



Effective from 25 March 2016

CLSA SECURITIES DEALING SERVICES: HONG KONG MARKET ANNEX

1. Definitions and Interpretation

- 1.1 In this Securities Dealing Services: Hong Kong Market Annex, including the Schedule, capitalised terms have the meaning given to them in the "CLSA Asia-Pacific Terms of Business" and the "Securities Dealing Services Annex". In addition, the following capitalised terms have the following meaning:

"BCAN" shall bear the meaning as defined in paragraph 5.6 of the Code of Conduct.

"BCAN-CID Mapping File" shall bear the meaning as defined in paragraph 5.6 of the Code of Conduct.

"CID" shall bear the meaning as defined in paragraph 5.6 of the Code of Conduct.

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

"De-SPAC Target" means the target of a De-SPAC Transaction.

"De-SPAC Transaction" means an acquisition of, or a business combination with, a De-SPAC Target by a SPAC that results in the listing of a Successor Company.

"GEM" means the growth enterprise market, the secondary board for trading provided by SEHK.

"HKEX" means Hong Kong Exchange and Clearing Limited.

"IDR and OTCR" has the meaning ascribed to it in Clause 13.1 hereunder.

"Main Board" means the main board for trading provided by SEHK.

"Professional Investor Rules" means Securities and Futures (Professional Investor) Rules (Cap. 571D).

"Promoter Share" means a share of a separate class to SPAC Shares issued by a SPAC exclusively to a SPAC Promoter at nominal consideration as a financial incentive to establish and manage the SPAC.

"Promoter Warrant" means a warrant of a separate class to SPAC Warrants issued by a SPAC exclusively to a SPAC Promoter.



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

“**SFC**” means The Securities and Futures Commission of Hong Kong.

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

“**SPAC**” means an issuer with, or seeking, a listing that has no operating business and is established for the sole purpose of conducting a transaction in respect of a business combination with a target, within a pre-defined time period, to achieve the listing of the target.

“**Successor Company**” means the listed issuer resulting from the completion of a De-SPAC Transaction.

“**SPAC Director**” means a director of a SPAC.

“**SPAC Eligible Investor**” means Professional Investor as defined in Clause 9.1 below or other types of investors that are permitted or approved by the SEHK and/or the SFC for trading the SPAC Shares and/or SPAC Warrants.

“**SPAC Securities**” means any SPAC Shares or SPAC Warrants.

“**SPAC Share**” means a share of a SPAC that is not a Promoter Share.

“**SPAC Promoter**” means a person who establishes and manages a SPAC.

“**SPAC Warrant**” means a warrant issued by a SPAC that is not a Promoter Warrant.

- 1.2 This Securities Dealing Services: Hong Kong Market Annex is referred to herein as “this Annex”.
- 1.3 References in this Annex to “we”, “us” and “our” mean, unless the context otherwise requires, CLSA and where the context requires will also include any company in the CLSA Group, or persons connected with the CLSA Group.

2. Effect of Terms of Business; Amendment

- 2.1 This Annex shall apply to you if (a) you requested in your Application Form that we provide you with Securities Dealing Services and requested that such Securities Dealing Services be provided in respect of the Hong Kong Market; or (b) we currently provide you with Securities Dealing Services in respect of the Hong Kong Market; or (c) your account is opened with CLSA Limited, a licensed corporation under the SFO licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 7 (providing automated trading services) regulated activities (C.E Number AAB893) with registered office at 18/F, One Pacific Place, 88 Queensway, Hong Kong.
- 2.2 The terms and conditions set out in this Annex shall apply to all Securities Dealing Services in the Hong Kong Market or through an account opened with CLSA Limited, provided by us to you in addition to, and supplemental

to, the terms and conditions set out in the Terms of Business. Accordingly, the terms and conditions in this Annex are legally binding and take effect when you signify your acceptance by placing an order for Securities in the Hong Kong Market with us or through an account opened with CLSA Limited, following your receipt of our Terms of Business.

- 2.3 For the avoidance of doubt, the Terms of Business (including this Annex), the Application Form, the Confirmation, as well as any contract notes, trade confirmations, statement of accounts and/ or receipts of transactions (each document as amended and/or supplemented from time to time) constitute a legally binding contract and take effect when you signify your acceptance by placing an order with us.
- 2.4 The English version of the Terms of Business shall prevail unless you have confirmed in writing to us that the Chinese version shall prevail.

3. Short Selling

- 3.1 Without limitation to your obligations under the Terms of Business and the Securities Dealing Services Annex, for every transaction in Securities in the Hong Kong Market, or through an account opened with CLSA Limited, you will inform us if that trade is a short selling order prior to or at time of the order. This shall include orders placed by oral or electronic means (including, without limitation, through Direct Market Access Services), or in writing by fax or other means of transmission. In particular but without limiting the generality of the foregoing, when you place a short sell order through FIX Protocol and check "No" in tag 114, such action on your part represents you confirm that i) you have a presently exercisable and unconditional right to vest the Securities to which the order relates in the purchaser of such Securities; and ii) where the Securities to which the order relates have been borrowed to cover the sale, you have obtained confirmation from the lender(s) of such Securities that such lender(s) has / have such Securities available to lend to you.
- 3.2 For every short selling order conducted through us, you confirm that you will make proper arrangements to cover the trade settlement, and if applicable, that you have confirmation from your lender for the delivery of the trade.
- 3.3 Should we request, prior to accepting the order you will provide, in written form by Bloomberg or means as otherwise agreed, relevant information and assurances in relation to the short selling order which confirms to us that you have the proper arrangements in place.
- 3.4 Without limiting your obligations to at all times comply with the Market Requirements, you shall at all times comply with the provisions of the SFO in relation to short selling.

4. Compensation Fund



- 4.1 We have explained to you, and you understand and agree, that in the event of a default committed by us causing you to suffer a pecuniary loss, your right to compensation under the Investor Compensation Fund established under the SFO will be restricted to the extent provided for therein. There can be no guarantee that your loss may be recouped from the Investor Compensation Fund in full, or in part.

5. Securities Positions and Reporting Limits

- 5.1 The Securities and Futures Commission of Hong Kong has prescribed certain trading limits and disclosure requirements on securities that may be held or controlled by a person and require a person holding or controlling a reportable position to notify the relevant Exchanges. You may need to take legal advice regarding your obligations thereunder. You acknowledge that it is your responsibility to observe such position limits, to monitor your holdings and to make reports where applicable.

6. Guaranteed Transactions

- 6.1 In the case we agree to provide guaranteed price arrangement, you acknowledge that the prices at which transactions are executed for you will be the guaranteed price figures for the reference period for the relevant Securities displayed by Bloomberg or such other pricing source as we in our discretion may decide.
- 6.2 You acknowledge that the guaranteed price reported to you on the relevant confirmation may not be reflective of the actual trading level of the Securities at any point during the trading day but rather it reflects an average price based upon the transactions effected during the reference period.
- 6.3 CLSA reserves the right not to execute a guaranteed transaction at the close of trading.
- 6.4 You acknowledge and agree that where CLSA executed a guaranteed transaction (whether it is a guaranteed price trade or guaranteed benchmark trade) on your behalf, any profits or losses that may arise on the execution of such transaction may be retained by us without disclosure to you, notwithstanding we are acting in the capacity as your agent.

7. SFC Prescribed Terms for Options Business Traded on the Stock Exchange of Hong Kong Limited

- 7.1 We do not provide services on options account unless otherwise agreed with you in writing.

8. Risk Disclosure Statement

- 8.1 You have confirmed (whether in the Application Form or otherwise) that:

- (a) you acknowledge and confirm that the terms and conditions applicable to the Services and the risk disclosure statements in the "Risk Disclosure Statement Schedule" to this Annex (or otherwise provided) have been provided to you in a language that you prefer and understand; and
- (b) you were invited to read the risk disclosure statements, to ask questions and take independent advice if you wish.

9. Professional Investors

9.1 For the purpose of Clause 9 and Clause 10, the following capitalised terms shall have the meanings specified below:

"**Institutional Professional Investor**" means a person falling under paragraphs (a) to (i) of the definition of "professional investor" in section 1 of Part 1 of the SFO.

"**Corporate Professional Investor**" means a trust corporation, corporation or partnership falling under sections 3(a), (c) and (d) of the Professional Investor Rules.

"**Experienced Corporate Professional Investor**" has the meaning as given in Clause 9.3.

"**Individual Professional Investor**" means an individual falling under section 3(b) of the Professional Investor Rules.

"**Professional Investor**" means an Institutional Professional Investor, a Corporate Professional Investor or an Individual Professional Investor.

9.2 In the event that we notify you that we will treat you as an Institutional Professional Investor in respect of any relevant markets and products, Clause 9.5 and Clause 9.6 herein below shall apply to you in respect of such markets and products.

9.3 In the event that we notify you that we will treat you as a Corporate Professional Investor and we are reasonably satisfied that you meet the criteria set out in paragraph 15.3A(b) of the Code of Conduct in respect of any relevant markets and products (an "**Experienced Corporate Professional Investor**"), Clause 9.5 and Clause 9.6 herein below shall apply to you in respect of such markets and products.

9.4 In the event that we notify you that we will treat you as an Individual Professional Investor or a Corporate Professional Investor (but not an Experienced Corporate Professional Investor) in respect of any relevant markets and products, Clause 9.5 herein below shall apply to you in respect of such markets and products.

9.5 You agree and accept that, in providing the Services to you as a Professional Investor, we are **NOT** obliged to take the following steps, which we would otherwise be required to take if you were not a Professional Investor:

- (a) inform you about our business and the identity and status of our employees and others acting on our behalf;
- (b) confirm with you the essential features of each transaction that we effect for you;
- (c) provide to you documentation on the Nasdaq-Amex Pilot Program before opening a securities trading account for you for dealing in securities admitted to the Nasdaq-Amex Pilot Program; or
- (d) provide contract notes, regular statement of accounts and receipts that are required under the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules.

9.6 You agree and accept that, in providing the Services to you as an Institutional Professional Investor or an Experienced Corporate Professional Investor, we are **NOT** obliged to take the following steps, which we would otherwise be required to take if you were not an Institutional Professional Investor or an Experienced Corporate Professional Investor:

- (a) establish your financial situation, investment experience and investment objectives (except where we are providing to you advice on corporate finance work);
- (b) ensure the suitability of any recommendation or solicitation we make to you;
- (c) assess your knowledge of derivatives and characterize you based on your knowledge of derivatives;
- (d) enter into any written agreements with you or provide to you risk disclosure statements in relation to any relevant products and markets or our provision to you of any of our Services;
- (e) disclose transaction related information as specified in paragraph 8.3A of the Code of Conduct; or
- (f) obtain from you an authority in a written form prior to effecting transactions for you in the operation of discretionary accounts or to explain such authority or confirm such authority on an annual basis.

10. Investors other than Institutional Professional Investors and Experienced Corporate Professional Investors

10.1 This Clause 10 shall apply if you fall under Clause 2.1(c) and are NOT an Institutional Professional Investor or an Experienced Corporate Professional Investor.

- 10.2 We undertake to notify you in the event of any material change to the information as contained in Clause 2.1(c), this Clause 10, the Application Form or the Confirmation.
- 10.3 Notwithstanding any other provisions in the Terms of Business, and unless otherwise agreed by us in writing, the services we shall provide to you shall be limited to securities cash account and research.
- 10.4 We shall charge you commissions, charges, fees, taxes, levies and so on as set out in the Terms of Business, contract notes, trade confirmations, statement of accounts and/ or receipts of transactions.
- 10.5 If we solicit the sale of or recommend any financial product to you, the financial product must be reasonably suitable for you having regard to your financial situation, investment experience and investment objectives. No other provision of the Terms of Business or any other document we may ask you to sign and no statement we may ask you to make derogates from this clause.
- 10.6 In the event of any conflict with any other provision in the Terms of Business, this Clause 10 shall prevail.

11. Third Party Rights under Hong Kong Law

- 11.1 No provision of these terms and conditions is enforceable under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) by a person who is not a party to these terms and conditions, other than by the Affiliates of CLSA and their respective directors, shareholders, officers, employees, representatives or agents. Any rights conferred on third parties by these terms and conditions exclude the right to assign, and their consent is not required to rescind or vary these terms and conditions.

12. SPAC Securities Trading

You represent, warrant, undertake and acknowledge on a continuing basis, including without limitation on the first date that this Annex is effective and on each date that you place an order or give an instruction in respect of SPAC Securities under this Annex, that

- (a) you will trade SPAC Securities only when you are, and in the case where you are acting for the benefits or account or on behalf of another person or your underlying clients if you are an intermediary, each of you and such other person and/or underlying client (collectively the "**Other Persons**") is a SPAC Eligible Investor; in particular, where you are an intermediary, you shall examine, verify and ensure your underlying clients are SPAC Eligible Investor;
- (b) in respect of any listed SPAC Shares or SPAC Warrants prior to the completion of a De-SPAC Transaction, you or the Other Person(s) are not the following persons or their close associates, (i) SPAC Promoters, their respective

- directors and employees, (ii) SPAC Directors and/or (iii) employees of the SPAC;
- (c) your investment in SPAC Securities does not violate any applicable laws, regulations and rules of SFO, SFC and SEHK;
 - (d) you shall familiarize yourself and comply with all the terms and conditions governing the SPAC Securities set out in any prospectus and/or offering document and/or the application form or any other relevant document in respect of such SPAC Securities and you agree to be bound by such terms and conditions in any such transaction you may have with us;
 - (e) any trading in SPAC Securities will be subject to applicable trading and listing rules and requirements of SEHK and you agree to comply with such trading and listing rules and requirements;
 - (f) where, under the terms of SPAC Securities trading and listing rules and requirements of SEHK, we receive notice from SEHK or SFC, requiring us to unwind settled positions with respect to SPAC Securities within three days (or such other time as specified by SFC or SEHK) of the settlement of the relevant position ("**Mandatory-Unwind Notice**"), we shall be entitled to issue a corresponding notice to you requesting you to unwind settled positions with respect to SPAC Securities within three days (or such other time as specified by SFC or SEHK) of the settlement of the relevant position ("**Client Mandatory-Unwind Notice**") and you undertake to comply with any such Client Mandatory-Unwind Notice. You shall have similar arrangements with the Other Person(s) enabling you to give notice to them to unwind settled positions with respect to SPAC Securities within three days (or such other time as specified by SFC or SEHK) of the settlement of the relevant position;
 - (g) in relation to any Mandatory-Unwind Notice, you authorize us to sell or arrange for the sale of such SPAC Securities on your behalf at such price and on such terms as we may determine in our absolute discretion if you fail to comply in a timely manner with a Client Mandatory-Unwind Notice, to the extent necessary to comply with SPAC Securities trading and listing rules and requirements of SEHK. In addition to the above, you authorize us to sell, transfer or carry out any other action in relation to SPAC Securities owned by you if we are instructed to do so by SFC or SEHK or if we otherwise determine in our absolute discretion that it is necessary or desirable to do so in order to comply with any with SPAC Securities trading and listing rules and requirements of SEHK;
 - (h) there is a risk of prohibition from trading SPAC Securities and that your instructions to trade SPAC Securities may not be accepted;
 - (i) you have complied with and will comply with the selling restrictions as provided in the relevant prospectus/offering document of the SPAC Securities;
 - (j) you fully understand the contents of the prospectus/offering documents of the SPAC Securities and the risks relating to any of the Transactions (as defined below) (including those relating to liquidity and volatility of SPAC Securities) including but not limited to the risks set out in such prospectus/offering documents and this document;
 - (k) you are entering into the transactions of SPAC Securities (the "Transactions") at your sole judgment and responsibility, are capable of assuming the financial and other risks and losses of entering into any Transaction; and
 - (l) you are capable of making and will make all the representations and declarations required to be made by a purchaser or holder of the SPAC



Securities under the terms of the SPAC Securities and the prospectus/offering documents of such SPAC Securities; and

- (m) you or the Other Person(s) (when applicable) are purchasing the SPAC Securities for investment purposes and not with a view to, or for resale in connection with, any distribution or any disposition thereof.

13. Express Consent

13.1 In addition to your consent given in respect of the processing of your personal data (including personal data provided by you of any natural person (“data subject”)) in connection with your Account(s) and our Services to you as required by applicable laws and regulations including without limitation the Circular relating to the Personal Data (Privacy) Ordinance of Hong Kong available at <https://www.clsa.com/terms-of-business/> and consents given under the CLSA Asia-Pacific Terms of Business and the account opening form, you further agree and consent to us that we and/or our Affiliates may collect, store, process, use, disclose and transfer personal data relating to you and/or data subject (including but not limited to your and data subject’s CID and BCAN(s)) as required for us to provide securities trading and related services falling under the scope of the investor identification regime at trading level for the securities market in Hong Kong and/or over-the-counter securities transactions reporting regime for shares listed on the SEHK as stipulated by the SFC and the SEHK (the “**IDR and OTCR**”), to be implemented by SFC, SEHK and/or HKEX and to comply with the rules and requirements of HKEX and/or SFC in effect from time to time (including but not limited to the Code of Conduct”), including, without limitation, as follows:

- a) disclosing and transferring your and/or data subject’s personal data (including CID and BCAN(s)), directly or indirectly through another broker or intermediaries, we may use in relation to the Services we provide to you (if any), to SEHK and/or the SFC in accordance with the rules and requirements of SEHK and the SFC in effect from time to time;
- b) allowing SEHK to: (i) collect, store, process and use your and/or data subject’s personal data (including CID and BCAN(s)) for market surveillance and monitoring purposes and enforcement of the Rules of the exchange of SEHK; and (ii) disclose and transfer such information to the relevant regulators and law enforcement agencies in Hong Kong (including, but not limited to, the SFC) so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets; and (iii) use such information for conducting analysis for the purposes of market oversight; and
- c) allowing the SFC to: (i) collect, store, process and use your and/or data subject’s personal data (including CID and BCAN(s)) for the performance of its statutory functions including monitoring, surveillance and enforcement functions with respect to the Hong Kong financial markets; and (ii) disclose and transfer such information to relevant regulators and law enforcement agencies in Hong Kong in accordance with applicable laws or regulatory requirements;

- 13.2 You also acknowledge and agree that despite any subsequent purported withdrawal of consent by you or any data subject, your and data subject's personal data may continue to be stored, processed, used, disclosed or transferred for the above purposes after such purported withdrawal of consent. Failure to provide CLSA your and/or data subject's personal data or consent as described above may mean that we will not, or will no longer be able to, as the case may be, carry out your trading instructions or provide you with Securities related Services (other than to sell, transfer out or withdraw your existing holdings of securities, if any).
- 13.3 You acknowledge and undertake to CLSA that, each data subject has consented to CLSA's and/or its Affiliates' collection, use, disclosure, sharing, and/or processing of his/her personal data for the purposes stated hereunder.

14. Representations, Warranties and Undertakings in connection with the IDR and OTCR

- 14.1 Where you are a "relevant licensed or registered person" as defined under paragraph 5.6 of the Code of Conduct and (i) carry out proprietary trading, and/or (ii) act as an agent for your "client", as the case maybe, and give a trading order or make a transaction falling under the scope of the IDR and OTCR, you agree and represent, warrant and undertake to CLSA, on a continuing basis that you have complied with and will comply with the regulatory requirements of the IDR and OTCR all the time, including without limitation, as follows:
- (a) You have assigned a BCAN to your client(s) and have collected CID of your client(s) for submission to the SEHK. You have submitted your client's CID directly to the SEHK by way of inclusion in a BCAN-CID Mapping File.
 - (b) Where you route securities order of your client(s) abroad to an overseas broker, which in turn routes the order to CLSA, you shall transmit the BCAN together with the securities order to such overseas broker and put in place arrangements with that overseas broker so that the securities order can be transmitted together with the BCAN to CLSA. You acknowledge that CLSA is not responsible to verify if the order should carry a BCAN.
 - (c) You shall provide CLSA with your CE number (being the unique identifier assigned by the SFC) and BCAN of your client(s) or a specific code as prescribed by SEHK (in the case of the aggregated order) or a specific code as prescribed by SEHK (in case of the sell only orders of your clients who have not expressly consented for the disclosure of any of their personal data to SEHK and SFC in accordance with the applicable data protection laws and as per paragraph 5.6 of the Code of Conduct), as the case may be, for whose account the transactions are effected. You represent and undertake that when you provide such information to CLSA, you have obtained the express consent of your clients for the disclosure of any of their information

(including their CID and BCAN) in accordance with the applicable data protection laws and as per paragraph 5.6 of the Code of Conduct.

- (d) If your client is acting as an intermediary for an underlying client(s), for whom the transaction is effected, you confirm that: (i) you have arrangements in place with your client which entitles you to obtain your client's CE number (being the unique identifier assigned by the SFC) and BCAN of their underlying client(s) or a specific code as prescribed by SEHK (in the case of the aggregated order) or a specific code as prescribed by SEHK (in case of the sell only orders of their underlying client(s) who have not expressly consented for the disclosure of any of their personal data to SEHK and SFC in accordance with the applicable data protection laws and as per paragraph 5.6 of the Code of Conduct), as the case may be, for whose account the transaction is effected; and (ii) you have arrangements with your client(s) obligating them to take express consents of their underlying client(s) for the disclosure of any of their information (including CID and BCAN) in accordance with the applicable data protection laws and as per paragraph 5.6 of the Code of Conduct.
- (e) Where you are the originator of an executed aggregated order, you shall also ensure that the BCAN of each client or joint account to which the underlying orders relate are subsequently submitted to SEHK in accordance with the SEHK's requirements.
- (f) Where your client is acting as an intermediary for an underlying client(s) and is the originator of an executed order, you confirm that you have arrangement in place with your client obligating them to subsequently submit BCAN to SEHK of underlying order of each of their client or joint account in accordance with the SEHK requirements.
- (g) You have taken reasonable measures and have arrangements in place to satisfy your obligations under paragraph 5.6(k) of the Code of Conduct.
- (h) You shall provide the CID as per the requirements of the SFC and Code of Conduct. Your CID and/or CID of your client(s) provided by you are true and accurate and you shall promptly notify CLSA of any changes or updates or errors related to such CIDs provided and shall promptly provide CLSA with any updated or changed CID. Further, you confirm and undertake to CLSA that BCAN provided by you is correct and you shall promptly notify CLSA of any changes or updates or errors related to such BCAN provided and shall, upon CLSA's request, assist CLSA with verification and maintenance of CID.
- (i) If your client is acting as an intermediary for an underlying client(s), for whom the transaction is effected, you confirm that you have arrangements in place with your client to obligate them to have reasonable measures and arrangements in place to satisfy their obligations under paragraph 5.6(k) of the Code of Conduct and to have obtained representations, warranties and consents from their clients as it consider appropriate to assist their verification and maintenance of CID and/or BCAN and notify it of any changes or updates or error related to the CID and/or BCAN provided and shall promptly provide to them of any updated or changed CID and/or BCAN.

- (j) You will fully cooperate with CLSA when CLSA conducts a refresher of the CID exercise in the timeframe prescribed by the SFC's Guidelines on Anti-Money Laundering and Counter-Financing of Terrorism.
 - (k) If you have any actual notice of a change in your client's CID, you shall submit the updated BCAN-CID Mapping File to SEHK's data repository as soon as practicable, rather than only when your client's next trade is executed. If your client is acting as an intermediary for an underlying client(s), for whom the transaction is effected, you confirm that: (i) you have arrangements in place with your client which requires it to, upon its actual notice of a change in its client's CID, submit the updated BCAN-CID Mapping File to SEHK's data repository as soon as practicable, rather than only when the client's next trade is executed.
 - (l) Where you are assigning a BCAN and preparing the BCAN-CID Mapping File, you confirm that, you have taken all reasonable steps to establish that the BCAN and CID which you submit to SEHK are accurate and kept-up-to-date. You agree that CLSA may submit a BCAN-CID Mapping File to the data repository on your behalf and will not alter the file before or upon submitting the file to the data repository and CLSA will not be liable to you in respect of such submission.
 - (m) You agree that you do not have to receive a pre-trade validation from SEHK for your BCAN-CID Mapping File before you assign a BCAN to your client and tag the BCAN to a securities order for that client.
 - (n) Where a BCAN needs to be changed after an order is executed, you agree and undertake that you will file a notification to SEHK in accordance with its prescribed forms and processes as soon as possible.
 - (o) Where you are a non-Hong Kong based entity and places the order for execution with CLSA acting as an agent on behalf of your clients located in Hong Kong, you shall give prior notification to CLSA about such orders and transmit the BCAN and CE number (being the unique identifier assigned by the SFC to such Hong Kong client) received from such Hong Kong client together with the securities order to CLSA and put in place arrangements with that Hong Kong client so that the securities order is transmitted together with the BCAN and CE number to CLSA. You acknowledge that CLSA is not responsible to verify if the order should carry a BCAN. You represent and undertake that when you provide such information to CLSA, you have obtained consent of such Hong Kong client for the disclosure of any of their information (including their BCAN) in accordance with the applicable data protection laws and disclosure to the SFC and HKEX.
- 14.2 When you place the orders for execution coming under the scope of the IDR and OTCR, CLSA will treat you as the direct client and CLSA will assign a BCAN number to you and tag such BCAN number to your order if CLSA pass the trade to the SEHK for execution purpose. For clarity, if we receive an on-exchange order, which is already tagged with a BCAN, we shall not assign and tag another BCAN to such order.



For the purpose of this Clause, the term “client” and “aggregated order” shall bear the meanings as defined under paragraph 5.6 and 5.7 of the Code of Conduct.

- End -



Securities Dealing Services: Hong Kong Market Annex Risk Disclosure Statement Schedule

This Risk Disclosure Statement Schedule does not disclose all of the risks and other significant aspects of trading in securities, futures and options. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. Please read this Schedule carefully, and ask questions and take independent advice as you consider appropriate.

Securities Risk Disclosure Statement

- You acknowledge that the price of Securities can and does fluctuate, sometimes dramatically, and that the price of any individual security may experience downward movements, and may become valueless. You appreciate therefore that it is as likely that losses will be incurred rather than profit made as a result of buying and selling securities. This is a risk that you are prepared to accept.
- You acknowledge that there are risks in leaving Securities in our custody or in authorising us to deposit securities as collateral for loans or advances made by us or authorising us to borrow or loan Securities and you confirm that you are prepared to accept such risk notwithstanding that in these circumstances you face the risk of loss of such Securities.
- You confirm that you understand the short selling requirements in Hong Kong and, in particular, that uncovered short selling on Exchanges in Hong Kong is unlawful.

Electronic Communication and Trading System Risk Disclosure Statement

- You understand that the electronic communication systems (including the internet) may not be a reliable medium of communication due to unpredictable traffic congestion or other reasons and that such unreliability is beyond our control. This may give rise to situations, including delays, in transmission and receipt of your instructions or other information, delays in execution or execution of your instructions at prices different from those prevailing at the time your instructions were given, misunderstanding and errors in any communication between you and us and so on. Whilst we will take every possible step to safeguard our systems, client information, accounts and assets held for the benefit of our clients, you accept the risk of conducting transactions via electronic communication systems.
- Electronic trading facilities (including, without limitation, the Direct Market Access Services) are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. You understand that your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member or participant firms. Such limits may vary:



you understand that you should ask us for details in this respect.

- Trading on an electronic trading system (including, without limitation, through the Direct Market Access Services) may differ from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you understand that you will be exposed to risks associated with the system including the failure of hardware and software. You understand that the result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.

GEM Risk Disclosure Statement

- You understand that GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, you understand that companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. You appreciate that there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate.
- You are aware of the potential risks of investing in such companies and understand that you should make the decision to invest only after due and careful consideration. You understand the greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.
- Given the emerging nature of companies listed on GEM, you understand there is a risk that securities traded on GEM may be susceptible to higher market volatility compared to securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.
- You further understand that current information on GEM stocks may only be found on the internet website operated by the Stock Exchange of Hong Kong ("SEHK"). Companies listed on GEM are not generally required to issue paid announcements in gazetted newspapers. Accordingly, you acknowledge that you need to have access to up-to-date information on GEM-listed companies as published on the GEM website.
- You acknowledge that this risk disclosure statement does not purport to disclose all the risks and other significant aspects of GEM. You understand that you should undertake your own research and study on the trading of securities on GEM before commencing any trading activities.
- You understand that you should seek independent professional advice if you are uncertain of or have not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of securities on GEM.
- You understand that the signing of this risk disclosure statement is mandatory under the rules of the SEHK. You understand that we will not be able to effect your instructions to deal in securities on GEM if this statement is not signed and acknowledged by you.



- You understand that we are required under the rules of the SEHK to ensure that you are provided with a signed copy of this risk disclosure statement.

NASDAQ-AMEX Pilot Program Risk Disclosure Statement

- The securities under the Nasdaq-Amex Pilot Program (“PP”) are aimed at sophisticated investors. You should consult us and become familiarised with the PP before trading in the PP securities. You should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or GEM.

Client Assets Received or Held Outside Hong Kong Risk Disclosure Statement

- Client assets received or held by the licensed person or registered outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong) 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.

Margin Trading Risk Disclosure Statement

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

Providing an Authority to Hold Mail or to Direct Mail to Third Parties Risk Disclosure Statement

- If you provide us with an authority to hold mail or to direct mail to third parties, you understand that it is important for you to promptly collect in person all contract notes and statements of your account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.

Providing an Authority to Repledge Your Securities Collateral etc. Risk Disclosure Statement

- There is risk if you provide us with an authority that allows us to apply your securities or securities collateral pursuant to a securities borrowing and lending agreement, repledge your securities collateral for financial accommodation or



deposit your securities collateral as collateral for the discharge and satisfaction of our settlement obligations and liabilities.

- If your securities or securities collateral are received or held by us in Hong Kong, the above arrangement is allowed only if you consent in writing. Moreover, unless you are a professional investor, your authority must specify the period for which it is current and be limited to not more than 12 months. If you are a professional investor, these restrictions do not apply. You may revoke your authority at any time on giving 30 days prior written notice to us.
- Additionally, your authority may be deemed to be renewed (i.e. without your written consent) if we issue to you a reminder at least 14 days prior to the expiry of the authority, and you do not object to such deemed renewal before the expiry date of your then existing authority.
- You are not required by any law to sign these authorities. But an authority may be required by us, for example to facilitate margin lending to you or to allow your securities or securities collateral to be lent to or deposited as collateral with third parties. We should explain to you the purpose for which one of these authorities is to be used.
- If you sign one of these authorities and your securities or securities collateral are lent to or deposited with third parties, those third parties will have a lien or charge on your securities or securities collateral. Although we are responsible to you for securities or securities collateral lent or deposited under your authority, a default by us could result in the loss of your securities or securities collateral.
- A cash account not involving securities borrowing and lending is available from most licensed or registered persons. If you do not require margin facilities or do not wish your securities or securities collateral to be lent or pledged, you understand that you should not sign the above authorities and ask to open this type of cash account.

SPAC Securities Risk Disclosure Statement

Investment in SPAC Securities is exposed to various risks, including but not limited to, those stated in the relevant prospectus or offering documents of the SPAC Securities and the risks listed below. Below and those included in the relevant prospectus or offering documents of the SPAC Securities are not an exhaustive list of risks. You should read these risk factors carefully and understand the risks of investment in SPAC Securities before making an investment decision.

- Risk of Price Volatility. As a SPAC has no operations, it is unable to report performance factors (e.g. revenue, profit / loss and cash flow) that investors would normally rely upon to determine the value of its shares. The share price of a SPAC is therefore likely to be driven by speculation and rumour instead, particularly with regards to the potential outcome of the SPAC's efforts to find a suitable De-SPAC Target.
- Risk of Market Manipulation. Sensitivity of a SPAC's share price to rumour makes them relatively more susceptible to share price manipulation. This could

be attempted, for example, by fraudsters deliberately spreading rumours of a forthcoming De-SPAC Transaction to raise the value of their shareholdings to a level at which it is advantageous for them to sell.

- Risk of Insider Dealing. For SPACs, inside information may arise in several circumstances but particularly in relation to the negotiations with a possible De-SPAC Target. Any movement in a SPAC's share price following the announcement of a De-SPAC agreement would be solely the result of that announcement. This means that someone in possession of inside information regarding such a transaction prior to its announcement would have greater certainty of making a gain from insider dealing than he would have if he was contemplating doing so in the shares of an ordinary listed issuer negotiating an identical acquisition. Consequently, the probability of insider dealing occurring in a listed SPAC would be higher than for an ordinary listed issuer.
- Risk of Mandatory-Unwind. You acknowledge that as a result of implementing a Client Mandatory-Unwind Notice (as mentioned in Clause 12 (f) and (g)) you can suffer heavy losses on your investment in SPAC Securities.
- SPAC Warrant Risk. The terms of SPAC Warrants may vary greatly across different SPACs and it is important to understand the terms when investing. To learn more about the specific terms of the SPAC Warrants, investors should review the prospectus or other offering documents of the particular SPAC. A SPAC Warrant provides the holder with the right to purchase a SPAC Share (or a fraction of a SPAC Share) at a set exercise price at a set time. SPAC Warrants are typically exercisable on the later of 30 days after the completion of a De-SPAC Transaction or 12 months from the SPAC IPO closing or as mentioned in the SPAC prospectus or listing document or any other applicable document; therefore, the holder of a SPAC Warrant will not be able to get the SPAC Shares before such exercise date. In addition, if an investor misses the notice of redemption and fails to exercise within the given period, the SPAC Warrants held by the investor can become essentially worthless. Further, there may be some circumstances where SPAC Warrants can be forced to be exercised early and the SPAC may redeem those warrants for essentially nothing and the SPAC Warrant holders may get nothing.
- Additional Risk of Volatility of Warrants. SPAC Warrants prior to De-SPAC Transaction may experience higher price volatility soon after a SPAC is listed and this price volatility gradually may increase as the deadline for a De-SPAC Transaction approaches. If a SPAC is liquidated, investors will receive a pro rata amount of the funds held in the SPAC's trust account and their SPAC Warrants will become worthless.
- Dilution Risk. An investor may be at greater risk of dilution of their economic interest in a SPAC compared to an investment in a traditional IPO.

- End -