CHINA CONNECT SERVICES ANNEX
SUPPLEMENT TO SECURITIES DEALING SERVICES: HONG KONG MARKET ANNEX

1. Definitions and Interpretation

1.1 In this China Connect Services Annex capitalised terms have the meaning given to them in the "CLSA Asia-Pacific Terms of Business" (the "**Terms of Business**").

1.2 This China Connect Services 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, which are licensed brokers incorporated and carrying on business exclusively outside the United Kingdom and the United States of America.

2. Applicability

2.1 By giving us instructions to trade China Connect Securities via China Connect, you agree to be bound by the terms of this Annex and acknowledge that you have read, understood, and will comply with the Risk Disclosures and Other Information set out in Schedule 1 hereto and Program Trading Reporting Rules set out in Schedule 2 hereto.

2.2 The terms and conditions set out in this Annex shall amend and be supplemental to the Securities Dealing Services: Hong Kong Market Annex provided by us to you in addition to, and supplemental to, the terms and conditions set out in the Terms of Business and in any applicable Market Annex(es). In the event of any inconsistency between these China Connect Terms and Existing Terms, the provisions of these China Connect Terms shall prevail.

3. Definitions

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

"**A Shares**" means any securities issued by companies incorporated in Mainland China which are listed and traded on Mainland China A Share markets (Shanghai or 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.

"**BCAN**" has the meaning given in Clause 4 below.

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

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

"**China Connect**" means 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, the relevant China Connect Entities and any other regulator, agency or authority with jurisdiction, authority or responsibility in respect of China Connect or activities relating to 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 SZSE (as the case may be).

"**China Connect Market System**" means the system used for the trading of China Connect Securities on the SSE and/or SZSE (as the case may be), as operated by the SSE and SZSE respectively.

"**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 securities (including ETFs) listed on a China Connect Market which may be eligible for trading by Hong Kong and international investors on China Connect.

"**China Connect Service**" means the order-routing service through which Northbound orders placed by an Exchange Participant may be transmitted by 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 Terms**" means the terms in this Annex, as may be amended, supplemented, modified or varied from time to time.

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

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

"**ChiNext Shares**" means any securities listed on the ChiNext board of the SZSE which may be traded by Hong Kong and overseas investors under Shenzhen Hong Kong Stock Connect.

"CHN BCAN" has the meaning given to such term in Clause 4.

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

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

"**Client Information**" has the meaning given in Clause 13.1.

"**Client Securities Rules**" means the Securities and Futures (Client Securities) Rules (Cap571H of the Laws of Hong Kong).

"**Client Transaction**" has the meaning given in Clause 13.1.

"**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.

"**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.

"**Custodian Participant**" has the meaning given to such term in the rules of CCASS.
"ETFs" means any Exchange Traded Funds which are listed and traded on SSE and/or SZSE (as the case may be) and not on the SEHK.

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

"**Existing Terms**" means the applicable existing terms of business, annexes and/or other relevant notices and disclosure between you and us that govern our provision of securities dealing services to you.

"**Forced-sale Notice**" has the meaning given in Clause 11.1.

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

"**Mainland China Investor**" means a person who is (a) an individual that possess Mainland China identity/identification documents, including the Mainland Resident's Household Register ("Hukou", 境內居民戶口簿), Resident Identity Card (居民身份證), Passport of the People's Republic of China (中華人民共和國護照), and the Exit/ Entry Permit for Travelling to and from Hong Kong and Macao (往來港澳通行證); (b) each holder of a joint account if one of the holders of such joint account is considered as a Mainland China Investor; or (c) a corporate or an unincorporated entity which is registered in the Mainland China. Mainland China Investors do not include (i) any individual who holds a permit for proceeding to Hong Kong and Macao, i.e. one-way permit (前往港澳通行证， i.e., 单程证), or who has obtained an identity document as proof of permanent residence in a country or region outside Mainland China; and (ii) any branch or subsidiary of a corporate or unincorporated entity registered in Mainland China which branch or subsidiary is lawfully registered in a country or region outside Mainland China.

"**Mainland China Listco**" has the meaning given in paragraph 14 of Schedule 1 hereto.

"**Mapped SPSA**" has the meaning given to such term in Clause 8.4 (A).

"**Master SPSA Holder**" means Master Special Segregated Account Holder, as defined in the rules of CCASS.

"**Master SPSA ID**" means a 6-digit investor identification number as defined in the rules of CCASS.

"**Master SPSA Sell Order**" has the meaning given to such term in Clause 8.4 (A).

"**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 a China Connect Entity may reject a sell order if an investor does not have sufficient available China Connect Securities in its account.

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

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

"Restriction Effective Date" has the meaning given to such term in Clause 4.

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

"**SPSA**" means a Special Segregated Account, as defined in the rules of CCASS.

"**SPSA Sell Order**" has the meaning given to such term in Clause 8.4.

"**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 (including the STAR Market) 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.

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

"**STAR Market**" means the SSE Sci-Tech Innovation Board.

"**STAR Shares**" means A Shares accepted for listing and admitted to trading on the STAR Market from time to time.

"**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 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.

"**Taxes**" means all retrospective, present or future taxes, duties, levies, imposts, charges, assessments, deductions, withholdings, costs, expenses, any other tax (including without limitation any capital gains tax or any provision for withholding income tax on capital gain or business tax on capital gains) and related liabilities, including additions to tax, penalties and interest imposed on or in respect of (i) China Connect Securities or Cash, (ii) any transaction effected under these China Connect Terms or (iii) you.

"**Trading Day**" means a day on which SEHK is open for Northbound trading for (a) in the case of Shanghai Hong Kong Stock Connect, Hong Kong and Shanghai and (b) in the case of Shenzhen Hong Kong Stock Connect, Hong Kong and Shenzhen), 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 in (a) Hong Kong and Shanghai (in the case of Shanghai Hong Kong Stock Connect) or (b) Hong Kong and Shenzhen (in the case of Shenzhen Hong Kong Stock Connect) are generally open for business) after T day.

"Transitional Period" has the meaning given to such term in Clause 4.

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

4. Eligible Investors

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

(a) (i) you are not a Mainland China Investor; or (ii) if you are a Mainland China Investor, who were assigned a registered BCAN with 'CHN' as the country/ region of issuance ("**CHN BCAN**") prior to the effective date of restricting Mainland China Investor from Northbound trading under China Connect as prescribed by China Connect Entities and/or China Connect Authorities (the "**Restriction Effective Date**"), you represent, warrant and undertake that (x) you shall trade China Connect Securities only during a transitional period (as prescribed by China Connect Entities and/or China Connect Authorities) under applicable China Connect Rules starting from the Restriction Effective Date (the "**Transitional Period**") and shall, as the case may be, (aa) use funds lawfully owned by you and located outside Mainland China to make investments in China Connect Securities, or (bb) conduct such trades pursuant to a program (including the Qualified Domestic Institutional Investor Program, if applicable) approved by, or any other approval of, any competent Mainland China regulator; (y) after the Transitional Period, you shall not trade any China Connect Securities except as otherwise allowed under the China Connect Rules or the China Connect Laws; and (z) you understand that your CHN BCAN shall be deleted after the Transitional Period;

(b) your investment in China Connect Securities does not violate the laws and regulations of Mainland China, including those in relation to foreign exchange control and reporting; and

(c) you will trade ChiNext Shares and/or STAR Shares only when you are, and in the case where you are an intermediary offering brokerage trading service for or on behalf of an underlying client or clients, each such underlying client is, a ChiNext and/or STAR Eligible Investor.

5. Compliance with China Connect Laws and China Connect Rules

5.1 Any trading in China Connect Securities will be subject to all China Connect Laws and China Connect Rules, certain of which are referred to in the Schedules hereto.

SEHK Rules 14A10(1) and 14B10(1)

5.2 These China Connect Terms highlight certain key features of China Connect as of the date hereof. We are not liable for any inaccuracies or misstatements in the information set out in the Schedules hereto. These China Connect Terms do not purport to cover all China Connect Laws and China Connect Rules. You shall be fully responsible for understanding and complying with all China Connect Laws and China Connect Rules and for any consequences of Northbound trading. We will not, and do not intend to, advise you on any China Connect Laws or China Connect Rules. For further information, please refer to the web pages on the HKEx website and the SFC website relating to China Connect from time to time and other relevant sources.

5.3 We shall have the right to apply any procedures or requirements in respect of any trading of China Connect Securities through China Connect which we determine in our absolute discretion to be necessary or desirable for the purpose of any China Connect Laws, China Connect Rules or market practice. Neither we nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from such procedures or requirements.

5.4 We may, in our absolute discretion, refuse to execute any instruction given by you, if (for example, and without limitation):

5.4.1 such instruction is not compliant with any China Connect Laws or China Connect Rules or if we reasonably believe that such instruction may not be compliant with any China Connect Laws or China Connect Rules or if we are required by SEHK not to accept such instruction; SEHK Rules 590(4) and 1421(1)

5.4.2 without prejudice to your obligations in Clause 8, in respect of any instruction to make a Northbound sell order, we determine in our absolute discretion that you do not have sufficient securities at the time of such order instruction to settle the delivery obligation or if submission of the order would cause us to be in breach of the Pre-Trade Checking requirements or related requirements under the China Connect Rules or China Connect Laws; or SEHK Rule 1421(2)

5.4.3 in respect of any instruction to make a Northbound buy order, we determine in our absolute discretion that you do not have sufficient funds to settle the payment obligation in respect of such order on the settlement day. SEHK Rule 1424

Neither we nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from such refusal.

5.5 Without limitation to the foregoing, we may in our absolute discretion suspend, terminate or limit your ability to access the China Connect through us without advance notice to you, including but not limited to where requested or directed by a China Connect Authority.

5.6 In the event that SEHK, the relevant SEHK Subsidiary or HKSCC is notified by the relevant China Connect Market, ChinaClear or any other relevant exchange, clearing house or governmental or regulatory body that there is reasonable cause to believe that you have failed to comply with or have breached any China Connect Laws or China Connect Rules, you shall, upon our request provide such information (including translations into Chinese if requested by us) as we may reasonably request to enable us to assist the relevant exchange, clearing house or governmental or regulatory body including without limitation the relevant China Connect Market, 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. SEHK Rule 1437

6. Risk Disclosures and Acknowledgement

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

6.1 You acknowledge that you have read, understood and will comply with the risk disclosures and other information and rules set out in the Schedules hereto and that you understand your obligations set out in such Schedules including any consequences of a breach of China Connect Laws or China Connect Rules.

6.2 You acknowledge that there is a risk of prohibition from trading China Connect Securities and that your instructions to trade China Connect Securities may not be accepted.

6.3 You acknowledge that neither we nor any Related Person shall be liable for any loss, liability or third party claim or demand that you may suffer directly or indirectly as a result of any action or inaction by us or any Related Person in connection with the provision of trading services in respect of China Connect Securities to you by us including, without limitation, the materialisation of any of the risks described in the Schedules hereto.

6.4 You acknowledge that SEHK has the power not to extend the China Connect Service to you, and the power to require us not to accept instructions from you, if it is found that SEHK Rules 14A10(3) and 14B10(3)

you, we or any of our clients 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.

SEHK Rules 14A10(4) and 14B10(4)

6.5 You acknowledge that if the SSE Rules and/or the SZSE Rules (as the case may be) 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 us or a Related Person to (a) provide relevant information and materials relating to you and any other persons referred to in the SEHK China Connect Rules including, without limitation, in relation to your identity, personal data and trading activity; and (b) to assist in a China Connect Authority's investigation in relation to you and/or your trading activity; and (ii) you may be subject to regulatory investigations and legal and regulatory consequences if you are in breach of, or fail to comply with, such laws, rules and regulations.

SEHK Rules 14A10(6) and 14B10(6)

6.6 You acknowledge that the SEHK may (for the purpose of assisting the relevant China Connect Market in its regulatory surveillance of the China Connect Market and enforcement of the SSE Rules and/or SZSE Rules (as the case may be) 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 us to provide information (including, without limitation, in relation to your identity, personal data and trading activity) in relation to you and any other persons referred to in the SEHK China Connect Rules with respect to any China Connect orders placed or China Connect transactions made or entered into by us on your or their behalf.

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

SEHK Rules 14A06(4) and 14B06(5)

6.8 You acknowledge that, prior to us informing you that a Northbound buy order instructed by you has been settled, you shall not instruct a Northbound sell order in respect of the China Connect Securities which are the subject of such Northbound buy order.

SEHK Rule 1441

6.9 You acknowledge and consent to us or any Related Person providing information relating to you and your profile, including the type and value of Northbound buy and sell orders and transactions executed on your behalf to a China Connect Authority at such intervals and in such form as such China Connect Authority may specify from time to time including in relation to an investigation or surveillance by a China Connect Authority.

SEHK Rules 14A11(3) and 14B11(3)

6.10 You acknowledge and accept responsibility for paying all fees, charges, levies and taxes and shall comply with any filing or registration obligations as may be required under any China Connect Laws or China Connect Rules relating to any China Connect Securities and any dividends or entitlements in respect of such China Connect Securities.

6.11 You acknowledge and accept that we will be subject to recordkeeping requirements under the China Connect Rules and may therefore retain records (including telephone and electronic communications and account information) in relation to your Northbound orders and trading for 20 years or as otherwise required under the China Connect Rules or the China Connect Laws.

6.12 You acknowledge and accept that the SEHK may upon the request of the relevant China Connect Market require us to reject any order made on your behalf.

6.13 You acknowledge and accept that none of the China Connect Authorities or their respective directors, employees and agents shall be responsible or held liable for any loss or damage directly or indirectly suffered by us or any Related Person, you or any other third party arising from or in connection with (i) the trading of China Connect Securities or the operation of the CSC in respect of China Connect Securities, or (ii) any amendments, making or enforcement of the China Connect Rules; or (iii) any action taken by a China Connect Authority in discharge of its supervisory or regulatory obligations or functions (including any action taken in respect of abnormal trading activities).

7. Representations

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

SEHK Rules 14A10(1) and 14B10(1)

7.1 that you are aware of and shall comply with all China Connect Laws and China Connect Rules to which you may be subject;

7.2 that the execution of any instruction you give to us shall not result in any breach of any China Connect Laws or China Connect Rules; and

7.3 that you understand and have assessed the risks relating to China Connect and you are willing to undertake the risks relating to China Connect.

7.4 You make the following representations to us on each date you instruct an order to sell China Connect Securities:

7.4.1 that you do not know of any fact that might impair the validity of such China Connect Securities and that you have full authority to receive, deal with and give instructions, authorisations or declarations in respect of the same;
7.4.2 that there is no adverse claim to such China Connect Securities; and
7.4.3 that there is no restriction on the transfer of such China Connect Securities other than those expressly provided for under the SEHK rules or CCASS rules.

8. Compliance with Pre-Trade Checking Requirements

8.1 You undertake that you will comply with any requirements relating to Pre-Trade Checking mandated by the China Connect Authorities, the China Connect Entities or as notified to you by us.

8.2 In addition, you undertake to ensure there are sufficient available China Connect Securities in your account with us or in the relevant SPSA or Mapped SPSAs (as applicable) by the applicable cut-off time (as notified to you by us from time to time) to cover any proposed sell order given on the relevant Trading Day.

8.3 Subject to Clause 8.4, if we consider that you do not for whatever reason have sufficient available China Connect Securities in your account to settle a sell order by the applicable cut-off time (as notified to you by us from time to time) we may in our absolute discretion:

8.3.1 reject your sell order (in whole or in part);
8.3.2 use any China Connect Securities in the designated CCASS stock account(s) which we hold for ourselves or on behalf of our other customers to fulfil the Pre-Trade Checking requirement in respect of your sell order, in which case you shall reimburse us for any costs, losses or expenses which we incur as a result of buying in or otherwise sourcing the amount of China Connect Securities which you have failed to deliver in respect of your sell order on such terms and at such price (including any associated fees and expenses) and at such time as we shall determine in our absolute discretion; or

8.3.3 perform any other act which we consider necessary or desirable to comply with Pre-Trade Checking and/or relevant China Connect Laws or China Connect Rules and to cover your shortfall (including but not limited to applying any other China Connect Securities available to us from other sources).

8.4 Subject to the requirements in these China Connect Terms and the Existing Terms, we may allow you to place a sell order for China Connect Securities held in an SPSA, other than SPSA which has been mapped to a Master SPSA ID (such a sell order to be referred to herein as an "**SPSA Sell Order**"), in which case the Pre-Trade Checking shall be carried out in relation to that SPSA. If the SPSA Sell Order is executed, the relevant China Connect Securities will be delivered to us or our Clearing Participant for settlement.

8.4(A) Subject to the requirements in these China Connect Terms and the Existing Terms, if you are a Master SPSA Holder, we may allow you to place a sell order for China Connect Securities held in SPSA(s) mapped to a Master SPSA ID (each a "**Mapped SPSA**") (such a sell order to be referred to herein as a "**Master SPSA Sell Order**"), in which case the Pre-Trade Checking shall be carried out in relation to all Mapped SPSA mapped to the relevant Master SPSA ID. If the Master SPSA Sell Order is executed, the relevant China Connect Securities will be delivered to us or our Clearing Participant for settlement.

8.5 If we have consented to your submission of SPSA Sell Orders, you may instruct us to execute an SPSA Sell Order in relation to a given SPSA, subject to the following:

8.5.1 you must have opened that SPSA with a Custodian Participant in accordance with the rules of CCASS, have been issued an investor identification number in respect of that SPSA, have designated and authorized us to be an executing broker for that SPSA and have provided such details as we may from time to time request in relation to that SPSA, including the investor identification number;

8.5.2 no SPSA Sell Orders will be accepted for a given SPSA before the effective date of our designation as an executing broker for that SPSA, as determined by HKSCC, the SEHK or the relevant SEHK Subsidiary;

8.5.3 any SPSA Sell Order must, at the time it is instructed to us, be designated as an SPSA Sell Order and contain such details (including the relevant investor identification number) and be in such form and manner as may be agreed with us from time to time; your failure to do shall entitle us to execute the order as a non-SPSA sell order, in which event the requirements of Clause 8.3 shall apply;

8.5.4 we shall be entitled to rely on all information you provide in relation to an SPSA Sell Order, including the investor identification number;

8.5.5 we shall be entitled to assume that the relevant China Connect Securities to be delivered by you (or your Custodian Participant on your behalf) in settlement of an SPSA Sell Order will be delivered from the same SPSA to which the SPSA Sell Order relates; and

8.5.6 you must comply, and procure that the relevant Custodian Participant complies, with any other relevant requirements as may be imposed by HKSCC, the SEHK or the relevant SEHK Subsidiary from time to time.

8.5(A) If we have consented to your submission of Master SPSA Sell Orders, you may instruct us to execute a Master SPSA Sell Order in relation to the Mapped SPSA, subject to the following:

8.5.(A1) you (as a Master SPSA Holder) must, have been designated a Master SPSA ID, have designated and authorized us to be an executing broker for the Mapped SPSAs, have provided pre-allocation instructions to us in respect of the relevant China Connect Securities and the relevant Mapped SPSAs and have provided such details as we may from time to time request in relation to the Mapped SPSA, including the Master SPSA ID;

8.5.(A2) no Master SPSA Sell Orders will be accepted for the Mapped SPSAs before the effective date of our designation as an executing broker for such Mapped SPSAs, as determined by HKSCC, the SEHK or the relevant SEHK Subsidiary;

8.5.(A3) any Master SPSA Sell Order must, at the time it is instructed to us, be designated as a Master SPSA Sell Order and contain such details (including the relevant Master SPSA ID) and be in such form and manner as may be agreed with us from time to time; your failure to do shall entitle us to execute the order as a SPSA Sell Order, in which event the requirements of Clause 8.5 shall apply;

8.5.(A4) we shall be entitled to rely on all information you provide in relation to a Master SPSA Sell Order, including the Master SPSA ID;

8.5.(A5) we shall be entitled to assume that the relevant China Connect Securities to be delivered by you (or your Custodian Participant on your behalf) in settlement of a Master SPSA Sell Order will be delivered from the Mapped SPSAs to which the Master SPSA Sell Order relates; and

8.5.(A6) you must comply, and procure that the relevant Custodian Participant complies, with any other relevant requirements as may be imposed by HKSCC, the SEHK or the relevant SEHK Subsidiary from time to time.

8.6 For the avoidance of doubt, we shall have no obligation to consent to our designation as an executing broker for an SPSA or a Mapped SPSA or to continue to provide execution services in relation to SPSA Sell Orders and/or Master SPSA Sell Orders. We may at any time in our absolute discretion withdraw our consent to execute SPSA Sell Orders and/or Master SPSA Sell Orders in relation to any or all of your SPSAs and/or Mapped SPSAs.

8.7 By instructing us to execute an SPSA Sell Order and/or Master SPSA Sell Order, you represent and warrant that:

8.7.1 the relevant SPSA and/or the relevant Mapped SPSAs is maintained on your behalf by your Custodian Participant, that you have authorized us to execute on your behalf the sale of China Connect Securities in that SPSA and/or such Mapped SPSAs and that we are a designated executing broker for that SPSA and/or Mapped SPSA;

8.7.2 there are sufficient China Connect Securities in the specified SPSA and/or Mapped SPSA(s) and have made arrangements with the relevant Custodian Participant to deliver the relevant China Connect Securities in that SPSA and/or the relevant Mapped SPSA(s) to us or our Clearing Participant to ensure timely settlement of the SPSA Sell Order and/or Master SPSA Sell Order, and you understand and acknowledge that if you do not have sufficient China Connect Securities in your SPSA and/or Mapped SPSAs at the time of the Pre-Trade Checking, your SPSA Sell Order and/or Master SPSA Sell Order may be rejected; and

8.7.3 you have authorized the reproduction, replication and transmission of the stock holding records of your SPSA and/or Mapped SPSAs for the purpose of enabling the SEHK and the relevant SEHK Subsidiary to carry out the Pre-Trade Checking.

8.8 If for whatever reason there is late, incomplete or failed delivery of China Connect Securities in relation to an SPSA Sell Order and/or Master SPSA Sell Order you have instructed, you undertake to:

8.8.1 indemnify and hold harmless us for any costs, losses or expenses we incur as a result of the late, incomplete or failed delivery, including but not limited to any costs and taxes associated with buying equivalent China Connect Securities to cover the shortfall, any penalties imposed by any China Connect Authorities, and any financing costs, hedging costs and mark-to-market losses suffered as a result of any China Connect Securities belonging to us or our other clients being unavailable for sale (whether due to their being "Securities-on-hold" or otherwise) or any China Connect Securities purchased for the account of us or our other clients not being delivered by the HKSCC to us as a result;

8.8.2 provide, or procure that the relevant Custodian Participant provides, promptly all such information and supporting documents relating to any outstanding or overdue short stock positions as may be required by HKSCC to determine that the outstanding or overdue short stock position is due to the failure of the relevant Custodian Participant to deliver China Connect Securities from the relevant SPSA and/or Mapped SPSAs to us;

8.8.3 procure the delivery of such China Connect Securities to us as soon as possible, and in any case within such time as is required by us to enable us to meet our delivery obligations to the HKSCC or to our clients; and

8.8.4 accept that we may request the HKSCC to make adjustments to the sellable balance of your SPSA and/or Mapped SPSAs, which may result in a reduction in the sellable balance of your SPSA and/or Mapped SPSAs.

8.9 You undertake that (i) without our prior consent, you will not make any change in the status of any SPSA and/or Mapped SPSAs for which we have been designated as an executing broker, including but not limited to, termination or suspension of that SPSA and/or Mapped SPSAs or deletion of us as a designated executing broker for that SPSA and/or Mapped SPSAs, and (ii) you will forthwith notify us of any events or potential events that may lead to such changes.

8.10 In addition, we may in our absolute discretion reject your sell order (in whole or in part) if for any other reason we consider that there is or may be non-compliance with any China Connect Laws or China Connect Rules. Any risk, loss or cost resulting from noncompliance or potential non-compliance with Pre-Trade Checking and/or the relevant China Connect Laws or China Connect Rules shall be borne by you.

8.11 If you give any sell order in respect of any China Connect Securities allocated to any fund managed by you, you undertake to ensure that there are sufficient available China Connect Securities in your account allocated to such fund by the applicable cut-off time (as notified to you by us from time to time) to cover any such proposed sell order on the relevant Trading Day. In all cases, it is your responsibility to ensure that each of the funds managed by you complies with all China Connect Laws and China Connect Rules to which the relevant fund may be subject.

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

9. Covered Short Selling

We will only accept genuine long sale orders over China Connect Securities unless we have informed you of our consent to providing covered short selling services. You acknowledge that unless you indicate otherwise to us, we will treat any sell order submitted by you to us as being a genuine long sale order (without any corresponding borrow in your inventory).

10. Settlement and Currency Conversion

10.1 As all Northbound trading is effected and settled in Renminbi, if we do not receive sufficient Renminbi before settlement of a Northbound buy order to settle such purchase of China Connect Securities, settlement may be delayed and/or fail and you may not acquire title to, or become entitled to sell or transfer the relevant China Connect Securities. Where we hold any funds on your behalf, if there are insufficient Renminbi funds to settle any Northbound buy order or other payment obligation in connection with China Connect, you authorise us to convert any funds in any other currency which we hold on your behalf into Renminbi for the purposes of settlement thereof.

10.2 Notwithstanding any provisions in the Existing Terms, where it is necessary to convert one currency to another pursuant to these China Connect Terms, such conversion may be carried out automatically by us in a commercially reasonable manner without prior notice to you. Any risk, loss or cost (including fees, charges and/or commissions) in connection with or resulting from any conversion of one currency into another currency pursuant to these China Connect Terms shall be borne by you.

10.3 Unless otherwise agreed with us, all buy or sell orders to be settled through an SPSA and/or Mapped SPSA(s) will be settled between you and us in accordance with the delivery versus payment basis for settlement instructions as set out in the operation procedures issued by CCASS with respect to China Connect Securities.

You agree and acknowledge that the timing of such settlement between you and us may be different from the timing of the settlement arrangements between HKSCC and us on your behalf in connection with the same order. In the event that we are required to settle funds with you prior to us receiving the corresponding funds from HKSCC in settlement of a trade on your behalf, you agree that (a) we shall retain the funds received from the HKSCC on T+1 day; and (b) you shall reimburse us an amount equal to the amount we had paid you minus the amount we received from the HKSCC if it's more than zero. In event we do not receive funds from the HKSCC on T+1, you agree to reimburse us the whole amount of such funds we had paid you, within reasonable time of demand as we may in our absolute discretion specify and shall be responsible to us for any loss, costs, fees and expenses incurred by us in connection with such settlement.

10.4 By placing an SPSA Sell Order and/or Master SPSA Sell Order, you hereby authorise us to give such instructions and information relating to the SPSA Sell Order and/or Master SPSA Sell Order (including the investor identification number and Master SPSA ID) to your Custodian Participant and its affiliates as may be necessary or desirable to procure timely settlement of any resulting transaction, and you agree to be bound by such resulting transaction and to settle such transaction in a timely manner, without further confirmation from you to us or your custodian prior to settlement. You agree that you will not modify the settlement arrangements for an SPSA Sell Order and/or Master SPSA Sell Order after we have executed such SPSA Sell Order and/or Master SPSA Sell Order. Subject to the aforesaid, we shall be responsible for losses caused directly as a result of any incorrect instruction or information we sent to the Custodian Participant for settlement purpose.

10.5 You agree that in the event that an order (including an SPSA Sell Order and Master SPSA Sell Order) results in a transaction which is not settled in a timely manner, we have the right to immediately and without prior notice to you take such action as we consider appropriate to reduce or eliminate any loss or liability that we suffer or may suffer (including but not limited to taking any steps to sell, realize, dispose of or otherwise deal with the relevant China Connect Securities) and that you shall indemnify and hold us harmless for any liabilities, expenses or other losses we may incur in exercising the foregoing right. You further agree that we shall have no liability to you for any loss, diminution in value or other damages whatsoever for any action or inaction of us or our agents pursuant to this Clause.

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

11. Sale, Transfer and Disgorgement

SEHK Rules 14A08(7) and 14B08(7)

11.1 Where, under the terms of the China Connect Rules, we receive notice (a "**Forced-sale Notice**") from a China Connect Authority or China Connect Entity requiring us to sell and liquidate a specified number of China Connect Securities, we shall be entitled to

issue a corresponding notice (a "**Client Forced-sale Notice**") to you requesting you to sell and liquidate any number of such China Connect Securities that you hold in your account with us (as determined by us in our sole discretion) within the period specified by the relevant China Connect Authority or China Connect Entity, and you undertake to comply with any such Client Forced-sale Notice.

SEHK Rules 14A08(5) to (12) and 14B08(5) to (12)
SEHK Rules 14A08(7) and 14B08(7)
CCASS Rule 4110 (iv)

11.2 In relation to any Forced-sale Notice, you authorise us to sell or arrange for the sale of such China Connect Securities on your behalf at such price and on such terms as we may determine in our absolute discretion if you fail to comply in a timely manner with a Client Forced-sale Notice, to the extent necessary to comply with all China Connect Laws and China Connect Rules.

11.3 Where China Connect Securities owned by you that are the subject of a Client Forced-sale Notice have been transferred from the holding of the Clearing Participant that settled the relevant Northbound buy order (the "**Original CP**") to another Clearing Participant or custodian (the "**Recipient Agent**"), you authorise us to provide instructions to the Recipient Agent on your behalf to return the relevant China Connect Securities to the Original CP for sale and liquidation in accordance with all China Connect Laws and China Connect Rules. You also undertake to inform the Recipient Agent of such authorisation and, where required, you undertake to instruct the Recipient Agent to act accordingly.

11.4 You authorise us to sell or arrange for the sale of any amount of China Connect Securities owned by you if we receive notice from any China Connect Authority requiring you to disgorge any profits as a result of the "short swing profit rule", as described in paragraph 15 (*Short Swing Profit Rule*) of Schedule 1 hereto.

11.5 In addition to the above, you authorise us to sell, transfer or carry out any other action in relation to China Connect Securities owned by you if we are instructed to do so by any China Connect Authority or if we otherwise determine in our absolute discretion that it is necessary or desirable to do so in order to comply with any China Connect Laws or China Connect Rules.

11.6 Neither we nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from any actions taken by us or a Related Person in respect of this Clause.

12. Custody

12.1 Applicability

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

12.2 Nature of custodial services

12.2.1 You acknowledge that the primary or only reason that we are offering you custodial services is in relation to Pre-Trade Checking under the China Connect Rules and China Connect Laws, and that the provision of custodial services is not part of our normal business activities. Accordingly, any custodial services offered by us are limited in their nature.

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

12.2.3 You shall be solely responsible for all filings, tax returns and reports of any transaction in respect of or relating to China Connect Securities held under this

Clause, as may be required by any relevant authority, whether government or otherwise.

12.3 **Establishment of custody account**

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

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

12.4 **Custodial procedures**

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

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

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

12.4.4 We shall make payment for and/or receive or deliver China Connect Securities only upon receipt of and in accordance with specific instructions (except as otherwise specifically provided in these China Connect Terms).

12.4.5 Unless we have received and accepted a contrary instruction, we may carry out the following without any instruction:

(i) in your name or on your behalf, sign any document relating to China Connect Securities which may be required (i) to obtain receipt of any China Connect Securities or funds or (ii) by any tax or regulatory authority; and

(ii) collect and/or receive and/or take other necessary or appropriate action in relation to any payment or distribution in respect of China Connect Securities (whether pursuant to a stock dividend, bonus issue, share subdivision or reorganisation, capitalisation of reserves or otherwise).

12.4.6 You acknowledge that we may re-deliver to you or to your usual custodian, at such time as we may determine in our absolute discretion, any China Connect Securities which have not been utilised by us in the settlement of any transaction on your behalf. You acknowledge that we may, within one trading day of receipt, deliver or pay to you or your usual custodian or bank (net of any fees or other expenses payable by you to us) any distribution or payment received by us in respect of China Connect Securities for your account. You will, promptly on our request, give such instructions (to us and/or your usual custodian and/or any other person) as we may require to pre-authorise any such re-delivery or payment.

12.4.7 In circumstances where we have not, after using reasonable endeavours, been able to (a) re-deliver to you or to your usual custodian or bank any such China Connect Securities, or (b) deliver or pay to you or your usual custodian any such distribution or payment, including, for example, and without limitation, where (a) you fail to provide such instructions upon our reasonable request and/or (b) your usual custodian refuses to accept any such delivery of China Connect Securities or payment, you authorise us in our absolute discretion to sell, liquidate or otherwise dispose of the relevant China Connect Securities and to transfer the sale, liquidation and/or disposal proceeds and/or any distribution or payment to your usual bank account or, if there is no bank account, to an

account established for you by us with a third party bank selected by us in our absolute discretion pending instructions for payment to your preferred account.

12.4.8 We shall have no obligation whatsoever to collect or receive or take any other action (including attending any general meeting and/or exercising any voting rights) in relation to any payment or distribution in respect of China Connect Securities for your account or to notify you of the existence of or the terms of any notice, circular, report, announcement or similar corporate action in respect of China Connect Securities. You acknowledge that in certain circumstances, including, without limitation, as a result of any China Connect Laws or China Connect Rules, it may be difficult, impracticable or impermissible for HKSCC or its nominee (and for us or you) to exercise any rights or entitlements or to participate in any actions, transactions or other matters in respect of China Connect Securities. If we make any such collection or receipt, take any such action or give you any such notification or take any action pursuant to any such notification, we shall not have:

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

12.5 **Pooling/sub-custodians/clearance systems**

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

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

12.6 **Confirmations by you**

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

(i) you have authority to deposit and hold China Connect Securities in the Custody Account and there is no claim or encumbrance that will or may adversely affect any delivery of China Connect Securities; and

(ii) if you act as an agent for any of your own customers, whether or not expressly identified to us at any time, no such customer shall be or be considered a customer or indirect customer of us, and your obligations under these China Connect Terms are as principal.

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

12.7 **Custodial duties and liabilities**

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

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

(i) all relevant local laws, regulations, decrees, orders and government acts;

(ii) the rules, operating procedures and practices of any relevant stock exchange, clearance system or market; and

(iii) any event or circumstance beyond our reasonable control.

12.7.3 In respect of any custodial services described in this Clause:

(i) we will not be liable for any loss or damage suffered by you unless such loss or damage results from our negligence, wilful misconduct or fraud;

(ii) we shall not be liable for consequential loss or damage (including, without limitation, lost profits) in any circumstances, whether or not foreseeable and regardless of the type of action in which such a claim may be brought, with respect to the Custody Account or our services hereunder; and

(iii) in the case of negligence or wilful misconduct our liability shall not exceed the replacement cost or the market value of the relevant China Connect Securities at the relevant time (whichever is lower).

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

12.8 **Interest**

No interest will be payable on your Custody Account.

12.9 **Lien**

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

13. Client Information

13.1 Retention of records: if you instruct us to effect a Northbound transaction in China Connect Securities on behalf of your client (a "**Client Transaction**"), you shall retain for a period of not less than 20 years (or such other period as we may instruct you 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**").

13.2 Your client acting as intermediary: if you instruct us to effect a Client Transaction and you are aware that your 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, you undertake and confirm that you have arrangements in place:

13.2.1 requiring your 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 13.1; and

13.2.2 which entitle you to obtain and disclose the Client Information in relation to the beneficial owner upon request and within the required timeline specified by us, or procure that it be so obtained and disclosed.

13.3 Disclosure of information to China Connect Authority: If we receive an enquiry from any China Connect Authority in relation to a Client Transaction, you shall, upon request and within the time limit specified by us, disclose to us or to the relevant China Connect Authority the Client Information or procure such disclosure, in relation to the beneficial owner of the Client Transaction.

14. Taxation

14.1 In addition and without prejudice to any of our rights under the Existing Terms, you will indemnify us and any Related Persons (together, the "**Indemnified Parties**") on a full indemnity basis against any Taxes of whatever nature that are incurred by, assessed on

or imposed upon any Indemnified Parties by any China Connect Authorities and/or the State of Administration of Tax of Mainland China at any time in connection with any purchase, sale or closing out of any orders/transactions entered into by us as agent on your behalf.

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

14.3 In the event we are required under China Connect Laws or China Connect Rules to pay any Taxes, we may notify you whenever necessary and request that you provide us with relevant information as we may deem necessary to fulfill our obligations. You must provide to us, promptly on such request, such information and documents such as but not limited to costs of your purchase of the China Connect Securities, your and/or any underlying beneficial owner's tax status or residence. We may withhold or deduct relevant Taxes from any amount due to you and you will remain liable for any shortfall.

14.4 In the event we do not receive any requested information from you within a reasonable period of time to fulfill our obligations, we shall be forthwith entitled in our absolute discretion, without further notice or demand to you, to satisfy any obligation of us or you to pay or account for any amounts in respect of any Taxes by selling, realizing or otherwise dealing with, in such manner as we in our absolute discretion may determine, all or part of any property held by us for any purpose in any of your accounts held with us, and to apply the proceeds in reduction of all or part of your liability to any tax authority or us.

14.5 We shall have no responsibility to verify the accuracy of the information provided by you and are entitled to rely on such information to fulfil our obligations.

14.6 We shall have no liability whatsoever for the lack of any tax relief, or any failure to obtain the benefit of any tax credit.

14.7 In the event that we provide custody services to you, you acknowledge and agree that we reserve the right to deduct or withhold from any payment to you, amount equivalent to all Taxes of whatever nature (including without limitation any provision for withholding income or business tax on capital gain) that are incurred by, assessed on or imposed upon any Indemnified Parties by any China Connect Authorities and/or the State of Administration of Tax of Mainland China at any time in connection with any purchase, sale or closing out of any orders/transactions entered into by us as agent on your behalf.

15. Miscellaneous

15.1 You will execute any further documents and provide any materials and/or information as we may reasonably request to enable us to perform our duties and obligations under these China Connect Terms which we deem necessary as and when the China Connect Laws or the China Connect Rules are amended or supplemented from time to time.

15.2 You will provide all information (including translations into Chinese, if required) to us SEHK Rule 569B

which we request 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. You acknowledge that, your failure to comply with this provision may, amongst other things, result in a suspension of China Connect services to you.

15.3 We reserve the right to vary any of the terms of these China Connect Terms in accordance with the Terms of Business.

SCHEDULE 1: RISK DISCLOSURES AND OTHER INFORMATION

SEHK Rules 14A10(2) and 14B10(2)

This Schedule 1 describes some of the key risk factors and other information concerning China Connect. This Schedule 1 does not disclose all the risks and other significant aspects of Northbound Trading through China Connect. You should ensure that you understand the nature and risks of China Connect and Northbound trading and you should consider carefully (and consult your own advisers where necessary) whether trading in China Connect Securities is suitable for you in light of your circumstances. The decision to trade in China Connect Securities is yours, but you should not trade in China Connect Securities unless you fully understand and are willing to assume the risks associated with China Connect and are able to comply with all relevant China Connect Laws and China Connect Rules. You acknowledge the risks and agree to the terms set out in this Schedule 1. You are responsible for monitoring changes in the China Connect Laws and China Connect Rules and complying with any new requirements.

We do not represent that the information set out in this Schedule 1 is up to date, and do not undertake to update the information set out in this Schedule 1. In addition, we do not provide any warranty with respect to such information and no such information is to be construed as legal, financial or tax advice of any kind by us.

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 SSE Rules and/or the SZSE Rules (as the case may be) 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 all the Northbound sell orders either (i) on the stock account(s) at the Exchange Participant level or (ii) if you have opened an SPSA (including any Mapped SPSA) with one or more Custodian Participants, on the relevant SPSA and/or Mapped SPSA, to ensure there is no overselling in excess of the stock holding in the relevant account. Such Pre-Trade Checking will be carried prior to the start of each Trading Day.

For a client who places an SPSA Sell Order and/or Master SPSA Sell Order, the above mentioned Pre-Trade Checking will be carried out on the relevant SPSA and/or the Mapped SPSAs. HKSCC will determine the number of China Connect Securities in each SPSA and/or the Mapped SPSAs prior to the start of each Trading Day, which will serve as the limit for the amount of sell orders that may be executed in relation to each SPSA and/or the Mapped SPSA for that day. If there has been a failure (for whatever reason) to deliver China Connect Securities from the SPSA and/or the Mapped SPSAs to settle a sell order, HKSCC may deduct those China Connect Securities from the balance of China Connect Securities available for selling from that SPSA and/or the Mapped SPSAs on subsequent Trading Days, notwithstanding the actual China Connect Securities balance of that SPSA and/or the Mapped SPSAs.

Accordingly, you may be unable to execute Northbound sell orders due to Pre-Trade Checking related requirements. Your attention is drawn to the provisions set out in Clause 8 of the China Connect Terms. Note in particular that you may be unable to execute a sell order of China Connect Securities if (i) there has been a delay or failure for whatever reason in the transfer of the relevant China Connect Securities to any clearing account of us or (ii) (in respect of an SPSA Sell Order and/or Master SPSA Sell Order) there is not sufficient China Connect Securities in the relevant SPSA and/or the Mapped SPSAs, even if you have additional China Connect Securities in another SPSA and/or another Mapped SPSA mapped to a different Master SPSA ID, if for any other reason we consider that there is or may be non-compliance with any China Connect Laws or China Connect Rules.

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

Furthermore, we may act as executing broker for other clients in addition to you in relation to the China Connect Securities. If any other such client fails to deliver sufficient China Connect Securities to us or our Clearing Participant to ensure timely settlement of that client's SPSA Sell Order and/or Master SPSA Sell Order, we or our Clearing Participant may have an overdue short stock position in the relevant China Connect Securities, resulting in all of our settlement instructions in CCASS for delivery of the same China Connect Securities to be put on hold by HKSCC pending resolution of the shortfall. While such settlement instructions are placed on hold, there may be a delivery failure in respect of your SPSA Sell Orders and/or Master SPSA Sell Order in respect of the same China Connect Securities.

3 Settlement

Northbound trades will follow the settlement cycle of the relevant China Connect Market. For settlement of China Connect Securities trades, ChinaClear will debit or credit the securities accounts of its participants (including HKSCC as clearing participant) on T day free of payment. We may have settlement arrangements in place different from the ChinaClear settlement arrangements. Unless we agree, in our absolute discretion, to settle funds with you prior to us receiving the corresponding funds from HKSCC in settlement of a trade on your behalf, settlement of funds relating to such trading will be effected on T+1 day. In the event that we are required to settle funds with you prior to us receiving the corresponding funds from HKSCC in settlement of a trade on your behalf, you agree that, (a) we shall retain the funds received from the HKSCC on T+1 day; and (b) you shall reimburse us an amount equal to the amount we have paid you minus the amount we received from the HKSCC if it's more than zero. In event we do not receive funds from the HKSCC on T+1, you agree to reimburse us the whole amount of such funds we had paid you within reasonable time of demand as we may in our absolute discretion specify, and you shall be responsible to us for any loss, costs, fees and expenses incurred by us in connection with such settlement.

Although the transfer of the China Connect Securities precedes the transfer of cash, under the China Connect Service, the title to China Connect Securities will not be released until the receipt of confirmation of payment. Accordingly, for purposes of contract notes, the settlement date would be T+1 day when both the securities and the cash are settled or, where we settle funds with HKSCC prior to us receiving the corresponding funds from you in settlement of the purchase trade on your behalf, the settlement date would be the date on which the securities are released.

You acknowledge that there is no guarantee that we will settle funds with HKSCC prior to us receiving the corresponding funds from you in settlement of a purchase trade on your behalf and that if we decide to make such prior settlement of funds, we may decide to terminate such service at any time. You agree to reimburse us the whole amount of such funds we have paid to HKSCC within reasonable time of demand as we may in our absolute discretion specify, and you shall be responsible to us for any loss, costs, fees and expenses incurred by us in connection with such settlement.

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

4 Quota Restrictions

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

There is a daily quota that limits the maximum value of all Northbound buy trades 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.

SEHK Rules 14A07(12), 14B07(8) and 1428

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

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

5 Restriction on Day Trading

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

6 No off-exchange trading and transfers

SEHK Rules 14A12 and 14B12

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

(a) stock borrowing and lending of China Connect Securities which are eligible for covered short selling and with a tenor of no more than one month;

(b) stock borrowing and lending of China Connect Securities which are eligible for satisfying the Pre-trade Checking requirement with a tenor of one day (and which is not renewable);

(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 relevant China Connect Market and ChinaClear, including but not limited to any Non-trade Transfer as a result or for the purpose of (i) succession, (ii) divorce, (iii) dissolution, liquidation or winding up of any company or corporation, (iv) donation

to a charitable foundation; and (v) 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, depending on the type of China Connect Securities, subject to certain different price limits based on the previous Trading Day's closing price as set out in the China Connect Laws and/or the China Connect Rules. The price limit may be changed from time to time and you are advised to refer to the HKEx website and other information published by the HKEx for up-to-date information on such price limit. All orders in respect of China Connect Securities must be within the relevant 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 a China Connect Market

According to the SSE Rules and the SZSE Rules, if any company listed on any 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' interest to undue damage, such company will be earmarked and traded on the risk alert board. Any change to the risk alert board may occur without prior notice. Investors will only be allowed to sell such China Connect Security and are restricted from further buying of such China Connect Security. 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 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.

13 Special China Connect Securities

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

14 Disclosure of Interests

SEHK Rules 14A09 and 14B09

Under Mainland China laws, rules and regulations, if you hold or control shares (on an aggregate basis, i.e., including both domestically and overseas issued shares of the same Mainland China Listco (as defined below), whether the relevant holdings are through Northbound trading, QFII/RQFII regime or other investment channels) in a Mainland China incorporated company which is listed on a Mainland China stock exchange (a "**Mainland China Listco**") above a certain threshold as may be specified from time to time by the relevant China Connect Authorities, you must disclose such interest within the period specified by the relevant China Connect Authority, and you must not buy or sell any such shares within the period specified by the relevant China Connect Authority. You must also disclose any substantial change in your holding as required by the relevant China Connect Authority.

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

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

15 Short Swing Profit Rule

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

16 Foreign Ownership Limits

SEHK Rules 14A08(02) and (3) and 14B08(2) and (3)

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 your responsibility to comply with all foreign ownership limits from time to time imposed by China Connect Laws and China Connect Rules. Such legal and regulatory restrictions or limitations may have an adverse effect on the liquidity and performance of an investment in China Connect Securities due to factors such as limitations on fund repatriation, dealing restrictions, adverse tax treatments, higher commission costs, regulatory reporting requirements and reliance on services of local custodians and service providers. As a result, you may suffer losses through your trading or investment in China Connect Securities.

If we become aware that you have breached (or reasonably believes that you may breach upon execution of further Northbound buy orders) any foreign ownership limits, or if we are so required by any China Connect Authority, including, without limitation, as a result of any Forced-sale Notice issued by the relevant China Connect Market, we will sell any China Connect Securities pursuant to Clause 11 (*Sale, Transfer and Disgorgement*) above if you fail to comply with the corresponding Client Forced-sale Notice in order to ensure compliance with all China Connect Laws and China

Connect Rules. In such case, no buy orders for the relevant China Connect Securities will be accepted until the relevant China Connect Market informs its corresponding SEHK Subsidiary or SEHK that the aggregate foreign shareholding has fallen below a certain percentage. SEHK may determine in its absolute discretion which Exchange Participants and what quantity of China Connect Securities should be subject to a Forced-sale Notice (this is 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 exceeds 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 the SEHK Subsidiary, SEHK and the relevant SEHK Subsidiary are required as soon as practicable thereafter to suspend accepting China Connect Securities buy orders in respect of the relevant China Connect Securities. In such circumstances, we may reject your buy orders until the aggregate shareholding of foreign investors has fallen below the specified percentage (the "**Permitted Level**") as advised by the relevant China Connect Market.

SEHK Rules 14A08(02) and (3) and 14B08(2) and (3)

As of the date of these China Connect Terms, the single foreign investor limit is set at 10% of the shares of a Mainland China Listco and the aggregate foreign investor limit on 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 we shall not be under any obligation to inform you of any such changes to foreign ownership limits.

17 Taxation

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

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

We assume no responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with China Connect, nor will we provide any service or assistance in this regard.

18 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 you are unfamiliar with Mainland China market conduct requirements and restrictions, you should seek specialist advice before engaging in trading through the China Connect. You confirm that you are not in possession of inside information when trading China Connect Securities or procuring others to do so.

19 Client Securities Rules

By way of brief background, the Client Securities Rules prescribe how client assets are to be dealt with by all intermediaries and their associated entities. 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.

20 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 you trade in China Connect Securities, unlike the trading of SEHK-listed securities, you will not be covered by the Investor Compensation Fund in respect of any loss you may sustain by reason of a default by SFC licensed or registered persons.

21 Ownership of China Connect Securities

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

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

Under the rules of CCASS, HKSCC is prepared to provide assistance to the beneficial owners of China Connect Securities where necessary. HKEx notes that any beneficial owner who decides to take legal action in respect of China Connect Securities held for them by the Clearing Participant through HKSCC 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

22 Risk of ChinaClear Default

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

23 Risk of HKSCC Default

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

24 Scripless Securities

China Connect Securities are traded in scripless form and accordingly, China Connect Securities may not be physically deposited into and/or withdrawn from CCASS.

Other Operational Issues

25 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 newspapers and websites officially appointed from time to time or, alternatively, the HKEx website's China Stock Markets Web (or such other replacement or successor web page from time to time) for corporate actions in respect of China Connect Securities issued on the previous trading day. Investors should note that (i) issuers that are listed on the China Connect Markets publish corporate documents in 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.

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

26 Average Pricing across Funds for Fund Managers

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

27 Disclosure of Information and Publication of Trade Information

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

28 Client Error

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

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

29 Retention of Information

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

30 China Connect Market System

SEHK or the relevant SEHK Subsidiary (after consulting with SEHK) may, under certain circumstances as specified in the SEHK rules and/or whenever the SEHK determines that it is appropriate and in the interest of a fair and orderly market to protect investors, temporarily suspend or restrict all or part of the order-routing and related supporting services with regard to all or any Northbound trading of China Connect Securities, and for such duration and frequency as SEHK may consider appropriate. You will not be able to buy or sell China Connect Securities on SEHK through China Connect during any period in which trading of China Connect Securities is suspended. In particular, you should note that while trading of China Connect Securities is suspended by the SEHK, trading of such China Connect Securities may continue on the relevant China Connect Market. You may remain exposed to fluctuations in the price of China Connect Securities caused by trading on the 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 *our* ability to accept and process your orders and you are advised to refer to the HKEx website and other information published by the HKEx for up-to-date information. There can be no assurance that your orders will be accepted or processed, notwithstanding that China Connect Securities may be traded through other channels including, without limitation, by 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 your 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. We provide trading services based on the China Connect Market System which is operated by the relevant China Connect Market. We are 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 we nor any Related Person shall be responsible or held liable for any loss or damage directly or indirectly suffered by you arising from or in connection with the China Connect Service or the CSC through Northbound trading including, without limitation, the following:

(a) a suspension, restriction or cessation of the China Connect Service or the CSC, or any inability to access or use the CSC or the China Connect Service;

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

(c) any suspension, delay, interruption or cessation of trading of any China Connect Securities on 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 our control or the control of SEHK, us or a Related Person;

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

(g) in the event that SEHK or the relevant China Connect Market requires that we reject any order for China Connect Services;

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

(i) any delay or failure to execute, or any error in matching or executing, any China Connect order due to reasons beyond the control of SEHK, HKEx, the relevant SEHK Subsidiary, us or any Related Person, including but not limited to any action or decision taken or made, or not taken or made, by any China Connect Authority or any other relevant governmental or regulatory body.

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

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

31 Operational Hours

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

SEHK Rule 1415

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

32 Margin Trading

Following are some key risk factors and/or other information concerning margin trading of China Connect Securities, where we have informed you of our consent to providing margin trading services on China Connect Securities.

Subject to certain conditions prescribed by the China Connect Authorities, Hong Kong and overseas investors may conduct margin trading in China Connect Securities determined by the relevant China Connect Authorities to be eligible for margin trading ("**Eligible Margin Trading Securities**"). The HKEx will from time to time publish a list of Eligible Margin Trading Securities. A China Connect Market may suspend margin trading activities in any specific A Share and/or ETF if the volume of margin trading activities in such A Share and/or ETF exceeds a threshold determined by such China Connect Market and resume margin trading activities when the volume of margin trading 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 Securities, the HKEx will disclose such information on its website. In such circumstances, any margin trading (except for margin trading in respect of China Connect Securities buy orders) in the relevant China Connect Security shall be suspended and/or resumed accordingly. The relevant China Connect Market reserves the right to acquire at some future date for margin trading orders to be flagged when routed to China Connect. Neither we nor any Related person shall have any obligation to update you in respect of the list of Eligible Margin Trading Securities or any restrictions or suspensions in respect of margin trading from time to time.

33 Rights Issuances

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

(a) is a China Connect Security, you will be permitted to buy and sell the entitlement security through China Connect;

(b) is not a China Connect Security but is a RMB denominated security listed on the a China Connect Market, you may be allowed to sell the entitlement security through China Connect but will not be permitted to buy such entitlement security;

(c) is a security listed on a China Connect Market but is not traded in RMB, you will not be allowed to buy or sell the entitlement security through China Connect; and

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

34 Odd Lot Trading

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

35 Short Selling

Covered short selling must satisfy the requirements specified by the relevant China Connect Authorities, including that short selling orders are only in respect of China Connect Securities designated as eligible for short selling, are appropriately flagged as such and that they are subject to an uptick rule. Naked short selling of China Connect Securities is prohibited. The China Connect Authorities may also suspend the ability to engage in short selling of any China Connect Security if the volume of short selling activity exceeds thresholds prescribed by the relevant China Connect Market. You will be fully responsible for understanding and complying with short selling requirements as in effect from time to time and for any consequences of noncompliance.

36 Stock Borrowing and Lending

Following are some key risk factors and/or other information concerning stock borrowing and lending of China Connect Securities, where we have informed you of our consent to providing stock borrowing and lending services on China Connect Securities.
Stock borrowing and lending will be permitted for eligible China Connect Securities for the purpose of (a) covered short selling and (b) satisfying the Pre-Trade Checking requirement. Stock borrowing and lending of eligible China Connect Securities will be subject to restrictions set by SEHK and 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 Securities 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). We will be required to file a monthly report to the SEHK providing details of our stock borrowing and lending activities with respect to China Connect Securities. This may include (amongst others) details of the borrower, lender, amount of shares borrowed/lent, amount of shares outstanding and date of borrowing/returning.

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

37 Restrictions on Mainland China Investors from trading China Connect Securities

From the Restriction Effective Date we will not register new CHN BCANs for Mainland China Investors for Northbound trading of China Connect Securities. Mainland China Investors with existing registered CHN BCANs could still trade China Connect Securities through Northbound trading under China Connect during the Transitional Period or as otherwise allowed under the China Connect Rules or the China Connect Laws. After the Transitional Period we shall delete all CHN BCANs of Mainland China Investors and stop accepting instructions to trade China Connect Securities via China Connect from such Mainland China Investors.

38 RMB Conversion

Any conversion of any currency into RMB pursuant to Clause 10 (*Settlement and Currency Conversion*) may be subject to conversion limits. Settlement of a Northbound buy order may be delayed and/or fail if there is a delay in converting the relevant currency into RMB. Any risk, loss or cost resulting from any such delay or failure of settlement shall be borne by you.

Risks associated with investing in China Connect Securities

39 Other risks associated with investing in China Connect Securities

General Mainland China related risk

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

Equity risk

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

General legal and regulatory risk

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

Currency risk

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

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

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

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. You 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. You may suffer a total loss of your investment in the event of a delisting.

STAR Shares

Below are some additional risks associated with STAR Shares and these are not exhaustive. You should also refer to the standard Risk Disclosure Statement in the Investor Eligibility Implementing Measure of STAR Market (上海證券交易所科創板股票交易風險揭示書必備條款), as amended, supplemented or updated from time to time.

Regulatory Risks

The rules and guidance on listing, trading, disclosure and other matters of the STAR Market vary much from those of the SSE main board. For example, on the listing requirements, lower net profit and revenue requirements will apply for company seeking IPO and listing on the STAR Market. Different trading arrangements will apply for the trading of companies listed on the STAR Market (the "**STAR companies**"), such as daily price limit, minimum order size and maximum order size. For details of the listing requirements and the trading arrangements of the STAR Market and the SSE main board, please visit SSE website.

Delisting Risks

The delisting standards of the STAR Market are different from those of the SSE main board. There are more situations that will lead to the delisting of STAR companies. STAR companies have greater exposure to the risk of being delisted, and such delisting process may be speeded up.

Operating Risks

STAR companies are generally in an early stage of development and have a shorter history. They are usually smaller in scale, have less stable operations, and are less resilient against market risks and industry risks. Although they may have higher growth potential and leverage more on

technical innovations, their future performance particularly those without a profit track record is susceptible to great uncertainty.

High Share Price Volatility

The share prices of STAR companies may fluctuate largely and frequently due to changing market conditions, investor speculations, inconsistent financial results, etc. The unstable financial result also adds the difficulty to the company valuations.

Technical Risks

There is higher degree of uncertainty whether a STAR company is able to convert its technical innovations into physical products or services. When the industry is experiencing rapid technological development and replacement, its product may be obsolete and may not survive in the market.

ETFs

Below are some additional risks associated with ETFs and these are not exhaustive.

Delisting Risks

There will be no delisting arrangement period for ETFs eligible for Northbound trading under China Connect. If an eligible ETF is delisted from SSE or SZSE, the ETF will be excluded as China Connect Securities and removed from the eligible list, from the date when the ETF is terminated from listing, i.e. further buy or sell orders of the delisted ETFs will not be accepted. Fund managers will liquidate assets for delisted ETFs and distribute the cash proceeds from liquidation via HKSCC to investors who still hold units of such ETF, according to the principles set out in the Law of the People's Republic of China on Securities Investment Funds (中華人民共和國證券投資基金法).

Trading hours

The trading hours of each trading session for A shares and ETFs for Northbound trading are not entirely the same. There will be no closing call auction for Northbound trading of SSE-listed ETFs. SZSE-listed ETFs and A shares listed on SZSE will nonetheless still have a closing call auction session. For further information, please refer to the web pages on the HKEx website and the SFC website relating to China Connect from time to time and other relevant sources."

Sell-only securities

Under China Connect, the eligible ETFs that subsequently meet any of the following criteria upon regular review will be designated as sell-only securities and will be restricted from buying if: (i) the ETF's daily average assets under management (i.e. AUM) in the last six months falls under RMB 1 billion; (ii) the total weighting of SSE-listed and SZSE-listed A-Shares in benchmark index falls under 85% or the total weighting of China Connect Northbound eligible constituents in the benchmark index falls under 70%; or (iii) the benchmark index and the index methodology of the benchmark index fulfil criteria as set out by China Connect Authorities. This may affect your investment portfolio or strategies. You should therefore pay close attention to the list of eligible ETFs as provided and renewed from time to time on the website of HKEx.

Market risk

The value of an ETF represents the value of its underlying assets including but not limited to stocks, bonds, or commodities. ETF issuers may use different strategies to construct the portfolios, but in general they do not have the discretion to take defensive positions in declining markets.

You must be prepared to bear the risk of loss and volatility associated with the underlying index/assets.

Tracking error

Tracking error refers to the disparity in performance between an ETF and its underlying index/assets. For ETFs adopting a passive strategy, tracking error 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 issuer's replication strategy. For ETFs adopting an active strategy, tracking error will normally be higher due to the ETF issuer's objective to outperform its underlying index/assets. You should be aware of this active risk when considering to invest in actively managed ETFs.

Trading at premium or discount

An ETF may be traded at a premium or discount to its Net Asset Value. 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.

Liquidity risk

Market makers provide liquidity to facilitate trading in ETFs. Although most ETFs are supported by one or more market makers, there is no assurance that active trading will be maintained. In the event that the market makers default or cease to fulfil their role, you may not be able to buy or sell the product.

You should seek independent professional advice if you are uncertain of or have not understood any aspect of this Annex, the nature and risks involved in trading of ETFs, ChiNext Shares and/or STAR Shares.

SCHEDULE 2: PROGRAM TRADING REPORTING RULES

(1) In this Schedule 2:

"**China Program Trading Rules**" means any laws, rules, regulations, policies or guidelines (regardless in written form or other forms) published or applied by any China Connect Authorities from time to time in respect of Program Trading or any activities arising from Program Trading;

"**Dealer Program**" has the meaning ascribed to it under paragraph 6;

"**HFT**" has the meaning ascribed to it under paragraph 5(a);

"**Initial Report**" has the meaning ascribed to it under paragraph 2(a);

"**Program Trading**" means trading of China Connect Securities through computer programs that automatically generate or execute trading orders which includes, but is not limited to, automatically selecting specific securities and timing for trading based on pre-set strategies, automatically executing trading orders according to pre-defined algorithms, and other behaviours with the characteristics of program trading, or as otherwise defined under the China Program Trading Rules;

"**Program Trading Breach Event**" has the meaning ascribed to it under paragraph 4(a);

"**Program Trading Report**" has the meaning ascribed to it under paragraph 2(b); and

"**Restrictive Measure**" has the meaning ascribed to it under paragraph 4(b).

(2) Program Trading Reporting

(a) You represent and undertake to us that you will not conduct Program Trading unless you have fulfilled the relevant reporting obligations within such timeframe and in such form as required under the China Program Trading Rules (the "**Initial Report**").

(b) You represent and undertake to us that you will make any subsequent report (collectively with the Initial Report, the "**Program Trading Reports**") pursuant to the China Program Trading Rules, including but not limited to upon the occurrence of any material changes prescribed under the China Program Trading Rules or when you cease to conduct Program Trading. In any of the aforementioned cases, you will promptly notify us and ensure that notification is provided within the timeframe necessary for us to comply with any deadlines prescribed under the relevant China Program Trading Rules and, in any event, within the first five Trading Days of the calendar month following the occurrence of such cases, unless the China Program Trading Rules provide for a shorter period, in which case such shorter period shall apply.

(c) We will verify the Program Trading Reports and may request further information from you that is in our view necessary to complete the verification. You agree to provide such information promptly. We may also raise comments on the Program Trading Reports you provide to us. We have the right not to provide any Program Trading Report to the relevant China Connect Authorities unless we are satisfied in our reasonable opinion that such Program Trading Report contains true, accurate and complete information as required under the China Program Trading Rules.

(d) You hereby agree and authorise us to provide the Program Trading Reports to the China Connect Authorities as well as any information that China Connect Authorities may request from time to time (and will procure that any necessary consents and authorisations are obtained and in effect in order for us to do so). You acknowledge that the information you provide to us in respect of the Program Trading Reports can be shared with China Connect

Authorities and may be used to conduct market surveillance activities by us or China Connect Authorities and/or fulfil other regulatory functions designated by China Connect Authorities.

(e) You represent and warrant that all information you provide for the purpose of completing the Program Trading Reports or otherwise provided to us pursuant to this Schedule 2 are true, accurate and complete as of the date of submission. You further represent and undertake to us that your Program Trading strategy and the related systems deployed by you comply at all times with the China Program Trading Rules.

(f) You acknowledge and agree that we have the right, but not the obligation, to request you to make a Program Trading Report if we have identified to our opinion that a reporting obligation (including, for the avoidance of doubt, in relation to HFTs) is triggered by you under the China Program Trading Rules. If you refuse to make such a report or provide any related information as requested or any reported information is untrue, inaccurate or incomplete, we will be entitled to take any and all Restrictive Measures.

(3) Surveillance

(a) We will conduct market surveillance and monitoring activities in accordance with the laws and regulations that are applicable to us, which cover Program Trading activities by our clients.

(b) We may be required to implement enhanced surveillance and monitoring activities in respect of you if, among others, there is any perceived abnormality in your trading activities.

(c) If we find or suspect that there is any abnormality with respect to your Program Trading activities, including without limitation any activities that might materially affect the trading price or the trading volume of China Connect Securities, we have the right but not the obligation to raise enquiries with you about the situation, carry out our own verification and analysis, and report the same to one or multiple China Connect Authorities.

(d) Notwithstanding our market surveillance and monitoring activities, you should conduct your assessment on whether and to what extent your Program Trading activities might fall under the definition and criteria of abnormal trading activities and/or market misconduct activities under applicable laws and regulations and take all necessary measures to ensure your trading activities are at all times in compliance with applicable laws and regulations.

(e) You agree to notify us immediately upon occurrence of any event that might affect the normal trading of China Connect Securities, including any event arising out of your Program Trading activities. These events include, without limitation, any force majeure event, accident, major technical failure or significant human error. We may report such event to the relevant China Connect Authorities, suspend our China Connect Services to you, or cancel your trading orders without any liability to you, each case in accordance with the China Program Trading Rules or as required by China Connect Authorities.

(4) Our Rights

(a) Each of the following constitutes a "**Program Trading Breach Event**":

(i) any failure by you to make a Program Trading Report under the China Program Trading Rules on time and in a truthful, accurate, and complete manner;

(ii) any failure by you to cooperate with us in our due diligence, verification or inspection as required under the China Program Trading Rules with respect to your Program Trading activities;

(iii) there is a critical malfunction with respect to your Program Trading system or your trading order exhibits significant abnormality;

(iv) your Program Trading may affect the security of the trading system or the normal trading order of China Connect Securities;

(v) the technical system you use for Program Trading differs from the system which we have validated or conducted risk assessment;

(vi) any failure by you to cooperate with any China Connect Authority in relation to any request made to you, either directly or through us; and

(vii) other circumstances prescribed under the China Program Trading Rules that permit us to take one or more Restrictive Measures.

(b) Notwithstanding anything to the contrary in this Schedule 2 or this Annex, upon the occurrence of a Program Trading Breach Event, as determined by us acting reasonably, we have the right (but not the obligation) to take any or all of the following measures (each, a "**Restrictive Measure**"):

(i) reject or cancel your Program Trading order(s);

(ii) suspend or terminate the China Connect services to you; and

(iii) report such event to the relevant China Connect Authorities,

in each case without liability to you.

(5) High Frequency Trading

(a) You acknowledge that the China Program Trading Rules require, with respect to certain Program Trading activities with high frequency (such trades, "**HFTs**"), (i) the submission of Program Trading Reports containing information beyond what is required for non-HFT Program Trading; and (ii) enhanced surveillance and monitoring, each in accordance with the China Program Trading Rules (including any exceptions thereunder). For the avoidance of doubt, HFTs are a subset of Program Trading and therefore all the rules applicable to Program Trading are also applicable to HFTs. Any reference to Program Trading in this Schedule 2 shall include HFTs.

(b) The definition and criteria for HFTs are formulated under the China Program Trading Rules and you are hereby urged to assess your trading activities against the relevant China Program Trading Rules to determine whether you are conducting HFTs and hence if such additional reporting is required.

(c) You acknowledge and agree that we have the right to take immediate measures if we identify any abnormality with respect to your HFTs (which will be treated as a Program Trading Breach Event) to avoid affecting the security of the trading system for China Connect Securities or the normal trading order of China Connect Securities. Such measures include without limitation any Restrictive Measures.

(6) Our Program

You acknowledge and agree that we may use a computer program (a "**Dealer Program**") to automatically generate or place trading orders when executing your trading orders. You agree that we may therefore make the required Program Trading Report on your behalf to the extent such a reporting obligation arises from the use of the Dealer Program, and you hereby authorise us to make such report on your behalf. For this purpose, you agree to provide necessary information and assistance as required by us in order to comply with the China Program Trading Rules.

(7) Miscellaneous

(a) The rights and remedies under this Schedule 2 are cumulative and in addition to (and not in substitution for) any rights or remedies provided under this Annex. No action taken under this Schedule 2 shall limit or prejudice any rights or remedies under this Annex.

(b) Except as expressly amended or supplemented in this Schedule 2, all terms of this Annex shall remain in full force and effect. Matters not addressed in this Schedule 2 shall continue to be governed by this Annex. In the event of any conflict or inconsistency between the terms of this Schedule 2 and this Annex, the terms of this Schedule 2 shall prevail with respect to the subject matter addressed herein.

(c) This Schedule 2 is without prejudice to any other arrangements, rights, or obligations between the parties, whether under this Annex, at law, or in equity.

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