



HONG KONG CROSSING ENGINE SERVICE ANNEX

1. Definitions and Interpretation

- 1.1 In this Crossing Engine Service Annex capitalised terms have the meaning given to them in the CLSA Asia-Pacific Terms of Business (the “**Terms of Business**”) and the Hong Kong Market Annex. In addition,

“**Crossing Engine Service**” means the provision of the services by the Crossing Engine.

“**Crossing Engine**” means the automated trading system and associated components/equipment made available to you by CLSA which provides for the matching and crossing of Orders, including any automated trading systems operated by CLSA or by third party brokers.

“**Orders**” means orders for the sale or purchase of listed Securities placed by you to be transmitted to the Crossing Engine for matching and crossing.

- 1.2 This Crossing Engine Service Annex is referred to herein as “this Service Annex”.
- 1.3 References in this Service Annex to “we”, “us” and “our” mean, unless the context otherwise requires, CLSA or 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 Service Annex shall apply to you if you requested that we provide you with Crossing Engine Services.
- 2.2 The terms and conditions set out in this Service Annex shall apply to the Crossing Engine Services 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 Service Annex are legally binding and take effect when you signify your acceptance by placing an Order with us following your receipt of this Service Annex.
- 2.3 The terms and conditions set out in this Service Annex may be amended and/or supplemented from time to time in accordance with the Terms of Business, subject to the following sentences. We shall notify you of any material amendments or supplements to the terms and conditions from time to time as we reasonably deem fit. The amended and/or supplements terms and conditions shall be binding upon you when you next utilise the Crossing Engine Service upon the expiry of any applicable notice period. The most updated version of the Service Annex will be posted from time to time on the following website: <https://www.clsa.com/services/Terms-of-Business.php>.

3. Services

- 3.1 We shall not be obliged to provide the Crossing Engine Service to you in respect of the Hong Kong Market until we, at our sole discretion, have so approved.
- 3.2 You acknowledge that the Crossing Engine Service provided by us in respect of Hong Kong Market is subject to the laws and regulations, Market Requirements, operating procedures and the terms and conditions applicable in the Hong Kong Market and the provisions set out in the Hong Kong Market Annex and you agree to be bound by the same.
- 3.3 The Crossing Engine Service shall be available on such trading days and at such trading hours as we may at our discretion determine and notify to you from time to time.



- 3.4 The Crossing Engine accepts all products traded on the “Main Board” and the “Growth Enterprise Market” of The Stock Exchange of Hong Kong Limited (“SEHK”) (except suspended securities, debt securities and other instruments as informed by us from time to time). For avoidance of doubt, grey market securities will not be transacted in the Crossing Engine, until it commences trading on Main Board or Growth Enterprise Market, as the case may be.
- 3.5 When Crossing Engine is provided by a third party broker, in order to route your Orders to any third party broker’s crossing engine, you may be required, as a condition to use such services, to enter into one or more agreements that may be required by such broker and you shall comply with the relevant operating procedures and terms related to automated trading system operated by such third party broker.

4. Crossing Engine User Guide

- 4.1 You agree to use the Crossing Engine in accordance with the operating guidelines, rules and regulations set out in the User Guidelines for Hong Kong Crossing Engine Services available at <https://www.clsa.com/terms-of-business> (the “User Guide”).
- 4.2 We may amend the terms of the User Guide from time to time and we will post the updated version of the User Guide on <https://www.clsa.com/terms-of-business/>.

5. Orders

- 5.1 We shall rely on real time bid and asked quotes published by the SEHK or provided by the third party broker when using its Crossing Engine to match and cross an Order. In the event we have received an erroneous quote which has resulted in a match and cross of an Order, we shall have absolute discretion (without any liability to you) to cancel and terminate such match and cross and we shall reserve such right to cancel and terminate such match and cross even if a notification informing that your order has been matched and crossed has been transmitted to you. In the event we cancel and terminate a match and cross under this Clause 5.1, we shall as soon as reasonably practicable notify you of such cancellation and termination.
- 5.2 Unless you give us specific and precise instructions to the contrary, all your orders will be passed to the Crossing Engine for the matching and then to the SEHK if the orders are not matched in the Crossing Engine.
- 5.3 After routing the order to the SEHK, the order will be recorded in the Crossing Engine for matching until its expiration in accordance with Clause 5.5 so long as the order has not been filled by the SEHK. When there is opportunity for matching in the Crossing Engine, you agree that the unfilled order placed to the SEHK will be re-routed to the Crossing Engine for matching upon withdrawal of the same from the SEHK.
- 5.4 An Order may be rejected automatically by the Crossing Engine, and we shall be entitled in our absolute discretion (without any liability to you) to reject, stop, intercede or cancel an Order if in our sole opinion, the execution of such Order would be in breach of any Market Requirements or the agreement with the third party broker providing the Crossing Engine or otherwise adversely affect our interests.
- 5.5 All Orders placed in the Crossing Engine System will expire automatically without notice at the end of the trading day on which they were entered at such trading hours as we may have designated and notified to you from time to time.
- 5.6 There will be minimum and maximum order sizes prescribed and notified by us from time to time. For Order which exceeds the maximum order size, we may amend the size of such Order so that it complies with the maximum order size requirement. For Order which does not fulfill the minimum order size



requirement, it will be automatically rejected or cancelled. We shall inform you of any such amendment, rejection or cancellation as soon as practicable thereafter.

- 5.7 You acknowledge and agree that the crosses will be reported to the SEHK in accordance with the Market Requirements.

6. Market Requirements

- 6.1 You acknowledge that short selling is strictly prohibited on the Crossing Engine and undertake not to use the Crossing Engine to carry out any short selling activity regardless of whether short selling is permitted in Hong Kong.
- 6.2 In respect of any crossing transactions duly concluded for Securities listed on the SEHK, the rules of the SEHK and of the relevant Clearing House, and in particular, those relating to trading and settlement shall be binding upon both you and us.

7. Market Requirements

- 7.1 You represent and warrant to us on each occasion on which you enter an Order in the Crossing Engine System that:
- (a) such Order is in compliance with Market Requirements and in particular with section 250 of the Securities and Futures Ordinance (Cap 571) (the "SFO") and Rule 545 of Trading Rules of the SEHK; and
 - (b) the Order is not a "wash trade" and that once completed will constitute a change in beneficial ownership of the Securities for the purposes of section 250(7) of the SFO.

8. Professional Investors Only

- 8.1 The Crossing Engine Service is not available to any person in Hong Kong unless that person:
- (a) falls within one of the categories (a) to (i) as set out in the definition of "professional investors" in Schedule 1 to the Securities and Futures Ordinance (Cap 571); and/or
 - (b) a trust corporation within the meaning of section 3(a), or a corporation that is wholly owned by a trust corporation within the meaning of section 3(d)(i), of the Securities and Futures (Professional Investor) Rules.

Accordingly, you agree to be treated as a "professional investor" as permitted for the purpose of the Crossing Engine Service, unless you expressly tell us otherwise.

- 8.2 For the purpose of your participation in the Crossing Engine, you acknowledge that we may rely on your status as regulated person (or the status of your intragroup company as regulated person) to determine if you are a "professional investor", as permitted in Schedule 1 to the Securities and Futures Ordinance. You acknowledge that you will promptly notify us where there is any change in such status which may affect your eligibility to be classified as "professional investor".
- 8.3 Where you have been accepted to participate in the Crossing Engine by relying on Clause 8.1(b), you acknowledge that you will promptly notify us when you become aware that you can no longer meet the requirement under section 3(a) or section 3(d)(i) of the Securities and Futures (Professional Investor) Rules, as the case may be.



8.4 You represent to us that you are ultimately responsible for originating the instruction in relation to a transaction conducted/to be conducted on the Crossing Engine.

9. Proprietary Order of CLSA

9.1 We may not initiate proprietary and directional trading orders for the CLSA Group in the Crossing Engine. However, you acknowledge and agree that in certain circumstances, CLSA Group entities acting as principal may become your counterparty in securities transactions, in which case, we have in place appropriate procedures designed to ensure fair treatment between clients and client priority based on Market Requirements.

10. Undertakings

10.1 You hereby warrant and undertake that:

- (a) you shall ensure that all relevant laws, regulations, directives (including without limitation local securities regulations and the rules of the Exchange), Market Requirements and our terms and conditions regarding the use of the Crossing Engine Service and when applicable, terms and conditions of the third party broker of Crossing Engine have been and will be complied with;
- (b) you shall not use the Crossing Engine except to place Orders to be matched and crossed by us on your behalf;
- (c) you have the power to enter into and perform your obligations under this Service Annex; and
- (d) your entry into this Service Annex and performance of your obligations hereunder will not violate or conflict with (i) any enactment, regulation, rules or other obligation to which you are subject; (ii) your memorandum and articles of association (or equivalent constitutional documents) or (iii) any other document, instrument or undertaking binding on you.

11. Acknowledgements

You acknowledge and agree to each of the following.

11.1 We do not warrant the result of the use of the Crossing Engine Service or warrant that any or all failures, defects, or errors will be corrected, or warrant that the Crossing Engine Service will meet your requirements.

11.2 No condition, warranty or representation of any kind is or has been given by or on behalf of us or any third party broker in respect of the Crossing Engine Service, or any part thereof, and accordingly you confirm that you have not, in determining whether to use the Crossing Engine Service, relied on any condition, warranty or representation by us or any person on our behalf or any third party broker, express or implied, whether arising by law or otherwise in relation to the Crossing Engine Service, or any part thereof.

11.3 CLSA shall not be responsible for monitoring Orders of Your Affiliates, alerting you to Orders which may be crossed or matched between you and Your Affiliates or otherwise prevent such Orders being executed.

11.4 We shall not be liable for the non-performance of any of our obligations in connection with the Crossing Engine Service, by reason of any cause beyond our reasonable control, including without limitation, any breakdown, suspension or failure of transmission or communication or computer facilities, act of god



and the failure of any relevant Exchange, Clearing House, third party brokers, or depository agency for any reason to perform their obligations.

11.5 We or third party broker, in respect of the Crossing Engine Service may be required to appoint settlement agents that are participants of the SEHK to enable it to effect transactions on your behalf and you acknowledge and agree that we shall not be responsible for any failure on the part of such agents notwithstanding that such agents may be part of the CLSA Group.

12. Emergency Measure

12.1 In case of emergency, we may halt, suspend, or terminate the Crossing Engine Service at our absolute discretion, and we will notify you of any such actions as soon as practicable thereafter.