any relevant Market Requirements shall be borne by the Customer.

2. Settlement

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

Although the transfer of the China Connect Securities precedes the transfer of cash, under the China Connect Service, the title to China Connect Securities will not be released until the receipt of confirmation of payment. Accordingly, for the purpose of contract notes, the settlement date would be T+1 day when both the securities and the cash are settled or, where the purchase is pre-funded (by way of a debit of available funds in the Customer's account upon placement of the order and a corresponding cash prepayment by the Bank to HKSCC), the settlement date would be the date on which the securities are released from hold (usually on T day).

3. 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 limiting the maximum value of all Northbound buy trades that can be executed by Exchange Participants on each Trading Day ("**Daily Quota**") in respect of each China Connect Market. The Daily Quota may change from time to time without prior notice and the Customer is advised to refer to the HKEx website and other information published by HKEx for up-to-date information.

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

4. Restriction on Day Trading

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

5. Disclosure of Interests

Under PRC laws, rules and regulations, if the Customer holds or controls shares (on an aggregate basis, i.e., including both domestically and overseas issued shares of

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

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

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

6. Short Swing Profit Rule

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

7. Foreign Ownership Limits

Under PRC laws, rules and regulations, there is a limit to how many shares a single foreign investor is permitted to hold in a single PRC Listco, and also a limit to the maximum combined holdings of all foreign investors in a single PRC Listco. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same issuer, whether the relevant holdings are through Northbound trading, the QFII/RQFII regime or other investment channels). It shall be the Customer's responsibility to comply with all foreign ownership limits from time to time imposed by Market Requirements. In addition, in accordance with Clause 3.2 above, the Bank shall have the right to apply any procedure or requirements which the Bank determines in its absolute discretion to be necessary or desirable to comply with any foreign ownership limits from time to time including (for example, and without limitation) imposing any threshold on the Customer that is lower than the foreign ownership limits prescribed by any China Connect Authority. Such legal and regulatory restrictions or limitations may have an adverse effect on the liquidity and performance of an investment in China Connect Securities due to factors such as limitations on fund repatriation, dealing restrictions, adverse tax treatments, higher commission costs, regulatory reporting requirements and reliance on services of local custodians and service providers. As a result, the Customer may suffer losses through his trading, holding or investment of or in China Connect Securities.

If the Bank becomes aware that the Customer has breached (or reasonably believes that the Customer may breach upon execution of further Northbound buy orders) any foreign ownership limits, or if the Bank is so required by any China Connect Authority, including without limitation, as a result of any Forced-sale Notice issued by the relevant China Connect Market, the Bank will sell any China Connect Securities pursuant to Clause 7 (*Sale, Transfer and Disgorgement*) above in

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

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

As of the date of these Terms and Conditions, the single foreign investor limit is set at 10% of the shares of a PRC Listco and the aggregate foreign investor limit is set at

30% of the shares of a PRC Listco (while the Cautionary Level and the Permitted Level are set at 28% and 26% respectively of the shares of a PRC Listco). Such limits and levels are subject to change from time to time and the Bank shall not be under any obligation to inform the Customer of any such changes relating to foreign ownership limits.

8. Securities Eligible for Northbound Trading

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

According to the SSE Listing Rules and the SZSE Listing Rules, if any company listed on the SSE or the SZSE (other than a company listed on the ChiNext Board) is in the delisting process, or its operation is unstable due to financial or other reasons such that there is a risk of being delisted or exposing investors' interests to undue damage, such listed company will be earmarked and traded on the risk alert board. Any change to the risk alert board may occur without prior notice. If a China Connect Security has been placed under risk alert, it ceases to be a China Connect Security and investors under China Connect will be allowed only to sell it and are prohibited from further buying. For details concerning the risk alert board, please refer to the SSE Listing Rules, the SZSE Listing Rules and any other relevant sources from time to time.

9. Special China Connect Securities

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

10. ChiNext Shares

ChiNext Shares involve a high investment risk. In particular, profitability and other financial requirements for listing on the ChiNext Board are less stringent than the Main Board and the SME Board of the SZSE. The Customer should make the decision to invest only after due and careful consideration.

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

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

The Customer should seek independent professional advice if he is uncertain of or has not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of ChiNext Shares.

11. No Off-exchange Trading and Transfers

The Customer, the Bank and any Related Person shall not trade or provide services to facilitate trading of any China Connect Securities otherwise than through the China Connect Market System, and the Bank shall not (unlike the current practice in Hong Kong in respect of SEHK-listed shares) match, execute or arrange the execution of any sale and purchase Instructions or any transfer Instructions from the Customer or effect any Non-trade Transfer or settlement of transaction 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 circumstances specified in the China Connect Rules or any other situations specified by the relevant China Connect Market and CSDCC (including but not limited to any Non-trade Transfer as a result or for the purpose of (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) or as otherwise provided by a relevant China Connect Authority.

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

12. Placing Orders

Only limit orders with a specified price are allowed pursuant to Market Requirements, whereby buy orders may be executed at or lower than the specified price and sell orders may be executed at or higher than the specified price. Market orders will not be accepted.

13. China Connect Market Price Limits

China Connect Securities are subject to a general price limit of a ±10% based on the previous Trading Day's closing price (and a price limit of ±5% where the China Connect Securities are on risk alert). The price limit may be changed from time to time. All orders in respect of China Connect Securities must be within the price limit. Any orders with a price beyond the price limit will be rejected by the relevant China Connect Market.

14. Taxation

Whether PRC capital gains tax and/or other PRC Taxes will be payable on the trading of China Connect Securities under China Connect is subject to clarification by the SAT. In addition and without prejudice to any of the Bank's rights under the Master Terms and Conditions, the Customer will be fully and solely responsible for any and all his liabilities and obligations for any Taxes in respect of China Connect Securities including, without limitation, any capital gains tax or other PRC Taxes, and will indemnify the Bank from and against all Hong Kong and/or PRC Taxes which the Bank may incur or be subject to arising in connection with any China Connect Securities which the Customer holds, trades or otherwise deals in. Neither the Bank nor any Related Person assumes any responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with China Connect, and neither the Bank nor any Related Person will provide any service or assistance in this regard. The Customer acknowledges and agrees that the Bank shall have no responsibility to act as tax agent, representative or adviser of the Customer in respect of any Taxes. Prior to investing in China Connect Securities, the Customer is strongly urged to consult his own tax advisers and counsel with respect to the possible tax consequences to him of such investment since such tax consequences may differ in respect of different investors.

Without prejudice to the foregoing and any other right or remedy which the Bank may have, the Bank shall be entitled in its absolute discretion, without further notice or demand, forthwith to satisfy any obligation of the Bank or any Related Person or the Customer to pay or account for any amounts in respect of any Taxes by selling, realising or otherwise dealing with (including but not limited to withholding or deducting any amount towards Taxes), in such manner as the Bank in its absolute discretion may determine, all or part of any property held by the Bank or any Related Person for any purpose in any of the Customer's accounts held with the Bank or any Related Person, and to apply the proceeds in reduction of all or part of the Customer's liability to the Bank or any Related Person. Neither the Bank nor any Related Person shall have any liability for any losses or risks which may result to the Customer directly or indirectly from any actions taken by the Bank or any Related Person in respect of the foregoing.

15. Client Securities Rules

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

16. Investor Compensation Fund

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

17. Ownership of China Connect Securities

China Connect Securities are held in CSDCC. HKSCC will become a direct participant in CSDCC and China Connect Securities acquired by investors through Northbound trading will be (if applicable):

(a) recorded in the name of HKSCC in the nominee securities account opened by HKSCC with CSDCC and HKSCC will be nominee holder of such China Connect Securities; and

(b) held in custody by the depository of CSDCC and registered in the securityholders' register of the issuer of the China Connect Securities.

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

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

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

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

After the launch of the Shanghai Hong Kong Stock Connect, and concurrent with the promulgation of the expanded and revised China Connect Rules, CSRC issued two FAQs respectively on 15 May 2015 and 30 September 2016, which provided regulatory clarification and affirmation that HKSCC is the nominee holder for China Connect Securities, and Hong Kong and overseas investors shall enjoy property rights as the holder and shall exercise their rights in relation to China Connect Securities as proprietary owners through HKSCC.

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

(a) it is the Hong Kong and overseas investors as the ultimate investors (rather than any broker, custodian or intermediary through whom such investors hold the China Connect Securities) who should be recognised under PRC laws and regulations as having beneficial ownership in the China Connect Securities;

(b) as key functions of a nominee holder, HKSCC will be responsible for collecting and distributing dividends to its participants (for their own account and/or as agent for their investors) and obtaining and consolidating voting instructions from its participants and submitting a combined single voting instruction to the issuer of the relevant China Connect Securities. Under the CCASS China Connect Rules, HKSCC is prepared to provide assistance to the beneficial owners of China Connect Securities where necessary. Further details are set out in the HKEx published materials.

HKEx notes that any beneficial owner who decides to take legal action is responsible for seeking its own independent legal advice to satisfy itself and HKSCC that a cause of action exists and the beneficial owner should be prepared to conduct the action and take up all costs

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in relation to the action, including providing HKSCC with indemnities and legal representation in proceedings; and

(c) on the insolvency of HKSCC, the China Connect Securities would not be regarded as the general assets of HKSCC under Hong Kong and PRC law and would not be available to the general creditors of HKSCC. CSDCC and the PRC courts would recognise the liquidator of HKSCC, duly appointed pursuant to Hong Kong law, as the rightful person to deal with China Connect Securities in the place of HKSCC.

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

18. Amendment of Orders and Loss of Priority

Consistent with the current practice in the PRC, if an investor engaged in Northbound trading wishes to amend an order, the investor must first cancel the original order and then input a new one. Accordingly, order priority will be lost and, subject to the Daily Quota restrictions (see paragraph 3 above), the subsequent order may not be filled on the same Trading Day.

19. Risk of CSDCC Default

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

20. Risk of HKSCC Default

The Bank's provision of services pursuant to these Terms and Conditions also depends upon the performance by HKSCC of its obligations. Any action or inaction of HKSCC or a failure or delay by HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of China Connect Securities and/or monies in connection with them and the Customer may suffer losses as a result. Neither the Bank nor any Related Person shall have any responsibility or liability for any such losses.

21. 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.

22. Company Announcements on Corporate Actions

Any corporate action in respect of China Connect Securities will be announced by the relevant issuer through the SSE website and/or SZSE website (as the case may be) and certain officially appointed newspapers. HKSCC will also record all corporate actions relating to China Connect Securities in

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CCASS and inform its clearing participants of the details via the CCASS terminals as soon as practicable on the announcement date. Investors engaged in Northbound trading may refer to the SSE website and/or the SZSE website (as the case may be) and the officially appointed newspapers and website (such as Shanghai Securities News (上海證券報), Securities Times (證券時報), China Securities Journal (中國證券報), Securities Daily (證券日報) and www.cninfo.com.cn (巨潮資訊網)) or, alternatively, the HKEx website's China Stock Markets Web (or such other replacement or successor web-page from time to time) for corporate actions in respect of China Connect Securities issued on the previous Trading Day. Investors should note that (i) issuers that are listed on the China Connect Markets publish corporate documents in Chinese only and English translations will not be available and (ii) issuers listed on the ChiNext Board are required to publish certain corporate announcements on their corporate websites and the officially appointed websites only.

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

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

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

(a) any liability in respect of any inaccuracies or delays (including, but not limited to, any delays in delivering cash or scrip dividends to the Customer); and

(b) any obligation to continue or repeat any such action.

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

23. Disclosure of Information and Publication of Trade Information

SEHK may require the Bank to provide information on the Customer's profile, and the type and value of the Customer's orders in relation to Northbound trading of China Connect Securities and the trades which the Bank executed for the Customer, at such intervals and in such form as SEHK may specify from time to time for purposes of the publication, dissemination or public distribution of aggregated information in respect of China Connect Securities trades under China Connect, trading volumes, investor profiles and other related data.

In addition, the Customer will provide to the Bank, promptly upon request by the Bank, such materials and/or information as may be required by the Bank or any China Connect Authority including, without limitation, any information relating to China Connect trades executed by the

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Customer through Exchange Participants other than the Bank, where the China Connect Securities in respect of such trades have been transferred to the Bank for sale, and the Customer hereby expressly consents to the disclosure by the Bank of any of the foregoing materials and/or information and any Customer Information to any China Connect Authority as the Bank deems necessary to comply with any Market Requirements.

24. Retention of Information

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

25. Client Error

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

The China Connect Rules generally prohibit any off-exchange trading or transfers. However, transfers may be permitted between Exchange Participants and their clients to rectify an error trade in limited circumstances, although there is a lack of clarity as to the circumstances in which such transfers may be permitted. Any Exchange Participant who performs a Non-trade Transfer to rectify an error trade will be required to submit to SEHK an error trade report together with supporting documents explaining how the error was made and providing details of the Non-trade Transfer. SEHK has the power to disallow a particular Exchange Participant to conduct Non-trade Transfers for error trade rectification if SEHK has reasonable cause to suspect or to believe that the Exchange Participant may abuse or may have abused such rectification arrangements or may have used such rectification arrangements to circumvent the prohibition against off-exchange trades or transfers. SEHK may provide error trade reports and related information to the SFC and the relevant China Connect Market. Exchange Participants are warned by SEHK not to misuse this arrangement to effect off-exchange trades or transfers which are otherwise disallowed under the relevant China Connect Rules. The Bank 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 the Bank nor any Related Person shall have any liability for any losses which may result directly or indirectly from any error trade or any refusal to conduct a transfer to correct an error trade.

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

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

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

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

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

In addition, the China Connect Market System is a platform for trading of China Connect Securities under China Connect. The Bank provides trading services based on the China Connect Market System which is operated by the relevant China Connect Market. The Bank is not responsible for any delay or failure caused by any China Connect Market System and investors accept all risks arising from trading China Connect Securities through any China Connect Market System. Neither the Bank nor any Related Person shall be responsible or held liable for any loss or damage directly or indirectly suffered by the Customer arising from or in connection with the China 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 (including any inability of the Bank to provide the Customer with access to or use of the CSC or the China Connect Service);

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

(c) any suspension, delay, interruption or cessation of trading of any China

Connect Securities on the relevant China Connect Market or through SEHK;

(d) any delay, suspension, interruption or order cancellation of any China Connect Securities as a result of the hoisting of a Typhoon Signal No. 8 or above or the issuance of the Black Rainstorm Warning in Hong Kong;

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

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

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

(h) any delay or failure to execute, or any error in matching or executing, any China Connect order due to any reason beyond the control of SEHK, HKEx or the relevant SEHK Subsidiary, the Bank or any Related Person (including, without limitation, any action or decision taken or made, or not taken or made, by the relevant China Connect Market, any China Connect Authority or any other relevant governmental or regulatory body).

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

27. 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. The Bank shall not be under any obligation to inform the Customer of any such determination by SEHK as to the operational hours of the China Connect Service. Any such change to the operational hours and arrangements with respect to the China Connect Service may affect the Bank's ability to accept and/or process the Customer's orders and/or to provide, in a timely manner, any China Connect trading services generally.

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

28. Rights Issuances

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

(a) is a China Connect Security, Hong Kong and overseas investors will be allowed to buy and sell the entitlement security through China Connect;

(b) is not a China Connect Security but is a RMB-denominated security listed on a China Connect Market, Hong Kong and overseas investors may be permitted to sell the entitlement security through China Connect but will not be permitted to buy such entitlement security;

(c) is a security listed on a China Connect Market but is not traded in RMB, Hong Kong and overseas investors will not be allowed to buy or sell the entitlement security through China Connect. HKEx has stated that the relevant China Connect Market and SEHK will consult each other to agree on the appropriate treatment of the entitlement security; or

(d) is not listed on a China Connect Market, Hong Kong and overseas investors will not be allowed to buy or sell the entitlement security on China Connect unless and until appropriate arrangements (if any) have been provided by HKSCC. It is possible that no such arrangements will be provided.

29. Odd Lot Trading

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.

30. Risks associated with investing in China Connect Securities

PRC-related risks

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

Market risk

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

Possible business failure risk

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

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.

Dividend risk

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

Liquidity risks

Although China Connect Securities are listed for trading on a China Connect Market and available for trading through SEHK by China Connect, there can be no assurance that an active

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trading market for China Connect Securities will develop or be maintained. If spreads on China Connect Securities are wide, this may adversely affect the Customer's ability to dispose of China Connect Securities at the desired price. If the Customer needs to sell China Connect Securities at a time when no active market for them exists, the price the Customer receives for his China Connect Securities — assuming he is able to sell them — is likely to be lower than the price received if an active market did exist.

General legal and regulatory risk

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

Currency risk

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

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

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

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