

Private Banking
Terms and Conditions for
Banking and Investment Services



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TERMS AND CONDITIONS FOR BANKING AND INVESTMENT SERVICES

Section A GENERAL

1. Definitions and Interpretation

1.1 Save as otherwise specifically set out in these General Terms and Conditions or the Specific Terms and Conditions, words and phrases in these General Terms and Conditions shall be read and construed in accordance with the definitions set out below.

Account means the private banking account opened and maintained in the name of the Customer solely or with another party/ies which may consist of any one or more of the following accounts:

- (a) multicurrency (except Renminbi) savings, current, and time and call deposit accounts;
- (b) Renminbi savings, current and time deposit accounts;
- (c) investment services accounts; and
- (d) such other types of accounts as the Bank may from time to time introduce and bring within the scope of these General Terms and Conditions.

Account Opening Forms means any prescribed forms of the Bank in relation to the opening, operation and maintenance of the Account(s) and for the provision of Services pursuant to these General Terms and Conditions and any applicable Specific Terms and Conditions.

Applicable Regulations means any statute, law, regulation or order, or any rule, direction, guideline, policy, requirement, code, notice or restriction (whether or not having the force of law) issued by any regulatory authority, government agency, Exchange or professional body applicable from time to time, or market practices or customs, whether in Hong Kong, the PRC, or other applicable jurisdictions.

Assets means all moneys, assets and other property of the Customer from time to time standing to the credit of, or deposited with or come into the Bank's (or any Group Company's, agent's, or nominee's) possession or control for, the Account(s), and all rights and benefits attached or accruing thereto and the proceeds thereof.

ATM means automated teller machines.

ATM Card means the card issued by the Bank to the Customer by which the Customer can access, through ATMs, Account(s) as the Bank may permit.

Authorized Person(s) means the person(s) authorized by the Customer in the Account Opening Forms or any power of attorney or other document or instrument to give Instructions in relation to the operation of the Account(s) or Transactions as notified to the Bank from time to time in such manner as the Bank requires. The Bank must not have received from the Customer any written notice of revocation or termination of such Authorized Person(s)' powers of attorney. Authorized person(s) include:

- (a) in the case where the Customer is an individual or a sole proprietor, the Customer himself and any other person appointed by the Customer as an authorized person;
- (b) in the case where the Customer is comprised of two or more individuals (excluding a partnership), each of such individuals and any other person appointed by the Customer as an authorized person;
- (c) in the case where the Customer is a partnership, each person appointed by the Customer as an authorized person; and
- (d) in any other case (including the case where the Customer is a limited company), each person appointed by the Customer as an authorized person.

Bank means China CITIC Bank International Limited (中信銀行(國際)有限公司) of 61-65 Des Voeux Road Central, Hong Kong, an institution registered under the SFO with C.E. Number AAF138, including all its branches and offices wherever situated, its successors and assigns, and, where the context permits, includes any person appointed by the Bank under Clause 6.1 of this Section A.

Business Day means any day that is not: (a) a Saturday, (b) a general holiday as specified in or otherwise appointed under the General Holidays Ordinance (Chapter 149 of the Laws of Hong Kong) and not declared by the Hong Kong Association of Banks to the effect that banks in Hong Kong are not open to the public due to bad weather conditions including but not limited to the hoisting of Typhoon Signal No. 8 or above or a Black Rainstorm Signal; and (c) a bank holiday or a non-Business Day in the home country or region of the Underlying Asset (as defined in Section C) of the Transaction (if any).

Client Agreement means these General Terms and Conditions, the Specific Terms and Conditions, Schedules to the General Terms and Conditions, the Account Opening Forms, any relevant Confirmation, and any other agreement entered into for Services and/or Transactions, each as amended and/or supplemented from time to time.

Close out means, when used as a verb in relation to a Transaction, to accelerate, terminate, liquidate or cancel such Transaction, and "closing out" and "closed out" shall be construed accordingly.

Confirmation means the written notice which contains the specific terms of agreement of a Transaction (investment or otherwise).

Customer means the person or each person (as the case may be) in whose name the Account(s) is/are opened or maintained by the Bank and who utilizes any of the Service(s) offered by the Bank, including any personal representative or lawful successor of such person and, where the context permits, any Authorized Person(s).

Custodial Agent means such agents, correspondents, sub-custodians or nominees in Hong Kong or elsewhere engaged by the Bank as it thinks fit to hold Securities or other assets or investments, to pay for and, receive or to deliver or exchange or to make collections with respect to the Securities or other assets or investments or otherwise to perform any of the Bank's duties as custodian under these General Terms and Conditions or any Specific Terms and Conditions and shall include (for the avoidance of doubt) clearing and settlement systems.

Dormant Account has the meaning ascribed thereto in clause 12.6 of this Section A.

Exchange means any association, market exchange at which persons meet regularly to enter into Transactions subject to fixed rules and regulations.

Exchange Rate means the rate for converting one currency into another currency which the Bank determines to be prevailing at the relevant foreign exchange market at the relevant time, such determination to be conclusive and binding on the Customer.

Event of Default means any one or more of the following events:

- (a) failure to satisfy any obligation to the Bank or to any other financial institution or intermediary under the General Terms and Conditions or any Specific Terms and Conditions on the Customer's part;
- (b) a bankruptcy, insolvency, reorganization, administration, arrangement, composition of debt, dissolution, liquidation or similar relief or winding-up petition, application, step or other similar process is presented or has been commenced under Applicable Regulations, or a resolution is passed to effect the same, in relation to the Customer (or any individual of a joint Account);
- (c) a receiver, liquidator or trustee or other analogous officer is appointed to take or has taken possession over all or a material part of the Customer's assets;
- (d) legal proceedings of any nature have been commenced against the Customer;
- (e) (where the Customer is an individual) the Customer dies or becomes mentally incapable;
- (f) where in the absolute opinion of the Bank the continued performance of any of the Transactions, or the provision of Services, or these General Terms and Conditions or any Specific Terms and Conditions becomes illegal or is claimed by any government authority to be illegal for either the Bank or the Customer;
- (g) an assignment or charge on or any dealing in respect of the Customer's rights and/or obligations under these General Terms and Conditions and any Specific Terms and Conditions has been effected (except in favor of the Bank);
- (h) the Bank reasonably determines in good faith that there has been a material adverse change in the Customer's circumstance, business, financial conditions, legal status or capacity; or
- (i) the agreement constituted by these General Terms and Conditions shall be terminated for whatever reason.

FATCA means (i) the USIRC; (ii) any intergovernmental agreement, memorandum of understanding, undertaking and other arrangement between governments and regulators in connection with the USIRC including as entered into by the government of Hong Kong; (iii) agreements between the Bank or Group Company and the U.S., U.S. Internal Revenue Services or other regulator or government agency pursuant to or in connection with the USIRC; and (iv) any laws, rules, regulations, interpretations, guidelines, guidance or practices adopted in the U.S., Hong Kong or elsewhere pursuant to any of the foregoing.

Foreign Law Requirement means any obligation imposed on the Bank pursuant to any future or present (i) foreign laws (including foreign laws in respect of which the Bank reasonably considers itself bound and including any laws or regulations of the PRC); (ii) Hong Kong laws that implement Hong Kong's

obligations under an agreement with a foreign government or regulator; (iii) under agreements entered into between the Bank and a foreign government or regulator; or (iv) guidelines or guidance issued by any legal, regulatory, government, tax or law enforcement body within or outside of Hong Kong in respect of (i) to (iii). For the avoidance of doubt, this definition includes any obligation or requirement applying to the Bank pursuant to FATCA and as amended, superseded or introduced from time to time.

General Terms and Conditions means the terms and conditions for banking and investment Services (as the same may be amended, supplemented or replaced from time to time) as set out herein, which consists of Section A (General) which applies to both banking and investment Services, Section B (Terms and Conditions for Banking Services) which applies specifically to banking Services, Section C (Terms and Conditions for Investment Services) which applies specifically to investment Services and Section D (Terms and Conditions for Additional Investment Services) which applies specifically to certain additional investment Services.

Group Company means any subsidiary or affiliate or the holding company of the Bank.

HKD or Hong Kong Dollars means Hong Kong dollars, the lawful currency of Hong Kong.

Hong Kong means the Hong Kong Special Administrative Region of the PRC.

Instruction means (a) telephone instruction; (b) instruction given through ATMs by the use of the ATM Card; (c) written instruction given in such form and delivered or transmitted to the Bank by such means as the Bank may prescribe, or (d) instruction given via the Internet, in each case subject to the applicable minimum and/or maximum amounts as may be prescribed by the Bank from time to time in respect of any particular type of instruction.

i-banking Service means any electronic or Internet banking services from time to time supplied by the Bank, which enables the Customer to give Instructions to the Bank and/or obtain information from the Bank through the Internet at such website or portal as designated by the Bank from time to time or through such other means as the Bank may from time to time prescribe.

No Bounce Cheque Protection Facility means the facility provided by the Bank to the Customer pursuant to Clause 3 in Section B.

Person includes an individual, firm, company, corporation and an unincorporated body of persons.

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

PRC means the People's Republic of China.

Renminbi or RMB means Renminbi, the lawful currency of the PRC.

Security means the security which may be requested by the Bank to be created by the Customer in favor of the Bank over the Secured Assets in consideration of the Bank making available to the Customer any Services provided by the Bank from time to time.

Secured Assets means such classes of assets as the Bank may agree and accept from time to time as acceptable form(s) of security.

Securities means any shares, stocks, debentures, loan stocks, certificates of deposit, unit trusts, interests in limited partnerships, funds, warrants, bonds, securities or notes of, or issued by, any body, whether incorporated or unincorporated, or of any government or local government authority and any financial instrument acceptable by the Bank at its sole discretion and includes, without limitation, any right, option or interest in or over any of the foregoing as well as certificates of interest or participation in, or temporary or interim certificates for, receipts for, or warrants to subscribe to or purchase, any of the foregoing; and any collective investment scheme.

Services means the services, products and credit facilities of any type or nature (whether banking, investment, or otherwise) from time to time offered by the Bank to the Customer.

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

SMS Messaging Service means the Service provided by the Bank in giving Account related information through the Customer's designated mobile telephone number.

Specific Terms and Conditions means the specific terms and conditions for the Services provided by the Bank as the same may be provided, amended, supplemented or replaced from time to time by the Bank.

Transaction means a transaction effected by the Bank pursuant to or as a result of an Instruction.

U.S. means the United States of America.

USD means United States dollars, the lawful currency of the U.S.

USIRC means sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (as amended) or any amendment or successor version thereof.

1.2 The English version of these General Terms and Conditions and the Specific Terms and Conditions shall prevail wherever there is a discrepancy between the English and the Chinese versions.

1.3 In the event of conflict between these General Terms and Conditions and any of the Specific Terms and Conditions, the Specific Terms and Conditions will prevail in respect of the applicable Service.

1.4 Headings are for ease of reference only and shall not affect the construction or interpretation of the provisions to which they refer.

1.5 Unless otherwise stated:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include every gender;
- (c) references to "including" or "include" means including or includes without limitation;
- (d) all references to any statute and laws means such statute and laws as enacted, amended, re-enacted or replaced from time to time, and include all rules and regulations promulgated under such statute; and
- (e) references to Clauses and Appendices mean the clauses of and appendices to these General Terms and Conditions.

2. Scope of Services

2.1 All Instructions, Transactions and Services are subject to the Client Agreement and any Applicable Regulations unless otherwise determined by the Bank.

2.2 The Customer agrees that the Client Agreement supersedes all previous relevant agreements (if any), understanding, communications and/or representations between the Customer and the Bank in respect of the Account(s) and relevant Services and agrees to be bound by the Client Agreement, and any other terms and conditions which the Bank may impose from time to time. For the avoidance of doubt, references to "General Terms and Conditions" in documents such as without limitation order forms, applications, and Confirmations in relation to any Transaction or Service provided by the Bank to the Customer shall mean this Private Banking – Terms and Conditions for Banking and Investment Services.

2.3 The Bank may from time to time introduce new Services or remove any existing Service(s), subject to the Client Agreement and such other terms and conditions as the Bank may notify to the Customer from time to time.

2.4 The Customer may apply to the Bank for any one or more of the Services in accordance with provisions in Clause 5 of this Section A or such other means as may be acceptable to the Bank. The Bank shall have the sole discretion in deciding whether to provide any of the Services to the Customer. The Customer undertakes to obtain from the Bank the Specific Terms and Conditions applicable to the relevant Service (if any) before applying for the same. The Customer also undertakes not to utilize any of the Services unless and until the Customer has received, read, fully understood and agreed to the applicable Specific Terms and Conditions. The Customer will be deemed to have received and agreed to the applicable Specific Terms and Conditions if the Customer utilizes the relevant Service.

2.5 The Services may be applied for by the Customer in the Customer's sole name, in the joint names of the Customer and other persons or in the name of a partnership of which the Customer is partner or one of the partners. Whether or not the Customer has signed the relevant Account Opening Forms or mandate with the Customer's other joint account holders or partners, the Customer agrees to be jointly and severally liable for all agreements, obligations, powers, authorities and liabilities with the Customer's other joint account holders or partners in respect of such Services. The Customer shall provide a list of all current partners, directors, secretaries or officers (as the case may be) from time to time to the Bank and the Bank may continue to treat the list most recently received as correct.

2.6 Documents submitted to the Bank in connection with the Customer's Account Opening Forms for any Service will not be returned.

2.7 The Bank shall be entitled from time to time to impose any limit (whether in transaction amount, operating procedures or otherwise) on the use of any Service and such limit shall be determined by the Bank at its absolute discretion, subject to Application Regulations (if any).

3. Joint Accounts

In respect of Accounts in the names of or opened by two or more persons, (a) all agreements, obligations, powers, authorities and liabilities of the joint account holders to the Bank in connection with such Account shall be joint and several; (b) all notices or demands made to any one of the joint account holder(s) shall be deemed to be notices or demands made to all such persons constituting the Customer; (c) upon the death of any joint account holder, the balance (if any) standing to the credit of such account and investments and properties of any description (if any) held in the joint names of the account holders shall, subject to Applicable Regulations and to the discharge of all obligations (if any) owed to the Bank and without prejudice to any right which the Bank may have arising out of any lien, mortgage, charge, pledge, set-off, counter-claim or otherwise whatsoever, belong to the survivor(s) thereof. In the event the title of an Account bears the names of more than one person, whether such names are stated in a disjunctive, conjunctive or other manner in the title, such Account shall be deemed to be an Account in the names of or opened by all such persons as joint account holders. Any cheque, instrument of payment or sum expressed to be payable to the joint account holders or any one of the joint account holders or for any Account(s) in joint names or in the name of any one of the joint account holders may be credited into such joint account(s).

4. Partnership Accounts

4.1 If the Customer were a partnership, (a) the agreements, obligations, powers, authorities and liabilities of each of the partner shall be joint and several; (b) the Client Agreement shall continue to bind the partnership notwithstanding any change in its constitution, name or membership by reason of death, bankruptcy, retirement, disability, or admission of new partners or the occurrence of any other event which may dissolve the partnership or otherwise affect partners' obligations thereunder; (c) upon any partner ceasing to be a member of the partnership by death or otherwise, the Bank may in the absence of written Instruction to the contrary from the partnership or any of the partners or the personal representatives or trustees of any of the partners, treat the surviving or continuing partners or partner or other partners for the time being as having full power to carry on the business of the partnership. Exiting partners will continue to be held liable to the Bank until released in writing by the Bank.

4.2 The Customer undertakes to immediately advise the Bank of changes to (i) the constitution or membership of the firm (whether by retirement, death, bankruptcy, disability or admission of new parties); or (ii) in the name of the firm.

5. Instructions

General

- 5.1 The Customer may request the Services by giving written Instructions to the Bank, through the use of the ATM Card, through the i-banking Service, by facsimile transmission, telephone, and/or by any other means as may be specified by the Bank from time to time, provided that the Bank shall be entitled to specify, from time to time, such Services which Instructions must be provided in a particular nominated mode. Subject to the provisions herein, Instructions from the Customer shall become effective upon actual receipt of such Instructions by the Bank.
- 5.2 The Bank shall be entitled to act in accordance with its regular business practice and procedure and only accept Instructions insofar as it is (in the Bank's absolute opinion) practicable and reasonable to do so. For the avoidance of doubt, the Bank is authorized to participate in and comply with the rules and regulations of any organization which regulates the conduct of business undertaken by the Bank and any system which provides central clearing, settlement, and similar facilities but, in each case, without liability for any acts or omissions on the part of the operator or manager of any such organization or system.
- 5.3 Any Instruction, once given, may not be amended, cancelled, rescinded or withdrawn without the written consent of the Bank (such consent not to be unreasonably withheld) and/or of such other person whose consent is required and is only possible before it has been executed. All Transactions effected pursuant to or as a result of Instructions given, as understood and acted on by the Bank in good faith, shall be irrevocable and binding on the Customer in all respects whether given by the Customer, an Authorized Person or by any other person purporting to be the Customer or an Authorized Person. The Bank shall be under no duty to verify the identity or authority of the person giving any Instruction or the authenticity of such Instruction (other than verifying such personal details or information which the Bank considers appropriate from time to time). In the case of full or partial execution of any Instruction before the request for amendment, cancellation, rescission or withdrawal has been accepted by the Bank, the Customer agrees to accept full responsibility for the Transactions. Instructions are good until accepted by the Bank for amendment, cancellation, rescission or withdrawal.
- 5.4 The Customer understands and acknowledges that Instructions may not be processed by the Bank immediately or on the same day of the giving of such Instructions due to system constraint and/or the internal procedures of the Bank. Valid Instructions, if accepted, will be processed by the Bank as soon as practicable. **The Customer agrees that the Bank shall not be held responsible to the Customer or any other person for effecting such Instructions otherwise than immediately and the Bank's decision as to when to effect the said Instructions shall be final and binding on the Customer.**
- 5.5 Notwithstanding any other provision in the Client Agreement, the Bank may refuse to accept any Instruction upon such grounds as it deems fit. Any Transaction effected pursuant to an Instruction given to the Bank may be considered concluded only if the Bank has confirmed the same to the Customer. **For the avoidance of doubt, where the Bank in its absolute opinion determines that an Instruction is or may be ambiguous, incomplete, inappropriate, conflicting, erroneous, fraudulent, unauthorized, is in violation of or would violate Applicable Regulations, or does not comply with the Bank's requirements, the Bank may decline to act on such Instruction.** The Bank shall not, be responsible for any loss, liabilities, damages, costs, charges and/or expenses which may be suffered by the Customer except where such loss is caused by the Bank's gross negligence, willful default or fraud. Without limiting the foregoing, the Bank has the right, at its sole discretion, to act on any such unclear or ambiguous Instruction based on the Bank's interpretation of such Instruction and the Customer shall be liable for all liabilities, losses and other consequences arising from such Instruction and shall indemnify the Bank on demand for all losses and liabilities incurred by the Bank in acting on such Instruction, so long as the Bank acts in good faith in acting on such Instruction.

Facsimile, Telephone, i-banking Service, other Electronic Means

- 5.6 The Bank may from time to time determine or specify the scope and features of the telephone banking and the i-banking Service or the conditions of acceptance of facsimile (or other electronic) transmissions and/or delivery of such other documents and may amend, modify, expand, or reduce (as applicable) the same at any time with or without notice.
- 5.7 **The Customer agrees that:**
- (a) the risks of any Instructions transmitted by facsimile, telephone, through the i-banking Service, or by any other means permitted by the Bank, given by person(s) purporting to be the Customer shall be borne by the Customer and the Bank will not be liable for any losses or damages arising provided that the Bank has acted in good faith. The Bank is authorized to act on any Instruction which the Bank in good faith believes to emanate from the Customer. Other than verifying such personal details or other information as the Bank may consider appropriate from time to time, the Bank shall not be under any duty to verify the identity of the person(s) giving the Instructions purported to be the Customer nor the genuineness of any signature. Provided that the Bank has taken such precautions as determined appropriate by the Bank from time to time, the Bank shall not be liable for acting in good faith on any Instruction which is later proven to emanate from unauthorized individuals.
 - (b) the Bank may act on Instructions, given to the Bank by telephone, through the i-banking Service, other electronic means or other means as approved by the Bank if the person giving the Instruction can (i) quote the account number of the Account(s) to which the Instruction relates, or if it does not relate to any Account, the account number of any of the Customer's Account(s); (ii) if required by the Bank, quote the personal identification number assigned by the Bank to the Customer or any of the Authorized Person(s) of the relevant account (each a "PIN"); (iii) if required by the Bank, produce such digital certificate of the Customer or of any of the Authorized Person(s) acceptable to the Bank; and (iv) produce or quote such other information as may be requested by the Bank. The Customer further confirms that such Instructions shall be deemed to be fully authorized by, proper, valid and binding on the Customer.
 - (c) the Bank may in its absolute discretion require the Customer to confirm any telephone Instructions in writing or in other manner as required by the Bank prior to acting on such Instructions. Any oral communication with the Customer made in the course of business (whether in person or by telephone), including any Instruction given by the Customer, may be recorded on a tape recording system operated by the Bank. If a dispute arises at any time in relation to the contents of any oral communication or Instruction, then that tape recording or a transcript of the same certified by the Bank or the written confirmation (if any) shall be conclusive evidence as to the contents of the oral communication or Instruction. The Bank may dispose of such written records and erase such tapes after the expiration of such period as the Bank deems fit.

- (d) the Bank shall not be liable to the Customer for any failure to carry out any Instruction which is attributable, wholly or in part, to any cause beyond the Bank's reasonable control including any equipment breakdown, malfunction or failure, delays in transmission, incorrect data transmission, delays in execution or execution of Instructions at prices different from those prevailing at the time Instructions were given, misunderstanding and errors in any communication between the Bank and the Customer, and transmission blackouts and interruptions. Under no circumstances shall the Bank be responsible to the Customer for any indirect, special or consequential losses arising out of or in connection with the carrying out or otherwise of any Instructions.
- (e) in respect of Instructions other than those given through automated telephone systems, i-banking Service or other electronic means approved by the Bank, the Customer shall keep the Bank, its directors, officers, employees or staff, nominees and agents (including Custodial Agents, other sub-agents or contractors) indemnified at all times against, and to hold them harmless from, all actions, proceedings, demands, claims, liabilities, losses, damages, reasonable costs and expenses (including reasonable legal expenses properly incurred) which may be brought against or suffered or incurred by them and which shall have arisen either directly or indirectly out of or in connection with the Bank accepting Instructions and acting or failing to act thereon unless due to the willful default, gross negligence or fraud of the Bank. This provision shall survive the closure of Account(s) or termination of provision of Services by the Bank.
- 5.8 The Instructions referred to in sub-Clauses 5.7(a) and 5.7(b) above include, but are not limited to, the Account Opening Forms for any Service and the operation thereof, the honoring of any cheque, draft, order to pay, and promissory note, guarantee, indemnity or counter-indemnity, the discounting of any bill endorsed on the Customer's behalf, the purchase or sale of or other dealings in, Securities or other investments, foreign exchange or interest rate Transaction, the order to withdraw any or all money from any of the Customer's Account(s) or to deliver or deal with any Securities, investments, assets, deeds or other property whatsoever from time to time in the Bank's possession for the Customer's Account(s).
- 5.9 It is the Customer's responsibility to check with the Bank as to whether any of the Customer's Instructions has been executed. Following execution of an Instruction, the Bank will send an acknowledgement or a Confirmation and/or include in periodic statements a summary of various matters in relation to the relevant Account over the period covered by the statement where required by Applicable Regulations, and/or as otherwise determined by the Bank from time to time. Save and except for such acknowledgement, Confirmations and periodic statements, the Bank shall not be obliged to notify the Customer separately as to whether the Customer's Instruction has been executed. The Customer agrees that it is the Customer's responsibility to ensure that every Confirmation and periodic statement is received in due time according to the ordinary course of posting and to immediately enquire with and obtain the same from the Bank if not duly received.
- 5.10 **The Customer undertakes to:** (a) keep and procure each Authorized Person to keep his PIN secret and his digital certificate safe, and if the Customer and each of the Authorized Person(s) act in good faith and is diligent in safeguarding his PIN and digital certificate, the Customer shall not be liable to the Bank for any unauthorized Transactions made pursuant to Instructions given by telephone, or through the Internet or other electronic means; (b) inform the Bank as soon as reasonably practicable if the Customer knows or suspects that, any person knows the Customer's PIN or the PIN of any of the Authorized Person(s) or that unauthorized Transactions have been effected and if the Customer fails to do so the Customer shall be liable for any unauthorized Transactions made; and (c) be liable for all losses if the Customer or any Authorized Person(s) acts fraudulently or with negligence including failing to properly safeguard the Customer's PIN or the PIN of any of the Authorized Person(s).
- 5.11 The Bank may accept the digital signature of the Customer or any of the Authorized Person(s) supported by a digital certificate tendered to the Bank issued by such certification authority as may be acceptable to the Bank. The Bank is entitled to treat such digital signature as the manual signature of the relevant person and may presume the correctness of the information contained in a digital certificate tendered by the Customer or any of the Authorized Person(s) if the relevant digital certificate was published in a repository.
- 5.12 Subject to Clause 5.10 above, the Customer shall not be responsible for any unauthorized Transaction effected pursuant to any Instruction given through automated telephone systems, the i-banking Service or electronic means caused by: (a) a computer crime not prevented by the security system of the Bank; (b) a human or system error caused by the Bank resulting in an improper Transaction leading to lost or misplaced funds; or (c) a missed or mis-directed payment caused by the Bank. The Customer shall be entitled to reimbursement from the Bank for interest or late penalties incurred by the Customer for any such missed payments attributable to the foregoing causes (a), (b) and (c).
- 5.13 If any Instruction is to be given by telephone or through the i-banking Service or other electronic means, or if access to any Service may be gained by telephone or through the i-banking Service or other electronic means, the Customer warrants to the Bank as follows:
- (a) the Customer and the Authorized Person(s) will not gain access to any Service in any country or jurisdiction where the offering of the same by the Bank is not lawful or where the Client Agreement may not be enforced by the Bank against the Customer;
 - (b) the Customer and the Authorized Person(s) will not, and will not attempt to, reverse engineer, decompose, disassemble or otherwise tamper with any software relating to any Service; and
 - (c) the Customer and the Authorized Person(s) will ensure that the browser cache memory will be cleared as soon as he signs off each time after having gained access to any Service through use of computer and he will exit the browser immediately after each use of any Service through use of computer.
- 5.14 If the Bank provides any software, computer system, user guide or other facilities to the Customer to facilitate the Customer in the giving of Instructions to the Bank, the Customer will exercise reasonable care in their use and shall return them to the Bank immediately upon the Bank's request. The Customer understands that the Bank makes no representation or warranty of any kind, express or implied, with respect to these facilities and their use. These facilities shall remain the property of the Bank or its supplier at all times.
- 5.15 The Customer agrees that information including but not limited to, messages, data, software, images, opinion, text, that are accessed by the Customer using the Bank's website or the i-banking Service (a) may be confidential, and (b) are the proprietary property of the Bank (or of a third party) and the Customer undertakes that he shall not use the information in such a way that will breach any intellectual property rights of the Bank (or of any relevant third party) under Applicable Regulations.
- 5.16 **Where any facsimile transmission Instruction is followed by the delivery of the original Instruction, such original Instruction shall specify that it has been given by facsimile and the date of such facsimile Instruction.** The Bank shall not be liable for any consequence due to the absence of such information in the original Instruction in any event including (without limitation) in the case of payment Instructions, any losses or damages arising from any payment or fund transfer effected in duplicate by the Bank as a result.
- 6. Delegation**
- 6.1 The Bank may appoint any other person including any Group Company as its nominee or agent to perform any of the Services on its behalf and may delegate any of its powers under the Client Agreement to such person and shall not be liable for any act, omission, negligence or default of any such person, provided that the Bank has exercised such care in appointing such person as it would employ for its own business.
- 6.2 The Bank is authorized to disclose any information it has concerning the Customer, any of the Account(s) and the Services to any other person duly appointed by it pursuant to Clause 6.1 in connection with the performance of the Services.
- 7. Authorized Persons**
- 7.1 Authorized Persons must act within the parameters granted by the Customer as notified to the Bank from time to time.
- 7.2 The Bank shall, until the Bank receives express written notice from the Customer to the contrary, be authorized and instructed to rely upon, act on and comply with all requests, Instructions, Account Opening Forms and orders given by the Authorized Person(s) within the scope of their authority or as otherwise stipulated by the Customer.
- 8. Sufficiency of Funds**
- 8.1 Instructions will not be acted on if there are insufficient funds or pre-arranged credit is not available in the relevant Account(s). **Any withdrawal or investment made on the assumption that funds will be cleared but which are not so cleared will be reimbursed by the Customer immediately upon the Bank's demand.** All cheques or monetary instruments will be purchased or discounted by the Bank on this basis. The Bank shall not be liable for any consequence arising out of or in connection with its failure or delay in the execution of Instructions owing to insufficient funds and/or credit facilities in the Customer's Account(s); provided that if the Bank shall at its discretion decide to execute the Instructions notwithstanding such insufficiency, the Bank may do so without seeking prior approval from or providing reason or notice to the Customer and **the Customer shall be responsible for the resulting**

- overdraft, advance, credit and all charges thereby created and incurred with interest thereon at a rate determined by the Bank at its discretion.**
- 8.2 Without prejudice to Clause 8.1 above, if the Bank places any order or enters into any Transaction for the purpose of effecting an Instruction which is subsequently not effected due to insufficiency of funds, the Bank is entitled (but not obliged) at any time in its discretion to place other order(s) or enter into other Transaction(s) to set-off the order so placed or Transaction so entered. Any resulting loss shall be borne by the Customer but any resulting gain shall belong to the Bank. The Bank's certificate in writing as to such loss and the amount shall be binding and conclusive against the Customer.
- 9. Statements**
- 9.1 Subject to Clause 9.2, a monthly statement of account summarizing the Transactions effected during the preceding month between the Bank and the Customer shall be sent to the Customer, unless (a) otherwise agreed by the Customer, (b) there has been no Transaction on the Account(s), or (c) no Services were effected since the last statement or other records of Transactions are provided.
- 9.2 The Bank may, but shall not be obliged to, include such information of any other Services, products and Account(s) of the type(s) selected by the Customer which are maintained with or provided by the Bank or any of the Group Company from time to time in the statement in addition to information on the Services and the Account(s) in accordance with Applicable Regulations.
- 9.3 **The Customer undertakes to (a) verify the correctness, and (b) notify the Bank, of any discrepancies, unauthorized Transactions, omissions or debits wrongly made to, or inaccuracies or incorrect entries in, the Bank's statement, record of Transaction, advice or Confirmation within ninety (90) days from the date of issue of such documents. At the end of the ninety (90) day period, the Bank's record and details of Transactions as set out in such statement, record, advice or Confirmation shall be conclusive evidence without any further proof that such records and details in such documents are correct except as to any alleged errors so notified.**
- 9.4 Notwithstanding anything in the aforesaid, the Bank shall be entitled to revise any statement of account, record, advice or Confirmation previously sent to the Customer to correct any details contained therein which have been wrongly or mistakenly made by the Bank. The Customer agrees that Clause 9.3 above shall also apply to such revised statement of account, record, advice or Confirmation.
- 9.5 In addition to the monthly statement of account which the Bank will issue to the Customer, the Bank will also prepare and issue such other statements of account to the Customer in such manner as may be required by the Applicable Regulations from time to time, including, but not limited to, Confirmations.
- 9.6 Monthly statements of account record of transaction, advice or Confirmation may be sent to the Customer by mail, electronic means or such other means as the Bank may determine from time to time.
- 9.7 Except as provided above, the Bank shall be free from all claims in respect of the details of the Transactions as set out in the monthly statement, statements, record of Transaction, advice or Confirmation notwithstanding any incorrectness of the details of the Transactions as set out in the monthly statement, statement, record of Transaction, advice or Confirmation.
- 10. Expenses**
- All expenses, legal or otherwise, if any, in connection with any Transaction, the provision of Services and the enforcement of any right of the Bank under the Client Agreement and, if applicable, the Security, shall be borne by the Customer.
- 11. Rebate and Commission**
- The Bank and, if applicable, the Group Companies shall not be accountable to and shall be entitled, without having to make prior disclosure to the Customer, to accept and retain for its own account, and benefit absolutely any remuneration, profit, rebate, brokerage, commission, fee, benefit, discount and/or other advantage arising out of or in connection with the provision of Services and/or the handling of Transaction.
- 12. Service Charges and Interest**
- 12.1 Without prejudice to any other provisions contained in the Client Agreement, the Customer shall promptly pay all of the Bank's fees and charges at such rates stipulated by the Bank from time to time with respect to any Transaction executed by the Bank, or Services provided by the Bank, upon the Customer's Instructions. The Bank shall be entitled to prescribe, from time to time, such fees and charges payable in respect of the Services and Transactions as it thinks fit. A list of fees and charges currently prescribed by the Bank is available on request and displayed at the Bank's premises. Paid fees and charges are non-refundable notwithstanding any termination of any Services or Transactions.
- 12.2 The Bank shall be entitled to debit any fees and charges payable by the Customer to any Account of the Customer held with the Bank at any time.
- 12.3 Interest shall be payable on any sum that is due to the Bank. The interest rate applicable shall be determined at the discretion of the Bank and the Bank is authorized to deduct any outstanding amount and interest from any Account of the Customer.
- 12.4 Without prejudice to any other rights of the Bank, if the Customer has insufficient funds in his Account(s) or insufficient credit to cover fees and charges and any interest thereon payable by him, the Bank shall be entitled to terminate or suspend the whole or any part of the Services.
- 12.5 The Bank reserves the right to levy deposit charges on all Accounts in accordance with any rules of any regulatory bodies of the Bank as the same may from time to time be in force.
- 12.6 The Bank reserves the right to impose a charge if the Account is closed at such time or the Account has had no Transaction conducted for an extended period of time (the duration of such period shall be determined by the Bank) ("**Dormant Account**").
- 13. Suspension and Termination of Accounts, Transactions and Services**
- 13.1 The Bank may terminate the Services provided under the Client Agreement by giving reasonable notice to the Customer in accordance with Applicable Regulations.
- 13.2 Notwithstanding the foregoing and without prejudice to any other right of the Bank hereunder or otherwise at law, upon the occurrence of an Event of Default, the Bank may (but is not obliged to) immediately or at any time thereafter do any one or more of the following:
- (a) suspend or freeze (indefinitely or otherwise) or terminate any Account, Service or the Bank's relationship with the Customer (with or without notice), and accelerate any and all liabilities of the Customer to the Bank so that they shall become immediately due and payable;
 - (b) terminate all outstanding Transactions (including any Transaction which has yet to be settled on the day on which the Bank terminates such Transaction);
 - (c) close-out or exercise any one or more Transactions as the Bank deems appropriate;
 - (d) cover positions by trading or entering into further Transactions on behalf of the Customer;
 - (e) take such other reasonable action to protect the Bank's position;
 - (f) exercise any other power or right which the Bank may have under the Client Agreement, the Applicable Regulations, the rules of any relevant Exchange or otherwise;
 - (g) apply any amounts of whatsoever nature standing to the credit of the Customer against any amounts which the Customer owes to the Bank (of whatsoever nature and howsoever arising, including any amounts due and unpaid under any Transaction and any contingent amounts), or generally to exercise the Bank's right of set-off against the Customer; and/or
 - (h) after any amounts standing to the credit of the Customer are applied against any amounts which the Customer owes to the Bank or generally after the exercise of the Bank's right of set-off against the Customer, demand any shortfall from the Customer, hold any excess pending full settlement of any other obligations of the Customer, or pay any excess to the Customer by way of cheques to the last known address of the Customer.
- The Bank shall notify the Customer as soon as practicable after any decision is made in relation to (a) to (h) above.
- 13.3 Clause 13.2 shall be without prejudice to the rights and obligations of the Customer in retaining any one or more the Services which shall continue to be governed by the relevant Specific Terms and Conditions and the provisions of any mandate(s) pertaining thereto.
- 13.4 Nothing herein shall require the Bank to provide or continue to provide any banking facilities or other accommodation or Services to the Customer. Termination of these General Terms and Conditions will automatically terminate all Specific Terms and Conditions but termination of any Specific Terms and Conditions will not terminate these General Terms and Conditions or any other Specific Terms and Conditions.
- 13.5 Any release, settlement, assignment, payment or discharge between the Customer and the Bank shall be conditional upon no security, disposition or payment to the Bank in respect of the Customer's liabilities or obligations or any other person being avoided or set aside or ordered to be surrendered, paid away, refunded or reduced by virtue of any law relating to dissolution, insolvency, composition or arrangement for the time being in force or for any other reason whatsoever and the Bank shall be entitled to recover from the Customer or any other relevant person the value which the Bank placed upon such

- security or disposition or the amount of such payment as if such release, settlement, assignment, payment or discharge had not occurred.
- 13.6 If any one of the joint account holders becomes bankrupt, the Accounts can be operated (or closed) only by the joint signatures of the trustee in bankruptcy and the other joint account holders.
- 13.7 In the event of liquidation, where the Customer is a company, the funds credited to the Account(s) may only be withdrawn by, and the funds payable will only be paid to, the liquidator.
- 13.8 The Bank may, in its absolute discretion, suspend the Customer's ability to operate the Account(s), utilize any Service and enter into Transactions for any reason whatsoever, including without limitation, the bankruptcy, insolvency, winding-up, incapacity and disability of the Customer until legal representatives (such as, without limitation, trustee in bankruptcy, liquidator or receiver) are appointed or the occurrence of any event beyond the Bank's reasonable control.
- 13.9 The Bank may, in its absolute discretion, comply with any request from any governmental or regulatory authority relating to the Customer or any one of the Customers (in the event of joint Account(s)), for such purpose, apply or deal with any money or other assets in the Account(s) as may in the opinion of the Bank be required, without seeking instructions from or giving prior notification to the Customer.
- 14. Amendments**
Except as otherwise provided in the Client Agreement (a) the Bank may revise these General Terms and Conditions, any Specific Terms and Conditions applicable to the Customer and/or introduce additional terms and conditions at any time and from time to time, and (b) any revision and/or addition to the Client Agreement shall become effective subject to the Bank's notice. **For any variation affecting fees and charges (including any change to the basis of calculation of fees and charges) under the control of the Bank or the liabilities or obligations of the Customer, at least thirty (30) days, or such other period of time as may be required by Applicable Regulations, notice will be provided. Reasonable notice will be provided in the case of any other variations. Notice may be given by displaying the variations at an appropriate place, by advertisement or by any other means as the Bank thinks fit and such notices shall be binding on the Customer if the Customer continues to maintain the Account(s) with the Bank or use any one of the Services provided by the Bank after the effective date thereof.**
- 15. Communications**
15.1 The Bank shall be entitled to prescribe, from time to time, the mode of communication with respect to each type of Services.
15.2 All notices or other communications in connection with the Client Agreement are to be sent at the Customer's risk. The Bank does not assume any responsibility for any inaccuracy, interruption, error or delay or total failure in transmission or delivery by post, facsimile or other form of electronic communication.
15.3 Save as otherwise provided in these General Terms and Conditions or any Specific Terms and Conditions, all communications sent by the Customer to the Bank shall be in writing and shall be sent to the Bank and shall be deemed to have been delivered to the Bank on the day of actual receipt.
15.4 Save as otherwise provided in these General Terms and Conditions or any Specific Terms and Conditions, any notice from the Customer to the Bank shall be irrevocable and shall become effective upon actual receipt of such notice by the Bank.
15.5 Any notice required to be given by the Bank to the Customer shall be deemed to have been so given if addressed to the Customer or any one of Customers (in the case of joint Accounts) at the last known address of the recipient. Any notice or other communication required to be given or made pursuant to the Client Agreement or in relation to any Transaction shall be in writing and may be made by personal delivery, prepaid post (airmail if overseas), facsimile or by email and shall be deemed to have been duly served:
(a) if delivered personally, at the time of delivery;
(b) if sent by post, 48 hours, or if to/or from overseas, 96 hours after posting; and
(c) if sent by facsimile, email, or other electronic means, at the time of transmission.
15.6 The Customer will promptly notify the Bank in writing of any change of address or facsimile number to which statements, records, advice, Confirmations and notices should be sent. Such changes shall not be effective until duly entered in the Bank's records.
- 16. SMS Messaging Service**
16.1 To subscribe for the Bank's SMS Messaging Service, the Customer shall nominate one mobile phone number that is acceptable to the Bank. The Customer's mobile phone for the purpose of utilizing the SMS Messaging Service must be a compatible piece of telecommunications equipment capable of receiving messages or other information as the Bank may notify customers through the SMS Messaging Service.
16.2 The Bank shall endeavor to notify the Customer of such events or other information (which events or information to be determined by the Bank in its absolute discretion) through the SMS Messaging Service and the Bank does not undertake to ensure that the Customer will be successfully notified under any circumstances.
16.3 The Customer undertakes to inform the Bank as soon as possible if any SMS message appears irregular.
16.4 The Customer acknowledges that the Bank will only send a SMS message once. If the Customer deletes a SMS message which was sent by Bank, the SMS message cannot be sent again.
16.5 All SMS messages sent by the Bank are one-way and the Customer undertakes not to reply to any SMS message under any circumstances.
16.6 The Customer understands and agrees that the Customer shall never respond to any request purportedly made by the Bank via the SMS Messaging Services to provide any details regarding the Customer's Account(s), any personal data or security details by SMS message. The Customer understands that the Bank will never make any such request.
16.7 The Bank reserves the right to modify, expand, or reduce the scope of the SMS Messaging Service from time to time, or otherwise terminate the SMS Messaging Service at its discretion at any time, without notice.
16.8 The Customer shall bear all fees, charges, and expenses which may be imposed or charged by the telecommunications companies providing or servicing the Customer's telecommunications equipment or accounts in connection with the SMS Messaging Service.
- 17. Exclusion of Liability and Indemnity**
17.1 The Bank shall not be liable for any taxes or duties payable on or in respect of the Account(s) or the assets or property held therein nor for any diminution in the value of such assets or property.
17.2 **The Customer shall fully indemnify the Bank, its directors, officers, employees, staff, nominees, and agents (including the Custodial Agents, other sub-agents or contractors) on demand against all claims, actions, proceedings which may be brought by or against any of them and any losses, claims, damages, liabilities, reasonable costs, charges or expenses (including reasonable legal fees) which they may incur in connection with the provision of Services, or exercise of rights, powers or discretion under or in connection with the Client Agreement, including any action taken by the Bank to protect or enforce its rights, or its security interest hereunder whether or not as a result of any default or breach by the Customer, save for those resulting from the gross negligence, fraud or willful default of the Bank.**
17.3 **Without limitation to any other indemnity provided by the Customer to the Bank or any Group Company under any arrangement or agreement (including but not limited to the General Terms and Conditions and any Specific Terms and Conditions), the Customer shall fully indemnify the Bank and any Group Company against any loss or cost it suffers or incurs, including taxes, interest or penalties, as a result of the Customer providing misleading or false information or otherwise failing to comply with any requirement under these General Terms and Conditions or any Specific Terms and Conditions.**
17.4 The Bank is authorized to withhold, retain or debit any amount to be indemnified to the Bank by the Customer from any of the Account(s) held in the name of the Customer (solely or jointly with other parties).
17.5 All indemnities in the Client Agreement shall continue notwithstanding the termination of any Service, any Transaction or termination or suspension of Account(s) operation.
17.6 The Customer agrees that except in the case of gross negligence, willful default or fraud of the Bank, the Bank, its directors, officers, employees, staff, nominees and agents (including Custodial Agents, other sub-agents or contractors) will not be liable for any act, delay, action or omission to act in connection with any of the Customer's Account(s) or any Service provided by the Bank or any consequences or loss suffered or incurred by the Customer (or any third party, if any) including but not limited to the following:

- (a) the maintenance, operation and termination of any of the Customer's Account(s) and the provision of any of the Services by the Bank in accordance with the Client Agreement and on Instructions which the Bank believes in good faith to be given by the Customer or Authorized Person(s) notwithstanding any error, misunderstanding, fraud or lack of clarification in the terms of such Instructions;
 - (b) the availability of any of the Services being restricted or affected by any cause or for whatever reason or any illegal, unlawful, fraudulent, negligent or unauthorized use of the Account(s) and Services;
 - (c) events not within the Bank's control including, without limitation: (i) any act of, procedures or restriction imposed by any government or authority in any jurisdiction; (ii) suspension of trading of any relevant Exchange, clearing house or market; (iii) fire, storms, acts of God, war, riots, strike, lock-out, hostilities, invasion, act of foreign enemies, threatened acts of terrorism, revolution, market conditions, suspension of trading, civil commotion or disorder; (iv) power failures, communication breakdown; (v) breakdown/failure of equipment; (vi) natural disasters; or (vii) any cause or circumstance beyond the Bank's control whatsoever;
 - (d) the error, failure, inaccuracy, interruption, suspension, delay, loss, or non-availability of services, goods, software, communication and other networks or information (including trading, dealing, transmission and communication systems) supplied by the Bank to the Customer, or to the Bank by a third party (including the Bank's correspondents, agents, sub-agents and independent contractors) or employed or controlled by a third party, or that the Customer uses in connection with the Account(s), Transactions and/or Services;
 - (e) fluctuations in foreign exchange rates or interest rates with respect to conversion at the Exchange Rates for whatsoever reason;
 - (f) any loss which may be incurred by the Customer as a result of the custodian services which may be provided by the Bank. The Bank will not be liable for any act or omission of any agent selected by it in good faith including any bank or depository used by it;
 - (g) any loss suffered by the Customer by (i) any act or omission or refusal or insolvency of any person not associated with the Bank (including without limitation, a third party, or bank or depository used by the Bank); and (ii) the collection or deposit or crediting to an Account of invalid, fraudulent or forged assets or any entry in an Account which may be made in connection therewith;
 - (h) compliance by the Bank with Applicable Regulations or any tax payments, judgments or orders of a court or an arbitral tribunal;
 - (i) any consequences arising out of or in connection with any interruption, suspension, delay, loss or other failure or inaccuracy or incompleteness in transmission of messages or other information howsoever caused or any mechanical failure, power failure, malfunction, breakdown, interruption or inadequacy or installation of any telecommunications equipments or telecommunications companies in connection with the SMS Messaging Services. The Bank does not warrant the accuracy, completeness, reliability or timeliness of the SMS Messaging Service or any data or information supplied by the Bank in its provision of Services. The Bank shall not be liable, to the extent permitted by law, for any direct or indirect, consequential or incidental loss or damage which may be incurred by the Customer arising out of or in connection with the use of the SMS Messaging Service or the data or information supplied by the Bank in its provision of Services;
 - (j) any loss or damage to the Customer as a result of the i-banking Service made available to the Customer;
 - (k) any Transaction (and any standing order relating to a proposed Transaction) shall be subject to Applicable Regulations, policies, market practices and customs of the country of, and the principal financial centre for, the relevant currency affecting any dealing in such currency. The Customer agrees that the Bank shall not be responsible for any restriction or inability caused to the Bank in dealing with any Transaction (or any relevant standing order) as a result thereof and agree to indemnify on demand the Bank against all losses, damages, claims, liabilities, charges, reasonable costs and expenses sustained by the Bank as a result thereof.
- 17.7 In no event will the Bank, its directors, officers, employees, staff, nominees, and agents (including the Custodial Agent, other sub-agents or contractors) be liable for the Customer's loss of profit, revenue, business, goodwill (or similar losses), whether direct, indirect, special or consequential.
- 18. Certificate of Indebtedness**
- 18.1 A certificate issued by the Bank stating the amount due and payable by the Customer to the Bank, interest rates and Exchange Rates and any other relevant matters at any particular time shall be final and conclusive for all purposes including for the purpose of legal proceedings.
- 18.2 Records of the Customer's dealings with the Bank kept by the Bank (including records contained in computer, microfilm, books and other records of the Bank) shall constitute conclusive evidence unless (a) the Bank has failed to exercise reasonable skill and care in respect of any such records, microfilms, books and other records, or (b) the contents of any such records, microfilms, books and other records are the result of forgery or fraud, willful default or gross negligence of the Bank or any of its directors, officers, employees, staff, agents, sub-agents, contractors or servants.
- 18.3 The Bank may commission debt collection agencies to collect any overdue amount owed by the Customer to the Bank and the costs and expenses of such debt collection agencies shall be for the account of the Customer.
- 18.4 The Customer understands that the Customer should inform the Bank as soon as possible of any difficulty in repaying the Customer's outstanding indebtedness to the Bank or servicing any loan over the credit period.
- 19. Set-off, Appropriation and Lien**
- 19.1 In addition to general lien or any similar right the Bank may be entitled to by law or otherwise, the Bank may, at its discretion, at any time and without giving prior notice, appropriate, transfer, combine, consolidate or merge the balances of all or any of the Account(s) (wherever situate) with the Customer's liabilities and, in case where the Customer is a corporation, the liabilities of any member of the Customer's group of companies to the Bank or any of its branches, sub-branches or subsidiaries and set off or transfer any sum or sums standing to the credit of any of the Customer's Account(s) (in any currency and notwithstanding that any fixed deposit has not matured or applicable conditions have not been satisfied), in or towards satisfaction of the aforesaid liabilities to the Bank, whether such liabilities be primary, collateral, several, joint or in other currencies. Further, in so far as the Customer's liabilities to the Bank are contingent or future, the Bank's liability to the Customer to make payment of any sum or sums standing to the credit of any of the Customer's Account(s) shall to the extent necessary to cover such liabilities be suspended until the happening of the contingency of future event. For this purpose, the expressions "group of companies" and "subsidiary" bear the same meaning ascribed to it in Companies Ordinance (Chapter 32 of the Laws of Hong Kong).
- 19.2 The Bank shall have the right to appropriate either at the time of payment or at any time thereafter any money paid to the Bank or otherwise coming into the Bank's possession or control for the Customer's Account in or towards discharging whichever part of the Customer's liabilities to the Bank as the Bank shall think fit. Any such appropriation shall override any purported appropriation by the Customer.
- 19.3 The Bank is granted and is authorized to exercise a lien over all Assets and other property of the Customer which is in the possession or control of the Bank or any employee or agent of the Bank (including contents in safe deposit boxes but excluding those which constitute a security over which registration would be required under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)), for custody or any other reason and whether or not in the ordinary course of banking business, with power for the Bank to sell such property to satisfy all indebtedness (including any expenses, fees, charges and other obligations) payable under the Client Agreement. The lien shall not apply insofar as, and to the extent that, the Customer's property comprises any ordinary shares or other shares of a class carrying rights to vote in all circumstances at general meetings of, or securities otherwise constituting relevant share capital of, any public company.
- 19.4 The Bank may sell or otherwise dispose of all or any of the Assets at any time, without demand for payment or giving prior notice and in such manner and/or such terms as the Bank may in its absolute discretion think fit. Neither the Bank nor any of its directors, officers, employees, staff, nominees and agents (including Custodial Agents, other sub-agents or contractors) shall be responsible in any way for any loss or liability whatsoever which may arise from or in connection with the exercising of the power of sale or any act, delay, action or omission to act and the Bank shall not be liable for any default of any person employed by the Bank in connection with any such sale, except in the case of willful default, fraud or gross negligence of the Bank. The net proceeds of any sale, after payment of all expenses and other disbursements and any prior claims, shall be applied in or towards payment of any liabilities of the Customer. A written statement signed by any of the Bank's officers that the power of sale has become exercisable shall be conclusive evidence of that fact in favor of any purchaser or other person to whom any Assets may be transferred and the Customer shall indemnify the Bank on demand against any claim which may be made against the Bank by such purchaser or other person by reason or any defect in the Customer's title to any Assets.
- 19.5 If any of the liabilities is in a different currency from the amounts standing to the credit of such Account(s) of the Customer over which the Bank may exercise a right of set-off, the Bank may effect any necessary conversion at the Exchange Rate, in order to exercise such right of set-off.

20. Security

- 20.1 This Clause 20 shall apply if the Bank has requested and the Customer has created the Security in favor of the Bank.
- 20.2 The Customer agrees that the Customer shall not, during such time when the Customer have any liabilities (present and future, joint or several, direct or indirect, actual or contingent) to the Bank, charge, assign, sell, transfer or create any encumbrance or deal with or grant any third party rights over or against any part of the Secured Assets.
- 20.3 Any Security created shall be a continuing security and shall be in addition to, shall not be affected by and may be enforced notwithstanding the existence of any other security held by the Bank. Any restriction on the right of consolidating securities shall not apply to the Security.
- 20.4 The Bank shall be entitled to retain the document under which the Security is created for such period as the Bank may certify to the Customer to be appropriate in order to protect the interests of the Bank.
- 20.5 If the Customer creates or purports to create any security (whether fixed or floating) over all or any of the Secured Assets or if any person levies or attempts to levy any form of process against all or any of the Secured Assets, the charge created by the Security, to the extent that it may be a floating charge, shall automatically and without notice operate as a fixed charge instantly.
- 20.6 **The Customer undertakes:**
- (a) **that the Secured Assets are and shall be in the sole beneficial ownership of the Customer, free from encumbrances and claims except pursuant to the Security;**
 - (b) **that the Bank may hold all or any of the Secured Assets at any of its offices and transfer the same between such offices;**
 - (c) **to deposit with the Bank or to its order all documents which evidence the Secured Assets and, if applicable, duly completed transfer documents in favor of the Bank;**
 - (d) **to pay all calls and make all other payments in respect of any securities comprising the Secured Assets when due;**
 - (e) **not to or attempt to withdraw, assign, transfer or otherwise deal with the Secured Assets except in the Bank's favor or as directed by or with the consent of the Bank in writing; and**
 - (f) **not to take any action which prejudice the value of the Secured Assets and/or the effectiveness of the Security.**
- 20.7 The Bank is hereby irrevocably authorized to direct any nominee or agent of the Bank, having custody or control of any of the Secured Assets (whether as nominee, manager, or otherwise), to deal with such Secured Assets in such manner as the Bank may direct without any reference to or consent from the Customer and the Customer shall not exercise or be entitled to the benefit of any rights of the Customer against such nominee or agent in connection with such Secured Assets without the prior written consent of the Bank.
- 20.8 If the Customer has failed to pay any moneys when due or is otherwise in default under any of the terms of the Security or is unable or admits to being unable to pay the debts of the Customer as they become due, or is subject to any proceeding in or analogous to insolvency, bankruptcy, winding-up or liquidation or if legal process is applied for, levied or enforced against the Secured Assets or any other assets of the Customer, the Bank shall be entitled to enforce the Security and may, without demand, notice, legal process or any other action with respect to the Customer, retain or apply any cash comprising the Secured Assets and realize, sell or otherwise dispose of all or some of the Secured Assets for its own benefit in or towards settlement of any outstanding liabilities of the Customer to the Bank at any time and in any way it deems expedient, free from any restrictions and claims and the Bank shall not be liable for any loss arising out of such retention, application, realization, sale or disposal.
- 20.9 The Bank may, at any time, continue any existing account and open any new account in the name of the Customer without reference to or consent from the Customer and no subsequent Transactions, receipts or payments involving such new accounts shall affect the liability of the Customer.
- 20.10 If more than one person signs or agrees to be bound by the Client Agreement, any advance to such persons by way of overdraft or in any manner howsoever with or without Security can be made at the request of either or (as the case may be) any of all such persons.
- 20.11 The Customer may not assign or transfer any rights or obligations of the Customer under the Security. The Bank may assign any of its rights under the Security to a person in whose favor it has made an assignment of all or any part of the unauthorized overdraft facility.

21. Customer Data

- 21.1 The Customer agrees that the data, documentation or certifications concerning the Customer, its beneficiaries or other third parties for whom the Customer is acting as agent, requested by the Bank from time to time is required for the Bank to provide Services to the Customer and for the opening, maintenance and operation of the Account(s) and agrees to provide such data, documentation or certification as requested by the Bank. If the Customer fails to provide the same to the Bank, the Bank may not be able to provide any Service or facility to the Customer and the Bank may close, transfer or suspend any service or facility. The Customer may always contact the Data Protection Officer of the Bank to gain access to and request correction or amendment to such data.
- 21.2 The Customer agrees that the data, documentation or certifications requested by the Bank referred to in paragraph 21.1 above together with the Customer's other data obtained by the Bank from time to time and other data, documentation or certification that the Bank or any Group Company may require in respect of third parties, including but not limited to my/our personal and account information or records, may be disclosed to the Group Companies, and may be disclosed by the Bank or any Group Company to third parties including but not limited to any person, government body, agency or regulator, whether or not established under laws of the Hong Kong Special Administrative Region ("Hong Kong"), as required under any Foreign Law Requirement.
- 21.3 Pursuant to paragraph 21.2 above, any such person or entity and may be used such data for such purposes as are respectively set out in the Notice to Customers and Other Individuals Relating to the Personal Data (Privacy) Ordinance and the Code of Practice on Consumer Credit Data of China CITIC Bank International Limited (中信銀行(國際)有限公司) or similar document (as the same may be amended and supplemented from time to time).
- 21.4 The Customer may at any time in accordance with the PDPO (a) check whether the Bank holds data about the Customer and access such data upon paying such fees as may be imposed by the Bank; (b) require the Bank to correct any data relating to the Customer which is inaccurate; (c) ascertain the Bank's policies and practices in relation to personal data; (d) request the Bank to inform the Customer of the items of data which are routinely disclosed to a credit reference agency, and in the event of default, to a debt collection agency; (e) request the Bank to provide the Customer with further information to enable the making of an access and correction request to the relevant credit reference agency or debt collection agency; and (f) require the Bank to cease using the Customer's personal data for its marketing purposes without charge.
- The provision of this Clause 21.4 and any other provisions contained in the Client Agreement regarding data privacy and the protection of personal data under the PDPO, shall also apply to, without limitation (a) in the case of individual Account holders, joint Account holders or sole proprietors, the relevant individual concerned, (b) in the case of a partnership, each partner of the partnership, (c) in the case of a corporate entity, any individual director, shareholder, officer or manager who has provided any personal data to the Bank for the purpose of Account opening or operation of the Account.
- 21.5 The Customer agrees that the Bank may provide to any person who has given or who proposes to give a guarantee or a third party security to secure any of the Customer's liabilities with a copy or summary of the contract evidencing the obligations to be guaranteed or secured, copies of any formal demand for overdue payment sent to the Customer, the Customer's statements of account and such of the Customer's other data as the Bank may deem fit.
- 21.6 The Customer hereby warrants that the Customer will obtain the prior consent of the Customer's referees and any other third party whose personal data the Customer discloses as required under this clause 21, before giving their names and other personal data to the Bank.
- 21.7 The Customer hereby warrants that all information provided by the Customer to the Bank is provided voluntarily and that such information is true, correct and complete in all respects. In the event of any changes to the information provided (including any change to the tax residence status of the Customer address or contact telephone number or other personal particulars recorded with the Bank), the Customer undertakes to notify the Bank promptly (and in any event within 30 calendar days of the relevant change).
- 21.8 The Customer waives any claims to confidentiality in respect of data or information disclosed for the purpose of the Bank exercising its rights under this clause 21.

22. Consent to deduct, withhold and block

- 22.1 The Customer acknowledges and agrees that notwithstanding any other provision of these General Terms and Conditions or any Specific Terms and Conditions, any payments by the Bank under General Terms and Conditions or any Specific Terms and Conditions, will be subject to withholding and deduction as required under Foreign Law Requirements. Any amount withheld under this clause 22.1 may be held in whatever account or in whatever manner determined by the Bank at its sole discretion.

- 22.2 The Bank will not be liable for any gross up, loss or damage suffered as a result of exercising its rights under paragraph 22.1.
- 22.3 The Customer acknowledges and agrees that any transaction, payment or instruction may be delayed, blocked, transferred or terminated where required for the Bank to meet its legal obligations including those under any Foreign Law Requirement.
- 23. Governing Law and Jurisdiction**
Unless otherwise stipulated, the Client Agreement and all Services provided and Transactions entered into under the Client Agreement shall be governed by and construed in accordance with the laws of Hong Kong and the parties agree to submit to the non-exclusive jurisdiction of the Hong Kong courts.
- 24. Severance**
If any one or more of the provisions contained in these General Terms and Conditions or in any of the Specific Terms and Conditions shall become invalid, unlawful or unenforceable in any respect under Applicable Regulations, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.
- 25. Miscellaneous**
- 25.1 Time shall in every respect be of the essence under the Client Agreement and each Transaction.
- 25.2 The Bank is not the Customer's fiduciary, therefore, the operation of fiduciary obligations shall not be applicable.
- 25.3 Each party will promptly notify the other in the event of any material change to the information in the Client Agreement.
- 25.4 The Customer shall not charge, assign, create any encumbrance of any nature or grant any third party rights over or against any or all of the Customer's rights and interest in the Account(s) in connection with any of the Services, or any Transaction or the proceeds thereof without the prior written consent of the Bank.
- 25.5 At the request of the Bank, the Customer shall promptly execute and deliver such documents and perform such acts as the Bank (or its nominee or agent) may consider expedient in connection with the operation of the Account(s), the provision of the Services and enforcement of any terms and conditions hereunder.
Where the Customer fails to act in accordance with the foregoing paragraph, Services may be discontinued, delayed or additional costs or other consequences may arise.
- 25.6 The Customer irrevocably authorizes the Bank to, in the Customer's name or otherwise on the Customer's behalf, sign, execute, deliver, perfect and do all instruments, acts and things which may be required or which the Bank shall think fit for carrying out any of the Customer's obligations under the Client Agreement and of the Security (if any) granted thereunder. The Customer ratifies and confirms and agrees to ratify and confirm any instrument, act and thing which the Bank may lawfully execute or do.
- 25.7 (a) The Client Agreement shall benefit and be binding on the Bank and the Customer, their respective successors and subject to this Clause 25.7, any permitted assignee or transferee of some or all of the Bank's rights or obligations hereunder.
(b) **The Customer may not assign or transfer all or any of the Customer's rights or obligations under the Client Agreement.**
(c) The Bank may transfer all or part of the Bank's rights, benefits and obligations under the Client Agreement and disclose to a potential transferee or any other person proposing to enter into contractual arrangements with the Bank in relation to the same such information about the Customer as the Bank may think fit for the purposes of such contractual arrangements.
- 25.8 **This clause does not apply to Corporate Professional Investors (where the Bank has complied with paragraphs 15.3A and 15.3B of the Code) or Institutional Professional Investors under the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.** If the Bank solicits the sale of or recommend any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities and Futures Ordinance ("**Applicable Financial Products**") to the Customer, the Applicable Financial Products must be reasonably suitable for the Customer having regard to the Customer's financial situation, investment experience and investment objectives. No other provision of these Terms and Conditions or any other documents the Bank may ask the Customer to sign and no statement the Bank may ask the Customer to make derogates from this clause. For the purposes of this clause, "leveraged foreign exchange contracts" refer to those leveraged foreign exchange contracts traded by persons licensed for Type 3 regulated activity.
- 25.9 The Bank's failure or delay in exercising any rights, power or privilege in respect of the Client Agreement shall not operate as a waiver, nor shall a single or partial exercise, enforcement or waiver of any such rights, power or privilege preclude the Bank's further exercise, enforcement, or the exercise or enforcement of any other right, power or privilege hereunder.
- 25.10 The Customer hereby agrees at anytime and from time to time, at the Customer's expense, to promptly execute, seal or deliver all further instruments and documents, and take all further actions that may be necessary or that the Bank may request to accomplish the purposes of the Client Agreement.
- 26. Investment Information**
- 26.1 The Customer fully understands that any Transaction effected by the Customer through use of any Service shall be made solely upon exercise of the Customer's own judgment and at the Customer's own discretion notwithstanding any information, suggestion or documents the Bank may have provided to the Customer.
- 26.2 The Customer requests the Bank to contact the Customer on investment opportunities which the Bank believes may be of interest to the Customer. However, the Customer understands that the Bank is not obliged to provide the Customer with any financial, market or investment information, suggestion or recommendation, but if it does so, it does not act as an investment adviser.
- 26.3 Any information, suggestion or recommendation communicated to the Customer by the Bank are based on information obtained from sources believed by the Bank to be reliable, are for the Customer's own use and consideration only and will not constitute an offer to sell any investment to the Customer.
- 26.4 The Customer agrees that in the absence of gross negligence, willful default or fraud on the part of the Bank, the Bank will not be liable for any inaccuracy or incompleteness of any information provided by the Bank or the performance or outcome of any Transaction effected by the Customer after receipt of such information.
- 26.5 It is the Customer's responsibility to understand completely all of the relevant characteristics, risks and consequences of each Transaction it enters into. The Customer acknowledges that the Bank will not give any investments, legal, accounting, tax or other advice and will not advise the Customer of the nature, risks of any particular Transaction. Notwithstanding any materials or information which may be provided by the Bank to the Customer in relation any investment, it shall be the Customer's risk and obligation to consider whether it is a suitable investment for the Customer.
- 26.6 Any exchange rate, interest rate, price of Securities or other similar information quoted to the Customer is for the Customer's reference only and shall not be binding on the Bank unless confirmed by the Bank for a Transaction.
- 26.7 The operation of an Account in a location outside Hong Kong and payment in such a location shall be conditional on such operation and any payment being lawful in that location. The Bank shall not be responsible for, or liable for any losses, taxes, costs and expenses as a result of complying with, any laws, regulations, governmental measures or restrictions which may be applicable in any location outside Hong Kong to the operation of an Account and/or payment thereunder and/or the Bank's assets relating thereto.
- 27. U.S. Person or Resident of Canada**
- 27.1 By applying for Services and entering into Transactions with the Bank pursuant to the Client Agreement, the Customer (or each of the individuals in the event of joint Accounts) represents and warrants that:
- (a) the Customer is not a U.S. person (including a citizen or resident of the United States) or resident of Canada for purposes of U.S. or Canada tax or securities laws;
- (b) the Customer is not acting for, or on behalf of, a U.S. person or resident of Canada; and
- (c) if any of the statement under sub-Clauses (a) and (b) above becomes untrue or the Customer becomes aware that those statements will become untrue, the Customer shall notify the Bank in writing of such changes as soon as reasonably practicable, but in any event, no later than thirty (30) days of such change or becoming aware of such change.
- 27.2 The Bank is hereby authorized by the Customer to terminate (with or without notice) all Accounts and Services and to dispose of any investment in the Customer's Account(s) if (a) the Customer fails to comply with sub-Clause (c), or (b) if the continued maintenance of the Account(s) or provision of Services would become in breach of Applicable Regulations.

Section B TERMS AND CONDITIONS FOR BANKING SERVICES

1. Definitions

RMB Account means RMB savings Account, RMB current Account and RMB time deposit Account.

2. Mandate for Account Operation

In the event that the Customer has not specified the Account(s) to be credited/debited in order to effect any Transaction(s) pursuant to or as a result of an Instruction, the Bank is hereby authorized to enter the credit/debit in any one or more of the Account(s) of the Customer as the Bank determines in its absolute opinion provided that, if the Transaction is in Renminbi, entries will be made in any one or more of the Customer's Renminbi Account(s). **Any charges or penalties that may be incurred by the Customer as a result of the breaking of term deposits shall be borne by the Customer.**

3. No Bounce Cheque Protection Facility

The Customer agrees that:

- (a) the no bounce cheque protection facility (the "No Bounce Cheque Protection") with a pre-defined limit may be granted, revised and cancelled at any time by the Bank at the Bank's sole discretion without notice;
- (b) the pre-defined limit of the No Bounce Cheque Protection shall be subject to variation from time to time by the Bank;
- (c) the No Bounce Cheque Protection will only be made available to HKD current Account(s) and/or USD current Account(s) maintained in the sole name of the Customer only and for the avoidance of doubt, the No Bounce Cheque Protection will not be made available to any Account(s) maintained jointly by the Customer and other person(s);
- (d) the pre-defined limit of the No Bounce Cheque Protection shall be shared amongst all HKD current Account(s) and/or USD current Account(s) in sole name of the Customer only;
- (e) interest on the No Bounce Cheque Protection shall accrue daily at such rate(s) determined from time to time by the Bank and will be payable monthly to the debit of the HKD current Account(s) and / or USD current Account(s) (as the case may be); and
- (f) the Bank has the overriding right at any time to demand immediate repayment of any debit balance created under the No Bounce Cheque Protection.

4. Unauthorized Overdraft and Application of Moneys

4.1 Any overdraft by the Customer exceeding the aggregate amount made available by the Bank to the Customer pursuant to the No Bounce Cheque Protection Facility or any other overdraft facility that may be granted by the Bank from time to time shall be deemed to be unauthorized overdraft and shall be subject to default interest and charges.

4.2 All moneys credited to any Account to which the No Bounce Cheque Protection Facility is made available shall be applied by the Bank in or towards repayment in the following order:

- (a) all sums other than principal or interest in respect of the No Bounce Cheque Protection Facility in question which may be owing to the Bank;
- (b) the No Bounce Cheque Protection Facility and any interest in question (whether the same is due and payable or not); and
- (c) any sums arising from or in connection with other Transactions or Services which may be owing to the Bank.

4.3 The No Bounce Cheque Protection Facility shall be subject to the Bank's review monthly or at such other intervals as the Bank may determine in its absolute discretion, and it is the Bank's overriding right to modify, cancel or terminate such No Bounce Cheque Protection Facility and demand immediate repayment at any time at its discretion.

5. Deposits and Withdrawals

5.1 Deposits and withdrawals can be made by the Customer in such manner as the Bank may prescribe from time to time.

5.2 All cheques and other generally accepted monetary instruments are accepted for the Customer's Account(s) at the discretion of the Bank and are credited subject to their being paid during banking hours of the Bank, unless otherwise permitted at the Bank's discretion. No interest will be paid on any funds credited into any of the Customer's interest bearing Account(s) until such funds have been actually received by the Bank during banking hours of the Bank and in the case of credit by way of remittance, receipt of confirmation from the relevant correspondent bank of the remittance by the Bank during banking hours of the Bank (whichever is later). Funds received by the Bank for the Customer's Account by way of remittance will be credited into the Customer's Account within a reasonable time after receipt of confirmation from the corresponding bank by the Bank. **The Bank is entitled to debit its charges, fees and expenses and the value of any items subsequently returned unpaid to the Customer's Account.**

5.3 If any money received by way of remittance or any instruction from any third party is in a currency other than the currency of the Account specified, the Bank may in its absolute discretion and without seeking Instructions from or without giving prior notice to the Customer convert the funds to be credited into the currency of such Account at the Exchange Rate on the date when the funds are credited. **The Customer shall be responsible for any charges which may be levied in relation to such conversion.**

5.4 Notwithstanding other provisions stated in the Client Agreement, the Bank may, to the extent permitted by law, refuse to allow any deposit or withdrawal from any Account without providing reasons therefor.

5.5 Where, in relation to deposits, (a) it is discovered that a mistake has been made; (b) an Account has been credited but the Bank does not obtain cleared and unconditional funds relating to the relevant deposit in full or promptly for any reason; (c) the Bank is required to return the money to the relevant payer/drawer or paying bank or other financial institution or intermediary for any reason; or (d) where the Bank has reasonable grounds for doing so, the Bank may, in its absolute discretion and without seeking Instructions from or giving prior notice to the Customer, cancel, reverse or debit all or part of any such deposit (including interest, if any, paid by the Bank on such deposit). The Bank shall notify the Customer as soon as practicable of any such cancellation, reversal or debit.

5.6 The Bank shall have the right to make enquiries about the sources of funds, or the reasons for withdrawal, remittance or other payment Instructions, before permitting and proceeding with cash withdrawals, deposits, remittance or other payment Instructions (as applicable).

5.7 Funds are sent entirely at the Customer's own risk and the Bank shall have no responsibility to the Customer for any mutilation, interruption, omission, error, neglect, default, mistake, delay, diminution or unavailability of funds which may occur in the transmission of any message or from its misinterpretation by any wireless telegraphy or telex company or by the Bank or its correspondent, agent or its employee or through any other cause beyond the Bank's control.

5.8 Unless otherwise permitted by the Bank, withdrawals from any of the Customer's Account(s) maintained with a Hong Kong branch of the Bank may only be made in Hong Kong. The Customer shall be responsible for any costs of exchange, charges, costs, expenses and losses that may be applicable for any overseas withdrawal permitted by the Bank.

5.9 No payment to the Bank shall discharge any of the Customer's obligations or liabilities unless and until the Bank shall have received payment in full in the currency in which such obligation or liability was incurred. If an amount due to the Bank from the Customer is received by the Bank in another currency ("second currency") other than the currency in which the amount is due ("first currency"), the Customer's obligations to the Bank in respect of such amount shall only be discharged to the extent that the purchase by the Bank of the first currency with the second currency (taking into account all costs of exchange and related charges and expenses) is less than the amount so due **otherwise the Customer shall indemnify the Bank on demand against the shortfall.** If and to the extent that the Customer fails to pay any amount denominated in a currency other than Hong Kong Dollars on demand, the Bank may in its discretion and without notice to the Customer purchase at any time thereafter an amount of such currency as the Bank considers necessary or desirable to cover the Customer's obligations and liabilities in that currency at the then prevailing spot Exchange Rate (as conclusively determined by the Bank) for purchasing that currency with Hong Kong Dollars and **the Customer hereby agrees to indemnify the Bank on demand against the full Hong Kong Dollars cost incurred by the Bank for such purchase.**

6. Multicurrency Savings, Current, Time Deposit And Call Deposit Accounts

6.1 This Clause 6 applies to multicurrency savings Account, current Account, time deposit Account and call deposit Account.

6.2 The Customer may from time to time apply to open one or more deposit Account(s) and agrees that each deposit Account will be subject to the Client Agreement, and in particular, these General Terms and Conditions and such other terms as may be agreed between the Customer and the Bank in relation thereto.

6.3 The Bank may only accept such currencies as may be acceptable to it for deposit. The Customer must tender account opening requests for the type of Account and currency selected. The Bank reserves the right to accept or refuse any account opening request.

- 6.4 For all types of deposit Accounts, the Customer shall conform to such minimum initial deposit and/or maintain such minimum balance as may be prescribed by the Bank from time to time. The deposit Accounts shall also be subject to such charges as may be determined by the Bank from time to time and the Bank shall have the right to return all or any part of a deposit at its discretion.
- 6.5 The Customer agrees that interest is accrued at the rates for different types of deposit Accounts published from time to time and/or advertised in the press by the Bank.
- 6.6 For HK Dollars, interest will be calculated on the basis of 365-day year for ordinary years and 366-day year for leap years. For USD, interest will be calculated on the basis of 360-day year. For other currencies, the basis for interest calculation shall be determined by the Bank with reference to market practice.
- 6.7 Cheque books that may be issued are the property of the Bank. They are not transferable or assignable, cannot be pledged as security, and cheque books should be kept in a secured place. In the event of loss of a seal or chop used for operating any Account, any signed cheque or any blank cheque, immediate notice must be given to the Bank. If the Bank considers necessary, the Bank may issue a new cheque book after search has been made, and as the case may require, an indemnity has been signed by the Customer. A charge for issuing a new cheque book may be imposed at the Bank's discretion.
- 6.8 Transaction of large amount of cash is subject to prior arrangement and charge(s) as the Bank determines absolutely. Withdrawal of foreign currency cash is subject to the availability of the cash and the relevant currency.
- 6.9 The Bank shall have the right to pay to the Customer any amount withdrawn from the Account by any of the following methods or by any combination of two or more thereof at the Bank's discretion, namely:
- (a) by cash in the currency of the deposit;
 - (b) by issuing to the Customer a cheque drawn by the Bank on any bank in a country payable in the required currency whereupon the Customer shall pay to the Bank its prescribed service charge(s);
 - (c) by cash or the Bank's "Cashier's Order" in HKD after converting the amount equivalent at the Bank's then prevailing buying rate. A service charge may be payable to the Bank by the Customer.
- 6.10 For Statement Savings Accounts and Value Savings Accounts, interest earned will be credited monthly on the last day of each calendar month. Nevertheless, interest earned may be credited on such other basis as may be determined by the Bank from time to time. Interest is payable on savings Accounts closed up to the immediately preceding day.
- 6.11 Withdrawals at the Bank's counter may be made by the Customer or the Customer's Authorized Person(s) on demand when the Bank is open for business. Withdrawals may not be made by means of cheques.
- 6.12 The Bank reserves the right to require the Customer to make withdrawals in person and produce identification satisfactory to the Bank.
- 6.13 Withdrawals may be made by cheques signed by the Customer or the Customer's Authorized Person(s) or at the counter by the Customer or the Customer's Authorized Person(s) when the Bank is open for business or by electronic means as may be approved by the Bank.
- 6.14 Cheques drawn by the Customer which have been paid may, after having been recorded in electronic form, be retained by the collecting bank or Hong Kong Interbank Clearing Limited ("HKICL") for such period as is stated in the rules relating to the operation of the HKICL and after this, they may be destroyed by the collecting bank or HKICL as the case may be. The Bank is authorized to contract, inter alia, with collecting banks and HKICL in accordance with the terms in this paragraph.
- 6.15 The Bank will not honor any cheque drawn by the Customer if the relevant current Account does not have sufficient funds. **A service charge may be imposed by the Bank in respect of each dishonored cheque.** Notwithstanding the aforesaid, the Bank may at its discretion honor any cheque in accordance with these General Terms and Conditions even though the relevant current Account does not have sufficient funds. In such a case, the Customer will immediately upon the Bank's demand repay the amount overdrawn together with such handling charge(s) and interest. Overdraw interest on the current Account shall be calculated on its overdrawn amount daily at such rate as may be determined by the Bank from time to time and will be debited monthly on the last day of each calendar month and will bear compound interest thereafter.
- 6.16 Simple interest on the current Account shall be accrued on its credit balance daily at such rate as may be determined by the Bank and will be credited monthly on the last day of each calendar month.
- 6.17 The Customer understands that a "bearer" cheque is payable to the bearer of the cheque while an "order" cheque is payable to the payee named in the cheque only. Accordingly, the risk of fraud can be minimized by using "order" cheques instead of "bearer" cheques particularly when the cheque is to be sent by post or other channels. Since crossed cheques may only be credited into an account, the use of crossed cheques will therefore afford additional protection to the Customer.
- 6.18 The Customer will exercise care when drawing cheques so as to avoid alteration or prevent fraud or forgery. The Customer is advised to insert the amount, both in words and figures, as close as possible to the left hand margin so that there is no space for insertion. The word "only" should be inserted after the amount stated in words.
- 6.19 The Customer may stop payment of a cheque before it is paid by giving prior notice to the Bank in writing or by any other means acceptable by the Bank. The Bank may impose such handling charge(s) as it may determine in respect of each stopped cheque.
- 6.20 Any alteration on a cheque must be confirmed by the drawer with signature. The Bank is entitled to return any cheque which is incorrectly completed, altered without the aforesaid confirmation, post-dated or out-dated for more than six months. The Bank may impose such handling charge(s) as it may determine in respect of each such cheque.
- 6.21 The Customer undertakes not to pre-sign any cheque in blank.
- 6.22 The Customer may from time to time establish time deposit Accounts with such interest rate, tenor and currency as may be agreed between the Customer and the Bank before establishment. The interest rate applicable to each deposit in such time deposit Accounts may be changed by the Bank without giving prior notice.
- 6.23 Simple interest on the deposit will accrue daily and will only be payable on the maturity of the deposit.
- 6.24 A time deposit may not be withdrawn at any time before its maturity unless with the prior agreement of the Bank and on such terms as may be imposed by the Bank including any break fees which may be charged by the Bank. If the maturity thereof is not a Business Day of the Bank, withdrawal may be effected on the following Business Day of the Bank. The Bank is authorized to deduct any fees payable by the Customer for early termination from the time deposit repayable to the Customer.
- 6.25 The Customer may from time to time establish call deposit Accounts with such interest rate and currency as may be agreed between the Customer and the Bank before establishment. A call deposit may only be withdrawn after the Customer has given not less than one (1) day's prior notice to the Bank. If the maturity thereof is not a Business Day of the Bank, withdrawal may be effected on the following Business Day of the Bank.
- 6.26 If no withdrawal is made by the Customer on maturity or no Instruction on withdrawal is received by the Bank from the Customer before its maturity (whether or not it is a Business Day of the Bank), the Bank may renew the relevant deposit on terms similar to the matured deposit at the Bank's prevailing interest rate at the time of renewal or place the same into any Account of the Customer as determined by the Bank. Notwithstanding the aforesaid, the Bank has no duty to make such renewal arrangement. If the Bank does not renew the matured deposit, the Customer has no right to claim for any interest after maturity from the Bank.
- 6.27 A time deposit Account may, at the Customer's selection and subject to the Bank's agreement, be located in Hong Kong or offshore. Offshore deposits are placed by the Bank at any overseas branch, affiliate or correspondent of the Bank as the Customer's placement agent and will be subject to the terms and conditions imposed by, and the laws of the location of, such branch, affiliate or correspondent.
- 6.28 With the Bank's agreement, the Customer may also convert the Customer's deposit in any time deposit Account in any currency into another currency upon its establishment and to convert it back into the original currency of the relevant deposit upon its maturity at such exchange rate as may be agreed between the Bank and the Customer prior to the establishment of the deposit. The Bank shall not be responsible for any loss the Customer may suffer as a result of such currency conversion.
- 7. RMB Savings Account, RMB Current Account And RMB Time Deposit Accounts**
- 7.1 This Clause 7 applies to RMB Account, and/ or RMB Services and/ or RMB cheques.
- 7.2 The Customer understands and agrees that any transactions executed through a RMB Account will be subject to Applicable Regulations. The Bank is fully authorized (but is not obliged) to reject or refuse to execute the Customer's deposit, exchange, remittance and/or other Transaction Instructions (or part of

the Transaction Instructions) in violation of any of the Applicable Regulations.

- 7.3 The Customer understands that these General Terms and Conditions are determined and may be amended, supplemented or replaced by the Bank at any time and from time to time according to the Bank's agreement with the clearing bank and all Applicable Regulations or otherwise at the Bank's discretion. For any variation affecting fees and charges under the control of the Bank or the liabilities or obligations of the Customer, at least thirty (30) days notice will be provided. Reasonable notice shall be provided in the case of any other variations. Notice may be given by displaying the variations at appropriate place, by advertisement or by any other means as the Bank thinks fit and such notices shall be binding on the Customer if the Customer continues to maintain the relevant RMB Account with the Bank or use any one of the Services provided by the Bank in relation to the relevant RMB Accounts after the effective date thereof.
- 7.4 In relation to matters concerning any RMB Account, in the event of inconsistencies between these General Terms and Conditions and Applicable Regulations, the Applicable Regulations shall prevail.
- 7.5 (For Personal Accounts Only) No overdraft is permitted and no overdraft facility will be available to any RMB Account.
- 7.6 Interest will be calculated on the basis of 360-day year.
- 7.7 The Customer understands that any currency exchange involving RMB and any remittance in RMB are subject to limits as may be imposed by Applicable Regulations or the Bank at its discretion from time to time. The Customer understands that the RMB exchange limit and RMB remittance limit will be shared amongst all of the Customer's RMB Accounts held at the Bank.
- 7.8 Applicable exchange and interest rates will be determined by the Bank and may differ from official or other rates. The Bank may require payments to or from the Customer to be made in RMB or Hong Kong Dollars.
- 7.9 The Bank is entitled to take all necessary actions to comply with all Applicable Regulations. The Bank may provide all information and report any transaction in relation to the Customer's RMB Accounts to the clearing house and any regulatory authorities.
- 7.10 If the Bank at any time reasonably believes that any RMB Account has been operated in a manner that results in non-compliance with the Applicable Regulations, the Bank may exercise its discretion to take any necessary action as the Bank thinks fit (including closing the Customer's RMB Account(s)) without giving prior notice to the Customer.
- 7.11 The Customer understands and agrees that the Bank is fully authorized to terminate any RMB Services provided by the Bank and to close any relevant RMB Account without giving any reason at any time and without prior notice. The Bank is entitled to transfer the remaining balance (if any) in the Customer's RMB Account to the Customer's other Account(s) or in such other manner as the Bank thinks fit.
- 7.12 The Customer understands that the Bank may from time to time set conditions or restrictions that apply to RMB Accounts and RMB Services and the Customer agrees to comply with all such conditions or restrictions.
- 7.13 The clearing of RMB takes place on each day on which the clearing bank is opened for business before the close of business of the Bank. The Bank may set a cut-off time for exchange transactions and may decline to exchange any currency (other than RMB) with RMB after the Bank's designated time.
- 7.14 The amount stated on, or drawn under a cheque may be subject to the limit per cheque and the limit per day from time to time specified by the Bank (if any) and Applicable Regulations. In the event that such limit is exceeded, the Bank may at its absolute discretion and without giving prior notice:
- (a) pay for only some of the cheques presented for payment under the RMB current Account on the same day, in such order as may be determined by the Bank, so that the total sum paid on such day will be maintained without exceeding such maximum amount (or such credit balance); and/or
 - (b) return any one or more of the presented cheques.
- 7.15 Without prejudice to Clause 7.14 in this Section B above, if at any time the credit balance in the RMB current Account is insufficient to pay for any cheque(s) presented to the Bank on any Business Day, the Bank may (but is not obliged to), subject to Applicable Regulations and at its absolute discretion transfer funds to the RMB current Account from any of the Customer's Account(s) with a view to paying any such cheques. In the event that the Bank decides to exercise its right under this Clause to transfer an amount from the Customer's other Account(s) to the RMB current Account to cover the shortfall, the Customer hereby authorizes the Bank to debit such shortfall from any of the Customer's Account(s). The Bank shall not be responsible for re-transferring the funds from the RMB current Account to the relevant transferring Account(s) if the related cheque is returned for any reason. The Bank is entitled to charge a fee for the provision of the above RMB fund sweeping service and deduct the relevant fee from any of the Customer's Account(s) without giving prior notice to the Customer. The Bank shall not be responsible to the Customer or any third party for the consequences arising out of or in connection with the exercise of such right of transferring funds including any loss or damage suffered resulting from the lack or insufficiency of funds in the Customer's transferring Account(s) to meet and/or discharge any applicable instructions, obligations or liabilities on the relevant transferring Account(s).
- 7.16 No interest is payable for the RMB current Account.
- 7.17 The Customer acknowledges that it is the Customer's duty to ensure that the operation of RMB Accounts and any issuance of cheque(s) at all times complies with the Applicable Regulations and the rules and requirements imposed by the Bank.
- 7.18 RMB cheques shall be used in the PRC and in Hong Kong and in accordance with the Applicable Regulations, and their use is also subject to the laws and regulations of the place concerned and the conditions, rules and procedures of the persons or banks to which the cheque is to be delivered or presented and the rules and restrictions which the Bank may impose from time to time.
- 7.19 The amount of credit balance in the RMB current Account at the cut-off time as designated by the Bank from time to time on each Business Day of the Bank may be subject to a maximum limit as designated by the Bank and/or the Applicable Regulations from time to time (if any). In the event such limit is exceeded, the Bank is authorized to dispose or transfer any excess amount in such manner and to such Account(s) (whether in RMB or other currencies) maintained by the Customer as the Bank considers appropriate without giving prior notice to the Customer. In case where currency conversion is involved, the applicable Exchange Rate shall be determined by the Bank at its absolute discretion and the Customer shall be responsible for all charges, costs and levies involved with the currency exchange.
- 7.20 All withdrawals from time deposits must be made through the RMB savings Account or current Account.
- 7.21 If no withdrawal is made by the Customer on the maturity or no instruction on the withdrawal is received by the Bank from the Customer before its maturity (whether or not it is a Business Day of the Bank), the Bank may renew the relevant time deposit on terms similar to the matured deposit at the Bank's prevailing interest rate at the time of renewal. Notwithstanding the aforesaid, the Bank has no duty to make such renewal arrangement. If the Bank does not renew the matured deposit, the Customer has no right to claim for any interest after maturity from the Bank.
- 8. Payments and Interests**
- 8.1 The Customer shall be liable for all overdrafts and/or advances arising out of or in connection with all or any of the No Bounce Cheque Protection Facility and any unauthorized overdraft, Transactions and/or Services and shall repay the same to the Bank and any interest thereon from the date of advance to the date of actual repayment (before and after judgment) at such rate as the Bank may determine at its sole discretion from time to time, calculated on the basis of the actual number of days elapsed and payable monthly in arrears by direct debit to the relevant Account(s) in such currency as the Bank shall determine or such other account as the Bank and the Customer may agree and shall become part of the principal due to the Bank and bear interest accordingly.
- 8.2 Payments by the Customer shall be made to the Bank as specified by the Bank without any set-off, counterclaim or condition and shall be free and clear of all present and future taxes, withholdings or deductions of any nature except that, if the Customer is compelled by law to make such withholding, the sum payable by the Customer shall be increased so that the amount actually received by the Bank is the amount it would have received had there been no withholding. The Customer's liability will not be discharged until and unless the Bank has received payment in full.
- 8.3 Payments by the Customer to the Bank shall be in the currency of the relevant liability or, if the Bank so agrees in writing, in a different currency, in which case the conversion to that different currency shall be made at the Exchange Rate and **the Customer shall be liable for all charges, costs, expenses and losses that may be incurred as a result of any currency exchange.**
- 8.4 No payment to the Bank under the Security pursuant to any judgment, court order or otherwise shall discharge the obligation of the Customer in respect of which it was made unless and until payment in full has been received in the currency in which it is payable under the Security and, to the extent that the amount of any such payment shall, on actual conversion into such currency at the Exchange Rate, fall short of the amount of the obligation expressed in that currency, the Customer shall be liable for the shortfall.
- 8.5 Any moneys paid to the Bank by or on behalf of the Customer may be applied in or towards satisfaction of such Account(s) as the Bank may determine in its absolute discretion.

- 8.6 Without prejudice to the generality of Clause 8.1 of this Section B and subject to any other separate agreement between the Bank and the Customer, interest for the outstanding amount of the No Bounce Cheque Protection Facility shall be charged at the rate for the time being chargeable for unauthorized overdraft.
- 8.7 All payments by the Bank are subject in all cases to applicable tax laws and regulations. Where applicable laws require withholding or deduction of taxes, the Bank may, but shall not be obliged to, gross up any amount payable under these General Terms and Conditions or applicable Specific Terms and Conditions, and the Customer will only be entitled to the net amount after such withholding or deduction. **The Customer will promptly reimburse the Bank on demand an amount equal to all taxes, duties or other amounts on or calculated by reference to, any sum received or receivable from the Customer, paid or payable by the Bank should the Bank be required to, at any time, pay such taxes, duties or other amounts.**
9. **Currency Exchange Transactions**
- 9.1 The Bank shall only accept Instructions for currency exchange Transactions for such currencies as the Bank may from time to time prescribe.
- 9.2 The actual bid and offer prices of any currency exchange Transaction will be determined at the time when such Transaction is effected. Any exchange rate which may have been quoted by the Bank or its representatives at any time for the purpose of such Transaction is for indication only and the Bank is entitled to effect such Transaction at the Exchange Rate prevailing in the relevant foreign exchange market at the time when such Transaction shall be effected.
- 9.3 Any request for amendment, cancellation or reversal of an Instruction to effect a currency exchange Transaction shall be at the entire discretion of the Bank and subject to such conditions as the Bank may prescribe. **The Customer shall be responsible for all charges, costs, expenses and losses that may be incurred as a result of such amendment, cancellation, or reversal of Instruction.**
10. **Exchange Rate**
- The Bank shall be entitled to effect any payment in relation to the Account(s) in any currency as the Bank may prescribe. Where a conversion of one currency into another currency is required under the Client Agreement and, if applicable, the Security, such conversion shall be calculated at the Exchange Rate and the Customer shall be responsible for any charges, costs, expenses and losses that may be incurred as a result of such conversion.

APPENDIX B1: SPECIFIC TERMS AND CONDITIONS FOR AUTOMATED TELLER MACHINE SERVICE

These additional terms and conditions are a set of Specific Terms and Conditions referred to in the General Terms and Conditions.

- The Customer may from time to time apply for an ATM card ("ATM Card") and agrees that each ATM Card is issued by the Bank subject to the General Terms and Conditions, these Specific Terms and Conditions and such other terms as may be agreed between the Customer and the Bank in relation thereto.
- The ATM Card is issued for use on any ATM or any direct debit services of the Bank (or such ATM or direct debit service of any third party(ies) acceptable to the Bank).
- The ATM Card is and will be, at all times, the property of the Bank and the Customer shall surrender the ATM Card to the Bank immediately upon the Bank's demand.
- The ATM Card will only be used by the Customer and is not transferable.
- The Bank will issue a personal identity number ("PIN") for the ATM Card to the Customer at such time and in such manner as the Bank think fit. **The Customer should destroy the original printed PIN immediately and should not allow any other person to use the ATM Card or disclose the PIN to any person. The Customer should not write down the PIN on the ATM Card or record the PIN without disguising it.** The Customer may change the PIN at any ATM. However, the Customer's telephone numbers, identity card or passport numbers and other easily accessible personal information should not be used as the Customer's PIN. The Customer should not use the same PIN for the ATM Card and for accessing other services, whether banking or not (for example, connection to the internet or accessing other websites).
- The Customer shall at no time and under no circumstances disclose the Customer's PIN to any person. The Customer shall be fully responsible for all Transactions effected through use of the ATM Card by any person whomsoever whether or not authorized by the Customer. The Customer shall report to the Bank immediately in writing of any loss of the ATM Card or disclosure of the PIN to any person. **The Customer will be responsible for all Transactions effected through use of the ATM Card not authorized by the Customer before the Bank has received report of the loss of the ATM Card or disclosure of the PIN. The Customer will also be liable for all losses if the Customer acts fraudulently or with negligence.**
- Notwithstanding the terms of any Account mandate or other agreement between the Customer and the Bank governing the operation of the Customer's Account, the Bank is hereby authorized, but is not obliged, to accept and act upon Instructions given or purported to be given by the Customer through use of the ATM Card in connection with any of the Customer's Accounts specified by the Customer for the purpose of the Customer's Card and acceptable to the Bank.
- The scope of Transactions which may be effected through use of the ATM Card shall be determined by the Bank and notified to the Customer from time to time.

Section C TERMS AND CONDITIONS FOR INVESTMENT SERVICES

The Customer shall read and understand the risk disclosure statements contained in the Account Opening Forms prior to entering into any investment Transaction.

The Customer acknowledges that each investment product may be subject to the terms and conditions set out in the relevant Offering Documents which may be provided by the Bank from time to time. The Customer shall refer to the terms and conditions and any information as set out in the Offering Documents prior to investing in any financial products. In the event of any conflict between these General Terms and Conditions and the terms and conditions contained in the Offering Documents, the latter shall prevail.

1. Definitions

Affiliate means, in relation to a party, an individual, corporation, partnership or any other form of entity directly or indirectly controlling, controlled by or under common control with such party or any of such entities' directors, officers or employees.

Asset-Linked Investment Products are investment products (whether in the form of a deposit, note or other form) linked to Underlying Assets.

Close-out Amount has the meaning ascribed thereto in Clause 13.2(d) of this Section C.

Offering Document means any prospectus, term sheet, information memorandum, constitutional documents, product specifications and any other offering document and contractual terms issued in respect of the offering of an investment.

Settlement Account means such of the Customer's Account with the Bank designated as the settlement account in the Account Opening Form or such of the Customer's other Account with the Bank as the Customer may notify the Bank in writing from time to time or as specified in the relevant order form(s) or Instructions.

Underlying Asset means the share or shares, currency or currencies, index or indices, interest rate or interest rates, credit or such other asset(s) or thing(s) specified as such in Offering Document and/or the Confirmation relating to that Asset-Linked Investment Product or any other applicable investment product.

2. Investment Account

- The Customer shall open and maintain investment services Accounts for recording all of the Customer's purchase, application, subscription, redemption, sale, switching of, provision of custody for, or transfer or other dealings in any of the Customer's Securities and other investments including without limitation in stock trading, bond, unit trust and mutual fund schemes, Asset-Linked Investment Products, certificates of deposit, high yield deposits and derivative instruments, each as may be acceptable to the Bank and made pursuant to these General Terms and Conditions.
- The Bank is hereby authorized to, upon receipt of any Instruction from the Customer in a form acceptable to the Bank and subject to the terms and conditions in any relevant Offering Document, purchase, subscribe, apply for, redeem, sell, switch or otherwise deal in Securities, receivables, and other investments products as the Customer's agent held in or for the Customer's Account with such terms and conditions as may be agreed between the parties and as set out in relevant Confirmation or any other documentation. However, the Bank shall be entitled, at its discretion (such discretion not to be exercised in an unreasonable manner), to refuse to accept any Instruction for the same and shall not be obliged to give reasons for such refusal and **shall not be liable to the Customer for any loss whatever arising out of or in connection with its not accepting or acting on these Instructions or omitting to notify the Customer save in the event of gross negligence, fraud or willful default on the part of the Bank.** Where applicable, any order placed shall be subject to the final confirmation of the management company, distribution agent, issuer or distributor of the relevant investment. Any purchase, application, subscription, redemption, sale, switching or disposal of Securities or other investment will be effected subject to the Offering Document of the

relevant investment (if any). The Customer shall read and understand such Offering Document before giving any Instruction to the Bank in relation thereto. In respect of derivative products, including futures or options, the Bank shall provide to the Customer (1) copy of the Offering Document available upon Customer's request and (2) a full explanation of margin procedures and the circumstances under which a customer's positions may be closed without the Customer's consent (if applicable).

- 2.3 The contractual terms of any Transaction may be set out in a Confirmation or any similar document which may be provided by the Bank in accordance with Applicable Regulations. The Customer agrees that each investment will be subject to these General Terms and Conditions, relevant Specific Terms and Conditions (if any), the relevant Confirmation (if any) and such other terms as may be agreed between the Customer and the Bank in relation thereto.
- 2.4 The Customer shall ensure that there are sufficient funds in the Settlement Account (or such other Account as may be agreed between the Bank and the Customer from time to time) prior to placing any purchase, subscription, or application Instructions and shall not withdraw such funds any time before the start date of the relevant Transaction.
- 2.5 The Bank does not warrant to the Customer the value or merit of any Securities or other investment entered into by the Customer pursuant to the Client Agreement.
- 2.6 **This clause does not apply to Corporate Professional Investors (where the Bank has complied with paragraphs 15.3A and 15.3B of the Code) or Institutional Professional Investors under the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.** If the Bank solicits the sale of or recommend any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities and Futures Ordinance ("**Applicable Financial Products**") to the Customer, the Applicable Financial Products must be reasonably suitable for the Customer having regard to the Customer's financial situation, investment experience and investment objectives. No other provision of these Terms and Conditions or any other documents the Bank may ask the Customer to sign and no statement the Bank may ask the Customer to make derogates from this clause. For the purposes of this clause, "leveraged foreign exchange contracts" refer to those leveraged foreign exchange contracts traded by persons licensed for Type 3 regulated activity.

3. Transactions

- 3.1 The Bank may from time to time at the Customer's request enter into one or more Transactions with the Customer. Notwithstanding Clause 2.2 above, the Bank reserves the right not to accept any of the Customer's Instructions to enter into Transactions without giving any reason therefor and nothing in these General Terms and Conditions or any Specific Terms and Conditions shall oblige the Bank to enter into any Transaction with the Customer. The Bank will send a Confirmation to the Customer as soon as possible if it agrees to accept the Customer's Instruction to enter into a Transaction.
- 3.2 The Customer understands and confirms that for any Transactions to be effected by the Bank, the Bank may:
- (a) enter into such Transaction as principal or counterparty of the Customer;
 - (b) enter into such Transaction as agent of a third party (whether or not the Bank acts as agent of the Customer also); or
 - (c) enter into such Transactions as agent of the Customer,
- and the Bank shall be entitled to all rebates, commission, remuneration, profit and other benefit received pursuant to Clause 11 of Section A of these General Terms and Conditions.

4. Dealing Practices

- 4.1 The Bank may effect the Customer's Transactions in such manner and through any Affiliate, Group Company, agent, members of any Exchange or clearing house, nominee, or brokers in the relevant markets as the Bank may absolutely decide. The Bank will usually act as the Customer's execution agent, and if the Bank acts as principal to the Transactions, this will be disclosed to the Customer in the relevant Confirmation.
- 4.2 Transfer of Securities and other receivables or deliverables into or out of the investment services Account is subject to the agreement of the Bank (such agreement may be withheld by the Bank without giving any reason or may be granted on such conditions as the Bank may think fit). If the Bank agrees to the same, then:
- (a) in respect of transfers of Securities and other receivables into the investment services Account, the Customer shall arrange for and instruct the transfer of the Securities and other receivables from the transferring party to the Bank at the Customer's costs and expenses. The Securities and other receivables will not be credited to the investment services Account of the Customer until the Bank has received the relevant Securities and other receivables;
 - (b) in respect of transfers of Securities or deliverables out of the investment services Account, the Bank will as soon as reasonably practicable after receipt of an Instruction to such effect arrange for the transfer of the Customer's stipulated investment(s) in the investment services Account to a third party nominated in the Instruction provided always that:
 - (i) the Customer is responsible for procuring the third party to receive the Securities or deliverables so transferred from the Bank and for all the handling and transfer fees and charges for such transfer;
 - (ii) the Securities or deliverables may not be transferred when they are being processed for transfer to and registration in the Bank's name or the name of a Custodial Agent (if any) or a nominee; and
 - (iii) the Customer is not indebted to the Bank.
- 4.3 Deposits or withdrawals by physical delivery of scrips or documents (if any) for Securities or other investments to or from the Bank will not be allowed unless otherwise agreed by the Bank.
- 4.4 The Customer undertakes that the Customer will not give any Instruction which involves the sale of Securities or other investments which the Customer does not own or which is in breach of any selling restriction applicable to such Securities or investments.
- 4.5 The Bank may determine the priority in the execution of Instructions having due regard to market practice, Applicable Regulations and fairness to all customers.
- 4.6 The Bank may, without prior reference to the Customer, combine for execution the Customer's Instructions with the Instructions of other customers. Where there are insufficient Securities or investments of the kind to satisfy Instructions so combined, the transactions will be allocated between customers with due regard to market practice and fairness to customers provided that the orders of customers shall have priority over orders of the Bank for its own account.
- 4.7 By reason of physical restraints and rapid changes of prices of Securities or other investments, the Bank may not always be able to execute Instructions in full or at the prices quoted at any specific time or "at best" or "at market" and the Customer agrees to be bound by such executions.
- 4.8 It is the Customer's responsibility to check with the Bank as to whether any of the Customer's Instructions has been executed. Following execution of an Instruction, the Bank will send a Confirmation and/or periodic statements summarizing various matters in relation to the investment services Account over the period covered by the statement where required by Applicable Regulations, and/or as otherwise agreed by the Bank from time to time. Save and except for such Confirmations and periodic statements, the Bank shall not be obliged to notify the Customer separately as to whether the Customer's Instruction has been executed. The Customer agrees that it is the Customer's responsibility to ensure that every Confirmation and periodic statement is received in due time according to the ordinary course of posting and to immediately enquire with and obtain the same from the Bank if not duly received.
- 4.9 Securities or other investments may not be withdrawn or redeemed or sold at any time before the agreed settlement or maturity date.
- 4.10 The Customer hereby undertakes not to withdraw from the Settlement Account the amount which is, in the opinion of the Bank, sufficient to cover any purchase, application or subscription amount together with the relevant charges and expenses after the Customer has given an Instruction for a purchase, application or subscription Transaction.
- 4.11 The Bank is authorized to withdraw at its discretion on the transaction date or settlement date of a purchase, application or subscription Transaction or such other time(s) as may be necessary an amount sufficient to settle the relevant purchase, application or subscription together with the relevant charges and expenses liable to be incurred in connection with such Transaction from the Settlement Account or any Account as may be determined by the Bank.
- 4.12 **The Customer will reimburse on demand any premium which the Customer may be required to pay and for any losses, fees, expenses (including reasonable legal expenses), and reasonable costs, in each case on a full indemnity basis in connection with the Customer's settlement failure.**
- 4.13 **The Customer agrees that the Bank may dispose of or initiate a disposal of the Securities and other investments in the Customer's relevant Account(s) for the purpose of settling any liability owed by the Customer to the Bank or any of its associated entities (as defined in the SFO) without giving prior notice to or seeking Instructions from the Customer.**

- 4.14 The Customer hereby agrees that the Customer shall not be entitled to withdraw, transfer out or have any right to receive the proceeds of any Transaction unless all its present and future, joint or several, direct or indirect, actual or contingent liabilities have been unconditionally and irrevocably paid and discharged in full or with the Bank's consent.
- 5. Settlement**
- 5.1 Where the Bank has entered into a Transaction on the Customer's behalf, the Customer will by the settlement date as required by the Bank or the relevant Exchange or clearing house make payment of cleared funds or delivery of Securities or such other investments in deliverable form to the Bank. Should the Customer fail to do so by the settlement date, the Bank is hereby authorized in its absolute discretion:
- (a) in the case of a purchase Transaction, to transfer or sell any Securities or such other investments in the relevant Account (including the purchased Securities or other investments) or to transfer the relevant amount from any of the Customer's Accounts (including the Settlement Account) with the Bank to satisfy the obligations; or
 - (b) in the case of a sale Transaction, to borrow and/or purchase such sold Securities or other investments as are necessary to satisfy the settlement obligations.
- 5.2 The Customer shall duly and promptly pay all calls which may from time to time be made in respect of any unpaid moneys under any of the Transactions from time to time in the Account and duly and promptly pay any other moneys which the Customer may lawfully be required to pay in respect of any of the Transactions from time to time in the Account. **In default the Bank may, if it thinks fit, make such payments on the Customer's behalf and any sums so paid by the Bank shall be repayable by the Customer on demand, together with any reasonable costs or expenses (including any reasonable legal expenses) incurred by the Bank as a result.**
- 5.3 Notwithstanding any provision contained herein, the Bank is entitled to:
- (a) refuse to execute any Instruction for purchase, application or subscription Transaction unless the Customer has made available to the Bank cleared funds in the Settlement Account (or any other Account as determined by the Bank) of an amount which is, in the opinion of the Bank, sufficient to cover the relevant purchase, application or subscription amount together with the relevant charges and expenses liable to be incurred in connection with such purchase, application or subscription; and
 - (b) not execute any Instruction for redemption, sale or switching Transaction unless the Customer has deposited the relevant Securities or investment with the Bank in an account designated by Bank (if any) for that particular Securities or investment before giving the relevant Instruction.
- 5.4 Where any payment of funds or Securities is to be made by the Bank, such payment shall be made on the settlement date as stated in the Offering Document and/or the Confirmation or as otherwise notified by the Bank, and subject to the condition that no Event of Default has occurred or that the Transaction has not been terminated for whatever reason. The Bank may at its discretion make payment in a currency other than the Transaction currency at the Exchange Rate.
- 5.5 All currency exchange risks in respect of any Transaction, settlement, action or step taken by the Bank hereunder will be borne by the Customer.
- 6. Termination of Transactions or Services**
- Where a Transaction is terminated pursuant to Clause 13 of Section A, the Bank will determine in good faith, for each terminated Transaction or Service, the amount of its loss (expressed as a negative amount) or profit (expressed as a positive amount) as a result of the termination of such Transaction or Service on the day the Event of Default occurred (or such later date as the Bank deems appropriate), and will notify the Customer of the amounts determined. The net sum of such profits and losses for all terminated Transactions or Services will be immediately due and payable, by the Customer in the case of a negative amount, or by the Bank, in the case of a positive amount, but without prejudice to the Bank's rights of set-off.
- 7. Adjustment and Market Disruption**
- 7.1 The Bank may, upon the occurrence of an adjustment event such as without limitation, any corporate actions that may be undertaken by issuers of securities that form the Underlying Assets, make adjustments to the strike price (or such other prices as may be determined by the Bank), the closing price and quantity of the Underlying Asset to be delivered, the exchange or interest rate or index level prevailing at the time of closing (as applicable) or any other terms of Asset-Linked Investment Products or other investment which is subject to this provision, or change the Underlying Asset required to be delivered to such other assets as it may advise the Customer. Any adjustment to be made by the Bank upon the occurrence of an adjustment event shall be made in good faith and in a reasonable manner taking into account the market practices. The Customer should refer to the Offering Document and/or any relevant Confirmation for details on events that may be adjustment events for all Asset-Linked Investment Products and the specific adjustment events which may apply to each Asset-Linked Investment Product. The Bank will notify the Customer as soon as an adjustment has been made as aforesaid.
- 7.2 The Bank may upon the occurrence of a market disruption event postpone any relevant dates of an investment to a date on which there is no market disruption event. The Bank shall exercise reasonable discretion taking into account the conventional market practice when the Bank postpones any dates or adjusts any prices or rates as a result of a market disruption event. The maturity or settlement date of the relevant investment may also be postponed accordingly as a result of any exercise of the Bank's rights pursuant to this Clause. The Customer should refer to the Offering Document and/or any relevant Confirmation for details on events that may be market disruption events for all Asset-Linked Investment Products and the specific market disruption events which may apply to each Asset-Linked Investment Product. **For the avoidance of doubt, no interest will be payable in respect of the postponed period.**
- 8. Maturity or Settlement on a non-Business Day**
- If the maturity date or settlement date of an investment falls on a day which is not a Business Day, the investment shall be deemed to mature or settle (as applicable) on the immediately following Business Day but during such postponed period, interest will accrue at such rate as may be determined by the Bank according to its prevailing practice instead of the rate as fixed in the relevant Confirmation.
- 9. Repayment**
- 9.1 Repayment of returns (if any) in investments will be subject to the terms specified in the relevant Offering Document and/or Confirmation, or as otherwise specified by the Bank from time to time. The Bank shall not be liable to make repayment, payment of any interest or other distribution, or to deliver any Underlying Assets deliverable before it has received the same from the relevant counterparty. Without prejudice to the foregoing, repayment (if any) may be subject to the following provisions (among other provisions):
- (a) Payment of principal, interest and other distributions: The amount of principal, interest, and other distributions payable or Underlying Assets deliverable (as applicable) at the time of repayment (whether at maturity or settlement or earlier) will depend on the performance of the Underlying Assets, market conditions and/or other factors prevailing during the term of the investment and at maturity.
 - (b) Delivery of cash or Underlying Assets: Repayment may be in the form of cash or by delivery of Underlying Assets (equivalent in value to the amount of cash payable) or as otherwise specified by the Bank.
 - (c) Repayment in different currencies: The Bank may have the right to, at its absolute discretion, to make repayments and any interest or other distributions thereon payable by the Bank to the Customer in a currency other than the Transaction currency.
 - (d) Non-recovery of investments: The return on investments may be positive or negative. The amount repayable may be more than or less than the full amount of the Customer's investments and the Customer may not receive repayment of all or any of his investments.
 - (e) Delay in repayment: Repayment may be delayed due to factors beyond the control of the Bank, such as, without limitation, market conditions, failure of telecommunications or electronic systems, and events commonly known as force majeure events.
 - (f) Others: Repayment will be subject to any specific terms and conditions that may be stipulated in the Offering Documents, Confirmations or any other applicable documentation. The Customer must review all documentation that he may receive from the Bank in relation to any proposed investment prior to committing himself to the investment.
- 9.2 Where repayment is to be made by physical delivery of Underlying Asset, the Bank may, but is not obliged to, repay the relevant amount in funds using the closing price (if any) of the Underlying Asset on the maturity or settlement date (as applicable) as at the time the price is calculated, without giving reason therefor.
- 9.3 Where the Underlying Asset is in the form of Securities, if the Bank is required to deliver any Underlying Assets which comprises odd lot shares to the Customer, the Bank may, but is not required to, deliver such quantity of the Underlying Asset to the Customer such that they form board lots of such shares. In such a case, the Bank shall pay an amount representing the value of the remaining amount of the Underlying Asset required to be delivered calculated

using the closing price of the relevant Underlying Asset as at the time on which the closing price is calculated. **All fees, charges, levies, expenses, stamp duty and taxes in connection with the delivery of the Underlying Asset or other similar assets to the Customer in and which are customarily payable in connection with the purchase of such Underlying Asset or other asset shall be borne by the Customer solely.**

- 9.4 The Bank will refer to such external source(s) of information as it believes in good faith to be appropriate for the purposes of determining any closing price or rate. Such external source(s) of information may include Reuters screen, Telerate page, reference dealers, option providers, quotation or price provided by the relevant Exchange as stipulated in the Offering Document and/or the relevant Confirmation, any official government rates or any other sources deemed to be appropriate from time to time by the Bank. Under all circumstances, the determination of the Bank shall be final and conclusive.

10. Custodian and Nominee Services

- 10.1 The Customer agrees that any Securities or other investments deposited with the Bank by the Customer or purchased or applied or subscribed for by the Bank for the Customer may, at the absolute discretion of the Bank, either be treated as fungible and pooled with the other like investments held by the Bank's other customers or specially allocated to an Account held in the name of the Customer. The Customer agrees that in the event of any dividends or other distributions or benefits accruing, or any losses however arising (including losses resulting from a reduction in the number or amount of Securities or other deliverables available for delivery) being suffered, in connection with any given Securities or investments held like with like, the Settlement Account or any other Account at the Bank's determination shall be credited for such dividends, distributions or benefits made to the Customer or, as the case may be, the Settlement Account or any other Account at the Bank's determination shall be debited with the proportion of such loss equal to the proportion of the total number or relative amount of Securities or such other investments which shall comprise Securities or other investments forming part of the Settlement Account.
- 10.2 The Bank shall not be obliged to endeavor to procure the registration of any transfers of Securities or investments received by the Bank for the credit of the Customer's Account(s).
- 10.3 Any cash held for the Customer, other than cash received from the Customer for the purpose of settling the Customer's Transactions, will be credited to the Settlement Account or any other Account (whether denominated in HKD or otherwise) of the Customer as the Bank may in its absolute discretion deem fit.
- 10.4 Any Securities or other investments deposited by the Customer with the Bank or purchased, applied or subscribed for by the Bank on the Customer's behalf, and held by the Bank for safe-keeping shall be registered by the Bank in the name of the Customer, the Bank's nominee, the Custodial Agent or, if permitted under Applicable Regulations, in the name of the Bank.
- 10.5 Where applicable, the Customer acknowledges that if the Securities or investments are registered in the name of a Custodial Agent, the Securities or investment will be held by the Custodial Agent on its standard terms and conditions as may from time to time be in force. The Bank, its nominee or the Custodial Agent (as applicable), unless otherwise required by any Applicable Regulations or contractual or other obligations to do so, shall not be obliged to forward any Offering Documents, notices, proxies, reports, or other documents or communications in respect of the Customer's Securities or other investments to the Customer. Notwithstanding the aforesaid, if the Bank, its nominee or the Custodial Agent (as applicable) at its discretion determines that any action is required in respect of such Securities or investment and the Customer cannot be contacted or fail to give the Bank punctual or adequate Instructions for such action, the Customer hereby authorizes the Bank, its nominee or the Custodial Agent (as applicable) to act on the Customer's behalf as they in their absolute discretion deem fit, including without limitation, exercising any voting rights in respect of the Securities or investments of which the Customer is the beneficial owner but which are registered in the name of the Bank, the Bank's nominee or the Custodial Agent (as applicable) and the Bank and its nominee or the Custodial Agent (as applicable) shall not be liable, in the absence of gross negligence, fraud or willful default, for such action it may take. **The Customer undertakes to indemnify the Bank and its nominee or the Custodial Agent (as applicable) against all reasonable costs, charges and expenses that may be incurred by them in respect of investments held by them for safe-keeping in the Customer's investment services Account.**
- 10.6 The Customer shall duly and promptly pay all calls which may from time to time be made in respect of any unpaid moneys under any of the Securities or other investments from time to time in the investment services Account and duly and promptly pay any other moneys which the Customer may lawfully be required to pay in respect of any of the Securities or investment from time to time in the investment services Account. In default the Bank may, if it thinks fit, make such payments on the Customer's behalf and any sums so paid by the Bank shall be repayable by the Customer on demand, together with any reasonable costs or expenses incurred by the Bank as a result.
- 10.7 Where Securities or other investments deposited with the Bank are not registered in the Customer's name and distributions or benefits accrue in respect of such Securities or other investments, the Settlement Account or any other Account as the Bank shall determine in its absolute discretion shall be credited with the proportion of such distributions or benefits equal to the proportion of the total number or amount of Securities or investments which shall comprise Securities or other investments held on the Customer's behalf.

11. Currency and Taxation Indemnities

- 11.1 The receipt or recovery by the Bank of any amount in respect of the Customer's obligation in any currency other than the currency selected by the Bank, whether pursuant to a judgment of any court or under the Client Agreement, shall discharge such obligation only to the extent that, on the next succeeding Business Day following such receipt or recovery, the Bank shall be able to, in accordance with normal banking procedures, purchase the currency selected by the Bank with the currency received. **If the amount of the currency selected by the Bank so purchasable shall be less than the amount of the Customer's obligation, the Customer shall, as a separate obligation and notwithstanding any judgment of any court, indemnify on demand the Bank against any loss sustained by the Bank.**
- 11.2 (a) All payments to be made by the Customer under each Transaction or these General Terms and Conditions or any Specific Terms and Conditions shall be free and clear of all taxes, levies, imposts, duties, charges, fees, deductions, withholdings, restrictions or conditions of any nature (collectively called the "Taxes") now or hereafter imposed by any country, political sub-division or taxing authority. Should any such payments be subject to any such deduction, the Customer shall pay to the Bank such additional amount as may be necessary to enable the Bank to receive a net amount equal to the full amount which would have been received by the Bank had no such deduction been made.
- (b) In addition, the Customer agrees to pay any present or future stamp or documentary taxes or any other taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, any instrument delivered hereunder (collectively called the "Documentary Duties").
- (c) The Customer will indemnify the Bank on demand for the full amount of Taxes and/ or Documentary Duties (including any Tax payable thereon) paid by the Bank or any liability arising with respect thereto.

- 11.3 **All currency exchange risks in respect of any Transaction, settlement, actions or steps taken by the Bank under these General Terms and Conditions or any Specific Terms and Conditions will be borne by the Customer.**

12. Representations, Warranties and Undertakings

- 12.1 The Customer (or each of the individuals in the event of joint account holders or partnership) hereby warrants, represents and undertakes to the Bank in the following terms:
- (a) the Customer is acting as principal, not as trustee or agent for any other person, and is not trading on behalf of any other person unless the Bank is notified otherwise in writing and approves of the same;
- (b) (if applicable) the Customer has obtained and will maintain in full force and effect any necessary consents, licences and authorities;
- (c) the Customer will maintain a copy of these General Terms and Conditions and any applicable Specific Terms and Conditions and each Confirmation, record, periodic statement and evidence of any necessary authorization in the Customer's books and records;
- (d) the Customer will notify the Bank forthwith in writing upon any material changes in the information provided in the Account Opening Form, including, but not limited to, any change in the status (tax or otherwise) of the Customer. Until the Customer has given such notification to the Bank, the Bank shall be entitled to rely on the information contained in the Account Opening Form. The Bank is hereby authorized to conduct a credit enquiry or check on the Customer for the purpose of ascertaining the Customer's financial situation and investments objectives as set out in the Account Opening Form or otherwise;
- (e) these General Terms and Conditions and any Specific Terms and Conditions and their performance and the obligations contained herein do not and will not:

- (i) contravene any existing Applicable Regulations or any judgment, decree or permit to which the Customer is subject or any provision of the Customer's memorandum and articles of association or bye-laws (if applicable); or
 - (ii) conflict with or result in any breach of the terms of or constitute any default under any agreement or other instrument to which the Customer is a party or is subject or by which any of the Customer's property is bound;
 - (f) the Customer is not, except as previously disclosed in writing to the Bank, currently employed by any licensed corporation or registered institution as defined under the SFO;
 - (g) the Customer is and will remain the beneficial owner of the Account, and Securities, money, other investments and assets in the Account will be free from any lien, charge, equity or encumbrance save as created by these General Terms and Conditions or any Specific Terms and Conditions and the Customer will not charge, pledge or allow to subsist any charge or pledge over the Securities, investments moneys or assets in the Account or the Settlement Account or grant or purport to grant an option over any Securities in the Account without the prior written consent of the Bank; and
 - (h) the Customer is the person ultimately responsible for originating the Instructions in relation to and the person(s) that stands to gain the commercial or economic benefit of each Transaction in the Account and/or bear the commercial or economic risk (except where such other persons or entity has been disclosed in writing to and approved by the Bank).
- 12.2 The above representations and warranties in Clause 12.1 shall be deemed to be repeated immediately before each Instruction is given or executed.
- 13. Close-out**
- 13.1 All Transactions shall be deemed to have been terminated and cancelled automatically prior to the occurrence of any of the Events of Default. Upon the termination of all Transactions, the Bank shall be entitled without giving further notice or demand to the Customer to forthwith:
- (a) cancel all the Customer's outstanding orders in respect of Transactions placed with the Bank; and/or
 - (b) close out all outstanding Transactions (save and except such of the Transactions which may not under Applicable Regulations be closed out).
- 13.2 Closing out referred to in Clause 13.1 shall be proceeded in the following manner:
- (a) the various amounts which would have been deliverable by either party on the value date, being the date on which the parties shall be obliged (but for the provisions these General Terms and Conditions) to settle such Transaction ("Value Date"), of (or, if the outstanding Transaction has been rolled-over, on the deferred settlement date of) each outstanding Transaction shall be notionally converted into a common currency selected by the Bank at the Bank's absolute discretion at the Exchange Rate for the relevant currency at the time of conversion;
 - (b) each amount calculated in accordance with Clause 13.2(a) may, to the extent permitted by Applicable Regulations, be adjusted to present value by discounting the same from the relevant Value Date (or, if applicable, on the relevant deferred settlement date) to the close out date using the relevant discount rate as prescribed by the Bank at the time of adjustment, or (if required) such other rate as may be prescribed by the Applicable Regulations;
 - (c) (1) each of the amounts calculated in accordance with Clause 13.2(a) and 13.2(b) which is payable to the Bank by the Customer shall be aggregated into a single liquidated amount in the common currency; and (2) each of the amounts calculated in accordance with Clause 13.2(a) and 13.2(b) which is payable by the Bank to the Customer shall be aggregated into a single liquidated amount in the common currency;
 - (d) the "Close-Out Amount" is an amount equal to the single liquidated amount calculated under Clause 13.2(c)(1) minus the single liquidated amount calculated under Clause 13.2(c)(2). If the Close-Out Amount is a positive number, the Close-Out Amount shall be payable by the Customer to the Bank and if the Close-Out Amount is a negative number, the Close-Out Amount shall be payable by the Bank to the Customer; and
 - (e) the Close-Out Amount shall be adjusted to the extent permitted by Applicable Regulations to reflect any payment made by the Bank or the Customer to the other after the close out date.
- 13.3 A letter signed by any of the Bank's authorized officers setting out the Close-Out Amount and the manner in which it is calculated shall be conclusive and binding on the Customer.
- 13.4 The Close-Out Amount shall be deemed to be payable on the close out date notwithstanding that the Close-Out Amount may only be available thereafter.
- 13.5 Each of the Customer and the Bank agrees that the Close-Out Amount reflects a reasonable pre-estimate of loss and not a penalty. Such Close-Out Amount is payable for the loss of bargain and the loss of protection against future risks and, except as otherwise provided in these General Terms and Conditions or any Specific Terms and Conditions, neither of the Bank nor the Customer will be entitled to recover any additional damages as a consequence of such losses.
- 13.6 The Bank may, without giving prior notice to the Customer, close out all or any one or more of the outstanding Transactions and apply, set-off, sell or otherwise dispose of any proceeds under such Transactions in such manner as the Bank deems fit without giving prior notice to the Customer. Any such close out, set-off, application, sale and/or disposal may be effected in accordance with Clause 13.1(b).
- 13.7 The Bank is hereby authorized to apply the proceeds received by the Bank (after deducting any expenses incurred) pursuant to the exercise of the powers referred to in Clauses 13.1 or 13.6 towards repaying all or any amount owing due to the Bank in such manner as the Bank deems fit and the Customer covenants to pay the Bank forthwith upon the Bank's demand any shortfall thereof.

14. Statements

In addition to the monthly statement of account which the Bank will issue to the Customer in accordance with Applicable Regulations, the Bank will also prepare and issue such Confirmation, acknowledgement or other statements of account (as applicable) to the Customer in such manner as may be required by the Applicable Regulations in force from time to time.

15. Miscellaneous

- 15.1 Upon termination of the Client Agreement, the Customer will immediately repay to the Bank any amounts due or owing to it.
- 15.2 The Customer shall withdraw all Securities, investments, assets and other properties in the investment services Account upon termination of the Client Agreement within seven (7) days from the date of termination. Failing which, the Bank may on the Customer's behalf sell any of such Securities, investments, assets or properties in the market at such prices and on such terms as it deems fit and return to the Customer a cheque representing the net sale proceeds in the investment services Account.
- 15.3 Either party will notify the other in the event of any material change to the information in the Client Agreement.
- 15.4 Securities and other investment transactions effected by the Bank on the Customer's behalf are subject to the Applicable Regulations, customs, usage, rulings and interpretations and transaction levies of the relevant market, exchange, clearing house or jurisdiction as amended from time to time.
- 15.5 The Customer agrees that the Bank may dispose of or initiate a disposal of the Securities or other investments in the investment services Account for the purpose of settling any liability owed by the Customer to the Bank or any of its associated entities (as defined in the SFO).
- 15.6 The Customer agrees that the Bank may send any notice, communication, confirmation, contract note and statement of account in electronic form.

16. Single and Continuous Agreement

- 16.1 These General Terms and Conditions shall be continuous and shall cover all Securities and other investment Transactions which the Customer may enter into with the Bank from time to time. Unless otherwise agreed, each Transaction shall be governed by these General Terms and Conditions, the applicable Specific Terms and Conditions (if any) and the relevant Confirmation. Each Confirmation shall be supplemental to and form a part of the Client Agreement.
- 16.2 In the event of inconsistencies between a Confirmation and these General Terms and Conditions, the terms of the Confirmation shall prevail insofar as the relevant investment is concerned. At all times, these General Terms and Conditions together with the Specific Terms and Conditions and the relevant Confirmations shall constitute the single and only agreement between the Bank and the Customer with respect to any relevant investment established by the Customer from time to time.

APPENDIX C1: TERMS AND CONDITIONS FOR ONE ACCOUNT

These Terms and Conditions are a set of Specific Terms and Conditions referred to in the General Terms and Conditions which I/we have agreed to be bound by. I/We may from time to time apply to open an One Account with China CITIC Bank International Limited (the "Bank") of 61-65 Des Voeux Road Central, Hong Kong (a registered institution under the Securities and Futures Ordinance (Cap 571) with C.E. Number AAF138), and agree that the One Account will be subject to these Terms and Conditions, the General Terms and Conditions and such other terms as may be agreed between me/us and the Bank in relation thereto.

Part 1: General Terms and Conditions for One Account

- 1. Definitions and Interpretation

- 1.1. In these Terms and Conditions, the following words and expression shall have the following meanings unless otherwise defined:
- “Account Opening Form”** means the One Account Opening Form (or any other account opening form in respect of my/our Investments) in such form as may be prescribed by the Bank which contains such information about me/us as the Bank may require;
- “Affiliate”** means, in relation to a party, an individual, corporation, partnership or any other form of entity directly or indirectly controlling, controlled by or under common control with such party or any of such entities’ directors, officers or employees;
- “Agent”** means any Affiliates, members of any exchange or clearing house, brokers, agents or other intermediaries in the relevant markets;
- “Bonds”** means any bonds or notes (including but not limited to structured notes) of or issued by, anybody, whether incorporated or unincorporated, or of any government or local government authority and includes any right, option or interest in or over any of the foregoing;
- “Currency-Linked Deposit”** has the meaning as defined in Part 4 of these Terms and Conditions;
- “Custodial Agent”** means the Bank or such agents, correspondents, sub-custodians or nominees in Hong Kong or elsewhere employed by the Bank as it thinks fit to hold Investments or other assets, to pay for and, receive or to deliver or exchange or to make collections with respect to Investments or other assets or otherwise to perform any of the Bank’s duties as custodian hereunder and shall include (for the avoidance of doubt) clearing systems;
- “Investments”** means any investments (including Currency-Linked Deposits, Securities and other investment products) which may be made available to, subscribed, purchased, sold, established, deposited or held by/for me/us under these Terms and Conditions;
- “Offering Document”** means any prospectus, information memorandum and any other constitutional documents issued in respect of the offering of an investment product;
- “One Account”** means any account for and recording my/our Investments, cash balance transactions made pursuant to these Terms and Conditions opened by the Bank in its books in my/our name, including any sub-accounts opened in connection therewith;
- “Securities”** means any shares, stocks, debentures, loan stocks, unit trusts, funds, bonds, securities or notes of or issued by, any body, whether incorporated or unincorporated, or of any government or local government authority and any financial instrument acceptable by the Bank at its sole discretion and includes any right, option or interest in or over any of the foregoing as well as certificates of interest or participation in, or temporary or interim certificates for, receipts for, or warrants to subscribe to or purchase, any of the foregoing;
- “U.S.” or “United States”** means the United States of America; and
- “U.S. Person”** means (a) a citizen or resident of the United States; (b) a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof; (c) any estate or trust that is subject to United States federal income taxation regardless of the source of its income; (d) any corporation, partnership, trust, estate or other entity in which one or more individuals or entities described in (a), (b) or (c) acting singly or as a group has or have a controlling beneficial interest whether directly or indirectly and, in the case of a corporation or partnership, which is formed principally for the purpose of investing in securities not registered under the United States federal securities laws; or (e) any corporation, partnership or other entity, regardless of citizenship, domicile, situs or residence, if under the federal income tax laws of the United States ten percent (10%) or more of the ownership of any mutual fund would be attributed through such entity to any U.S. Person as defined in this Clause.
- 1.2. Clause headings are inserted for convenience only and shall be ignored in construing these Terms and Conditions.
- 1.3. Unless otherwise defined, terms defined in the General Terms and Conditions have the same meanings in these Terms and Conditions.
- 1.4. Unless the context otherwise requires, words importing the singular include the plural and vice versa and any gender includes all genders. Any reference in these Terms and Conditions to a “person” includes an individual, a company, sole proprietorship, partnership, trust or body unincorporated.
- 1.5. Any references in these Terms and Conditions to “including” or “include” means including or includes without limitation.
- 1.6. Unless the context otherwise requires, any reference to:
- (a) a Part, Section, Schedule or Annex is a reference to a part, section, schedule or annex of these Terms and Conditions; and
 - (b) a Clause in a Part, Section, Schedule or Annex is a reference to a clause in that Part, Section, Schedule or Annex.
- 1.7. Unless the context otherwise requires, (a) the terms and conditions of Part 1 and Part 5 apply to all Investments and related transactions; and (b) the terms and conditions of Part 2, Part 3 and Part 4 apply (in addition to the relevant terms and conditions of Part 1 and Part 5) to the specific Investments and related transactions as described therein. In the event of any inconsistency between any terms and conditions of Part 2, Part 3 or Part 4 and any terms and conditions of Part 1 or Part 5, the former shall prevail.
- 2. One Account**
- 2.1. I/We shall open and maintain the One Account for recording all my/our Investment transactions, holdings and cash balance made pursuant to these Terms and Conditions.
- 2.2. The operation of the One Account and in particular the manner in which and the times during which credits to and withdrawals from the One Account may be made may be subject to restrictions as advised by the Bank to its customers which the Bank may vary from time to time. The One Account also serves as an internal settlement account for investment, placement of Standby Secured Overdraft Facility or Private Banking Secured Revolving Credit Facility. Cash deposits into and cash withdrawals from the One Account are not accepted. I/We shall open and maintain other deposit account with the Bank for fund transfer from / to the One Account for cash deposits and withdrawals purpose.
- 2.3. The One Account will be a multi-currency account for transactions denominated in such currency(ies) as may be allowed by the Bank from time to time.
- 2.4. I/We authorize the Bank and its Agents to conduct any enquiry or check on me/us for the purpose of ascertaining and verifying my/our identity, creditworthiness, ongoing eligibility for the One Account or such purpose which the Bank and/or its Agents deems fit and other information at the time of opening of the One Account and at any time throughout the continuance of the One Account. The Bank and its Agents may at its discretion refuse to open the One Account and/or close any One Account which has been opened for me/us without giving any reason.
- 2.5. Unless the Bank otherwise prescribes, the One Account will be an interest bearing account with respect to the cash credit balance thereof. Interest on any cash credit balance of the One Account will accrue on a daily basis and at the rates for different types of currencies/deposit accounts published from time to time and/or advertised in the press by the Bank. For cash credit balance in Hong Kong Dollars, interest will be calculated on the basis of 365-day year (for ordinary years) and 366-day year (for leap years). For cash credit balance in Renminbi or United States Dollars, interest will be calculated on the basis of 360-day year. For cash credit balance in other currencies, interest will be calculated by the Bank with reference to the market practice. Interest earned will be calculated up to the immediate preceding day of the last day of each calendar month or at such interval and at such time as may be determined by the Bank from time to time. Interest earned will be credited monthly to the One Account in the last day of each calendar month.
- 2.6. The Bank is entitled to charge interest on any unauthorised overdraft in the One Account at the prevailing interest rate as determined by the Bank or such other interest rate agreed by the Bank.

3. Customer Information

To the extent that the Bank may deem necessary or advantageous to comply with applicable laws, rules, regulations or industry practices, the Bank may provide information about me/us or the One Account to third parties (including but not limited to any legal or regulating authority). Except as I/we shall instruct the Bank otherwise, the Bank may also provide information about me/us (including name, address and securities position) or the One Account to the issuer of my/our Investments for any purposes.

4. Service

The Bank is hereby authorized to buy and sell Investments for my/our One Account and otherwise deal with Investments or monies held in my/our One Account or for the One Account upon my/our instructions. Notwithstanding the foregoing, the Bank may refuse to accept any of my/our instructions upon such reasonable grounds as it deems fit and shall not be obliged to give reasons for such refusal. The Bank shall not be liable to me/us for any loss whatever arising out of or in connection with its not accepting or acting on these instructions or omitting to notify me/us of the same.

5. Cross-product Buying Power

If I/we have sold or otherwise disposed of any Investments in the One Account pending receipt of the settlement proceeds, the Bank may (but is not obliged to) allow me/us to enter into other new transactions to subscribe, acquire or establish any other Investments up to the full amount of the settlement proceeds. Without prejudice to any other rights the Bank may have, the Bank is entitled to apply all or any of the settlement proceeds which the Bank has received towards payment of any sum I/we owe to the Bank under such new transactions.

6. Settlement

6.1. Where the Bank has executed a purchase or sale transaction on my/our behalf, I/we will by the due settlement date as required by the Bank or the relevant exchange or clearing house make payment of cleared funds or delivery of the relevant Investments in deliverable form to the Bank. Should I/we fail to do so by the due settlement date, the Bank and its Agents are hereby authorized, in its absolute discretion:

- (a) in the case of a purchase transaction, to transfer or sell any Investments in the One Account (including the purchased Investments) or to transfer the relevant amount from any of my/our accounts with the Bank to satisfy the obligations;
- (b) in the case of a sale transaction, to borrow and/or purchase such sold Investments as are necessary to satisfy the settlement obligations; and
- (c) take any other action that they deem necessary or appropriate for protection of their interest and/or to remedy my/our default.

6.2. Notwithstanding Clause 6.1 above but without prejudice to Clause 4 above, the Bank is entitled to:

(a) not execute any instruction for purchase transaction unless I/we have made available to the Bank cleared funds in the One Account of an amount which is, in the opinion of the Bank, sufficient to cover the relevant purchase price together with the relevant charges and expenses liable to be incurred in connection with such purchase; and

(b) not execute any instruction for sale transaction unless I/we have deposited the relevant Investments with the Bank before giving the relevant instruction.

6.3. The Bank is entitled to withdraw, on the settlement date of a purchase transaction, a sufficient amount from the One Account to settle the purchase amount together with the relevant charges and expenses liable to be incurred in connection with such purchase.

6.4. In the case of a sale transaction, the Bank may at its sole discretion make an early payment to me/us by crediting an amount (in such amount as determined absolutely by the Bank in anticipation of receipt of the settlement proceeds of that transaction) into the One Account on or before the settlement date prior to the actual receipt of the cleared fund by the Bank or its Agents from the relevant exchange, clearing house or counterparty of that transaction. The Bank is entitled to apply any settlement proceeds of that transaction which it has received to discharge any such early payment. If the total settlement proceeds of that transaction which the Bank has received on the settlement date (or on any other subsequent date as determined absolutely by the Bank) is nil or less than the amount of the early payment and thus the early payment cannot be fully discharged by the settlement proceeds, I/we will be liable to pay any outstanding amount of the early payment to the Bank and the Bank is entitled to debit the same to any of my/our accounts with the Bank. I/We shall also indemnify any loss, damage or expense which the Bank may suffer or incur in connection with any such early payment made by the Bank to me/us.

6.5. I/We will reimburse any premiums which the Bank may be required to pay and for any losses, reasonable costs, fees and expenses (including reasonable legal expenses on a full indemnity basis) in connection with my/our settlement failure.

6.6. All currency exchange risks in respect of any transactions, settlement, actions or steps taken by the Bank under these Terms and Conditions will be borne by me/us.

6.7. If I/we have given instruction to the Bank to settle a transaction by funds in a currency other than the applicable currency for settlement of that transaction, the Bank may convert the funds into the applicable currency at such time as the Bank may consider appropriate for the settlement at the prevailing currency exchange rate as absolutely determined by the Bank notwithstanding that I am/we are not notified of the applicable currency exchange rate at the time of my/our instruction or the conversion.

7. Currency conversion of funds to be deposited into the One Account

I/We agree that, where the Bank receives funds as the proceeds of any Investment transaction or otherwise to be credited to my/our One Account and if such funds are in a currency other than one of the currencies of the One Account, the Bank may in its absolute discretion and without seeking instruction from or giving prior notice to me/us, convert the funds into one of the currencies of the One Account at the Bank's prevailing exchange rate on the date the funds are credited and I/we shall be responsible for any charges which may be levied in relation to such conversion.

8. Custodian and Nominee Services

8.1. I/We agree that any Investments deposited with the Bank by me/us or purchased by the Bank for the One Account may, at the absolute discretion of the Bank, either be treated as fungible and pooled like with the other investments held by its customers or specially allocated to the One Account. I/We agree that, in the event of any distributions or benefits accruing, or any losses however arising (including decimal losses resulting from a reduction in the number or amount of Investments available for delivery) being suffered, in connection with any given investments held like with like, the One Account shall be credited for payment made to me/us or, as the case may be, debited with the proportion of such loss equal to the proportion of the total number or amount of relative investments which shall comprise Investments forming part of the One Account.

8.2. The Bank shall not be obliged to endeavour to procure the registration of any transfers of Investments received by the Bank for the credit of the One Account.

8.3. I/We shall duly and promptly pay all calls which may from time to time be made in respect of any unpaid moneys under any of the Investments from time to time in the One Account and duly and promptly pay any other moneys which I/we may lawfully be required to pay in respect of any of the Investments from time to time in the One Account. In default, the Bank may, if it thinks fit, make such payments on my/our behalf and any sums so paid by the Bank shall be repayable by me/us on demand, together with any costs or expenses incurred by the Bank as a result.

8.4. I/We agree that in addition to any general lien or similar right to which the Bank may be entitled at law, the Bank may at any time without prior notice, combine or consolidate any or all of my/our accounts (wherever situate) with my/our liabilities and, in case where we are a corporation, the liabilities of any member of our group of companies to the Bank or any of its branches, sub-branches or subsidiaries and set off or transfer any sum or sums standing to the credit of any of my/our accounts in or towards satisfaction of the aforesaid liabilities to the Bank, whether such liabilities be primary, collateral, several, joint or in other currencies. The Bank shall have the right to appropriate either at the time of payment or at any time thereafter any money paid to the Bank or otherwise coming into the Bank's possession or control for my/our account in or towards discharging whichever part of my/our liabilities to the Bank as the Bank shall think fit.

8.5. Any cash held for me/us, other than cash received from me/us for the purpose of settling my/our Investment transactions, will be credited to the One Account.

8.6. Any Investments deposited by me/us with the Bank or purchased by the Bank on my/our behalf, and held by the Bank for safe-keeping may, at its discretion be either registered by the Bank in my/our name, in the name of Custodial Agent, or, if permitted under applicable laws, in the name of the Bank.

8.7. I/We acknowledge that if the Investments are registered in the name of Custodial Agent, the Investments will be held by the Custodial Agent on its standard terms and conditions as may from time to time be in force. The Bank or the Custodial Agent shall be under no responsibility to forward any notices, proxies or other documents or communications in respect of the Investments to me/us. Notwithstanding the aforesaid, if the Bank or the Custodial Agent at its discretion determines that any action is

required in respect of such Investments and I/we cannot be contacted or fail to give the Bank punctual or adequate instructions for such action, I/we hereby authorize the Bank or the Custodial Agent to act on my/our behalf as its absolute discretion think fit, including without limitation, exercising any voting rights in respect of Investments of which I am/we are the beneficial owner but which are registered in the name of the Custodial Agent and the Bank and the Custodial Agent shall not be liable, in the absence of fraud or wilful default, for such action it may take. I/We undertake to indemnify the Bank and the Custodial Agent against all reasonable costs, charges and expenses that may be incurred by them in respect of Investments held by them for safe-keeping on my/our behalf.

- 8.8. Where Investments deposited with the Bank are not registered in my/our name and distributions or benefits accrue in respect of such Investments, the One Account shall be credited with the proportion of such distributions or benefits equal to the proportion of the total number or amount of Investments which shall comprise Investments held on my/our behalf.
- 8.9. The Bank may not accept any Investments or other assets for deposit without giving any reason or prior notices.
- 8.10. The Bank will take reasonably practicable actions as it may consider necessary or expedient to enable it to provide services without prior notice to or consent from me/us. The Bank shall be entitled to return any Investments or other assets to me/us by registered post at the sole risk and expense of me/us or take any other actions which may affect my/our own interests if the Bank is no longer able to provide custodian and nominee service on a particular Investment for whatever reasons.

9. Limitations on Liability and Indemnity

- 9.1. Neither the Bank nor its Agents shall be liable for any losses, damages or costs that I/we may suffer as a result of any action taken by, or omission on the part of, the Bank or its Agents, except for such losses, damages or costs arising from gross negligence, fraud or wilful default by the Bank and/or its Agents. In particular, neither the Bank nor its Agents shall be held responsible for any consequences resulting whether directly or indirectly from any events not within its control including government restrictions, imposition of emergency procedures, exchange ruling, third party's conduct, suspension of trading, war, strike, market conditions, civil disorder, acts or threatened acts of terrorism, natural disasters, epidemics, pandemics, or any other circumstances beyond the control of the Bank or its Agents whatsoever.
- 9.2. Neither the Bank nor its Agents has any duty to advise me/us of any legal or regulatory requirement or restriction in respect of the ownership of the Investments or otherwise in connection with the One Account.
- 9.3. I/We hereby fully indemnify the Bank, its nominees and its Agents (including the Custodial Agents) against all claims, actions, liabilities, proceedings against any of the Bank, its nominees and its Agents (including the Custodial Agents) and bear any losses, reasonable costs, charges or expenses (including reasonable legal fees) which they may suffer in connection with their carrying out of obligations or services, or exercise of rights, powers or discretion under or in connection with these Terms and Conditions, including any action taken by the Bank to protect or enforce its rights, or its security interest hereunder whether or not as a result of any default or breach by me/us, save those resulting from the negligence, fraud or wilful default of the Bank.

10. Representations, Warranties and Undertakings

- 10.1. I/We hereby warrant and represent and undertake to the Bank in the following terms:
- (a) I am/we are not a U.S. person and that I am/we are not acting for, or on behalf of, a U.S. person. If my/our tax status changes and I/we become a U.S. citizen or resident of the United States, I/we must notify the Bank within thirty (30) days and I am/we are fully aware that any investment products that I am/we are holding will immediately be redeemed and sale proceeds will be subject to U.S. tax information reporting or any other reporting requirements under applicable U.S. laws. For purposes of complying with applicable U.S. tax laws and any other applicable U.S. laws, I/we waive any bank secrecy, privacy or data protection rights relating to the One Account;
 - (b) I am/we are a natural person and that I/we have attained the age of majority;
 - (c) I am/we are not a director(s), 10% or in excess of 10% beneficial shareholder(s) or policy-making officer(s) of a company publicly traded in the U.S.;
 - (d) I am/we are not domiciled in or resident in a country where there is any restriction or prohibition on my/our purchase or holding of any Securities. If I/we become resident in any such country, I/we will inform the Bank immediately and will if so required by the Bank sell or redeem any such restricted or prohibited Securities;
 - (e) I/we when purchasing or dealing in any Securities will ensure that I am/we are not subject to, and I am/we are not acting on behalf of any person who is subject to, any prohibition against the purchase or dealing in any such Securities, and I/we will not place any orders for the purchase or sale of Securities while located in the United States or in any other jurisdiction that may otherwise restrict or prohibit my/our purchase or sale of Securities;
 - (f) I am/we are acting as principal and not trading on behalf of any other person unless the Bank is notified otherwise in writing;
 - (g) I/we have obtained and will maintain in full force and effect any necessary consents, licences and authorities for my/our opening and maintaining the One Account and any actions I/we may take in connection therewith;
 - (h) I/we will maintain a copy of these Terms and Conditions and each confirmation of transaction, periodic statement and evidence of any necessary authorization in my/our books and records;
 - (i) the Account Opening Form is true and complete at the date hereof and I/we will notify the Bank forthwith upon any material changes in the information provided in the Account Opening Form. Until I/we have given such notification to the Bank, the Bank shall be entitled to rely on the information contained in the Account Opening Form. The Bank is hereby authorized to conduct a credit enquiry or check on me/us for the purpose of ascertaining my/our financial situation and investment objectives as set out in the Account Opening Form or otherwise;
 - (j) these Terms and Conditions and their performance and the obligations contained herein do not and will not:
 - (i) contravene any existing applicable law, statute, ordinance, rule or regulation or any judgment, decree or permit to which I am/we are subject or any provisions of my/our memorandum and articles of association or by-laws (if applicable); or
 - (ii) conflict with or result in any breach of the terms of or constitute any default under any agreement or other instrument to which I am/we are a party or is subject or by which any of my/our property is bound;
 - (k) I am/we are, except as previously disclosed in writing to the Bank, not an agent, affiliate, officer or employee of any exchange, board of trade, clearing house, bank or trust company, or an affiliate of any dealer in securities, or any broker or investment advisor, or an officer, partner, director, agent or employee of any securities broker, dealer, investment advisor, a participant of the Stock Exchange of Hong Kong Limited or a person registered with the Securities and Futures Commission;
 - (l) I am/we are and will remain the beneficial owner of the Investments in the One Account free from any lien, charge, equity or encumbrance save as created by the General Terms and Conditions or these Terms and Conditions and will not charge, pledge or allow to subsist any charge or pledge over the Investments or moneys in the One Account or grant or purport to grant an option over any Investment in the One Account without the prior written consent of the Bank; and
 - (m) I am/we are the person(s) ultimately responsible for originating the instructions in relation to and the person(s) that stands to gain the commercial or economic benefit of each transaction in the One Account and/or bear the commercial or economic risk, and I am/we are capable of bearing the full responsibility of such risk.
- 10.2. The above representations and warranties shall be deemed to be repeated immediately before each instruction is given or executed.

11. Fees and Charges

- 11.1. The Bank may impose fees or charges for providing any service under these Terms and Conditions. Such fees and charges are detailed in the Bank's schedule of charges published from time to time and displayed at the Bank's premises. The schedule will be provided to me/us upon request. The Bank may revise such fees and charges at its discretion upon prior notice to me/us. I/We agree that I am/we are deemed to have acknowledged and accepted such fees and charges upon usage of any service under these Terms and Conditions.
- 11.2. I/We shall also pay on demand any applicable custody fees and all applicable stamp duties, taxes and other levies or fees and expenses of any applicable jurisdiction.

12. Transaction Confirmations and Statements

- 12.1. The Bank will issue monthly consolidated statement of account to me/us within seven (7) business days after the end of each month. In addition to the monthly consolidated statement of account, the Bank will also prepare and issue transaction confirmation or such other statements of account relating to the One Account

to me/us in such manner as may be required by the applicable laws, regulations and codes of conduct from time to time. I/We undertake to examine the transaction confirmation and other statements of account carefully and to promptly notify the Bank in writing of any alleged error or irregularity.

- 12.2. All transactions and other information shown in the transaction confirmations will be binding on me/us unless the Bank receives notice of objection in writing within 90 days after I/we receive the transaction confirmation. The Bank reserves the exclusive right to determine the validity of my/our objection to the relevant transaction or information.

13. Not a Financial and Investment Advisor

- 13.1. I/We fully understand that any contract effected by me/us shall be made ultimately upon exercise of my/our own judgment and at me/our own discretion notwithstanding any information, suggestion or documents the Bank may have provided to me/us.
- 13.2. It is my/our responsibility to understand completely all of the relevant characteristics and consequences of each contract I/we enter into. I/We acknowledge that the Bank will not give any investment, legal, accounting or tax advice and will not advise me/us the nature or risks of any particular contract.
- 13.3. Save as otherwise expressly agreed in writing by the Bank, the Bank has not, does not and shall not in any event acted/act as or assumed/assume the role of an investment or financial advisor to me/us in respect of any investment(s). I/We shall remain liable for making my/our investment decisions based on my/our own judgment in view of my/our financial situation and investment experience and objectives.
- 13.4. I/We agree that the Bank will not, in the absence of any gross negligence or wilful default on its part, be liable for any inaccuracy or incompleteness of any information provided by the Bank or the performance or outcome of any contracts effected by me/us after receipt of any such information.
- 13.5. This Clause does not apply to Corporate Professional Investors (where the Bank has complied with paragraphs 15.3A and 15.3B of the Code) or Institutional Professional Investors under the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission. If the Bank solicits the sale of or recommend any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities and Futures Ordinance ("Applicable Financial Products") to me/us, the Applicable Financial Products must be reasonably suitable for me/us having regard to my/our financial situation, investment experience and investment objectives. No other provision of these Terms and Conditions or any other documents the Bank may ask me/us to sign and no statement the Bank may ask me/us to make derogates from this Clause. For the purposes of this Clause, "leveraged foreign exchange contracts" refer to those leveraged foreign exchange contracts traded by persons licensed for Type 3 regulated activity.

14. Applicable Rules and Regulations

- 14.1. All orders and transactions relating to Investments or the One Account shall be subject to the constitution, rules, regulations, customs and practices of the exchange, clearing house, market or settlement system where transactions are executed, to the terms of business of the Bank and its Agents and to the applicable laws and regulations in the relevant jurisdiction(s).
- 14.2. I/We undertake to comply with all the applicable laws and regulations and I/we are solely responsible for all filings, returns and reports relating to any Investments in the One Account or transactions concerning such Investments. I/We shall do all things required by the Bank in order to ensure compliance with the same.

15. Tax and Other Payments

- 15.1. I/We agree to pay any taxes, duties, impositions, charges or any other liabilities or payments payable in connection with the One Account and any transaction relating to the Investments.
- 15.2. The Bank and its Agents may on my/our behalf withhold and/or make payment of any taxes, duties, impositions, charges or any other liabilities or payments payable in connection with the One Account or any transaction relating to Investments.

16. Additional Terms and Conditions for Investment Transactions other than Currency-Linked Deposits

- 16.1. This Clause 16 applies to transactions relating to any of my/our Investments other than Currency-Linked Deposits.
- 16.2. The Bank does not warrant to me/us the value or merit of any Investment transactions entered into by me/us.
- 16.3. I/We shall withdraw any Investments and cash balances in the One Account upon termination of these Terms and Conditions within seven (7) days from the date of termination. Failing which, the Bank may on my/our behalf sell or redeem any of such Investments in the market at such prices and on such terms as it deems fit and return to me/us its cheque representing the net sale proceeds or redemption proceeds in the One Account.
- 16.4. I/We agree that the Bank may dispose of or initiate a disposal of the Investments in the One Account for the purpose of settling any liability owed by me/us to the Bank or any of its associated entities (as defined in the Securities and Futures Ordinance).
- 16.5. Neither the Bank nor its Agents shall be accountable or liable to me/us for any commission remuneration profit or other benefit resulting from my/our transactions.

17. Additional Terms and Conditions for Renminbi ("RMB") transactions and RMB Services relating to the One Account

- 17.1. This Clause 17 is applicable to RMB transactions and/or RMB Services relating to the One Account.
- 17.2. I/We understand and agree that any RMB transactions or RMB Services executed through the One Account will be subject to any law, regulation or order, or any rule, direction, guideline, code, notice, restriction or the likes (whether or not having the force of law) issued by any regulatory authority, governmental agency, clearing bank or exchange body or professional body applicable from time to time (in Hong Kong or Mainland China) (collectively, "Applicable Regulations"). The Bank is fully authorized to reject or refuse to execute my/our deposit/exchange/remittance or other transaction instructions (or part of the transaction instructions) in violation of any of the Applicable Regulations. The Bank shall not be in anyway held liable for refusing to execute the relevant instructions.
- 17.3. Applicable exchange and interest rates will be determined by the Bank and may differ from official or other rates. The Bank may require payments to or from me/us to be made in RMB or Hong Kong Dollars.
- 17.4. The Bank is entitled to take all necessary actions to comply with the Applicable Regulations. The Bank may provide all information and report any transaction in relation to my/our One Account to the clearing house and any regulatory authorities.
- 17.5. I/We acknowledge that it is my/our duty to ensure that the operation of the One Account relating to RMB transactions and RMB Services at all times complies with the Applicable Regulations and the rules and requirements imposed by the Bank. If the Bank at any time reasonably believes that any RMB related operation arrangement has been abused by me/us which results in the committing of a non-compliance of the Applicable Regulations, the Bank may exercise its discretion to take any necessary action as the Bank thinks fit (including closing the One Account) without prior notice to me/us.
- 17.6. I/We understand and agree that the Bank is fully authorized to terminate any RMB Services provided by the Bank without giving any reason.
- 17.7. I/We understand that the Bank may from time to time set conditions or restrictions that apply to RMB transactions and RMB Services and I/we agree to comply with all such conditions or restrictions.
- 17.8. I/We understand that the provisions of this Clause 17 are determined and may be amended by the Bank at any time and from time to time according to the Bank's agreement with the clearing bank and all Applicable Regulations. Any revision or addition to the provisions of this Clause 17 shall become effective subject to the Bank's notice which may be given by display, advertisement or other means as the Bank thinks fit and shall be binding on me/us.
- 17.9. In the event of inconsistency between the Applicable Regulations and this Clause 17, the Applicable Regulations shall prevail.

18. Communication by the Bank in electronic form

- 18.1. I/We agree that the Bank may send any notice, communication, confirmation, statement of accounts to me/us in electronic form.
- 18.2. I/We understand and acknowledge that the Bank could provide the website address, QR code, or hyperlink of any post-sales documents issued by the relevant exchange, counterparty, issuer or related company. I/We understand and acknowledge that I/we may have to access those documents with electronic device(s) and Internet access.

19. E-statements and E-advice

Without prejudice to Clause 18 above, the Bank may send any and all statements of account, advices and transaction confirmations to me/us by emails or through any other e-channel without physical delivery. All statements of account, advices and transaction confirmations shall be deemed to have been received by me/us immediately after transmitting to my/our email address (or as the case may be, through such e-channel) on the Bank's record.

20. Electronic Message Notification Service

20.1. In this Clause 20:

"Device"	means my/our device for receiving any Electronic Message under the Electronic Message Notification Service;
"Electronic Message Notification Service"	means the notification service (including SMS Price Alert Service) provided by the Bank through mobile phone, emails, WeChat or other electronic channel or means from time to time subject to these Terms and Conditions;
"Electronic Message"	means any message sent by the Bank to me/us under the Electronic Message Notification Service;
"Service Provider"	means any entity that provides or maintains the channel through which the Bank provides the Electronic Message Notification Service; and
"SMS Price Alert Service"	means the price alert service provided by the Bank through mobile phone.

- 20.2. The Bank has the right to determine from time to time the scope of the Electronic Message Notification Service to be made available and the Bank may expand, modify or reduce the scope of the Electronic Message Notification Service at any time without giving notice or reason.
- 20.3. I/We acknowledge that the information sent under the Electronic Message Notification Service is for my/our information only and shall not be relied upon by me/us or any other person nor be taken as conclusive evidence of the matter to which it relates.
- 20.4. I/We shall promptly notify the Bank of any changes to information/documents provided to the Bank related to or for the purposes of the Electronic Message Notification Service.
- 20.5. For the purposes of providing the Electronic Message Notification Service, the Bank will not assume any liability or responsibility for any failure or delay in transmitting information to me/us or any error or failure in such information unless this results from negligence or default on the part of the Bank. In particular, neither the Bank, Service Provider nor any such companies shall assume any liability or responsibility for the consequences arising from any cause beyond our or its reasonable control including without limitation failure of my/our Device to receive information for whatever reason, any telecommunications breakdown, mechanical failure, path failure, malfunction, breakdown, interruption or accuracy of equipment or installation. For the avoidance of doubt, the Bank assumes no liability that results from the acts of the Service Provider or any such companies.
- 20.6. The Electronic Message Notification Service may without notice to me/us be suspended or terminated for any reason including without limitation invalid data, closure of related account(s), breakdown, maintenance, modification, expansion and/or enhancement work caused or initiated by any telecommunications companies concerned or by the Service Provider. The Bank will not assume any liabilities or responsibilities for any such suspension or termination.
- 20.7. Notwithstanding that the Bank may have provided the Electronic Message to me/us on certain banking services or transactions, the Bank shall have no obligation to continue (or otherwise timely to provide me/us) with the relevant Electronic Message for similar banking services or transactions. I/We shall not rely on the Electronic Message Notification Service as conclusive evidence to ascertain or confirm the existence or status of any banking services or transactions.
- 20.8. None of the Electronic Messages should be regarded as an offer or a solicitation to subscribe to any products or services in any jurisdiction.
- 20.9. The Bank shall not accept or act on any my/our instructions relating to banking products/ services given to the Bank via any message under the Electronic Message Notification Service.
- 20.10. The Bank may keep any Electronic Message record for future enquiry.
- 20.11. I/We are responsible for the security of my/our Device and must take all reasonable precautions to prevent anyone else from accessing any confidential information.
- 20.12. Any Electronic Message sent by the Bank to me/us are one-way communications and I/we should not reply to such message, in particular, I/we should not provide any account or security details such as passwords in any reply. Any request for such details purported to have been sent by the Bank in any Electronic Message or any other irregularity in such message or the Electronic Message Notification Service must be reported to the Bank immediately.
- 20.13. My/our Device should not be tampered (e.g. rooted, hacked, jail-broken, etc.) and I/we shall not be using such device to access any of the Bank's service or inputting sensitive data.
- 20.14. I/We are responsible for ensuring that none of the application on my/our Device are installed from any mistrusted sources.
- 20.15. I/We at the request of the Bank will execute such forms and/or documents, provide such information and perform such acts as the Bank may consider necessary or expedient in connection with the provision of the Electronic Message Notification Service.
- 20.16. The Bank will not be liable for any disclosure of confidential information when I/we have not complied with any provision of this Clause 20.
- 20.17. The Service Provider or any third parties who support the Electronic Message Notification Service are neither agencies of the Bank nor representing the Bank. There is no co-operation, partnership, joint venture or other relationship between any third parties with the Bank.
- 20.18. I/We acknowledge and consent that the Service Provider or any third parties which support the Electronic Message Notification Service may be able to have access to the information contained in any Electronic Message in connection with the Electronic Message Notification Service.
- 20.19. I/We acknowledge and consent to be solely responsible and bound by any terms and conditions imposed by the Service Provider or any third parties which support the Electronic Message Notification Service and the Bank shall not be liable for any breaches constituted by me/us of such terms and conditions.
- 20.20. The Electronic Message Notification Service is for my/our sole and exclusive use.
- 20.21. It is my/our responsibility to take appropriate measures to monitor and control the use of the Electronic Message Notification Service from time to time, and to adopt proper safeguards against the Electronic Message Notification Service being used by unauthorized persons or for unauthorised purposes.
- 20.22. The Bank reserves the right to revise any existing charging structure and/or make additional charges from time to time by notice to me/us in relation to the provision of the Electronic Message Notification Service.
- 20.23. I/We shall bear any fees, charges or expenses which may be imposed by the Service Provider or any third parties in relation to the provision of the Electronic Message Notification Service.
- 20.24. If the Bank can show that an Electronic Message was sent to the Service Provider, the Bank has no liability to me/us if I/we suffer losses due to such Electronic Message not being received accurately or at all.
- 20.25. Without prejudice to Clause 20.6 above, the Bank does not assume any liability or responsibility (unless the following is resulted from the Bank's negligence or default) to me/us or any other person for the consequences arising from or in connection with:
- (a) any interruption, suspension, delay, loss, mutilation or other failure in providing the Electronic Message Notification Service howsoever caused;
 - (b) any mechanical failure, power failure, malfunction, or installation in connection with the Electronic Message Notification Service; and
 - (c) any losses caused by the Service Provider or any third parties in connection with the Bank's providing the Electronic Message Notification Service.
- 20.26. The Bank will not be responsible for any losses or damages caused to my/our data, Device, telecommunications equipment or other equipment as a result of my/our use of the Electronic Message Notification Service unless such loss or damage is caused by the Bank's default or negligence.
- 20.27. I/We shall indemnify the Bank and its officers and employees against all liabilities, claims, demand, losses, damages, costs, charges and expenses of any kind (including, without limitation, legal fees on a full indemnity basis) which may be reasonably incurred by any of them and at actions or proceedings which may be brought by or against any of them in connection with the provision of the Electronic Message Notification Service unless such loss or damage is caused by the Bank's default or negligence.
- 20.28. It is my/our sole responsibility to verify any information received under the Electronic Message Notification Service. The Bank does not assume any liability (whether in tort, contract or otherwise) for any reliance on any commentaries, confirmations, information or data by me/us or any other person.
- 20.29. In respect of the SMS Price Alert Service, without prejudice to any other provisions herein:
- (a) I/we understand it is my/our responsibility to register the mobile phone with the Bank by myself/ourselves with my/our own costs;
 - (b) the Bank has reserved the right to suspend the SMS Price Alert Service without prior notice for any reason including, without limitation, any breakdown, maintenance, modification, expansion and/or enhancement work caused or initiated by the telecommunication company(ies) concerned in relation to their network or by any service provider in respect of the SMS Price Alert Service. The Bank will not assume any liability or responsibility for any such suspension;
 - (c) neither the Bank nor any of the telecommunication companies designated by the Bank for the purposes of providing the SMS Price Alert Service will assume any liability or responsibility for any failure or delay in transmitting information or for any error or inaccuracy in such information. In particular, neither the Bank nor any such telecommunication companies shall assume any liability or responsibility for consequences arising from any

cause beyond its reasonable control including, without limitation, failure of my/our mobile phone to receive information for whatever reason, any telecommunication breakdown, mechanical failure, power failure, malfunction, breakdown, interruption or inadequacy of equipment or installation, Act of God, government act, civil commotion, strike, war, fire, flood or explosion;

- (d) I/we shall bear any fees, charges and expenses which may be imposed by the telecommunication company providing or servicing his mobile phone in connection with the SMS Price Alert Service;
- (e) the Bank makes no representation or warranty as to the accuracy and reliability of the information or data provided and accepts no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions; and
- (f) the Bank reserves the right to vary, revise, suspend, withdraw or terminate the SMS Price Alert Service at any time and from time to time without giving any notice or reason.

21. Authority and Indemnity for Instructions by Electronic Communication

- 21.1. In respect of any transactions relating to any Securities, I/we hereby authorize the Bank to act on any instructions or communication for any purpose which may from time to time be or purport to be given by telephone, facsimile or any other form of electronic communication as the Bank may recognize from time to time by me, any of us or any person authorized by us.
- 21.2. I/We understand and acknowledge that the risks of any of the above instructions or communication being given by person(s) purporting to be me/us shall be borne by me/us and the Bank will not be liable for any losses or damages arising provided the Bank has acted in good faith.
- 21.3. In consideration of the Bank's agreeing to act on the above instruction or communication, I/we agree and undertake:
 - (a) that the Bank is authorized to record any and/or all telephone conversations between me/any one of us/ any person authorized by us and the Bank, in writing or by tape or other means as the Bank may determine, and the Bank's records (in whatever form) shall be conclusive and binding on me/us. The Bank may dispose of such written records and erase such tapes after the expiration of such period as it deems fit;
 - (b) that the Bank may only act on such instructions or communication if the person giving the instruction can (i) quote the account number of the account(s) to the instruction relates; or (ii) quote the personal identification number of the authorized signatories of the relevant account and/or quote such other information as may request by the Bank;
 - (c) that the Bank may, under circumstances determined by it, require from me/us confirmation of any of the above instructions of communication in such form as it may specify before acting on the same;
 - (d) that the Bank may refuse to act on any of the above instructions or communication in the absence of any code, test or confirmation specified by it pursuant to paragraph (b) or (c) above (in which event the Bank shall have the absolute discretion to determine the disposal of the relevant instruction or communication), without responsibility or liability on the Bank's part for any such refusal or delay in acting as a result;
 - (e) that where any instruction or communication is given by facsimile followed by delivery of the original instruction or communication, which shall specify that such instruction or communication has been given by facsimile and the date of such facsimile. The Bank will not be liable for any consequences due to the absence of such information in the original copy in any event including (without limitation), in the case of payment instructions, any losses arising from any payment or fund transfer effected in duplicate by the Bank as a result;
 - (f) that the Bank will not be liable for any failure or delay in acting on any of the above instructions or communication by reason of any cause beyond the Bank's control, including (without limitation) any breakdown or failure of transmission or communication facilities for whatsoever reason, or breakdown of or delay or error in transmission or communication for any other reason; and
 - (g) (if there are two or more of us, jointly and severally) to fully indemnify the Bank on demand against all claims, proceedings, liabilities, losses and expenses (including legal fees) resulting directly or indirectly from the Bank's acting on any of the above instructions or communication.
- 21.4. I/We may amend or revoke the authority and indemnity by written notice to the Bank, which shall take effect two (2) business days after the receipt of such written notice by the Bank.

22. Miscellaneous

- 22.1. Upon termination of these Terms and Conditions, I/we will immediately repay to the Bank any amounts due or owing to it.
- 22.2. The Bank and its Agents are authorized at any time to apply any sum standing to the credit of the One Account for satisfaction of my/our indebtedness and obligations owed to the Bank.
- 22.3. Neither the Bank nor its Affiliates shall be liable for any delay or failure to perform obligations and any losses, damages or costs resulting therefrom so long as they have acted in good faith. Moreover, the Bank and its Affiliates shall not be held responsible for any consequences resulting whether directly or indirectly from any events not within their control including without limitation government restrictions, imposition of emergency procedures, exchange ruling, third party's conduct, suspension of trading, war, strike, market conditions, civil disorder, acts or threatened acts of terrorism, natural disasters, or any other circumstances beyond the Bank's control whatsoever.
- 22.4. I/We hereby confirm that the Bank has explained to me/us and I/we have received and read these Terms and Conditions and that I/we understand and accept their terms. In the event of discrepancy between the Chinese version and the English version of these Terms and Conditions, the English version shall prevail. In the event of discrepancy between the General Terms and Conditions and these Terms and Conditions, these Terms and Conditions shall prevail.
- 22.5. The Bank may at any time delete, replace, add or change any term of these Terms and Conditions (including any applicable fees or charges) by giving prior notice in accordance with the requirements of applicable codes and guidelines.
- 22.6. The Bank undertakes to notify me/us in writing in the event of any material change to its name, address, licensing or registration status with the Securities and Futures Commission (including the CE number), the nature of services provided or available to me/us under these Terms and Conditions, or the remuneration to be paid (and the basis for payment) by me/us to the Bank under these Terms and Conditions.
- 22.7. Except as otherwise expressly stated in these Terms and Conditions, no one other than a party to these Terms and Conditions may enforce any of its terms under the Contracts (Rights of Third Parties) Ordinance, Cap. 623 of the Laws of Hong Kong. Where any term of these Terms and Conditions entitles any third party to enforce any term of these Terms and Conditions under the Contracts (Rights of Third Parties) Ordinance, the Bank reserves the right to delete, replace, add or change that term or any other term of these Terms and Conditions pursuant to these Terms and Conditions without the consent of that third party.
- 22.8. The Bank is NOT an independent intermediary because (1) the Bank receives fees, commissions, or other monetary benefits from other parties (which may include product issuers) in relation to the Bank's distribution of investment products to you. For details, I/we should refer to the Bank's disclosure on monetary benefits which the Bank is required to deliver to me/us prior to or at the point of entering into any transaction in investment products; and/or (2) the Bank receives non-monetary benefits from other parties, or have close links or other legal or economic relationships with issuers of products that the Bank may distribute to me/us.
- 22.9. W-8Ben Form (U.S. Internal Revenue Service)

Non-U.S. persons who want to use U.S. Securities Trading Services, or subscribe other investment products which may derive U.S. source of income, must complete the W-8Ben form which is subject to renew for every 3 years as required by the U.S. Internal Revenue Service. If I/we fail to complete or renew the W-8Ben form, the Bank will not provide U.S. Securities trading service, or subscription of the related investment products, to me/us and I/we will not be allowed to submit any buy order nor transfer in any such related instruments. When investing in overseas products, I/we must comply with the local tax system and I/we may not be exempt from U.S. capital gains tax. I/We should also seek professional tax advice where appropriate.

Part 2: Specific Terms and Conditions for Securities Trading and Bonds Trading

The provisions of Clause 1 in this Part 2 shall, unless otherwise expressly stated, apply to both Securities transactions and Bonds transactions. Other provisions in this Part 2 (including the Schedules) shall, unless otherwise expressly stated, only apply to Securities transactions.

BANK INTERNATIONAL LIMITED

- 1. Terms and Conditions applicable to Securities Transactions and Bonds Transactions

- 1.1. Transfer of Securities or Bonds into or out of the One Account is subject to the agreement of the Bank (such agreement may be withheld by the Bank without giving any reason or may be granted on such conditions as the Bank may think fit). If the Bank agrees to the same then:
 - (a) in respect of transfers of Securities or Bonds into the One Account, I/we shall arrange for and instruct the transfer of the Securities or the Bonds from the transferring party to the Bank at my/our costs and expenses. The Securities or the Bonds will not be credited to the One Account until the Bank has received the Securities or the Bonds; and
 - (b) in respect of transfers of Securities or Bonds out of the One Account, the Bank will as soon as reasonably practicable after receipt of an instruction to such effect arrange for the transfer of my/our Securities or Bonds in the One Account to a third party nominated in the instruction provided always that:
 - (i) I am/we are responsible for procuring the third party to receive the Securities or the Bonds transferred from the Bank and for all the handling and transfer fees and charges for such transfer;
 - (ii) the Securities or the Bonds may not be transferred when they are being processed for transfer to and registration in the Bank's name or the name of a Custodial Agent; and
 - (iii) I am/we are not indebted to the Bank.
- 1.2. Deposits or withdrawals by physical delivery of scrips or documents for Securities or Bonds to or from the Bank will not be allowed unless otherwise agreed by the Bank.
- 1.3. Securities transactions and Bonds transactions effected by the Bank on my/our behalf are subject to the laws, regulations, constitution, by-laws, rules, customs, usage, rulings and interpretations and transaction levies of the relevant market, exchange, clearing house or jurisdiction as amended from time to time.
- 1.4. The Bank may effect my/our instructions or transactions or provide services in such manner and through any Agent, Affiliate, member of any exchange or clearing house, or brokers in the relevant market as the Bank may in its absolutely discretion determine. The Bank may act as my/our execution agent, and in respect of Bonds transactions if the Bank acts as principal to the transactions, this will be disclosed to me/us in the relevant confirmation notes.
- 1.5. I/We undertake that I/we will not give any instruction which involves the sale of Securities or Bonds which I/we do not own or which is in breach of any applicable selling restrictions.
- 1.6. The Bank and/or its Agents may determine the priority in the execution of instructions having due regard to market practice, applicable regulations and fairness to all customers.
- 1.7. The Bank may, without prior reference to me/us, combine for execution my/our instructions with the instructions of other customers, and I/we acknowledge that such combination may lead to higher or lower execution price. Where there are insufficient Securities or Bonds to satisfy instructions so combined, the transactions will be allocated between customers with due regard to market practice and fairness to customers provided that the orders of customers shall have priority over orders of the Bank for its own account.
- 1.8. Neither the Bank nor its Agents shall be liable for delays or failure in the transmission of instructions due to breakdown or collapse of communication facilities or for any other delay or failure beyond the reasonable control of the Bank or its Agents.
- 1.9. By reason of physical restraints and rapid changes of Securities and Bonds prices, the Bank or its Agents may not always be able to execute instructions in full or at the prices quoted at any specific time or "at best" or "at market" and I/we agree to be bound by such executions.
- 1.10. Request to cancel or amend an instruction is only possible before it has been executed and is subject to acceptance by the Bank and/or its Agents (the Bank and/or its Agents shall not refuse to accept such a request unless on reasonable grounds). In the case of full or partial execution of any instruction before the request for cancellation has been accepted, I/we agree to accept full responsibility for the transactions.
- 1.11. (For Securities transactions) Unless I/we have given an instruction to the contrary to the Bank and/or its Agents and which instruction has been accepted by the Bank and/or its Agents, otherwise an instruction will be deemed lapsed at the end of the trading day of the relevant stock exchange to which the relevant instruction relates.
- 1.12. (For Bonds transactions) An instruction will be deemed lapsed unless the Bank has confirmed its execution at the time the instruction is given or otherwise agreed to by the Bank.
- 1.13. It is my/our responsibility to check with the Bank as to whether any of my/our instructions has been executed. Following execution of an instruction, the Bank will send a confirmation of transaction within two (2) business days and, thereafter, periodic statements summarizing various matters in relation to the One Account over the period covered by the monthly statement. Save and except for such confirmations of transaction and periodic statements, the Bank shall not be obliged to notify me/us separately as to whether my/our instruction has been executed. I/We agree that it is my/our responsibility to ensure that every confirmation of transaction and periodic statement is received in due time according to the ordinary course of posting and to immediately enquire with and obtain the same from the Bank if not duly received.

2. Terms and Conditions applicable to Securities Transactions

- 2.1. Neither the Bank nor its Agents shall be liable to me/us for any loss or damage of whatever nature suffered by me/us as a result of or in connection with any act, omission or insolvency of its Agents provided that the Bank or its Agents, as the case may be, has exercised such care in appointing the Agents as it would employ for its own business.
- 2.2. Neither the Bank nor its Agents can guarantee the execution of my/our orders. The Bank and its Agents are authorized to solicit, accept and retain for their own benefit, without disclosing to me/us on each occasion, any rebate, brokerage, commissions, remuneration, profit or other benefit resulting from any transactions effected by the Bank for me/us.
- 2.3. Each instruction relating to transaction concerning Securities must be completed in its description of the quantity, price (except market order) and other relevant details of the Securities as the Bank or its Agents may require. Whenever the Bank or its Agents effects a transaction for me/us in Securities, I/we shall be obliged with respect to the actual quantity of any Securities transacted and the actual price of which it is executed.
- 2.4. Instructions relating to transactions concerning Securities may be given during the times advised by the Bank to its customers which the Bank may vary or restrict from time to time.
- 2.5. The Bank shall have no duty to ascertain the nationality or domicile of its customers or whether Securities deposited are approved for foreign ownership or whether any foreign exchange control restrictions apply. Where foreign listed Securities are accepted in jurisdictions restricting foreign ownership of Securities, the Bank shall have no duty to ascertain the nationality of the owner of the Securities unless specifically instructed by its customer.
- 2.6. Prices of Securities are provided by the related Stock Exchange and/or other parties to the Bank. While the Bank and the Information Providers (as defined under Clause 2.9 below) endeavour to ensure the accuracy and reliability of the prices quoted, no guarantee as to their accuracy is given and no liability (whether in tort or contract or otherwise) is accepted for any loss or damages arising from any inaccuracies or omissions.
- 2.7. In the event that the Bank has to obtain Securities, which the Bank has purchased on my/our behalf, in the open market, following the failure of the selling broker to deliver on the settlement date, the Bank will be responsible for any difference in price and all incidental expenses in connection with such open market purchase.
- 2.8. The Bank and/or its Agents may in their sole discretion determine that certain Securities shall not be traded or held in the One Account. Before I/we engage in any transaction involving any Securities, it is my/our responsibility to check whether such Securities are so restricted.
- 2.9. The Bank may make available certain financial market data, quotes, prices, rates, news, reports, analysis, statistics or other similar information (the "Information") that have been independently obtained from certain financial market information services providers, financial publishers, various securities markets including stock exchanges and their affiliates, and other providers (the "Information Providers"). Neither the Bank nor any Information Provider warrants or guarantees the accuracy, completeness, timeliness and correct sequencing of the Information made available to me/us. I/We acknowledge that the Information shall not be considered sufficient or reliable enough or be used for the purpose of formulating any investment or trading decision, policy or strategy.
- 2.10. I/We agree that the Information shall in no way be construed as advice, an opinion or recommendation for any purpose whatsoever, or as a solicitation of an offer to buy or sell any Securities. I/We agree that any investment decisions I/we make will be based solely on my/our own evaluation of my/our financial circumstances and investment objectives.
- 2.11. The Information is the property of the Information Provider. I/We undertake to use all Information made available to me/us only for the purpose of transacting business with the Bank and undertake not to use it for any other purpose. I/We shall keep the Information confidential and shall not reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit any information in any manner without the express prior written consent of the Bank or the Information Providers, or to use any Information for any unlawful purpose. I/We shall comply with reasonable requests by the Bank or any Information Provider concerning the protection of the intellectual property rights in the Information. I/We shall not delete copyright or other intellectual property rights notices from any Information,

- including printouts of electronically accessed materials.
- 2.12. Neither the Bank nor any Information Provider shall be liable for any taxes or duties payable on or in respect of the Securities nor for the management of or any diminution in the value of the Securities.
- 2.13. In addition to provisions in this Clause 2, I/we shall also be bound by the terms and conditions set out in Schedules 1 and 2 of this Part 2.
- 2.14. All Securities at any time held by the Bank or its Agents with respect to the One Account shall be subject to a lien and held as security for discharge of all my/our indebtedness and other obligation to the Bank or its Agents. The Bank or its Agents with authorization of the Bank may sell such Securities and apply the sale proceeds, after deduction of expenses, to satisfy any indebtedness and other obligation owed by me/us to the Bank or its Agents.

Schedule 1 of Part 2

Overseas Securities Trading Supplemental Terms and Conditions

The Bank may provide trading services in relation to overseas equity securities from time to time. By giving the Bank instructions in relation to such trades, I/we agree and will be deemed to have agreed to be bound by these Overseas Trading Terms.

These Overseas Trading Terms amend and are supplemental to, and are without prejudice to, the Existing Terms, other provisions in Part 2 and constitute Specific Terms and Conditions as referred to in the General Terms and Conditions. In the event of any inconsistency between these Overseas Trading Terms and the Existing Terms and/or other provisions in Part 2, the provisions of these Overseas Trading Terms shall prevail.

1. Definitions and Interpretation

- 1.1. In these Overseas Trading Terms (and where applicable, in Section C of Part 5), the following words and expression shall have the following meanings:
- | | |
|---------------------------------|--|
| "Clearing Broker" | means, as far as trading of Foreign Securities is concerned and where appropriate, any clearing broker as may from time to time be engaged by the Bank in providing clearing and other services relating to the Securities or the One Account; |
| "Existing Terms" | means the applicable existing terms of business, client account agreements and/or other relevant notices and disclosure between me/us and the Bank that govern provision of securities dealing services by the Bank to me/us whether written or unwritten, including without limitation the General Terms and Conditions and any Specific Terms and Conditions (including any Specific Terms and Conditions governing One Accounts); |
| "Foreign Securities" | means Securities listed, traded or held outside Hong Kong; and |
| "Overseas Trading Terms" | means these Overseas Securities Trading Supplemental Terms and Conditions, as may be amended, updated and/or supplemented from time to time. |
- 1.2. Unless otherwise defined, terms defined in the General Terms and Conditions, Existing Terms and Part 1 have the same meanings in these Overseas Trading Terms.

2. Service

- 2.1. I/We agree and acknowledge that, as far as trading of Foreign Securities is concerned and where appropriate:
- (a) the Bank may appoint one or more Clearing Brokers as the clearing broker(s) for handling and maintaining the One Account for me/us and execute and clear the transactions relating to Securities in the One Account; and
 - (b) the services concerning Securities and the One Account, including my/our instruction, may be conducted and executed through one or more Clearing Brokers.
- 2.2. Any instruction for the purchase or sale of any Security shall only be accepted for execution on the date of instruction if it is received before the relevant "cut off" time provided in Clause 2.3 below. Where for whatever reason such instruction has not been executed (or where in the case of a partially executed instruction, any part of any such instruction has not been executed), it shall be deemed to lapse at the expiry of the trading date specified in any such instruction or the first working day thereafter in the market where the instruction is to be executed if it is a public holiday in that market on the date of instruction. Any other instruction for the purchase or sale of any Security will be effective until cancelled by the customer. If on the date of instruction it is a public holiday in the relevant market, the Bank will execute instructions in the relevant market on the first working day thereafter.
- 2.3. Any instruction for the purchase or sale of any Security for execution on the date of instruction must be received before any relevant "cut off" time in respect of any relevant exchange or market or as advised by the Bank to its customer.
- 2.4. In respect of any instruction for the purchase or sale of any Security, the Bank shall apply such reasonable currency rate of exchange as it thinks fit.
- 2.5. Neither the Bank nor its Agents shall be liable to me/us for any loss or damage of whatever nature suffered by me/us as a result of or in connection with any act, omission or insolvency of its Agents (including, with respect to the Bank, a Clearing Broker) provided that the Bank or its Agents, as the case may be, has exercised such care in appointing the Agents as it would employ for its own business.

3. Dealing Practices

Prices of Securities may be provided by various market information providers. While the Bank and the Information Providers endeavour to ensure the accuracy and reliability of the prices quoted, no guarantee as to their accuracy is given and no liability (whether in tort or contract or otherwise) is accepted for any loss or damages arising from any inaccuracies or omissions.

4. Representations, Warranties and Undertakings

- 4.1. I/We hereby warrant and represent and undertake to the Bank in the following terms:
- (a) I am/We are not at the time the One Account is opened, and will not at any time during the continuance of the One Account, hold in such account or effect transactions through such account, Securities of any company with Securities traded in any applicable overseas market in which I am/we are:
 - (i) direct or indirect owner or beneficial owner (which would include the power to vote shares pursuant to trust or other instrument) of 5% or more than 5% of any class of voting Securities of the company;
 - (ii) in a direct or indirect management or other decision-making position in the company;
 - (iii) closely-related to (spouse, parent, sibling, in-law), financially dependent on, or the primary financial support for, any person who owns directly or indirectly outright or through beneficial ownership 5% or in excess of 5% of any class of voting Securities in such company or holds a management or other decision-making position in such company; or
 - (iv) a member of a formal or informal group that acting together will control 5% or more than 5% of any class of voting Securities of such company.

5. Transaction Confirmations and Statements

- 5.1. To facilitate my/our receipt of the transaction confirmations, account statements or other documents through e-mail, internet or other electronic means from the Clearing Broker, I/we authorize the Bank to do all such acts on my/our behalf to register me/us with the Clearing Broker for receipt of electronic confirmations, statements or other documents and to sign and complete all related documents and procedures on my/our behalf. I/We agree to maintain an e-mail address to receive the electronic confirmations, statements or other documents from the Clearing Broker. I/We also agree to be bound by all the terms and conditions prescribed by the Clearing Broker in relation to such electronic transmission.
- 5.2. I/We acknowledge and agree that the transmission of the transaction confirmations, account statements or other documents by electronic means by the Clearing Broker will be considered personal delivery to me/us, whether or not I/we actually receive them, and I/we will no longer receive them in paper form via regular mail.

6. Miscellaneous

- 6.1. To the extent permitted under the applicable laws, I/we agree that in addition to the Bank's rights under these Specific Terms and Conditions and the General Terms and Conditions, the Clearing Brokers are third party beneficiaries of each of my/our representations, warranties, acknowledgements and covenants under these Specific Terms and Conditions and the General Terms and Conditions as if these representations, warranties, acknowledgements and covenants were made directly by me/us to the Clearing Broker. The Clearing Broker may in its own name and for its own benefits directly enforce its rights expressed to be given to it under these Specific Terms and Conditions against me/us and may in its own name and for its own benefits directly enforce its rights expressed to be given to the Bank under the General Terms and Conditions against me/us.
- 6.2. If the customer is domiciled and/or resident in a country where there are any restrictions on the customer's purchase of any Security which in the opinion of the Bank

renders termination necessary or advisable in the interests of the Bank, the Bank may at its discretion:

- (a) cancel any outstanding instruction(s) given by the customer;
- (b) close any outstanding contracts entered into on behalf of or with the customer;
- (c) without prior notice to the customer, set-off or withhold any monies held to the credit of the One Account or resulting from the sale of any Security in respect of any other monies due, owing or payable to the Bank by its customers of whatever nature, including all sums payable pursuant to these Overseas Trading Terms; or
- (d) without prior notice to the customer, combine or consolidate the One Account with any other account(s) held by the customer with the Bank.

Schedule 2 of Part 2

China Connect Supplemental Terms and Conditions

The Bank may provide trading services in relation to China Connect Securities via China Connect from time to time. By giving the Bank instructions in relation to such trades, I/we agree and will be deemed to have agreed to be bound by these China Connect Terms and acknowledge that I/we have read and understood the Risk Disclosure Statements and Other Information set out in Section G of Part 5.

These China Connect Terms amend and are supplemental to, and are without prejudice to, the Existing Terms, and constitute the Specific Terms and Conditions as referred to in the General Terms and Conditions. In the event of any inconsistency between these China Connect Terms and the Existing Terms, the provisions of these China Connect Terms shall prevail.

1. Definitions

Capitalised terms used herein (and where applicable, in Section G of Part 5) will have the meanings given below or otherwise in the Existing Terms.

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

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

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

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

"China Connect" means the Shanghai Hong Kong Stock Connect and/or the Shenzhen Hong Kong Stock Connect (as the case may be).

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

"China Connect Entities" means the exchanges, clearing systems and other entities which provide services relating to China Connect, including without limitation, the SEHK, HKSCC, SEHK Subsidiaries, SSE, SZSE and ChinaClear.

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

"China Connect Market" means the SSE and/or the SZSE (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 and/or (b) SZSE Securities on SZSE as operated by SZSE (as the case may be).

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

"China Connect Securities" means any SSE Securities and/or SZSE Securities (as the case may be).

"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.

"China Connect Shares" means any A Shares listed on any China Connect Market which may be traded by Hong Kong and international investors under China Connect.

"China Connect Terms" means these China Connect Supplemental Terms and Conditions, as may be amended, updated and/or supplemented from time to time.

"ChinaClear" means China Securities Depository and Clearing Corporation Limited.

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

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

"Client Information" has the meaning given in Clause 11.1.

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

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

"Client Transaction" has the meaning given in Clause 11.1.

"CSRC" means China Securities Regulatory Commission.

"CSRC China Connect Rules" means the Several Provisions regarding Mainland China – Hong Kong Stock Connect Mechanism, as promulgated by CSRC to prescribe the launch and operation of the China Connect.

"Eligible ChiNext Investor" means a "professional investor" within the meaning of paragraphs (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.

"ETFs" means exchange-traded funds.

"Exchange Participant" has the meaning given by the rules of the SEHK.

"Existing Terms" means the applicable existing terms of business, client account agreements and/or other relevant notices and disclosure between me/us and the Bank that govern the provision of securities dealing services by the Bank to me/us whether written or unwritten, including without limitation the General Terms and Conditions and any Specific Terms and Conditions (including any Specific Terms and Conditions governing One Account).

"Forced-sale Notice" has the meaning given in Clause 9.1.

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

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

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

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

"Mainland China Listco" has the meaning given in Clause 15 of Section G of Part 5.

"Mainland China Resident" means a person who is a citizen of Mainland China and does not have permanent right of abode in a jurisdiction outside Mainland China.

"Market Data Information" means any market data information in respect of any China Connect Security which SEHK, SSE or any other China Connect Authority from time to time disseminates or otherwise makes available to the Customer.

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

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

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

"Pre-Trade Checking" means the requirements and procedures under the China Connect Laws and China Connect Rules pursuant to which a China Connect Authority or China Connect Entity may reject a sell order if an investor does not have sufficient and available China Connect Securities in its account.

"Related Person" means any of the Bank's affiliates, or any director, senior officer, employee or agent of the Bank or the Bank's affiliates.

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

"SAFE" means the State Administration of Foreign Exchange.

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

"SEHK China Connect Rules" means the rules of HKEx, as amended for the purposes of implementing China Connect, and as amended, supplemented, modified and/or

varied from time to time.

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

"SFC" means the Securities and Futures Commission.

"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 ChinaClear for the establishment of mutual market access between SEHK and SSE.

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

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

"SSE" means the Shanghai Stock Exchange.

"SSE Rules" means the rules, operation procedures, circulars and notices of SSE in respect of the stock listing and trading activities taking place on SSE and 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 Securities" means any securities and/or ETFs listed on the SSE which may be eligible for trading by Hong Kong and international investors under China Connect.

"SZSE" means the Shenzhen Stock Exchange.

"SZSE Rules" means the rules, operation procedures, circulars and notices of SZSE in respect of the stock listing and trading activities taking place on SZSE (including on the ChiNext Board) and 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 Securities" means any securities and/or ETFs listed on the SZSE which may be eligible for trading by Hong Kong and international investors under China Connect. For the avoidance of doubt, SZSE Securities shall include ChiNext Shares.

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

"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 Trading 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 the settlement of funds, one business day (on which banks (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.

2. Eligible Investors

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

- (a) I am/we are not a Mainland China Resident/Mainland China Residents or an entity/entities incorporated or registered under the laws of Mainland China;
- (b) My/our investment in China Connect Securities does not violate the laws and regulations of Mainland China, including those in relation to foreign exchange control and reporting;
- (c) I/We shall trade ChiNext Shares only when I am/we are and, in the case where I am/we are an intermediary/intermediaries (including, but not limited to, fund managers, asset managers, brokers or order placers) trading for or on behalf of an underlying client or clients, each such underlying client is, an Eligible ChiNext Investor;
- (d) I/We also agree that the Bank shall have the absolute discretion to determine the definition of Mainland investors and may at its discretion to refuse to provide/terminate the China Connect Securities Trading Services of the One Account which has been opened for me/us without giving any reason; and
- (e) I/We also agree that the Bank shall not be liable for any damage or loss (including loss of profit) in connection with unwanted limitations of my/our One Account arising from my/our failure to provide the required identity document.

3. Compliance with China Connect Laws and China Connect Rules

- 3.1. Any trading in China Connect Securities will be subject to all China Connect Laws and China Connect Rules, certain of which are referred to in Section G of Part 5.
- 3.2. These China Connect Terms highlight certain key features of China Connect as of the date hereof. The Bank is not liable for any inaccuracies or misstatements in the "Market Data Information" as defined above and Section G of Part 5. These China Connect Terms do not purport to cover all China Connect Laws and China Connect Rules. I/We understand that I/we shall be fully responsible for understanding and complying with all China Connect Laws and China Connect Rules and for any consequences of Northbound trading. The Bank will not, and does not intend to, advise me/us on any China Connect Laws or China Connect Rules. For further information, I/we shall refer to the web pages on the HKEx website and the SFC website relating to China Connect from time to time and other relevant sources.
- 3.3. The Bank shall have the right to apply any procedures or requirements in respect of any trading of China Connect Securities through China Connect which it determines in its absolute discretion to be necessary or desirable for the purpose of any China Connect Laws, China Connect Rules or market practice. Neither the Bank nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from such procedures or requirements.
- 3.4. The Bank may, in its absolute discretion, refuse to execute any instruction given by me/us, if (for example, and without limitation):
 - 3.4.1. such instruction is not compliant with any China Connect Laws or China Connect Rules or if the Bank reasonably believes that such instruction may not be compliant with any China Connect Laws or China Connect Rules or if the Bank is required by the SEHK not to accept such instruction;
 - 3.4.2. without prejudice to my/our obligations in Clause 7 (Compliance with Pre-Trade Checking Requirement), in respect of any instruction to make a Northbound sell order, the Bank determines in its absolute discretion that I/we do not have sufficient securities at the time of such order instruction to settle the delivery obligation or if submission of the order would cause the Bank to be in breach of the Pre-Trade Checking requirements or related requirements under the China Connect Rules or China Connect Laws; or
 - 3.4.3. in respect of any instruction to make a Northbound buy order, the Bank determines in its absolute discretion that I/we do not have sufficient funds to settle the payment obligation in respect of such order on the settlement day.Neither the Bank nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from such refusal.
- 3.5. Without limitation to the foregoing, the Bank may in its absolute discretion suspend, terminate or limit my/our ability to access the China Connect through the Bank without advance notice to me/us, including but not limited to where requested or directed by a China Connect Authority.
- 3.6. In the event that SEHK, the relevant SEHK Subsidiary or HKSCC is notified by SSE, SZSE, ChinaClear or any other relevant exchange, clearing house or governmental or regulatory body that there is reasonable cause to believe that I/we have failed to comply with or have breached any China Connect Laws or China Connect Rules, I/we 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 the Bank to assist the relevant exchange, clearing house or governmental or regulatory body including without limitation SSE, SZSE, ChinaClear or any Mainland China governmental or regulatory authority or authorities to assess whether there is any non-compliance or breach of the China Connect Laws or China Connect Rules and/or the extent of any non-compliance or breach.

4. Risk Disclosure Statements and Acknowledgement

I/We acknowledge the following by instructing the Bank in respect of any transaction relating to China Connect Securities.

- 4.1. I/We acknowledge that I/we have read and understood the risk disclosure statements and other information set out in Section G of Part 5 and that I/we understand my/our obligations set out in such Section G including any consequences of a breach of China Connect Laws or China Connect Rules.
- 4.2. I/We acknowledge that there is a risk of prohibition from trading China Connect Securities and that my/our instructions to trade China Connect Securities may not be accepted.

- 4.3. I/We acknowledge that neither the Bank nor any Related Person shall be liable for any loss, liability or third party claim or demand that I/we may suffer 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 me/us by the Bank including, without limitation, the materialisation of any of the risks described in Section G of Part 5.
- 4.4. I/We acknowledge that SEHK has the power not to extend the China Connect Service to me/us, and the power to require the Bank not to accept instructions from me/us, if it is found that I/we have or may have committed any abnormal trading conduct set out in the SSE Rules and/or the SZSE Rules (as the case may be) or failed to comply with any China Connect Laws or China Connect Rules.
- 4.5. I/We acknowledge that if the SSE Rules and/or the SZSE Rules are breached, or the disclosure and other obligations referred to in any China Connect Laws or China Connect Rules are breached, (i) the relevant China Connect Market has the power to carry out investigations, and may, through SEHK (or through the relevant SEHK Subsidiary, or any other governmental or regulatory body), require the Bank or a Related Person to (a) provide relevant information and materials relating to me/us and any other persons referred to in the SEHK China Connect Rules including, without limitation, in relation to my/our identity, personal data and trading activity; and (b) to assist in a China Connect Authority's investigation in relation to me/us and/or my/our trading activity; and (ii) I/we may be subject to regulatory investigations and legal and regulatory consequences if I am/we are in breach of, or fail to comply with, such laws, rules and regulations.
- 4.6. I/We acknowledge that the SEHK may (for the purpose of assisting a China Connect Market in its regulatory surveillance of such China Connect Market and enforcement of the relevant China Connect Rules and as part of the regulatory cooperation arrangement between the 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 my/our identity, personal data and trading activity) in relation to me/us 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 my/our or their behalf.
- 4.7. I/We acknowledge 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 me/us; and (b) cease providing me/us with any service relating to trading China Connect Securities through China Connect.
- 4.8. I/We acknowledge that, prior to the Bank informing me/us that a Northbound buy order instructed by me/us has been settled, I/we 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. I/We acknowledge and consent to the Bank or any Related Person providing information relating to my/our profile, including the type and value of Northbound buy and sell orders and transactions executed on my/our behalf to a China Connect Authority or a China Connect Entity at such intervals and in such form as such China Connect Authority or China Connect Entity (as the case may be) may specify from time to time including in relation to an investigation or surveillance by a China Connect Authority or a China Connect Entity (as the case may be).
- 4.10. I/We acknowledge and accept responsibility for paying all fees, charges, levies and taxes and shall comply with any filing or registration obligations as may be required under any China Connect Laws or China Connect Rules relating to any China Connect Securities and any dividends or entitlements in respect of such China Connect Securities.
- 4.11. I/We acknowledge and accept that the Bank will be subject to recordkeeping requirements under the China Connect Rules and may therefore retain records (including telephone and electronic communications and account information) in relation to my/our Northbound orders and trading for 20 years or as otherwise required under the China Connect Rules or the China Connect Laws.
- 4.12. I/We acknowledge and accept that the SEHK may upon the request of the relevant China Connect Market, require the Bank to reject any order made on my/our behalf.
- 4.13. I/We acknowledge and accept that none of the China Connect Authorities or their respective directors, employees and agents shall be responsible or held liable for any loss or damage directly or indirectly suffered by the Bank or any Related Person, me/us or any other third party arising from or in connection with the (i) trading of China Connect Securities or the operation of the CSC in respect of China Connect Securities; (ii) any amendments, making or enforcement of the China Connect Rules; or (iii) any action taken by a China Connect Authority in discharge of its supervisory or regulatory obligations or functions (including any action taken in respect of abnormal trading activities).

5. Representations

- 5.1. I/We make the representations set out in this Clause to the Bank on a continuing basis:
 - 5.1.1. that I am/we are aware of and shall comply with all China Connect Laws and China Connect Rules to which I/we may be subject;
 - 5.1.2. that the execution of any instruction I/we give to the Bank shall not result in any breach of any China Connect Laws or China Connect Rules; and
 - 5.1.3. that I/we understand and have assessed the risks relating to China Connect and I am/we are willing to undertake the risks relating to China Connect.
- 5.2. I/We make the following representations to the Bank on each date I/we instruct an order to sell China Connect Securities:
 - 5.2.1. that I/we do not know of any fact that might impair the validity of such China Connect Securities and that I/we have 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; and
 - 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 rules or CCASS rules.

6. Order Handling

- 6.1. The Bank will handle client orders fairly. The Bank may aggregate my/our Northbound orders with the Northbound orders of any other client or of its affiliates when the Bank processes such orders. This may sometimes operate to my/our disadvantage and, because of the quota restrictions described in Section G of Part 5, may result in my/our order only being partially executed or not at all.
- 6.2. All client orders and transactions to be undertaken for clients ("Client Orders") which are for submission to the applicable open auction, closing auction (if any) or start of continuous trading session (the "Opening") shall be handled by the Bank in a way that seeks to ensure that all such Client Orders have a fair and equal opportunity to participate in the Opening. The Bank will regard all such Client Orders as having been received by the Bank only at the point at which its system submits Client Orders into the applicable opening auction, closing auction (if any) or start of continuous trading session.

7. Compliance with Pre-Trade Checking Requirements

- 7.1. I/We undertake that I/we will comply with any requirements relating to Pre-Trade Checking mandated by the China Connect Authorities, the China Connect Entities or as notified to me/us by the Bank.
- 7.2. In addition, I/we undertake to ensure there are sufficient available China Connect Securities in my/our account by the applicable cut-off time (as notified to me/us by the Bank from time to time) to cover any proposed sell order given on the relevant Trading Day.
- 7.3. If the Bank considers that I/we do not for whatever reason have sufficient available China Connect Securities in my/our account to settle a sell order by the applicable cut-off time (as notified to me/us by the Bank from time to time) the Bank may in its absolute discretion:
 - 7.3.1. reject my/our sell order (in whole or in part);
 - 7.3.2. use any China Connect Securities in the 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 my/our sell order, in which case I/we 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 I/we have failed to deliver in respect of my/our 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
 - 7.3.3. perform any other act which the Bank considers necessary or desirable to comply with Pre-Trade Checking and/or relevant China Connect Laws or China Connect Rules and to cover my/our shortfall (including but not limited to applying any other China Connect Securities available to the Bank from other sources).
- 7.4. In addition, the Bank may in its absolute discretion reject my/our sell order (in whole or in part) if for any other reason the Bank considers that there is or may be non-compliance with any China Connect Laws or China Connect Rules. Any risk, loss or cost resulting from non-compliance or potential non-compliance with Pre-Trade Checking and/or the relevant China Connect Laws or China Connect Rules shall be borne by me/us.
- 7.5. If I/we give any sell order in respect of any China Connect Securities allocated to any fund managed by me/us, I/we undertake to ensure that there are sufficient and available China Connect Securities in my/our account allocated to such fund by the applicable cut-off time (as notified to me/us by the Bank from time to time) to

cover any such proposed sell order on the relevant Trading Day. In all cases, it is my/our responsibility to ensure that each of the funds managed by me/us complies with all China Connect Laws and China Connect Rules to which the relevant fund may be subject.

8. Settlement and Currency Conversion

- 8.1. As all Northbound trading is effected and settled in Renminbi, if the Bank does not receive sufficient Renminbi before settlement of a Northbound buy order to settle such purchase of China Connect Securities, settlement may be delayed and/or fail and I/we may not acquire title to, or become entitled to sell or transfer the relevant China Connect Securities. Where the Bank holds any funds on my/our behalf, if there are insufficient Renminbi funds to settle any Northbound buy order or other payment obligation in connection with China Connect, I/we authorise the Bank to convert any funds in any other currency which the Bank holds on my/our behalf into Renminbi for the purpose of settlement thereof.
- 8.2. Notwithstanding any provisions in the Existing Terms, where it is necessary to convert one currency to another pursuant to these China Connect Terms, such conversion may be carried out automatically by the Bank in a commercially reasonable manner without prior notice to me/us. Any risk, loss or cost (including fees, charges and/or commissions) in connection with or resulting from any conversion of one currency into another currency pursuant to these China Connect Terms shall be borne by me/us.
- 8.3. I/We agree that in the event that I/we fail to settle in a timely manner any payment obligation in relation to an instruction to purchase China Connect Securities, the Bank has the right to immediately and without prior notice to me/us take such action as the Bank considers appropriate to reduce or eliminate any loss or liability that the Bank suffers or may suffer (including but not limited to taking any steps to sell, realize, dispose of or otherwise deal with the relevant China Connect Securities) and that I/we shall indemnify and hold the Bank harmless for any liabilities, expenses or other losses the Bank may incur in exercising the foregoing right. I/we further agree that the Bank shall have no liability to me/us for any loss, diminution in value or other damages whatsoever for any action or inaction of the Bank or its agents pursuant to this Clause.
- 8.4. Notwithstanding any provisions in the Existing Terms, where the Bank determines that there is insufficient liquidity in RMB to settle any buy orders, the Bank may, in its sole and absolute discretion, reject my/our instructions to place such buy order.

9. Sale, Transfer and Disgorgement

- 9.1. Where, under the terms of the China Connect Rules, the Bank receives notice (a "Forced-sale Notice") from a China Connect Authority or China Connect Entity requiring the Bank to sell and liquidate a specified number of China Connect Securities, the Bank shall be entitled to issue a corresponding notice (a "Client Forced-sale Notice") to me/us requesting me/us to sell and liquidate any number of such China Connect Securities that I/we hold in my/our account with the Bank (as determined by the Bank in its sole discretion) within the period specified by the relevant China Connect Authority or China Connect Entity, and I/we undertake to comply with any such Client Forced-sale Notice.
- 9.2. In relation to any Forced-sale Notice, I/we authorise the Bank to sell or arrange for the sale of such China Connect Securities on my/our behalf at such price and on such terms as the Bank may determine in its absolute discretion if I/we fail to comply in a timely manner with a Client Forced-sale Notice, to the extent necessary to comply with all China Connect Laws and China Connect Rules.
- 9.3. Where China Connect Securities owned by me/us that are the subject of a Client Forced-sale Notice have been transferred from the holding of the Clearing Participant that settled the relevant Northbound buy order (the "Original CP") to another Clearing Participant or custodian (the "Recipient Agent"), I/We authorise the Bank to provide instructions to the Recipient Agent on my/our behalf to return the relevant China Connect Securities to the Original CP for sale and liquidation in accordance with all China Connect Laws and China Connect Rules. I/we also undertake to inform the Recipient Agent of such authorisation and, where required, I/we undertake to instruct the Recipient Agent to act accordingly.
- 9.4. I/We authorise the Bank to sell or arrange for the sale of any amount of China Connect Shares owned by me/us if the Bank receives notice from any China Connect Authority requiring me/us to disgorge any profits as a result of the "short swing profit rule", as described in Clause 16 (Short Swing Profit Rule) of Section G of Part 5.
- 9.5. In addition to the above, I/we authorise the Bank to sell, transfer or carry out any other action in relation to China Connect Securities owned by me/us 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 China Connect Laws or China Connect Rules.
- 9.6. 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 respect of this Clause.

10. Custody

10.1. Applicability

This Clause is only applicable when I/we have delivered to the Bank the China Connect Securities in relation to Pre-Trade Checking under the China Connect Rules and China Connect Laws.

10.2. Nature of custodial services

- 10.2.1. I/We acknowledge that the Bank is offering me/us custodial services in relation to Pre-Trade Checking under the China Connect Rules and China Connect Laws. The provisions in this Clause 10 are without prejudice to any agreements I/we may have with the Bank's affiliates providing me/us with custodial services.
- 10.2.2. I/We acknowledge that the Bank conducts business in China Connect Securities for other clients and for its own account.
- 10.2.3. I/We shall be solely responsible for all filings, tax returns and reports of any transaction in respect of or relating to China Connect Securities held under this Clause 10, as may be required by any relevant authority, whether government or otherwise.

10.3. Establishment of custody account

- 10.3.1. I/We authorise the Bank to establish on its books a custody account or accounts (the "Custody Account") for the receipt, safekeeping and maintenance of China Connect Securities.
- 10.3.2. The Bank will determine in its reasonable discretion whether to accept in the Custody Account any proposed delivery of China Connect Securities.
- 10.4. **Custodial procedures**
- 10.4.1. The Bank will be under no obligation to credit China Connect Securities to the Custody Account before its receipt of such China Connect Securities by final settlement.
- 10.4.2. If the Bank receives one or more instructions to deliver from the Custody Account an amount of China Connect Securities exceeding those credited to the Custody Account, the Bank may reject any such instruction or elect to perform any instruction in whole or in part, and in any order.
- 10.4.3. I/We acknowledge that deliveries of China Connect Securities and payments therefor may not be simultaneous. Accordingly, if the Bank receives an instruction to deliver China Connect Securities against payment or to pay for China Connect Securities against delivery, the Bank may make or accept payment for or delivery of China Connect Securities in accordance with relevant market practices and/or rules and/or applicable law or regulation.
- 10.4.4. The Bank shall make payment for and/or receive or deliver China Connect Securities only upon receipt of and in accordance with specific instructions (except as otherwise specifically provided in these China Connect Terms).
- 10.4.5. Unless the Bank has received and accepted a contrary instruction, the Bank may carry out the following without any instruction:
- (i) in my/our name or on my/our behalf, sign any document relating to China Connect Securities which may be required (i) to obtain receipt of any China Connect Securities or funds or (ii) by any tax or regulatory authority; and
 - (ii) collect and/or receive and/or take other necessary or appropriate action in relation to any payment or distribution in respect of China Connect Securities (whether pursuant to a stock dividend, bonus issue, share sub-division or reorganisation, capitalisation of reserves or otherwise).
- 10.4.6. I/We acknowledge that the Bank may re-deliver to me/us or to my/our usual custodian, at such time as the Bank may determine in its absolute discretion, any China Connect Securities which have not been utilised by the Bank in the settlement of any transaction on my/our behalf. Similarly, I/we acknowledge that the Bank may, within one Trading Day of receipt, deliver or pay to me/us or my/our usual custodian or bank (net of any fees or other expenses payable by me/us to the Bank) any distribution or payment received by the Bank in respect of China Connect Securities for my/our account. I/We will, promptly on the Bank's request, give such instructions (to the Bank and/or my/our usual custodian and/or any other person) as the Bank may require to pre-authorise

- any such re-delivery or payment.
- 10.4.7. In circumstances where the Bank has not, after using reasonable endeavours, been able to (a) re-deliver to me/us or to my/our usual custodian any such China Connect Securities, or (b) deliver or pay to me/us or my/our usual custodian or bank any such distribution or payment, including, for example, and without limitation, where (a) I/we fail to provide such instructions upon our reasonable request and/or (b) my/our usual custodian refuses to accept any such delivery of China Connect Securities or payment, I/we authorise the Bank in its absolute discretion to sell, liquidate or otherwise dispose of the relevant China Connect Securities and to transfer the sale, liquidation and/or disposal proceeds and/or any distribution or payment to my/our usual bank account or, if there is no bank account, to an account established for me/us by the Bank with a third party bank selected by the Bank in its absolute discretion pending instructions for payment to my/our preferred account.
- 10.4.8. 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 rights) in relation to any payment or distribution in respect of China Connect Securities for my/our account or to notify me/us of the existence of or the terms of any notice, circular, report, announcement or similar corporate action in respect of China Connect Securities. I/We acknowledge that in certain circumstances, including, without limitation, as a result of any China Connect Laws or China Connect Rules, it may be difficult, impracticable or impermissible for HKSCC or its nominee (and for the Bank or me/us) to exercise any rights or entitlements or to participate in any actions, transactions or other matters in respect of China Connect Securities. If the Bank makes any such collection or receipt, takes any such action or gives me/us any such notification or takes any action pursuant to any such notification, the Bank shall not have:
- (i) any liability in respect of any inaccuracies or delays; and
 - (ii) any obligation to continue or repeat any such action.
- 10.5. Pooling/sub-custodians/clearance systems**
- 10.5.1. The Bank may pool China Connect Securities and treat them as fungible with the same China Connect Securities of other clients. The Bank may at any time allocate equivalent China Connect Securities to me/us and shall not be bound to return to me/us the original China Connect Securities delivered to the Bank.
- 10.5.2. The Bank may deposit China Connect Securities with any sub-custodian or with any clearance system as required by law, regulation or market practice, and are not responsible for performance by or monitoring of any sub-custodian or by any clearance system or its practices. In addition, the Bank shall not be liable for any act or omission by, or the insolvency of, any clearance system. In the event I/we incur a loss due to the negligence, wilful default, or insolvency of any clearance system, the Bank will make reasonable endeavors, in its discretion, to seek recovery from the relevant clearance system, but the Bank will not be under any obligation to institute legal proceedings, file any proof of claim in any insolvency proceeding, or take any similar action.
- 10.6. Confirmations**
- 10.6.1. I/we confirm that during the subsistence of these China Connect Terms:
- (i) I/We have authority to deposit and hold China Connect Securities in the Custody Account and there is no claim or encumbrance that will or may adversely affect any delivery of China Connect Securities; and
 - (ii) if I/We act as an agent for any of my/our own customers, whether or not expressly identified to the Bank at any time, no such customer shall be or be considered a customer or indirect customer of the Bank, and my/our obligations under these China Connect Terms are as principal.
- 10.6.2. I/we will, promptly on the Bank's request, execute such documents and do such acts and things as the Bank may require in order to perform its obligations under these China Connect Terms or otherwise to comply with the China Connect Rules or China Connect Laws.
- 10.7. Custodial duties and liabilities**
- 10.7.1. The Bank shall have only those duties expressly provided in these China Connect Terms. The Bank shall have no fiduciary duties or other implied duties or obligations whatsoever.
- 10.7.2. The performance by the Bank of its duties is subject to:
- (i) all relevant local laws, regulations, decrees, orders and government acts;
 - (ii) the rules, operating procedures and practices of any relevant stock exchange, clearance system or market; and
 - (iii) any event or circumstance beyond its reasonable control.
- 10.7.3. In respect of any custodial services described in this Clause 10:
- (i) the Bank will not be liable for any loss or damage suffered by me/us unless such loss or damage results from its negligence, wilful misconduct or fraud;
 - (ii) the Bank shall not be liable for consequential loss or damage (including, without limitation, lost profits) in any circumstances, whether or not foreseeable and regardless of the type of action in which such a claim may be brought, with respect to the Custody Account or its services hereunder; and
 - (iii) in the case of negligence or wilful misconduct its liability shall not exceed the replacement cost or the market value of the relevant China Connect Securities at the relevant time (whichever is lower).
- 10.7.4. The Bank may establish cut-off times for receipt of instructions. If the Bank receives an instruction after an established cut-off time, the Bank may regard the instruction as having been received on the following Trading Day and act on it accordingly.
- 10.8. Interest**
- No interest will be payable on my/our Custody Account.
- 10.9. Lien**
- In addition to any other remedy the Bank may have, the Bank shall have a continuing general lien on all China Connect Securities held for me/us or my/our account, for all amounts due or owing by me/us to the Bank.
- 11. Client information**
- 11.1. Retention of records: If I/we instruct the Bank to effect a Northbound transaction in China Connect Securities on behalf of my/our client (a "Client Transaction"), I/we shall retain for a period of not less than 20 years (or such other period as the Bank may instruct me/us in accordance with China Connect Laws or China Connect Rules) records of any client instructions and account information in relation to the Client Transaction (such records the "Client Information").
- 11.2. My/our client acting as intermediary: If I/we instruct the Bank to effect a Client Transaction and I am/we are aware that my/our client is acting as an intermediary (either directly or indirectly through other intermediaries) for another person who is the beneficial owner of the Client Transaction, I/we undertake and confirm that I/we have arrangements in place:
- 11.2.1. requiring my/our client to retain or procure the retention of the Client Information in relation to the beneficial owner of the Client Transaction for the period specified in Clause 11.1; and
 - 11.2.2. which entitle me/us to obtain and disclose the Client Information in relation to the beneficial owner upon request and within the required time limit specified by the Bank, or procure that it be so obtained and disclosed.
- 11.3. Disclosure of information to China Connect Authority: If the Bank receives an enquiry from any China Connect Authority in relation to a Client Transaction, I/we shall, upon request and within the time limit specified by the Bank, disclose to the Bank or to the relevant China Connect Authority the Client Information, or procure such disclosure, in relation to the beneficial owner of the Client Transaction.
- 12. Indemnity**
- In addition and without prejudice to any of its rights under the Existing Terms, I/we will indemnify the Bank, the custodial agent and any of their directors, officers and employees (together, the "Indemnified Parties") on a full indemnity basis against any claims, demands, actions, proceedings, damages, costs, expenses, losses and all other liabilities whatsoever arising directly or indirectly from the Indemnified Parties providing any services to me/us in respect of my/our trading or investment in China Connect Securities, including, without limitation, to (a) any Taxes resulting from any trading or holding of China Connect Securities in relation to China Connect, (b) the materialisation of any risk referred to in Section G of Part 5, (c) any legal costs which any of the Indemnified Parties may incur in connection with any instruction given by me/us, (d) any fees or expenses payable to any clearance systems arising from the holding of China Connect Securities or (e) any costs incurred in connection with Clause 9 (Sale, Transfer and Disorgement) above.

13. Fees and Taxation

- 13.1. I/We shall be responsible for paying all Taxes, and I/we shall be required to comply with any filing or registration obligations, in each case as may be required under any China Connect Laws or China Connect Rules relating to any China Connect Securities and any dividends or entitlements in respect of such China Connect Securities.
- 13.2. In the event the Bank is required under China Connect Laws or China Connect Rules to pay any Taxes, the Bank may notify me/us whenever necessary and request that I/we provide the Bank with relevant information as the Bank may deem necessary to fulfill its obligations. I/We must provide to the Bank, promptly on such request, such information and documents such as but not limited to costs of my/our purchase of the China Connect Securities, my/our and/or any underlying beneficial owner's tax status or residence. The Bank may withhold or deduct relevant Taxes from any amount due to me/us and I/we will remain liable for any shortfall.
- 13.3. In the event the Bank does not receive any requested information from me/us within a reasonable period of time to fulfill its obligations, the Bank shall be forthwith entitled in our absolute discretion, without further notice or demand to me/us, to satisfy any obligation of the Bank or me/us to pay or account for any amounts in respect of any Taxes by selling, realizing 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 for any purpose in any of my/our accounts held with the Bank, and to apply the proceeds in reduction of all or part of my/our liability to any tax authority or the Bank.
- 13.4. The Bank shall have no responsibility to verify the accuracy of the information provided by me/us and is entitled to rely on such information to fulfil the Bank's or my/our obligations.
- 13.5. The Bank shall have no liability whatsoever for the lack of any tax relief, or any failure to obtain the benefit of any tax credit.

14. Liability

Notwithstanding any other provision in these China Connect Terms, neither the Bank nor any Related Person shall be responsible for and shall have no liability to me/us for any damage, liability or loss (including loss of profit) unless such damage, liability or loss is a direct result of the Bank's or a Related Person's fraud, wilful default or negligence.

15. Termination

I/We agree and acknowledge that the Bank may at any time introduce any new services or delete/terminate these China Connect Terms. Clauses 3 (Compliance with China Connect Laws and China Connect Rules), 4 (Risk Disclosures and Acknowledgment), 9 (Sale Transfer and Disgorgement), and 12 (Indemnity) shall survive termination of these China Connect Terms. On the termination of these China Connect Terms, the Bank shall deliver China Connect Securities and cash in accordance with my/our instructions. If I/we fail to give instructions, the Bank shall continue to hold China Connect Securities and/or cash for such fee(s) as the Bank may in its sole discretion determine. The Bank shall in any event be entitled to retain such China Connect Securities and/or cash as the Bank may in its sole discretion determine in order to complete any transaction required to be settled on my/our behalf.

16. Miscellaneous

- 16.1. I/We will pay fees, charges and expenses in respect of these China Connect Terms in accordance with the Bank's fee scale from time to time in force.
- 16.2. I/We will execute any further documents and provide any materials and/or information as the Bank may reasonably request to enable the Bank to perform its duties and obligations under these China Connect Terms which may become necessary as and when the China Connect Laws or the China Connect Rules are amended from time to time.
- 16.3. I/We 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, any China Connect Entity or any exchange, regulatory authority or any organisation (whether within or outside Hong Kong) with which HKEx or the SEHK has entered into an information sharing arrangement or agreement. I/we acknowledge that, my/our failure to comply with this provision may, amongst other things, result in a suspension of China Connect Service to me/us.
- 16.4. I/We hereby confirm that the Bank has explained to me/us and I/we have received and read the English and Chinese versions of these China Connect Terms and that I/we understand and accept these terms. In the event of discrepancy between the Chinese version and the English version of these China Connect Terms the English version shall, insofar as the discrepancy relates to these China Connect Terms, prevail.
- 16.5. If any provision in these China Connect Terms shall be held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the parties.
- 16.6. No failure or delay by either party in exercising any right or remedy provided under these China Connect Terms shall operate as a waiver of it, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise of it or the exercise of any other right or remedy. Any waiver of a breach of these China Connect Terms shall not constitute a waiver of any subsequent breach.
- 16.7. The Bank may at any time vary, delete, replace, add or amend these China Connect Terms upon prior written notice to me/us in accordance with the requirements of applicable codes and guidelines.

17. Governing Law and Jurisdiction

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

18. Market Data Information

- 18.1. Where I/we receive any Market Data Information from the Bank and/or any Related Person, I/we agree as follows:
- (a) I/we 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;
 - (b) I/we shall not use or permit the use of the Market Data Information for any illegal purpose;
 - (c) I/we shall not use the Market Data Information for index computation and compilation or as the basis for any tradable derivative product;
 - (d) subject to Clause 18.1(c), I/we shall use the Market Data Information only for my/our own purposes, in the ordinary course of my/our 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 my/our software system suppliers to develop, connect or apply relevant software solutions;
 - (e) I/we acknowledge that the China Connect Markets 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;
 - (f) I/we acknowledge 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
 - (g) the Bank and/or any Related Person, by disseminating or making available any Market Data Information received from the SEHK to me/us, 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 me/us or any third parties arising from any inaccuracy or omission in or of the Market Data Information.

Part 3: Specific Terms and Conditions for investments in Unit Trusts, Mutual Fund Schemes, Asset Linked Investment Products and other investment products

The provisions in this Part 3 shall, unless otherwise expressly stated, apply to Investment transactions relating to Unit Trusts, Mutual Fund schemes, Asset Linked Investment Products and other investment products which are not covered by Part 2 or Part 4.

1. Investment Transactions

- 1.1. The Bank is hereby authorized, subject to the relevant Offering Document, to purchase, subscribe, apply for, redeem, sell, switch or otherwise dispose of Investments as my/our agent or principal and for my/our account. However, the Bank shall be entitled, at its discretion (such discretion not to be exercised in an unreasonable manner), to refuse to accept any instruction for the same and shall not be obliged to give reasons for such refusal and shall not be liable to me/us for any loss whatever arising out of or in connection with its not accepting or acting on these instructions or omitting to notify me/us save in the event of fraud or wilful default on the part of the Bank. Any

order placed shall be subject to the final confirmation of the management company, distribution agent, issuer or distributor of the relevant Investment.

- 1.2. Any purchase, application, subscription, redemption, sale, switching or disposal of Investments will be effected subject to the Offering Document of the relevant Investment. I/We shall read and understand such Offering Document before giving any instruction to the Bank in relation thereto.

2. Dealing Practices

- 2.1. Request to cancel or amend an instruction is only possible before it has been executed and is subject to acceptance by the Bank (the Bank shall not refuse to accept such a request unless on reasonable grounds). In the case of full or partial execution of any instruction before the request for cancellation has been accepted by the Bank, I/we agree to accept full responsibility for the transactions. Instructions are good until accepted by the Bank for cancellation or amendment.
- 2.2. It is my/our responsibility to check with the Bank as to whether any of my/our instructions has been executed. Following execution of an instruction for any transaction relating to the One Account, the Bank will send me/us a confirmation of transaction within 2 business days and thereafter in respect of Investments which the Bank is required by any applicable laws, regulations or codes of practice to do so, periodic statements summarizing the transactions effected through the One Account over the period covered by the periodic statement. Save and except for such confirmations of transaction and periodic statements, the Bank shall not be obliged to notify me/us separately as to whether my/our instruction has been executed.
- 2.3. The Bank is entitled to:
- (a) not execute any instruction for purchase, application or subscription transaction unless I/we have made available to the Bank cleared funds in the One Account of an amount which is, in the opinion of the Bank, sufficient to cover the relevant purchase, application or subscription amount together with the relevant charges and expenses liable to be incurred in connection with such purchase, application or subscription; and
 - (b) not execute any instruction for redemption, sale or switching transaction unless I/we have deposited the relevant Investment with the Bank in an account designated by Bank for that particular Investment before giving the relevant Instruction.
- 2.4. I/We hereby undertake not to withdraw from the One Account the amount which is, in the opinion of the Bank, sufficient to cover the purchase, application or subscription amount together with the relevant charges and expenses after I/we have given an instruction for purchase, application or subscription transaction.
- 2.5. The Bank is entitled to withdraw at its discretion on the transaction date or settlement date of a purchase as required by the Bank, application or subscription transaction a sufficient amount from the One Account to settle the relevant purchase, application or subscription amount together with the relevant charges and expenses liable to be incurred in connection with such transaction.
- 2.6. I/We will reimburse any premiums which I/we may be required to pay and for any losses, reasonable costs, fees and expenses (including reasonable legal expenses on a full indemnity basis) in connection with my/our settlement failure.
- 2.7. All currency exchange risks in respect of any transactions, settlement, actions or steps taken by the Bank hereunder will be borne by me/us.
- 2.8. I/We agree that any Investment deposited with the Bank by me/us or purchased, applied or subscribed for by the Bank for the One Account may, at the absolute discretion of the Bank, either be treated as fungible and pooled like with the other investments held by its customers or specially allocated to the One Account. I/We agree that in the event of any dividends or other distributions or benefits accruing, or any losses however arising being suffered, in connection with any given Investments held like with like, the One Account shall be credited for such dividends, distributions or benefits made to me/us as soon as practicable (subject to actual receipt of such dividends, distributions or benefits by the Bank) or, as the case may be, the One Account shall be debited with such loss.
- 2.9. The Bank shall not be obliged to endeavor to procure the registration of any transfers of Investment received by the Bank for the credit of the One Account.
- 2.10. Any Investment deposited by me/us with the Bank or purchased, applied or subscribed for by the Bank on my/our behalf, and held by the Bank for safe-keeping shall be registered by the Bank in the name of the Bank's nominee.
- 2.11. Unless otherwise required by any applicable laws, regulations, codes of practice or contractual obligations to do so, the Bank or its nominee shall not be obliged to forward any notices, proxies, prospectuses, offering memoranda, annual reports, or other documents or communications in respect of my/our Investments to me/us. Notwithstanding the aforesaid, if the Bank or its nominee at its discretion determines that any action is required in respect of such Investment and I/we cannot be contacted or fail to give the Bank punctual or adequate instructions for such action, I/we hereby authorize the Bank or its nominee to act on my/our behalf as its absolute discretion think fit, including without limitation, exercising any voting rights in respect of the Investments of which I am/we are the beneficial owner but which are registered in the name of the Bank's nominee and the Bank and its nominee shall not be liable, in the absence of fraud or wilful default, for such action it may take. I/We undertake to indemnify the Bank and its nominee against all reasonable costs, charges and expenses that may be incurred by them in respect of Investments held by them for safe-keeping in my/our One Account.

Part 4: Specific Terms and Conditions for Currency-Linked Deposits

The provisions in this Part 4 shall, unless otherwise expressly stated, apply to transactions relating to Currency-Linked Deposits.

1. Definitions and Interpretation

In this Part 4 (and where applicable, in Section F of Part 5), the following words and expression shall have the following meanings:

"Business Day"	means any day that is: (a) not a general holiday as specified in or otherwise appointed under the General Holidays Ordinance (Cap 149) of Hong Kong and not declared by the Hong Kong Association of Banks to the effect that banks in Hong Kong are not open to the public due to bad weather conditions such as the hoisting of Typhoon Signal No.8, Black Rainstorm Signal, etc.; or (b) not a bank holiday or a non-business day in the home country or region of the Deposit Currency or Linked Currency;
"Confirmation Advice"	means a confirmation from time to time issued by the Bank to me/us setting out, amongst other things, details (including its deal number, deal date, deposit amount, deposit tenure, deposit start date, deposit maturity date, anticipated settlement dates, Deposit Currency, Linked Currency, Strike Rate, Fixing Date, Fixing Time, Contracted Deposit Rate(s), contracted interest amount and settlement arrangements) of the Currency-Linked Deposit established by me/us with the Bank;
"Contracted Deposit Rate(s)"	means, in respect of any Currency-Linked Deposit, the one or more deposit interest rates specified as such in the relevant Confirmation Advice;
"Currency-Linked Deposit"	means a deposit established under this Part 4, which is a hybrid product comprising a time deposit denominated in its Deposit Currency and an option granting the Bank the right, but not the obligation, to repay the deposit amount together with the interest thereon on its maturity date in its Linked Currency if the conditions set out in Clause 3.2 below are fulfilled;
"Deposit Currency"	means, in respect of any Currency-Linked Deposit, the currency specified as such in the relevant Confirmation Advice;
"Fixing Date"	means, in respect of any Currency-Linked Deposit, the date specified as such in the relevant Confirmation Advice;
"Fixing Rate"	means, in respect of any Currency-Linked Deposit, the spot exchange rate between the Deposit Currency and the Linked Currency at the Fixing Time on the Fixing Date, which shall be in the same basis of quotation as the Strike Rate of the relevant Currency-Linked Deposit, as determined by the Bank in the manner prescribed in Clause 3.4 below;
"Fixing Time"	means, in respect of any Currency-Linked Deposit, the time specified as such in the relevant Confirmation Advice;
"Linked Currency"	means, in respect of any Currency-Linked Deposit, the currency specified as such in the relevant Confirmation Advice;
"Maturity Advice"	means, in respect of any Currency-Linked Deposit, a confirmation issued by the Bank to me/us on or after the Fixing Date setting out, amongst other things, details (including its deal number, deal date, deposit amount, deposit tenure, deposit start date, deposit maturity date, Settlement Date, Deposit Currency, Linked Currency, Strike Rate, Fixing Date, Fixing Time, Contracted Deposit Rate(s), contracted interest amount and settlement arrangements) of the Currency-Linked Deposit;
"Settlement Date"	means, in respect of any Currency-Linked Deposit, the date specified as such on the Maturity Advice; and
"Strike Rate"	means, in respect of any Currency-Linked Deposit, the pre-determined exchange rate specified as such in the relevant Confirmation Advice.

2. Establishment of Currency-Linked Deposits

- 2.1 I/We may from time to time apply to establish one or more Currency-Linked Deposits with such deposit amount, deposit tenure, deposit start date, deposit maturity date, Deposit Currency, Linked Currency, Strike Rate, Fixing Date, Contracted Deposit Rate(s), contracted interest amount and other terms agreed between me/us and the Bank

- before its establishment.
- 2.2 The Bank reserves the right not to accept any of my/our applications to establish a Currency-Linked Deposit without giving any reason therefor.
- 2.3 I/We will arrange for the deposit amount of any Currency-Linked Deposit to be deposited and maintained in my/our One Account with the Bank as may be advised by the Bank on or before submitting my/our application to establish the relevant Currency-Linked Deposit. I/We undertake not to withdraw the deposit amount so deposited from the Bank at any time on or before the deposit start date of the relevant Currency-Linked Deposit.
- 2.4 The Bank will provide a Confirmation Advice to me/us as soon as possible if it has accepted my/our application to establish a Currency-Linked Deposit.
- 2.5 The Bank will issue a Maturity Advice to me/us on or after the Fixing Date setting out, amongst other things, the details of the settlement arrangements.

3. Repayment of Currency-Linked Deposits

- 3.1 The Bank will pay the deposit amount of any Currency-Linked Deposit together with the interest thereon calculated using the applicable Contracted Deposit Rate in accordance with Clause 3.2 below. Interest on any Currency-Linked Deposit shall accrue on its deposit maturity date. Such interest shall be calculated from the deposit start date to the deposit maturity date on a basis as stated on the Confirmation Advice issued by the Bank.
- 3.2 The Bank will repay the deposit amount together with the interest thereon of any Currency-Linked Deposit to me/us in the Deposit Currency on deposit maturity date. However, the Bank shall have the option, but is not obliged, to repay such deposit amount and interest thereon in the Linked Currency of the relevant Currency-Linked Deposit if the Linked Currency weakens against the Deposit Currency to the extent that the Fixing Rate is above or below - dependent on the choice of the Deposit Currency and Linked Currency and the quotation method used by the Bank at the time of establishment of the relevant Currency-Linked Deposit - the Strike Rate, as specified in the relevant Confirmation Advice. If the Bank elects to repay in the Linked Currency, the deposit amount together with the interest thereon payable by the Bank up to the deposit maturity date shall be converted into the Linked Currency at the Strike Rate of the relevant Currency Linked Deposit as specified in the Confirmation Advice and credited to my/our One Account on the Settlement Date stated on the Maturity Advice. In the event that the Bank exercises its right to repay the deposit amount and the interest on a Currency-Linked Deposit in the Linked Currency, the Settlement of the relevant Currency-Linked Deposit will be conducted on the Settlement Date that is a Business Day, should the Settlement Date fall on a non-Business Day, the relevant settlement will be deferred to the next Business Day on which both currencies can be delivered and settled. For the avoidance of doubt, no interest shall accrue on the period between the deposit maturity date and the Settlement date.
- 3.3 A Currency-Linked Deposit may not be withdrawn at any time before its maturity.
- 3.4 The Bank will refer to such external source(s) of information as it believes in good faith to be appropriate for the purposes of determining the Fixing Rate. Such external source(s) of information may include Reuters screen, Telerate page, reference dealers, option providers, any official government rates or any other sources deemed to be appropriate from time to time by the Bank. Under any circumstances, the determination of the Bank shall be final and conclusive.

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4. Single and Continuous Agreement

The provisions in this Part 4 shall be continuous and shall cover all Currency-Linked Deposits which I/we may establish with the Bank from time to time. Unless otherwise agreed, each Currency-Linked Deposit shall be governed by these Terms and Conditions, the General Terms and Conditions and the relevant Confirmation and Maturity Advice. Each Confirmation Advice and Maturity Advice shall be supplemental to and form a part of these Terms and Conditions. In the event of inconsistencies between the Confirmation Advice and Maturity Advice of any Currency-Linked Deposit and these Terms and Conditions, the terms of the Confirmation Advice and Maturity Advice shall prevail insofar as the relevant Currency-Linked Deposit is concerned. At all times, these Terms and Conditions together with the General Terms and Conditions and all Confirmations Advice and issues of Maturity Advice shall constitute the single and only agreement between the Bank and me/us with respect to the Currency-Linked Deposits established by me/us from time to time.

5. Market Disruption

- 5.1 The Bank may upon the occurrence of a Market Disruption Event postpone the Fixing Date of a Currency-Linked Deposit to the first succeeding Business Day on which there is no Market Disruption Event. In the event that the Fixing Date shall be postponed for more than five Business Days, the Bank shall determine the Fixing Rate of the relevant Currency-Linked Deposit in accordance with the conventional market practice. Upon any postponement of the Fixing Date, the deposit maturity date of the relevant Currency-Linked Deposit shall be postponed accordingly. For the avoidance of doubt, no interest shall accrue during such period of postponement.
- 5.2 The Market Disruption Events referred to in Clause 5.1 above are the occurrence or existence of any of the following events on the Fixing Date as specified in the relevant Confirmation Advice:
- (a) it is impossible to convert the Deposit Currency into the Linked Currency and vice versa through customary legal channels;
 - (b) it is impossible to deliver either the Deposit Currency or the Linked Currency from an account outside Hong Kong to an account in Hong Kong;
 - (c) it is impossible to obtain a quotation on the Fixing Rate; and
 - (d) the occurrence of an event which makes it impossible for the Bank to fulfill its obligations under this Part 4.

6. Maturity on a non-Business Day

If the deposit maturity date of the Currency-Linked Deposit falls on a day which is not a Business Day, the deposit shall be deemed to mature on the immediately following Business Day but during such postponed period, interest will accrue at such rate as may be determined by the Bank according to its prevailing practice instead of the Contracted Deposit Rate.

7. Termination and Close-out

- 7.1 The following events are Events of Default under this Part 4:
- (a) failure to satisfy any obligation under the General Terms and Conditions or these Terms and Conditions on my/our part;
 - (b) a bankruptcy or winding-up petition or other similar process is presented, or a resolution is passed to effect the same, in relation to me/us;
 - (c) a receiver, liquidator or trustee or other analogous officer is appointed over all or a material part of my/our assets;
 - (d) an assignment or charge on or any dealing in respect of my/our rights and/or obligations under these Terms and Conditions has been effected (except in favour of the Bank); and
 - (e) the Bank reasonably determines in good faith that there has been a material adverse change in my/our circumstance, business, financial conditions, legal status or capacity.
- 7.2 Upon the occurrence of an Event of Default, the Bank may terminate these Terms and Conditions and any or all Currency-Linked Deposits. The Bank shall notify me/us as soon as practicable after any decision is made to terminate these Terms and Conditions and any or all Currency-Linked Deposits.
- 7.3 If the Bank elects to terminate these Terms and Conditions, the Bank shall reasonably and in good faith calculate the monetary value of all obligations owed by the Bank and me/us under the terminated Currency-Linked Deposits to each other as at the day the Event of Default occurred or such later date as the Bank considers appropriate, whereupon such amount will become payable by the Bank and/or me/us to the other (as the case may be).

Part 5: General Risk Disclosure Statement and Disclaimer

I/We acknowledge and agree that:

- (a) the Bank has advised me/us to read this General Risk Disclosure Statement and Disclaimer carefully. This General Risk Disclosure Statement and Disclaimer forms an integral part of these Terms and Conditions;
- (b) the Bank has explained this General Risk Disclosure Statement and Disclaimer to me/us and I/we have read and fully understand the same;
- (c) the Bank has recommended me/us to obtain independent legal advice before entering into these Terms and Conditions with the Bank;
- (d) this General Risk Disclosure Statement and Disclaimer does not purport to disclose or discuss all of the general risks and other significant aspects of any transaction. I/We should therefore consult my/our own independent legal, tax and financial advisers prior to entering into any particular transaction. It is important for me/us to

- determine whether any transaction is suitable to me/us and I/we should be aware that this is my/our responsibility; and
- (e) additional risk factors in relation to Investments may be set out in the relevant Offering Documents. I/We should carefully read, understand and consider the risk factors in the Offering Documents before making any investment in the Investments.

Unless otherwise defined, capitalized terms used in this General Risk Disclosure Statement and Disclaimer shall have the same meanings given to them in other Parts.

Section A: Risk Disclosure Statements relating to the Services provided under One Account

1. General Risks

- 1.1. Investment involves risks. Past performance of investment products are no guide to future performance. The value of investments and the income from them can fluctuate and is not guaranteed. I/we may not get back the amount invested and the worst case will result in loss of my/our entire investments. Leveraged products may involve the potential to lose more than the entire amount of my/our investment.
- 1.2. Investments are not appropriate for me/us unless I am/we are willing or able to accept the risk of adverse movements in the value of investment products and currency exchange rates.
- 1.3. Prior to entering into any Transaction, I/we should familiarize myself/ourselves with all relevant materials including any Offering Document that has been provided to me/us by the Bank which set out material terms, associated obligations, underlying assumptions, pricing basis, product specific risk factors and other relevant information regarding Transactions which I/we propose to enter into.
- 1.4. I/We should carefully study and understand the risks involved and consider whether entering into a Transaction is suitable in the light of my/our financial position, experience and investments objectives.
- 1.5. I/We should ensure that I/we fully understand the terms of the investments and any risks involved, and I/we accept any and all risks in connection therewith. I/We have been fully advised to make independent assessment of the risks associated with the entering into of Transactions and I/we shall seek independent appraisal and/or advice if I am/we are uncertain of or have not understood the product features of any of the investments, any aspect of these risk disclosure statements or the nature of risks involved in making investments, and notwithstanding any materials or information which may be provided by the Bank to me/us in relation to any investment product, I/we shall consider whether it is a suitable investment.

2. Risk of Investment

The prices of any investment may fluctuate, sometimes dramatically. The price of an investment may move up or down, and may become valueless as it is likely that losses will be incurred rather than profit made as a result of buying and selling investment product.

3. Risk of Online Trading

Transactions over the Internet may be subject to interruption, transmission blackout, delayed transmission due to Internet traffic or incorrect data transmission due to the public nature of the Internet. There may also be a time lag in transmission of information, instruction and communication via the Internet. This may subject instructions to non-execution, delays or error in execution or execution at prices different from those indicated on the Internet.

4. Risk of Client Assets Received or Held Outside Hong Kong

Client assets received or held by the Bank outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from those in Hong Kong (including the Securities and Futures Ordinance and the rules made thereunder). Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong. I/we may experience difficulties and delay in the enforcement of judgement or may not be able to enforce it at all.

5. Currency Risk

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

6. Risk of Providing an Authority to Direct Mail to Third Parties

If I/we provide the Bank with an authority to direct mail to third parties, it is important for me/us to promptly collect in person all contract notes and statements of my/our account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.

7. Liquidity and Marketability Risks

I/We acknowledge and agrees that at certain times or under certain market conditions, I/we may find it difficult or impossible to liquidate a position, to assess value or to determine a fair price. Certain equity or debt Securities and money market instruments and, in particular, structured notes or customized products may not be readily realizable or marketable, and only limited market making arrangement may be provided. There can be no certainty that market traders will be prepared to deal in them, and I/we should be aware that proper information for determining my/our current value may not be available.

8. Counterparty Issuer and Credit Risk

- 8.1. I/We should ensure that it is aware of the identity of, and find acceptable, the contractual counterparty with whom I/we may be matched. As I/we will often be purchasing an unsecured obligation of the counterparty (as opposed to an obligation of a central clearing corporation in the case with exchange traded futures and options), I/we should evaluate the comparative credit risk.
- 8.2. Where I/we purchases a debt instrument, such as a note or a bond, I/we takes the credit risk of both its contractual counterparty as well as the issuer of the debt instrument. I/We should be aware that, depending on the product, the capital protection component of a product can be well under 100% of the capital invested and that capital protection does not mean 100% repayment of the purchase price of every product. Where the redemption price of a product is indicated at 100% (100% capital protection), it should be noted that this represents no guarantee by the issuer or the Bank that 100% of the purchase price of the product will be paid out at maturity. Capital protection only protects me/us from the downside-risk of the Transaction itself but not from the credit risk of the counterparty and the issuer.
- 8.3. If the Bank deals with me/us as counterparty, the Bank will deal with me/us at arms-length. At no time will the Bank be acting as a fiduciary of me/us nor will the Bank accept any fiduciary obligation to me/us. As a counterparty of the Bank, any loss to me/us may be a gain to the Bank.

9. Deposited Property and Cash

I/We should also be familiar or familiarize myself/ourselves with the protections accorded to money or other property that I/we deposit for domestic and foreign Transactions, particularly in the event of an insolvency or bankruptcy of the issuer, guarantor (if applicable), custodian or intermediary. The extent to which I/we may recover my/our money or property may be governed by local rules and regulations. In some jurisdictions, property which had been specifically identifiable as my/our own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

10. Transaction Costs

Before making any Transaction or investments, I/we should obtain a clear explanation of all commissions, fees and other charges for which I/we will be liable. My/our net returns from any Transaction or investments would also be affected by the Transaction costs (i.e. commission, fees and other charges) charged by the Bank or third parties and any relevant tax liabilities. These costs must be considered in any risk assessment made by me/us. In some cases, managed Accounts may be subject to substantial charges for management and advisory fees. It may be necessary for those Accounts that are subject to these charges to make substantial trading profits to avoid depletion or exhaustion of their assets.

11. Liquidity Risk / Early Withdrawal Risk / Cancellation Risk

Any cancellation or withdrawal prior to maturity is subject to the consent of the Bank and/ or a relevant third party (as may be applicable). With these risks, investors may incur significant costs or losses.

12. Early Redemption or Termination Risk

I/We should be aware that it may be a general condition of the investment products that the issuer may, at its discretion, redeem or terminate the investments prior to maturity upon notice to investors under a variety of conditions and/ or circumstances set forth in the issuer's Offering Document, and such redemption may be less or substantially less than its investment amount.

13. Tax risks

Before entering into any Transaction, I/we should understand the tax implications (including the implications of any applicable income tax, goods and services or valued added taxes, stamp duties and other taxes) of acquiring, entering into, holding and disposing of the relevant investments or Transaction. Different Transactions may have different tax implications. The tax implications of any Transaction are dependent upon the nature of my/our business activities and the Transaction in question. I/We should, therefore, consult my/our independent tax adviser to understand the relevant tax considerations.

Section B: Risk Disclosure Statements relating to Securities Trading

1. Risk of Trading Growth Enterprise Market Stocks

Growth Enterprise Market (GEM) stocks involve a high investment risk. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid.

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

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

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

2. Risk of Trading Nasdaq-Amex Securities at the Stock Exchange of Hong Kong Limited

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

Section C: Risk Disclosure Statements relating to Foreign Securities Trading

1. Foreign Securities may carry additional risk not generally associated with Securities in the domestic market. I/We may not be afforded equivalent protection in respect of Foreign Securities as that afforded under Hong Kong law and I/we may not have the same rights as I/we have in respect of Securities held in Hong Kong. The value or income of foreign Securities may be more volatile and could be adversely affected by changes in currency rates of exchange, foreign taxation practices, foreign laws, government practices, regulations and political events. I/We should only undertake trading of Foreign Securities if I/we understand the nature Foreign Securities trading and the extent of my/our exposure to risks. I/We should carefully consider whether such trading is appropriate for me/us in light of my/our experience, risk profile and other relevant circumstances and seek independent advice.
2. I/We may find it difficult to liquidate investments in Foreign Securities where they have limited liquidity in the relevant market. Foreign laws, government practices and regulations may also affect the transferability of Foreign Securities or may differ from or offer less investor protection than domestic market. Timely and reliable information about the value or the extent of the risks of Foreign Securities may not be readily available at all times.

Section D: Risk Disclosure Statements relating to Bonds Trading

1. There may be risks in leaving Bonds in the Bank's safekeeping.
2. The Bonds may not be capital protected by the issuer (depends on the selected tranches and reference should be made to the corresponding prospectus for details) and there may be circumstances that the money and/or value of shares that receiving at maturity may be substantially less than the value of my/our original investment. If there is any fractional share(s), it/they may not be physically delivered.
3. In situations where any Bond is a product combining note with financial derivatives, such as options, I/we understand that its return may be linked to the performance of other financial instruments, e.g. underlying stocks / companies / indices, etc. Unless such Bond is listed on The Stock Exchange of Hong Kong Limited, I/we have to sell such Bond on the over-the-counter market. The prices of such Bond in secondary markets are affected by a wide range of factors, including the performance of the underlying stocks / companies / indices, the market view of the credit quality of the reference company, interest rates, etc. I/We understand that secondary markets do not always exist and accept any associated liquidity risk. Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks.

Section E: Risk Disclosure Statements relating to investments in Asset Linked Investment Products

1. I/We understand and accept that the Asset Linked Investment Products may not be capital protected by the issuer and there are circumstances that the value of underlying asset(s) that I/we receive at maturity may be substantially less than the value of my/our original investment. If there is any fractional unit(s), it/they may not be physically delivered.
2. I/We understand that Asset Linked Investment Products are generally products combining notes with financial derivatives, such as options. Their returns are linked to the performance of other financial instruments, e.g. underlying stocks/companies/indices, etc. Unless the Asset Linked Investment Products are listed on The Stock Exchange of Hong Kong Limited, I/we have to sell my/our Asset Linked Investment Products on the over-the-counter market. The prices of the Asset Linked Investment Products in secondary markets are affected by a wide range of factors, including but not limited to the performance of the underlying stocks /companies /indices. I/We understand that secondary markets do not always exist and accept any associated liquidity risk. Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks.
3. The liquidity of Asset Linked Investment Products is not guaranteed as there is no liquid trading market and selling back Asset Linked Investment Products may not necessarily avoid losses. Investing in the Asset Linked Investment Products is not the same as investing in the Underlying Assets. Changes in the market price of the Underlying Assets may not lead to a corresponding change in the market value and/ or potential payoff of the Asset-Linked Investment Products. Past performance of an Asset Linked Investment Products and/ or the relevant Underlying Asset(s) may not be indicative of their respective future performance. I/We should refer to the Offering Documents (including the risk factors stated therein) and the relevant risk disclosure statement before making any investments decision. Investors who purchase Asset Linked Investment Products are relying upon the creditworthiness of the Asset Linked Investment Product issuer and/ or guarantor (if applicable).
4. I/we acknowledge that the Asset Linked Investment Products will be exposed to risk from trade date. The trading price of Asset Linked Investment Products (where tradable at all) may fluctuate depending on factors such as market interest rate movements, foreign exchange rates, the price of the Underlying Assets which are linked to the products, and the market for similar Underlying Assets. Also, the price could be affected if there are only very few potential buyers in the market. With Asset Linked Investment Products, if the Asset Linked Investment Products issuer has to redeem the products unexpectedly, I/we could lose part, and possibly all, of my/our investments. The amount that the issuer will be able to pay back on the products may be less, and could be substantially less, than the principal amount of the Asset Linked Investment Products. It is conceivable that I/we could lose all of my/our investments.
5. A structured or over-the-counter transaction generally cannot be assigned or transferred without the consent of the other party. The Bank is not obliged to repurchase a

transaction from me/us or terminate a Transaction at my/our request. Since Transactions are customized and not fungible, engaging in a transaction with another dealer to offset a transaction I/we have entered into with the Bank will not automatically close out those positions (unlike the case of equivalent exchange-traded futures and options) and will not necessarily function as a perfect hedge. Off-exchange Transactions may also be less regulated or subject to a separate regulatory regime. Before undertaking such Transactions, I/we should be familiar or familiarize myself/ourselves with the applicable rules and attendant risks.

6. If I/we try to sell his/her Asset Linked Investment Products before maturity, I/we may receive an offer which is less than the amount invested in or I/we may not be able to sell my/our products.
7. I/we understand and agree that the Bank, and its officers, employees, servants and agents, may receive consideration and monetary or non-monetary benefits in connection with my/our purchase or sale of the Asset Linked Investment Products.
8. I/we hereby acknowledge and understand that not all Asset Linked Investment Products are subject to cooling-off rights and, if such rights are offered, they can only be exercised within such time and upon such terms and conditions as set out in the relevant Offering Documents. It is also likely that I/we may not receive a full refund of the original investment amount. It is also possible that I/we will still be required to make full payment of the purchase or subscription price for the Asset Linked Investment Products which may be subject to buy back by the Asset Linked Investment Product issuer or its agent at a lower price, upon such terms and conditions as set out in the relevant Offering Documents. Handling fees may also be charged by the Asset Linked Investment Product issuer and the Bank. I/we understand that I/we should carefully read the relevant offering documents for such information.
9. I/we understand and agree that the Bank has its sole discretion to determine the mean of settlement, either physical or cash, depending on the Asset Linked Investment Product. The Bank is not obliged to fulfil my/our request to change the mean of settlement which differs from the mean of settlement agreed when I/we purchase the Asset Linked Investment Product.

Section F: Risk Disclosure Statements relating to Currency-linked Deposits

1. The high yield of Currency-Linked Deposit is effectively the sum of the interest received from the time deposit and the premium from writing a currency option with inherent risks.
2. Currency-Linked Deposit is not a traditional time deposit or its substitute and provides no guarantee of return or yield on investment. The net return in relation to Currency-Linked Deposit will depend on market conditions prevailing at the Fixing Time on the Fixing Date.
3. The Linked Currency received may be subject to currency devaluation risk. The loss due to currency devaluation may offset the interest earned on the Currency-Linked Deposit and may even result in significant losses in the principal amount of the deposit. There is a risk that losses may be incurred rather than profit made as a result of establishing any Currency-Linked Deposit.
4. The return on a Currency-Linked Deposit is limited to the interest payment thereon. This is the case even if my/our view of the exchange rate movement of the currencies concerned is correct.
5. I/We have no right or ability to designate an early deposit maturity date in respect of any Currency-Linked Deposit.

Section G: Risk Disclosure Statements and Other Information relating to China Connect

This Section describes some of the key risk factors and other information concerning China Connect. This Section does not disclose all the risks and other significant aspects of Northbound trading through China Connect. I/we acknowledge that I/we understand the nature and risks of China Connect and Northbound trading and I/we should consider carefully (and consult my/our own advisers where necessary) whether trading in China Connect Securities is suitable for me/us in light of my/our circumstances. The decision to trade in China Connect Securities is mine/ours, but I/we should not trade in China Connect Securities unless I/we fully understand and am/are willing to assume the risks associated with China Connect and am/are able to comply with all relevant China Connect Laws and China Connect Rules. I/We acknowledge the risks and agree to the terms set out in this Section. I am/We are responsible for monitoring changes in the China Connect Laws and China Connect Rules and complying with any new requirements. The Bank does not represent that the information set out in this Section is up to date, and does not undertake to update the information set out in this Section. In addition, the Bank does not provide any warranty with respect to such information and no such information is to be construed as legal, financial or tax advice of any kind by it.

Home Market Rules

1 Home Market Rules

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

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

Trading and Settlement Restrictions

2 Pre-Trade Checking

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

Accordingly, I/we may be unable to execute Northbound sell orders due to Pre-Trade Checking related requirements. My/our attention is drawn to the provisions set out in Clause 7 (Compliance with Pre-Trade Checking Requirements) of the China Connect Terms. I/We note in particular that I/we may be unable to execute a sell order of China Connect Securities if there has been a delay or failure for whatever reason in the transfer of the relevant China Connect Securities to any clearing account of the Bank or if for any other reason the Bank considers that there is or may be non-compliance with any China Connect Laws or China Connect Rules.

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

3 Settlement

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

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 purposes of contract notes, the settlement date would be T+1 day when both the securities and the cash are settled or, where the purchase was pre-funded, the settlement date would be the date on which the securities are released.

I/We acknowledge that there is no guarantee that the Bank will offer prefunding settlement and that if the Bank decides to offer prefunding settlement, the Bank may decide to terminate such service at any time.

4 Quota Restrictions

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

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

The SEHK and the relevant China Connect Market may also set pricing and other restrictions on buy orders in order to prevent the artificial use or filling of the Daily Quota. If there is a restriction, rejection or suspension of Northbound buying (which would include any order that has been accepted but not yet executed) as a result of a breach of the Daily Quota or the relevant pricing and other restrictions, the Bank will be unable to carry out any buy orders and any instruction to buy submitted but not yet executed will be restricted or rejected.

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

5 Restriction on Day Trading

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

6 No off-exchange trading and transfers

I/We, 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 match, execute or arrange the execution of any sale and purchase instructions or any transfer instructions from me/us or effect any Non-trade Transfer or settlement of instructions in respect of any China Connect Securities in any manner otherwise than through China Connect in accordance with the China Connect Rules, except in the following circumstances or as otherwise provided by a relevant China Connect Authority:

- (a) stock borrowing and lending of China Connect Shares which are eligible for covered short selling and with a tenor of no more than one month;
- (b) stock borrowing and lending of China Connect Shares which are eligible for satisfying the Pre-Trade Checking requirement, with a tenor of one day (and which is not renewable);
- (c) post-trade allocation of China Connect Securities by a fund manager across the funds and/or sub-funds it manages; and
- (d) any other situations specified by the China Connect Markets and ChinaClear, including but not limited to any Non-trade Transfer as a result or for the purpose of
 - (a) succession; (b) divorce; (c) dissolution, liquidation or winding up of any company or corporation; (d) donation to a charitable foundation; and (e) assisting in any enforcement action or proceedings of any court, prosecutor or law enforcement agency.

7 Placing Orders

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

8 China Connect Market Price Limits

China Connect Securities are subject to a general price limit of a $\pm 10\%$ based on the previous Trading Day's closing price. In addition, China Connect Securities which are on the risk alert board are subject to a $\pm 5\%$ price limit based on the previous trading day's closing price. The price limit may be changed from time to time. All orders in respect of China Connect Securities must be within the price limit. Any orders with a price beyond the price limit will be rejected by the relevant China Connect Market.

9 Delisting of companies listed on the China Connect Markets

According to the SSE Rules and the SZSE Rules, if any company listed on a China Connect Market (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 which is eligible for China Connect trading is subsequently moved to the risk alert board, investors under China Connect will be allowed only to sell the relevant China Connect Security and will be prohibited from further buying. For details concerning the risk alert board, please refer to the SSE Rules, SZSE Rules and any other relevant sources from time to time.

10 Account Information of Beneficial Owner

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

11 No Manual Trade or Block Trade

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

12 Short Selling

Covered short selling of China Connect Shares may become available in due course provided such covered short selling satisfies the requirements specified by the relevant China Connect Authorities, including that short selling orders are only in respect of China Connect Shares designated as eligible for short selling, are appropriately flagged as such and that they are subject to an uptick rule. However naked short selling of China Connect Shares is prohibited. The China Connect Authorities may also suspend the ability to engage in short selling of any China Connect Share if the volume of short selling activity exceeds thresholds prescribed by the relevant China Connect Market. I/We shall be fully responsible for understanding and complying with short selling requirements as in effect from time to time and for any consequences of non-compliance.

13 Amendment of Orders and Loss of Priority

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

14 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 me/us 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. I/We will only be able to sell, but not buy, any Special China Connect Securities.

Mainland China and Hong Kong Legal Issues

15 Disclosure of Interests

Under Mainland China laws, rules and regulations, if I/we hold or control shares (on an aggregate basis, i.e., including both domestically and overseas issued shares of the same Mainland China Listco (as defined below), whether the relevant holdings are through Northbound trading, QFII/RQFII regime or other investment channels) in a Mainland China incorporated company which is listed on a Mainland China stock exchange (a "Mainland China Listco") above a certain threshold as may be specified from time to time by the relevant China Connect Authorities, I/we must disclose such interest within the period specified by the relevant China Connect Authority, and I/

we must not buy or sell any such shares within the period specified by the relevant China Connect Authority. I/We must also disclose any substantial change in my/our holding as required by the relevant China Connect Authority.

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

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

16 Short Swing Profit Rule

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

17 Foreign Ownership Limits

Under Mainland China laws, rules and regulations, there is a limit to how many shares a single foreign investor is permitted to hold in a single Mainland China Listco, and also a limit to the maximum combined holdings of A Shares of all foreign investors in a single Mainland China Listco. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same issuer, whether the relevant holdings are through Northbound trading, QFII/RQFII regime or other investment channels). It shall be my/our responsibility to comply with all foreign ownership limits from time to time imposed by China Connect Laws and China Connect Rules. Such legal and regulatory restrictions or limitations may have an adverse effect on the liquidity and performance of an investment in China Connect Shares 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, I/we may suffer losses through my/our trading or investment in China Connect Shares.

If the Bank becomes aware that I/we have breached (or reasonably believes that I/we 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 a China Connect Market, the Bank will sell any China Connect Shares pursuant to Clause 9 (Sale, Transfer and Disgorgement) of the China Connect Terms above if I/we fail to comply with the corresponding Client Forced-sale Notice in order to ensure compliance with all China Connect Laws and China Connect Rules. In such case, no buy orders for the relevant China Connect Shares 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 Shares should be subject to a Forced-sale Notice (this is 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 Mainland China laws, where the aggregate holdings of foreign investors exceed a specified percentage (the “Cautionary Level”) of the issued shares of a single Mainland China Listco, upon notification by the relevant China Connect Market to 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 Shares. In such circumstances, the Bank may reject my/our buy orders until the aggregate shareholding of foreign investors has fallen below the specified percentage (the “Permitted Level”) as advised by the relevant China Connect Market.

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

18 Taxation

Prior to investing in China Connect Securities, I/we understand that I am/we are strongly urged to consult my/our own tax advisers and counsel with respect to the possible Hong Kong and/or Mainland China tax consequences to me/us of such investment since such tax consequences may differ in respect of different investors.

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

The Bank assumes no responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with China Connect, nor will the Bank provide any service or assistance in this regard. Please refer to Clause 13 (Fees and Taxation) of the China Connect Terms for details of the applicable legal terms.

19 Insider Dealing, Market Manipulation and Other Market Conduct Rules

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

20 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 the SEHK, the Client Securities Rules will not apply unless otherwise specified by the SFC or any other relevant China Connect Authority.

21 Investor Compensation Fund

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

22 Ownership of China Connect Securities

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

I/We shall conduct my/our own review of the materials published by HKEx on China Connect in relation to the ownership of China Connect Securities and the applicable China Connect Rules as they may be amended and supplemented from time to time. I/We shall also consult my/our own legal advisers to make my/our own assessment of my/our rights as a Northbound investor in China Connect Securities.

Under the rules of CCASS, HKSCC is prepared to provide assistance to the beneficial owners of China Connect Shares where necessary. HKEx notes that any beneficial owner who decides to take legal action is responsible for seeking its own independent legal advice to satisfy itself and HKSCC that a cause of action exists and the beneficial owner should be prepared to conduct the action and take up all costs in relation to the action, including providing HKSCC with indemnities and legal representation in proceedings. Further details are set out in the HKEx published materials.

Clearinghouse Risk

23 Risk of ChinaClear Default

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

24 Risk of HKSCC Default

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

Other Operational Issues

25 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.

26 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 appointed newspapers. HKSCC will also record all corporate actions relating to China Connect Securities in CCASS and inform its Clearing Participants of the details via the CCASS terminals as soon as practicable on the announcement date. Investors engaged in Northbound trading may refer to the SSE website and/or the SZSE website (as the case may be) and the officially appointed newspapers and website (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. I/We understand that I/we should note that (i) issuers that are listed on the China Connect Markets publish corporate documents in simplified 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.

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.

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.

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

27 Average Pricing across Funds for Fund Managers

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

28 Disclosure of Information and Publication of Trade Information

SEHK may require the Bank to provide information on my/our profile, and the type and value of my/our orders in relation to Northbound trading of China Connect Securities and the trades which the Bank executed for me/us at such intervals and in such form as SEHK may specify from time to time for purposes of the publication, dissemination or public distribution of aggregated information in respect of China Connect Securities trades under China Connect, trading volumes, investor profiles and other related data. SEHK may forward such information to the relevant China Connect Market for surveillance and investigation purposes.

29 Client Error

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

The China Connect Rules generally prohibit any off-exchange trading or transfers. However transfers may be permitted between the Bank and me/us to rectify a trade in limited circumstances, although there is a lack of clarity as to the circumstances in which such transfers may be permitted. 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 such errors or any refusal to conduct a transfer to correct an error trade.

30 Retention of Information

I/We acknowledge and accept 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 my/our behalf; (b) any instructions received from me/us; (c) my/our account information in relation to Northbound trading; and (d) all relevant information concerning margin trading and stock borrowing and lending of any China Connect Shares (including, without limitation, in respect of any such margin trading, the relevant securities margin trading arrangement and the funds provided).

31 China Connect Market System

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

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

Such suspension, restriction or cessation will affect the Bank's ability to accept and process my/our orders and I am/we are advised to refer to the HKEx website and other information published by the HKEx for up-to-date information. There can be no assurance that my/our orders will be accepted or processed, notwithstanding that China Connect Securities may be traded through other channels including, without limitation, by Mainland China 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 my/our ability to place sell orders and buy orders may be affected.

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 me/us arising from or in connection with the China Connect Service or the CSC through Northbound trading including, without limitation, the following:

- (a) a suspension, restriction or cessation of the China Connect Service or the CSC, or any inability to access or use the CSC or the China Connect Service;
- (b) any special arrangement put in place or any action, step or measure taken or not taken to deal with an emergency or contingencies, including but not limited to the cancellation of any or all China Connect orders input by Exchange Participants;
- (c) any suspension, delay, interruption or cessation of trading of any China Connect Securities on the relevant China Connect Market;
- (d) any delay, suspension, interruption or order cancellation of any China Connect Securities as a result of the hoisting of a Typhoon Signal No. 8 or above or the issuance of the Black Rainstorm Warning in Hong Kong;
- (e) any delay or failure to route any China Connect orders or any delay or failure to send any order cancellation requests or to provide the China Connect Service due to any system, communication or connection failure, power outage, software or hardware malfunction or other events beyond the Bank's or a Related Person's control or the control of SEHK;
- (f) any circumstance in which a China Connect order which the Bank has requested to be cancelled not being cancelled for any reason whatsoever;
- (g) in the circumstance that SEHK or the relevant China Connect Market requires that the Bank rejects any order for China Connect Service;
- (h) any delay, failure or error of any China Connect Market System or any system upon which the Bank or a Related Person, the relevant SEHK Subsidiary is reliant in providing the China Connect Service; and
- (i) any delay or failure to execute, or any error in matching or executing, any China Connect order due to reasons beyond the control of SEHK, HKEx or the relevant SEHK Subsidiary, the Bank or any Related Person, including but not limited to any action or decision taken or made, or not taken or made, by any China Connect Authority or any other relevant governmental or regulatory body.

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

I/We acknowledge that HKEx, SEHK, SEHK Subsidiaries, SSE, SZSE, the subsidiaries of any China Connect Market and their respective directors, employees and agents are not responsible or held liable for any such losses.

32 Operational Hours

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

Where, for example, there is any price sensitive information relating to a Mainland China Listco during a time when China Connect Service is not in operation, China Connect Securities issued by or in respect of the Mainland China 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.

33 Margin Trading

Subject to certain conditions prescribed by the China Connect Authorities, investors may conduct margin trading in China Connect Shares determined by the relevant China Connect Authorities to be eligible for margin trading ("**Eligible Margin Trading Shares**"). The HKEx will from time to time publish a list of Eligible Margin Trading Shares. A China Connect Market may suspend margin trading activities in any specific A Share if the volume of margin trading activities in such A Share exceeds a threshold determined by such China Connect Market and resume margin trading activities in such A share when the volume of margin trading activities drops below a prescribed threshold. Where the SEHK is notified by the relevant China Connect Market that a suspension or resumption involves a security on the list of Eligible Margin Trading Shares, the HKEx will disclose such information on its website. In such circumstances, any margin trading (except for margin trading in respect of China Connect Shares buy orders) in the relevant China Connect Share shall be suspended and/or resumed accordingly. The relevant China Connect Market reserves the right to require at some future date for margin trading orders to be flagged when routed to China Connect. Neither the Bank nor any Related Person shall have any obligation to update me/us in respect of the list of Eligible Margin Trading Shares or any restrictions or suspensions in respect of margin trading from time to time.

34 Rights Issuances

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

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

35 Odd Lot Trading

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

36 Stock Borrowing and Lending

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

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

The relevant China Connect Market will determine a list of China Connect Shares eligible for stock borrowing and lending. Special China Connect Securities are not eligible for stock borrowing and lending for the purpose of covered short selling (but are eligible for the purpose of satisfying the Pre-Trade Checking requirement). The Bank will be required to provide such information to any relevant Exchange Participant (which may include the custodial agent) to enable such Exchange Participant to comply with its monthly reporting requirements in respect of stock borrowing and lending activities with respect to China Connect Shares. This may include (amongst

others) details of the borrower, lender, amount of shares borrowed/lent, amount of shares outstanding and date of borrowing/returning. Investors are advised to refer to the relevant provisions from time to time applicable in the SEHK China Connect Rules (as and when these are published) and in the China Connect Laws and China Connect Rules.

37 RMB Conversion

RMB is not freely convertible at present. The actual conversion arrangements will depend on the restrictions prevailing at the relevant time. Any conversion of any currency into RMB pursuant to Clause 8 (Settlement and Currency Conversion) of the China Connect Terms may be subject to such restrictions. Settlement of a Northbound buy order may be delayed and/or fail if there is a delay in converting the relevant currency into RMB. Any risk, loss or cost resulting from any such delay or failure of settlement shall be borne by me/us.

Risks associated with investing in China Connect Securities

38 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. I/we acknowledge that I/we 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. I/We acknowledge that I/we may suffer a total loss of my/our investment in the event of a delisting.

I/We acknowledge that I/we should seek independent professional advice if I am/we are uncertain of or have not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of ChiNext Shares.

39 Other risks associated with investing in China Connect Securities

General Mainland China related risk

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

Equity risk

Investing in China Connect Securities may offer a higher rate of return than investing in short term and longer term debt securities. However, the risks associated with investments in China Connect Securities may also be higher, because the investment performance of China Connect Securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value.

General legal and regulatory risk

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

Currency risk

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

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

There are also significant restrictions on the remittance of RMB into and out of Mainland China. 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 Mainland China 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.

Section H: Explanation of General Risks Associated with Exchange-Listed Derivative Products

Trading in derivative warrant, Callable Bull/Bear Contracts (CBBC), synthetic Exchange Traded Funds (ETFs) and Leveraged and Inverse products involve high risks and may not be suitable for every investor. The Bank strongly advises investors to have a thorough understanding of the product as well as the terms and conditions of the derivative warrant, CBBC, synthetic ETFs and Leveraged and Inverse products being offered and / or consult professional investment advisers before trading. The risks set out below may not cover all risks on trading derivative warrant, CBBC, synthetic Exchange Traded Funds (ETFs) and Leveraged and Inverse products. More information can be found in Hong Kong Exchanges and Clearing Limited (the "HKEx") website (www.hkex.com.hk) and Securities and Futures Commission ("SFC") website (www.sfc.hk).

1. Risks Involved in Trading Derivative Warrant and Callable Bull/Bear Contracts (CBBCs)

a. Issuer default Risk

In the event that a Derivative Warrants and CBBCs issuer becomes insolvent and defaults on their listed securities, investors will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. Investors should therefore pay close attention to the financial strength and credit worthiness of Derivative Warrants and CBBCs issuers.

b. Uncollateralised product risk

Uncollateralised Derivative Warrants and CBBCs are not asset backed. In the event of issuer bankruptcy, investors can lose their entire investment. Investors should read the listing documents to determine if a product is uncollateralised.

c. Gearing Risk

Derivative Warrants and CBBCs are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. Investors should be aware that the value of a Derivative Warrants and CBBCs may fall to zero resulting in a total loss of the initial investment.

d. Expiry considerations

Derivative Warrants and CBBCs have an expiry date after which the issue may become worthless. Investors should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy.

e. Extraordinary price movements

The price of a Derivative Warrants and CBBCs may not match its theoretical price due to outside influences such as market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price.

f. Foreign exchange risk

Investors trading Derivative Warrants and CBBCs with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the Derivative Warrants and CBBCs price.

g. Liquidity risk

HKEx requires all Derivative Warrants and CBBCs issuers to appoint a liquidity provider for each individual issue. The role of liquidity providers is to provide two way quotes to facilitate trading of their products. In the event that a liquidity provider defaults or ceases to fulfill its role, investors may not be able to buy or sell the product until a new liquidity provider has been assigned.

Additional Risks Involved in Trading Derivative Warrants

h. Time decay risk

All things being equal, the value of a derivative warrant will decay over time as it approaches its expiry date. Derivative warrants should therefore not be viewed as long term investments.

i. Volatility risk

Prices of derivative warrants can increase or decrease in line with the implied volatility of underlying asset price. Investors should be aware of the underlying asset volatility.

Additional Risks Involved in Trading CBBCs

j. Mandatory call risk

Investors trading CBBCs should be aware of their intraday "knockout" or mandatory call feature. A CBBC will cease trading when the underlying asset value equals the mandatory call price/level as stated in the listing documents. Investors will only be entitled to the residual value of the terminated CBBC as calculated by the product issuer in accordance with the listing documents. Investors should also note that the residual value can be zero.

k. Funding costs

The issue price of a CBBC includes funding costs. Funding costs are gradually reduced over time as the CBBC moves towards expiry. The longer the duration of the CBBC, the higher the total funding costs. In the event that a CBBC is called, investors will lose the funding costs for the entire lifespan of the CBBC. The formula for calculating the funding costs is stated in the listing documents.

l. Trading of CBBC close to Call Price

When the underlying asset is trading close to the Call Price, the price of a CBBC may be more volatile with wider spreads and uncertain liquidity. CBBC may be called at any time and trading will be terminated as a result.

However, the trade inputted by the investor may still be executed and confirmed by the Exchange Participants after the mandatory call event since there may be some time lapse between the mandatory call event time and suspension of the CBBC cancelled. Therefore, investors should be aware of the risk and ought to apply special caution when the CBBC is trading close to the Call Price.

m. CBBC with overseas underlying assets

Investors trading CBBC with overseas underlying assets are exposed to an exchange rate risk as the price and cash settlement amount of the CBBC are converted from a foreign currency into Hong Kong dollars. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets which are affected by various factors.

Besides, CBBC issued on overseas underlying assets may be called outside the Exchange's trading hours. In such case, the CBBC will be terminated from trading on the Exchange in the next trading session or soon after the issuer has notified the Exchange about the occurrence of the mandatory call event.

2. Risks Involved in Trading Exchange Traded Funds ("ETFs")

a. Market Risk

An ETF is exposed to the economic, political, currency, legal and other risks of a specific sector or market related to the index and the market that it is tracking. ETFs are typically designed to track the performance of certain indices, market sectors, or groups of assets such as stocks, bonds, or commodities. ETF managers may use different strategies to achieve this goal, but in general they do not have the discretion to take defensive positions in declining markets. Investors must be prepared to bear the risk of loss and volatility associated with the underlying index/assets.

b. Tracking errors

Tracking errors refer to the disparity in performance between an ETF and its underlying index/assets. Tracking errors can arise due to factors such as the impact of transaction fees and expenses incurred to the ETF, changes in composition of the underlying index/assets, and the ETF manager's replication strategy. Depending on its particular strategy, an ETF may not hold all the constituent securities of an underlying index in the same weightings as the constituent securities of the index. Therefore, the performance of the securities underlying the ETF as measured by its NAV may outperform or under-perform the index.

c. Trading at discount or premium

An ETF may be traded at a discount or premium to its Net Asset Value (NAV). This price discrepancy is caused by supply and demand factors, and may be particularly likely to emerge during periods of high market volatility and uncertainty. This phenomenon may also be observed for ETFs tracking specific markets or sectors that are subject to direct investment restrictions. The supply and demand imbalance can only be addressed by creating and redeeming additional units. So, disruption to the creation or redemption of units may result in the ETF trading at a higher premium or discount to its NAV than may normally be the case for a traditional ETF with no such restriction.

d. Passive investments risk

ETF is not "actively managed" and therefore, when there is a decline in the underlying index, the ETF that tracks the index will also decrease in value. The ETF manager will not take defensive positions in declining markets, investors may lose a significant part of their respective investments if the underlying Index falls.

e. Risks relating to ETF termination

An ETF, like any fund, may be terminated early under certain circumstances, for example, where the index is no longer available for benchmarking or if the size of the ETF falls below a pre-determined NAV threshold as set out in the constitutive documents and offering documents. Investors should refer to the section in the offering document relating to termination for further details. Investors should also note that the market-making activities and the trading of ETF units may be adversely affected in the secondary market as the creation of units will cease once the termination of the ETF is announced. As a result, the trading price of such ETF units may become very volatile resulting in substantial losses to investors. Furthermore, the NAV of an ETF may drop substantially once the expenses and costs of the termination is set aside upon announcement of the termination. Investors may suffer a substantial loss as a result of these expenses and costs associated with the termination.

f. Foreign Exchange Risk

Investors trading ETFs with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the ETF price.

g. Liquidity Risk

Securities Market Makers (SMMs) are Exchange Participants that provide liquidity to facilitate trading in ETFs. Although most ETFs are supported by one or more SMMs, there is no assurance that active trading will be maintained. In the event that the SMMs default or cease to fulfill their role, investors may not be able to buy or sell the product. Besides, a higher liquidity risk is involved if an ETF uses financial derivative instruments, including structured notes and swaps, which are not actively traded in the secondary market and whose price transparency is not as easily accessible as physical securities. This may result in a bigger bid and offer spread. These financial derivative instruments also are susceptible to more price fluctuations and higher volatility. Hence, they can be more difficult and costly to unwind early, especially when the instruments provide access to a restricted market where liquidity is limited in the first place.

h. Counterparty risk involved in ETFs with different replication strategies

1. Full replication and representative sampling strategies

An ETF using a full replication strategy generally aims to invest in all constituent stocks/assets in the same weightings as its benchmark. ETFs adopting a representative sampling strategy will invest in some, but not all of the relevant constituent stocks/assets. For ETFs that invest directly in the underlying assets rather than through synthetic instruments issued by third parties, counterparty risk tends to be less of concern.

2. Synthetic replication strategies

ETFs utilising a synthetic replication strategy use swaps or other derivative instruments to gain exposure to a benchmark. Currently, synthetic replication ETFs can be further categorized into two forms:

i. Swap-based ETFs

- Total return swaps allow ETF managers to replicate the benchmark performance of ETFs without purchasing the underlying assets.
- Swap-based ETFs are exposed to counterparty risk of the swap dealers and may suffer losses if such dealers default or fail to honor their contractual commitments.

ii. **Derivative embedded ETFs**

- a. ETF managers may also use other derivative instruments to synthetically replicate the economic benefit of the relevant benchmark. The derivative instruments may be issued by one or multiple issuers.
- b. Derivative embedded ETFs are subject to counterparty risk of the derivative instruments' issuers and may suffer losses if such issuers default or fail to honour their contractual commitments.

i. **Early Unwinding of Derivatives Risk**

Synthetic ETFs typically invest in derivatives to track an index's performance. The costs associated with the unwinding of these derivatives before maturity may vary depending on prevailing market conditions. Such costs may be significant, particularly during times of high market volatility. Hence, in the event of redemption or if the synthetic ETF is terminated (for example, due to the reason that the fund size becomes too small), the proceeds payable to investors may be significantly less than the net asset value of the fund units as a result of the cost associated with unwinding of the derivatives before maturity. This may lead to substantial loss to investors.

j. **Tax and other risks**

Like all investments, an ETF may be subject to tax imposed by the local authorities in the market related to the index that it tracks, emerging market risks and risks in relation to the change of policy of the reference market.

k. **Risks relating to Mainland capital gains tax liability**

There are risks and uncertainties concerning the application of the Mainland capital gains tax ("CGT") regime on investments by foreign investors (including non-Mainland domiciled investment funds, QFIs and RQFIs) in Mainland securities, and such tax is not currently enforced.

It is a matter of professional and commercial judgement on the part of each fund manager, acting in the best interest of investors after taking professional tax advice, to consider and decide whether to make provision (and if so, the extent and provisioning policy) for the ETF's potential CGT liability or to change the ETF's existing CGT provisioning policy from time to time.

Depending on the tax advice obtained and other relevant factors, each ETF's tax provisioning policy may be different. There may be ETFs without making any CGT provision at all. Even if an ETF makes CGT provision, such provision may be excessive or inadequate. The Mainland tax rules and policies are subject to changes. There are risks that CGT may be enforced by the Mainland tax authorities and that such enforcement may be on a retrospective basis. If and when CGT is collected by the Mainland tax authorities, any shortfall between the provisions (if any) and actual tax liabilities will have to be paid out of the ETF's assets and could have a material adverse impact on the ETF's net asset value (NAV), whereby causing significant losses to investors.

Enforcement of the CGT by Mainland tax authorities and/or change in tax provisioning policy by a fund manager will impact investors remaining in the ETF. Investors who have sold/redeemed their interests prior to such enforcement and/or change will not be impacted. Likewise, such investors will not benefit from any release of tax provisions back into the ETF. Investors may be advantaged or disadvantaged depending upon whether and how the CGT will ultimately be taxed and when the investors invest in the ETF.

Investors should carefully read the CGT provisioning policy of an ETF (which may have substantial exposure to Mainland securities whether through RQFI, QFI or other Mainland market access derivative products) and the associated risks as disclosed in the offering documents before investing in the ETF. If in doubt, they should consult their professional advisors.

Even where collateral is obtained by an ETF, it is subject to the collateral provider fulfilling its obligations. There is a further risk that when the right against the collateral is exercised, the market value of the collateral could be substantially less than the amount secured resulting in significant loss to the ETF.

3. **Risks Involved in Trading Leveraged and inverse products ("L&I Products")**

a. **Investment risk**

Trading L&I Products involves investment risk and are not intended for all investors. There is no guarantee of repaying the principal amount.

b. **Volatility risk**

Prices of L&I Products may be more volatile than conventional exchange traded funds (ETFs) because of using leverage and the rebalancing activities.

c. **Unlike conventional ETFs**

L&I Products are different from conventional ETFs. They do not share the same characteristics and risks as conventional ETFs.

d. **Long-term holding risk**

L&I Products are not intended for holding longer than the rebalancing interval, typically one day. Daily rebalancing and the compounding effect will make the L&I Product's performance over a period longer than one day deviate in amount and possibly direction from the leveraged/inverse performance of the underlying index over the same period. The deviation becomes more pronounced in a volatile market.

As a result of daily rebalancing, the underlying index's volatility and the effects of compounding of each day's return over time, it is possible that the leveraged product will lose money over time while the underlying index increases or is flat. Likewise, it is possible that the inverse product will lose money over time while the underlying index decreases or is flat.

e. **Risk of rebalancing activities**

There is no assurance that L&I Products can rebalance their portfolios on a daily basis to achieve their investment objectives. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the rebalancing activities.

f. **Liquidity risk**

Rebalancing typically takes place near the end of a trading day (shortly before the close of the underlying market) to minimize tracking difference. The short interval of rebalancing may expose L&I Products more to market volatility and higher liquidity risk.

g. **Intraday investment risk**

Leverage factor of L&I Products may change during a trading day when the market moves but it will not be rebalanced until day end. The L&I Product's return during a trading day may be greater or less than the leveraged/opposite return of the underlying index.

h. **Portfolio turnover risk**

Daily rebalancing causes a higher levels of portfolio transaction when compared to conventional ETFs, and thus increases brokerage and other transaction costs.

i. **Correlation risk**

Fees, expenses, transactions cost as well as costs of using financial derivatives may reduce the correlation between the performance of the L&I Product and the leveraged/inverse performance of the underlying index on a daily basis.

j. **Termination risk**

L&I Products must be terminated when all the market makers resign. Termination of the L&I Product should take place at about the same time when the resignation of the last market maker becomes effective.

k. **Leverage risk (for leveraged products only)**

The use of leverage will magnify both gains and losses of leveraged products resulting from changes in the underlying index or, where the underlying index is denominated in a currency other than the leveraged product's base currency, from fluctuations in exchange rates.

l. **Unconventional return pattern (for inverse products only)**

Inverse products aim to deliver the opposite of the daily return of the underlying index. If the value of the underlying index increases for extended periods, or where the exchange rate of the underlying index denominated in a currency other than the inverse product's base currency rises for an extended period, inverse products can lose most or all of their value.

m. **Inverse products vs short selling (for inverse products only)**

Investing in inverse products is different from taking a short position. Because of rebalancing, the performance of inverse products may deviate from a short position in particular in a volatile market with frequent directional swings.

Disclaimer:

This Section does not disclose all risks and features of the exchange-traded derivative products mentioned herein which are traded on the HKEx. It is for general reference and information purposes only and has not taken into account of your personal circumstances. The information herein regarding exchange-traded derivative products is based on the information from sources which the Bank believes to be reliable but which has not been verified independently. For more detailed information regarding financial derivative products, you can refer to the websites of HKEx (www.hkex.com.hk/eng/index.htm) and SFC (www.sfc.hk/sfc/html/EN).

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Before making any investment decision, I/we should read carefully the applicable terms and conditions, offering documents and any other relevant documentation in relation to the product and transaction contemplated. I/We should not deal in any exchange-traded derivative products unless I/we understand the nature of the product, its risks and the extent of the exposure to risks. Consideration should also be given to my/our own investment experience, objectives, financial position, risk tolerance level, particular circumstances and needs amongst the others. My/Our investment decision may also be affected by other factors whether in relation to the product, the transaction, product suitability, matters relating to legal, tax, financial, accounting or otherwise. I/We should make my/our own assessment and are strongly advised to obtain independent professional advice in case of doubt or where necessary.

This Section does not and shall not in any event constitute, nor is it intended to be nor should it be construed or deemed as offer or solicitation to invest in any investment products. Neither does or shall this document in any event constitute or be deemed as an investment advice or recommendation. The Bank and its affiliates shall not be responsible for any loss caused by the investment in any products mentioned herein.

This Section is not intended to be distributed to persons in any jurisdictions or countries that will violate the law or regulation, and it is not intended to be used by such persons.

Section D: TERMS AND CONDITIONS FOR ADDITIONAL INVESTMENT SERVICES**1. Definitions and Interpretation**

Unless defined in Section A (General) of the General Terms and Conditions, capitalized terms in these General Terms and Conditions shall have the following meanings:

Additional Investment Services means providing any advice, views, suggestions, recommendations or information in relation to the allocation of portfolio in the Customer's Accounts and/or investment products offered by the Bank from time to time, including but not limited to Additional Investment Services on Portfolio Allocation, financial, market or investment update, analysis, reports, publications and/or any other information (in either oral or written form) in relation to Securities and other types of investments;

Additional Investment Services on Portfolio Allocation means providing advice, views, suggestions, recommendations or information in relation to the allocation of portfolio in the Customer's Accounts; and

Affiliate means, in relation to a party, an individual, corporation, partnership or any other form of entity directly or indirectly controlling, controlled by or under common control with such party or any of such entities' directors, officers or employees. **Control** means (including its correlative meanings, **Controlled by**, **Controlling** and **under common Control with**), with respect to a body corporate, the power of a person to secure (directly or indirectly) (i) by means of the holding of shares in or the possession of voting power in or in relation to this body corporate or any other body corporate; or (ii) by virtue of any arrangements, including the constitutional documents of this body corporate or any other body corporate, that the affairs of this body corporate are conducted in accordance with the wishes of that person.

2. Additional Investment Services

2.1 The Bank may, from time to time, provide Additional Investment Services to Customers as the Bank deems appropriate in accordance with these General Terms and Conditions and in its absolute discretion.

2.2 The Customer may request the Bank to provide Additional Investment Services on Portfolio Allocation by completing prescribed document(s) as required by the Bank from time to time.

2.3 The Customer fully understands and agrees that:

- (a) the Additional Investment Services provided by the Bank to the Customer are for reference only and are not to be relied upon by any person in making any investment decision or otherwise advising with respect to, or dealing in, any Securities or other types of investments;
- (b) no Additional Investment Services shall constitute, or shall be construed as, an offer or solicitation of an offer to buy or sell any Securities or other types of investments in any country or jurisdiction or, unless expressly provided, any investment recommendation or opinion or advice;
- (c) notwithstanding any Additional Investment Services the Bank may have provided to the Customer or any information the Customer may have provided to the Bank (including but not limited to the Customer's investment objectives), the Customer shall be responsible for making the Customer's own independent investigation, appraisal and decision on all investments before dealing in them;
- (d) unless expressly provided, the Additional Investment Services provided by the Bank do not have regard to the specific investment objectives, financial situation, risk tolerance and other specific needs of the Customer;
- (e) any Transaction effected by the Customer through use of any Service shall be made upon exercise of the Customer's own judgment and at the Customer's own discretion independently of any Additional Investment Services the Bank may have provided to the Customer. The Customer may follow or disregard, in whole or in part, any Additional Investment Services provided by the Bank. The Customer shall ultimately and be responsible for originating the instructions in relation to and stand to gain the commercial or economic benefit of and/or bear the commercial or economic loss suffered from the Transaction effected by the Customer through the Bank. The Customer should seek independent professional advice should the Customer find it necessary or appropriate prior to making any investment decision;
- (f) the Additional Investment Services are based on information obtained from sources believed to be reliable, however, neither the Bank nor any of its Affiliates represents or warrants the accuracy, completeness, timeliness or correctness of the information contained in the Additional Investment Services for any particular purpose and views and opinions expressed in the Additional Investment Services are subject to change without notice; and
- (g) except in the case of gross negligence, willful default or fraud of the Bank, neither the Bank nor any of its Affiliates shall be liable for any loss or damage or cost of any kind incurred directly or indirectly by the Customer arising out of, or in connection with, any error, omission or misstatement of any Additional Investment Services or the use or misuse of the Additional Investment Services by the Customer, whether direct, indirect, incidental, special, punitive or consequential (including without limitation loss of use, loss of profits or revenues or other economic loss of the Customer), whether in contract, tort or otherwise, and whether or not the Bank or its Affiliates have been advised of, or otherwise might have anticipated, the possibility of such losses, damages or costs.

2.4 Notwithstanding the provision of any Additional Investment Services by the Bank to the Customer, the Bank shall not enter into any Transaction on behalf of the Customer unless and until the Customer has given Instructions to the Bank in accordance with Clause 5 (Instructions) of Section A (General) the General Terms and Conditions to enter into such Transactions.

3. Representations, Warranties and Undertakings

3.1 The Customer represents and warrants and undertakes to the Bank that:

- (a) the information provided by the Customer in the Account Opening Forms and other documents prescribed by the Bank is complete, true and accurate; and
- (b) the Customer will notify the Bank in the event of any material change to the information stated in the Account Opening Forms and other documents prescribed by the Bank.

3.2 The Customer undertakes to the Bank that, where the Customer is a company, the Customer has, and has fully vested in all officers of the Customer who communicate with the Bank at any time, the requisite capacity, power and authority to enter into any Transaction and to carry out any activities pursuant to these General Terms and Conditions.

4. Fees and Charges

4.1 The Additional Investment Services under these General Terms and Conditions are provided by the Bank to the Customer on a complimentary basis. The Bank reserves the right to impose and/or vary fees and charges in relation to the Additional Investment Services from time to time.

5. Suspension and Termination

5.1 The Customer may at any time request suspension or termination of the Additional Investment Services on Portfolio Allocation with a prescribed form issued by the Bank.

5.2 The Bank may suspend or terminate the provision of any or all of the Additional Investment Services to a Customer at any time as the Bank deems appropriate in accordance with these General Terms and Conditions and in its absolute discretion.

6. Conflicts of Interest

6.1 The Customer acknowledges and agrees that:

- (a) when the Bank gives Additional Investment Services to the Customer, the Bank, any Group Company, the Bank's other customers or other persons connected with the Bank (each an "associated person") may have a material interest or relationship of whatever nature that could involve an actual or potential conflict of duty or interest with those of the Customer. In such circumstances, the Bank will take all reasonable steps to ensure that the Customer is treated fairly. The Bank shall use its best endeavours to ensure that Transactions that the Bank enters into on the Customer's behalf are effected on terms that are not materially less favourable to the Customer than if no actual or potential conflict had existed;
- (b) the Bank and/or its associated persons may have a position in the Securities or investments concerned and/or the Bank or any Group Company may be engaged in purchasing or selling such Securities or investments for its other customers or for its own account;
- (c) the Bank may effect, arrange or advise on transactions in which the Bank or a Group Company benefits from a remuneration, commission, fees, mark-up or mark-down payable otherwise than by the Customer and/or in respect of which the Bank or a Group Company may also be remunerated by the counterparty to the transactions, or in which the transactions or Additional Investment Services involve Securities or investments issued by the Bank or an associated person or a customer of a Group Company. The Bank and any associated person shall not be liable to account to the Customer for any remuneration, commission, fees, mark-up, mark-down or income in whatever form made or received from or by reason of such transactions, and such amounts, to the extent permitted by law, shall not be set off against any of fees to which the Bank is entitled under this Client Agreement;
- (d) the Bank may give advice to the Customer which differs from that given to other customers by the Bank or by any Group Company; and
- (e) the Bank and/or its associated persons may act in respect of a new issue, rights issue, take-over or any other transaction or have any other relationship with an issuer of Securities or other investments which is relevant to investments in which the Bank makes recommendations.

6.2 The Customer agrees that Clause 6.1 above are only examples of conflicts situations and is not an exhaustive list of situations whereby conflict may arise.

6.3 The Bank and its Group Companies provide a range of products and services and may possess information of a confidential or non-public nature which the Bank and/or its Group Company is/are under a duty not to disclose or use for own benefit or for that of another person including the Customer. The Bank will therefore be unable to use such information on the Customer's behalf nor disclose such information to the Customer for the purpose of the provision of Additional Investment Services. Moreover, the Bank shall not be obliged to disclose or take into consideration any information that has not come to the actual attention of the individual giving the Additional Investment Services to the Customer or acting on the Customer's behalf, whether or not the same has come to the attention of any other person in the Bank.

Section E: RIGHTS OF THIRD PARTIES

- 1. The Customer agrees and acknowledges that except as otherwise expressly stated in this Agreement, no one other than a party to this Agreement may enforce any of its terms under the Contracts (Rights of Third Parties) Ordinance, Cap. 623 of the Laws of Hong Kong. Where any clause of this Agreement entitles any third party to enforce any term of this Agreement under the Contracts (Rights of Third Parties) Ordinance, the parties reserve the right to vary that term or any other term of this Agreement without the consent of that third party.