

Stock Connect Terms

These Stock Connect Terms are the terms and conditions governing trading of China Connect Securities through the Stock Connect Northbound Trading Service of the Bank.

1. Authority and Application

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

1.2 These Stock Connect Terms are supplemental to, and without prejudice to, and form an integral part of, the Terms and Conditions. Notwithstanding any provision in the Terms and Conditions, these Stock Connect Terms shall apply where the Customer (i) informs or indicates to the Bank that the Customer wishes to trade; or (ii) trades China Connect Securities through China Connect.

2. Definitions and Interpretation

2.1 Terms and expressions appearing in these Stock Connect Terms (including the Appendices hereto), unless the context otherwise requires, have the meanings set out in Appendix 2. Terms and expressions which are not defined in these Stock Connect Terms shall have the meanings ascribed to them in the Terms and Conditions.

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

2.3 Unless the context otherwise requires:-

2.3.1 words importing the singular include the plural and vice versa and words importing a gender include every gender; and

2.3.2 references to these Stock Connect Terms or any other agreement or document shall be construed as references to the same as amended, varied or supplemented from time to time.

2.4 In the event of any inconsistency between these Stock Connect Terms and the Terms and Conditions, the terms of these Stock Connect Terms shall prevail.

3. Eligible Investors

3.1 As Northbound trading is available only to Hong Kong and overseas investors, the Customer makes the representations set out in Clause 3.2 below.

3.2 The Customer represents and undertakes on a continuing basis, including without limitation on the first date that these Stock Connect Terms are effective and on each date that the Customer places an order or gives an instruction in respect of China Connect Securities under these Stock Connect Terms, that:

3.2.1 (where the Customer is an individual) he is not a PRC Citizen resident or domiciled in the PRC and his authorized persons and/or agents with authority to give

Northbound trading instructions with respect to China Connect Securities are not PRC Citizens resident or domiciled in the PRC;

- 3.2.2 (where the Customer is a body corporate) it is not a legal entity incorporated or registered in the PRC;
- 3.2.3 (where the Customer is a personal investment company) it is not a legal entity incorporated or registered in the PRC and its authorized persons and/or agents with authority to give Northbound trading instructions with respect to China Connect Securities and beneficial owners are not PRC Citizens resident or domiciled in the PRC;
- 3.2.4 (where the Customer is a corporate trustee) it is not a legal entity incorporated or registered in the PRC and its authorized persons and/or agents with authority to give Northbound trading instructions with respect to China Connect Securities and the settlor of the underlying trust are not PRC Citizens resident or domiciled in the PRC; and
- 3.2.5 except otherwise permitted under the Applicable Regulations, the Customer will trade ChiNext Shares only when he is, and in the case where he is an intermediary (including, without limitation, a fund manager, asset manager, broker or order placer) trading for or on behalf of an underlying client or clients, each such underlying client is, an Eligible ChiNext Investor.

4. Compliance with Trading Restrictions and Applicable Regulations

- 4.1 These Stock Connect Terms highlight only certain key features applicable to China Connect as of the date of these Stock Connect Terms. The Bank is not liable for any inaccuracies or misstatements in the information set out in Appendix 1 to these Stock Connect Terms. Any trading in China Connect Securities will be subject to the China Connect Rules and all Applicable Regulations, including, without limitation, any applicable requirements and/or restrictions pursuant to China Connect as may be amended from time to time, certain of which are referred to in Appendix 1 to these Stock Connect Terms. These Stock Connect Terms do not purport to cover all the rules, requirements and features relating to China Connect and all Applicable Regulations. The Customer shall be fully responsible for understanding and at all times complying with all Applicable Regulations as amended from time to time and for any consequences, risks, losses or costs of Northbound trading. In addition and without prejudice to the generality of the Terms and Conditions, the Customer shall at all times comply with the Applicable Regulations and all such trading restrictions applicable to China Connect, including, without limitation, the requirements and restrictions (as may be amended from time to time by the relevant China Connect Authorities) set out in Appendix 1 to these Stock Connect Terms. The Bank will not, and does not intend to, advise the Customer on any of the Applicable Regulations. The Customer is advised to refer to the HKEX website and the SFC website relating to China Connect as updated from time to time and other relevant sources for detailed information.
- 4.2 In addition, the Bank shall have the right to apply any procedures or requirements in respect of any trading in China Connect Securities pursuant to China Connect which the Bank determines in its absolute discretion to be necessary or desirable to comply with Applicable Regulations. Neither the Bank nor any Related Person shall have any liability for any losses or risks that the Customer may incur or suffer arising out of or resulting from such procedures or requirements.

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

4.3.1 such instruction is not compliant with any Applicable Regulations or if the Bank reasonably believes that such instruction may not be compliant with any Applicable Regulations or if the Bank is required by SEHK not to accept such instruction;

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

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

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

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

5. Risk Disclosures and Acknowledgement

By instructing the Bank in respect of any transaction relating to China Connect Securities:

5.1 the Customer represents, warrants and confirms that (i) the Customer has read and fully understood and accepted the risk disclosures and other information applicable to China Connect set out in Appendix 1 to these Stock Connect Terms; (ii) the Customer understands that there is a risk of prohibition from trading China Connect Securities; (iii) the Customer's instructions to trade China Connect Securities may not be accepted; and (iv) the Customer understands the Customer's obligations when trading China Connect Securities through China Connect including any consequences of a breach of Applicable Regulations;

5.2 the Customer acknowledges that neither the Bank nor any Related Person shall be liable for any loss, liability, or third party claim or demand that the Customer may suffer or incur directly or indirectly as a result of any action or inaction by the Bank or any Related Person in connection with the provision of trading services in respect of China Connect Securities

to the Customer by the Bank including, without limitation, the materialisation of any of the risks described in Appendix 1 to these Stock Connect Terms;

- 5.3** the Customer acknowledges that SEHK has the power not to extend the China Connect Service to the Customer and the power to require the Bank not to accept instructions from the Customer, if it is found that the Customer, the Bank or any of the Bank's clients has or may have committed any abnormal trading conduct referred to in the SSE Rules and/or the SZSE Rules (as the case may be) or failed to comply with any China Connect Rules;
- 5.4** the Customer acknowledges that the Bank and/or any Related Person may provide to a China Connect Authority relevant information and materials relating to the Customer, including, without limitation, in relation to the Customer's identity, Personal Data and trading activities for the purposes of assisting any investigation or surveillance by a China Connect Authority;
- 5.5** the Customer acknowledges that if the SSE Rules and/or SZSE Rules (as the case may be) are breached, or the disclosure and other obligations referred to in any Applicable Regulations are breached, (i) the relevant China Connect Market has the power to carry out investigations, and may, through SEHK (or the relevant SEHK Subsidiary or any other governmental or regulatory body), require the Bank and/or any Related Person to (a) provide relevant information and materials relating to the Customer (including, without limitation, in relation to the Customer's identity, Personal Data and trading activity) and any other information requested by any China Connect Authority; and (b) assist in a China Connect Authority's investigation in relation to the Customer and/or the Customer's trading activity; and (ii) the Customer may be subject to regulatory investigations and the relevant legal and regulatory consequences if the Customer is in breach of, or fails to comply with, such laws, rules and regulations;
- 5.6** the Customer acknowledges that SEHK may (for the purpose of assisting the relevant China Connect Market in its regulatory surveillance of the China Connect Market and enforcement of the SSE China Connect Rules and/or SZSE China Connect Rules (as the case may be) and as part of the regulatory cooperation arrangement between SEHK, the relevant SEHK Subsidiary and the relevant China Connect Market), at the request of the relevant China Connect Market, require the Bank to provide information (including, without limitation, in relation to the Customer's identity, Personal Data and trading activity) in relation to the Customer and any other persons referred to in the SEHK China Connect Rules with respect to any China Connect orders placed or China Connect transactions made or entered into by the Bank on their behalf;
- 5.7** the Customer acknowledges 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), the Bank may be required by a China Connect Authority to (i) issue warning statements (verbally or in writing) to the Customer; and (ii) cease providing the Customer with any service relating to trading China Connect Securities through China Connect;
- 5.8** the Customer acknowledges and agrees that, prior to the Bank informing the Customer that a Northbound buy order instructed by the Customer has been settled, the Customer shall not instruct a Northbound sell order in respect of the China Connect Securities which are the subject of such Northbound buy order;
- 5.9** the Customer acknowledges and consents to the Bank and/or any Related Person providing information relating to the Customer's profile and the types and values of Northbound buy and sell orders and transactions made and executed on the Customer's behalf to a China Connect Authority at such intervals and in such forms as such China Connect Authority may specify from time to time;

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- 5.10 the Customer acknowledges and accepts responsibility for paying all fees, charges, levies and taxes and shall comply with any filing or registration obligations as may be required by any China Connect Authority or any Applicable Regulations relating to any China Connect Securities;
- 5.11 the Customer acknowledges that the Bank will be required under the China Connect Rules to keep, for a period of not less than 20 years, records (including telephone records) of (i) all orders and trades executed on the Customer's behalf; (ii) any instructions received from the Customer and (iii) the Customer's account information in relation to Northbound trading;
- 5.12 the Customer acknowledges that SEHK may upon the request of the relevant China Connect Market require the Exchange Participant to reject any order made on the Customer's behalf; and
- 5.13 the Customer acknowledges that none of the China Connect Authorities or their respective directors, employees and agents shall be responsible or held liable for any loss or damage directly or indirectly suffered by the Bank or any Related Person, the Customer or any other third party arising from or in connection with (i) the trading of China Connect Securities or the operation of the CSC in respect of China Connect Securities; or (ii) any amendment, making or enforcement of China Connect Rules; or (iii) any action taken by a China Connect Authority in the discharge of its supervisory or regulatory obligations or functions (including any action taken in respect of abnormal trading activities).

6. **Representations**

- 6.1 The Customer makes the following representations to the Bank on a continuing basis:
 - 6.1.1 that the Customer is aware of and shall comply with all Applicable Regulations to which the Customer may be subject;
 - 6.1.2 that the execution of any instruction the Customer gives to the Bank shall not result in any breach of any Applicable Regulations;
 - 6.1.3 that the Customer understands and has assessed the risks relating to China Connect and the Customer is willing to undertake the risks relating to China Connect; and
 - 6.1.4 that any funds used by the Customer for the purpose of trading in China Connect Securities is permitted under PRC laws and regulations to be placed in an offshore account.

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

- 6.2 The Customer makes the following representations to the Bank on each date the Customer instructs an order to sell China Connect Securities:
 - 6.2.1 that the Customer does not know of any fact that might impair the validity of such China Connect Securities and that the Customer has full authority to receive, deal with and give instructions, authorisations or declarations in respect of the same;
 - 6.2.2 that there is no adverse claim to such China Connect Securities; and

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

7. Settlement, Renminbi Payments and Currency Conversion

- 7.1 As all Northbound trading is effected and settled in Renminbi, if the Bank does not receive sufficient funds in Renminbi before settlement of a Northbound buy order to settle such purchase of China Connect Securities, settlement may be delayed and/or fail and the Customer may not acquire title to, or become entitled to sell or transfer, the relevant China Connect Securities.
- 7.2 Where the Bank holds any funds on the Customer's behalf, if the Customer instructs (i) Northbound buy orders only or (ii) both Northbound buy orders and other buy orders (in respect of Securities other than China Connect Securities) and if the Customer does not have sufficient Renminbi funds in the Customer's account to settle all such orders and all payment obligations in relation thereto, the Bank may reject all such orders or process only one or some of such orders with the available Renminbi funds in the Customer's account and the Bank may in its absolute discretion decide which of the buy orders to process without regard to the sequence in which the orders were placed by the Customer.
- 7.3 If the Bank receives any funds arising from any China Connect Securities which the Bank holds for the Customer and the Bank does not hold any cash account for the Customer in the same currency as the funds received, the Customer authorises the Bank to convert such funds into the currency of, and credit such funds to, any cash account that the Bank holds for the Customer as determined by the Bank in its absolute discretion.
- 7.4 Notwithstanding any provisions in the Terms and Conditions, where it is necessary to convert one currency to another pursuant to these Stock Connect Terms, such conversion may be carried out by the Bank in a commercially reasonable manner without prior instruction from or notice to the Customer at the prevailing market rate of exchange between the two currencies.
- 7.5 Notwithstanding any provisions in the Terms and Conditions, where the Bank determines that there is insufficient liquidity in Renminbi to settle any buy order, the Bank may, in its sole and absolute discretion, reject the Customer's instruction to place such buy order.
- 7.6 Unless and until the Customer has settled all payment obligations in connection with any and all Northbound buy orders, the Bank will not release to the Customer's account any China Connect Securities acquired by virtue of buy orders.
- 7.7 Any loss, risk or cost which may result to the Customer directly or indirectly from any actions taken by the Bank pursuant to this Clause shall be borne by the Customer.

8. Sale, Transfer and Disgorgement

- 8.1 Where, under the terms of the China Connect Rules, the Exchange Participant receives notice (a "Forced-sale Notice") from a China Connect Authority requiring the Exchange Participant to sell and liquidate a specified number of China Connect Securities owned by the Customer, the Customer hereby consents and authorises the Bank to sell or arrange for the sale of such China Connect Securities on behalf of the Customer at such price and on such terms and at such time as the Bank or any Related Person may determine in its absolute discretion to the extent necessary to comply with all Applicable Regulations within the period specified by the relevant China Connect Authority.

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- 8.2 Where China Connect Securities owned by the Customer that are the subject of a Forced-sale Notice have been transferred from the holding of the Clearing Participant that settled the relevant Northbound buy order (the "**Original CP**") to another Clearing Participant or custodian (the "**Recipient Agent**"), the Customer hereby authorises the Bank and/or any Related Person to instruct the Recipient Agent on behalf of the Customer to return the relevant China Connect Securities to the Original CP for sale and liquidation in accordance with Applicable Regulations. The Customer also undertakes to inform the Recipient Agent of such authorisation and, where required, the Customer undertakes to instruct the Recipient Agent to act accordingly.
- 8.3 The Customer hereby consents and authorises the Bank to sell or arrange for the sale of any amount of China Connect Securities owned by the Customer if the Bank and/or any Related Person receives notice from any China Connect Authority requiring the Customer to disgorge any profits as a result of the "short swing profit rule", described in paragraph 6 (Short Swing Profit Rule) of Appendix 1 to these Stock Connect Terms.
- 8.4 In addition to the above, the Customer hereby consents and authorises the Bank and/or any Related Person to sell, transfer or carry out any other action in relation to China Connect Securities owned by the Customer if the Bank and/or any Related Person is instructed to do so by any China Connect Authority or if the Bank and/or any Related Person otherwise determines in its absolute discretion that it is necessary or desirable to do so in order to comply with any Applicable Regulations.
- 8.5 Neither the Bank nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from any actions taken by the Bank or any Related Person pursuant to this Clause.

9. Indemnity

- 9.1 In addition and without prejudice to any of the Bank's rights under the Terms and Conditions, the Customer will indemnify the Bank and each Related Person on a full indemnity basis against any claims, demands, actions, proceedings, damages, costs, expenses, losses and all other liabilities whatsoever arising directly or indirectly from the Bank and/or any Related Person providing any services to the Customer in respect of the Customer's trading or investment in China Connect Securities, including without limitation (i) any Taxes arising out of or resulting from any trading or holding of or otherwise dealing in China Connect Securities pursuant to China Connect; (ii) the materialisation of any risk referred to in Appendix 1 to these Stock Connect Terms; (iii) any legal costs which the Bank and/or any Related Person may incur in connection with any instruction given by the Customer; or (iv) any costs incurred in connection with Clause 8 (Sale, Transfer and Disgorgement) above.
- 9.2 In addition and without prejudice to any other right or remedy which the Bank and/or any Related Person may have, the Bank and/or any Related Person shall be entitled at its absolute discretion, without further notice or demand, forthwith to satisfy any claims, demands, actions, proceedings, damages, costs, expenses, losses and all other liabilities whatsoever referred to in Clause 9.1 above by selling, realising or otherwise dealing with, in such manner as the Bank and/or any Related Person in its absolute discretion may determine, all or part of any property held by the Bank and/or any Related Person for any purpose in any account of the Customer, and to apply the proceeds in reduction of all or part of any liability of the Customer to the Bank and/or any Related Person.
- 9.3 Neither the Bank nor any Related Person shall have any liability for any losses or risks which may result to the Customer directly or indirectly from any actions taken by the Bank and/or any Related Person in respect of this Clause.

10. **Fees and Taxation**

- 10.1 The Bank shall be entitled in its absolute discretion, without further notice or demand, forthwith to satisfy any obligation or potential obligation of the Bank or any Related Person or the Customer to pay or account for any amounts in respect of any Taxes by selling, realising or otherwise dealing with (including but not limited to withholding or deducting any amount towards Taxes), in such manner as the Bank in its absolute discretion may determine, all or part of any property held by the Bank or any Related Person for any purpose in any of the Customer's accounts with the Bank or any Related Person, and to apply the proceeds in reduction of all or part of the Customer's liability to any tax authority or the Bank or any Related Person.
- 10.2 Neither the Bank nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from any actions taken by the Bank or any Related Person in connection with the foregoing.
- 10.3 The Customer shall be responsible for paying all fees, charges, levies and taxes, and the Customer shall be required to comply with any reporting, filing or registration obligations, in each case as may be required by any China Connect Authority or any Applicable Regulations, relating to any trading or investment by the Customer of or in China Connect Securities.
- 10.4 It is the Customer's sole responsibility to handle and/or fulfill any local, overseas or worldwide tax issues, liabilities and/or obligations under all Applicable Regulations (including, without limitation, tax reporting, filing relevant tax return(s) and/or forms, and paying any applicable tax) arising from or in connection with trading, holding, disposing of or otherwise dealing with Securities or investment via the Bank. The Customer must seek independent professional advice from his own tax advisors to determine his tax position, liabilities and obligations in relation to the relevant Securities or investments. The Bank assumes no responsibility for advising on or handling such tax issues, liabilities and/or obligations nor will the Bank provide any service or assistance in this regard.
- 10.5 Notwithstanding the above but without prejudice to the full force of the foregoing provisions, if the Bank so requests at its absolute discretion, the Customer shall complete, provide information, sign and file any tax forms, certificates or documents which the Bank and/or any Related Person or any nominee, custodian and/or agent of the Bank or of any Related Person is required by any tax authority of any applicable jurisdiction to submit in respect of the Customer in connection with any investment or transaction made on behalf of the Customer pursuant to the Terms and Conditions. The Customer agrees to cooperate with the Bank and/or any Related Person or any nominee, custodian and/or agent of the Bank or of any Related Person and provide the necessary information and assistance to them or any of them for such purposes.

11. **Liability**

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

12. **Further Information and Survival of Obligations**

- 12.1 The Customer will execute any further documents and provide any materials and/or information as may be reasonably requested by the Bank to enable it to perform its duties

and obligations under these Stock Connect Terms which may become necessary as and when the China Connect Rules are amended from time to time.

- 12.2** The Customer will provide all information (including translations into Chinese, if required) to the Bank and/or any Related Person which the Bank and/or such Related Person requests if (i) such information is requested by or required to be disclosed to (a) any China Connect Authority, exchange, regulatory authority or governmental agency (including tax authority) or (b) any other organisation with which the Hong Kong Government, any China Connect Authority, the Bank or any such Related Person has entered into an information-sharing arrangement or agreement, in each case, whether within or outside Hong Kong; or (ii) such information is otherwise required under Applicable Regulations. In addition, by providing any such information to the Bank and/or any Related Person pursuant to the foregoing, the Customer authorises the Bank and/or such Related Person to disclose such information to the relevant China Connect Authority, exchange, regulatory authority, governmental agency (including tax authority) or other organisation (in each case, whether within or outside Hong Kong) which requested the information or to which the information is required to be disclosed. Any failure by the Customer to comply with this Clause 12.2 may (amongst other things) result in a suspension or termination of China Connect Services to the Customer.
- 12.3** The Bank reserves the right to vary any of the terms of these Stock Connect Terms in accordance with the Terms and Conditions or by giving 30 days' written notice to the Customer. However, the Bank may, in exceptional circumstances, make amendments to these Stock Connect Terms at any time in order to comply with any Applicable Regulations, which will become effective immediately upon notice to the Customer.
- 12.4** Clauses 4 (*Compliance with Trading Restrictions and Applicable Regulations*), 5 (*Risk Disclosures and Acknowledgement*), 8 (*Sale, Transfer and Disgorgement*), 9 (*Indemnity*), 10 (*Fees and Taxation*), and 12.2 of these Stock Connect Terms and paragraph 14 (*Taxation*) in Appendix 1 hereto (and such other provisions of these Stock Connect Terms or of Appendix 1 hereto as the context requires) shall survive termination of these Stock Connect Terms and the Terms and Conditions but otherwise these Stock Connect Terms shall automatically terminate upon termination of the Terms and Conditions.

13. Market Data Information

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

- 13.1** he shall use the Market Data Information only as an end-user and shall not disseminate the Market Data Information to any person or grant any person any access to the Market Data Information, whether free of charge or otherwise;
- 13.2** he shall not use or permit the use of the Market Data Information for any illegal purpose;
- 13.3** he shall not use the Market Data Information for index computation and compilation or as the basis for any tradable derivative product;
- 13.4** subject to Clause 13.3, he shall use the Market Data Information only for his own purposes, in the ordinary course of his own business (which shall not include the dissemination of Market Data Information to any persons or third parties, whether on a for-profit basis or otherwise), or for the purpose of enabling his software system suppliers to develop, connect or apply relevant software solutions to facilitate his use of the Market Data Information;

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- 13.5** he acknowledges that the China Connect Markets endeavour to ensure the accuracy and reliability of the information provided but does not guarantee its accuracy or reliability and accepts no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions;
- 13.6** he acknowledges that SEHK, its holding company and/or any subsidiaries of such holding company endeavour to ensure the accuracy and reliability of the information provided but do not guarantee its accuracy or reliability and accept no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions; and
- 13.7** the Bank and/or any Related Person, by disseminating or making available any Market Data Information received from SEHK (and/or, if applicable, SSE and/or SZSE) to the Customer, does not warrant or represent the accuracy or reliability of any Market Data Information or accept any responsibility (whether in tort or contract or otherwise) with respect to any loss or damage caused to the Customer or any third parties arising from any inaccuracy or omission in or of the Market Data Information.

APPENDIX 1

RISK DISCLOSURES AND OTHER INFORMATION

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

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

1. Pre-Trade Checking

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

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

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2. Settlement

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

Although the transfer of the China Connect Securities precedes the transfer of cash, under the China Connect Service, the title to China Connect Securities will not be released until the receipt of confirmation of payment. Accordingly, for the purpose of contract notes, the settlement date would be T+1 day when both the securities and the cash are settled or, where the purchase was pre-funded, the settlement date would be the date on which the securities are released from hold.

3. Quota Restrictions

Purchases of China Connect Securities through China Connect are subject to certain quota controls as described below. As a result, there is no assurance that a buy order can be successfully placed through China Connect. There is a daily quota limiting the maximum value of all Northbound buy trades that can be executed by Exchange Participants on each Trading Day ("**Daily Quota**") in respect of each China Connect Market. The Daily Quota may change from time to time without prior notice and the Customer is advised to refer to the HKEX website and other information published by HKEX for up-to-date information.

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

4. Restriction on Day Trading

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

5. Disclosure of Interests

Under PRC laws, rules and regulations, if the Customer holds or controls shares (on an aggregate basis, i.e., including both domestically and overseas issued shares of the same PRC Listco (as defined below), whether the relevant holdings are through Northbound trading, the QFII/RQFII regime or other investment channels) in a PRC incorporated company which is listed on a PRC stock exchange (a "**PRC Listco**") up to a certain threshold (as may be specified from time to time by the relevant China Connect

Authorities), he must disclose such interest within the period specified by the relevant China Connect Authority, and the Customer must not buy or sell any such shares within the period specified by the relevant China Connect Authority. The Customer must also disclose any substantial change in his holding as required by the relevant China Connect Authority.

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

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

6. Short Swing Profit Rule

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

7. Foreign Ownership Limits

Under PRC laws, rules and regulations, there is a limit to how many shares a single foreign investor is permitted to hold in a single PRC Listco, and also a limit to the maximum combined holdings of all foreign investors in a single PRC Listco. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same issuer, whether the relevant holdings are through Northbound trading, the QFII/RQFII regime or other investment channels). It shall be the Customer's responsibility to comply with all foreign ownership limits from time to time imposed by Applicable Regulations. In addition, in accordance with Clause 4.2 above, the Bank shall have the right to apply any procedure or requirements which the Bank determines in its absolute discretion to be necessary or desirable to comply with any foreign ownership limits from time to time including (for example, and without limitation) imposing any threshold on the Customer that is lower than the foreign ownership limits prescribed by any China Connect Authority. Such legal and regulatory restrictions or limitations may have an adverse effect on the liquidity and performance of an investment in China Connect Securities due to factors such as limitations on fund repatriation, dealing restrictions, adverse tax treatments, higher commission costs, regulatory reporting requirements and reliance on services of local custodians and service providers. As a result, the Customer may suffer losses through the Customer's trading or investment of or in China Connect Securities.

If the Bank becomes aware that the Customer has breached (or reasonably believes that the Customer may breach upon execution of further Northbound buy orders) any foreign ownership limits, or if the Bank is so required by any China Connect Authority, including, without limitation, as a result of any Forced-sale Notice issued by the relevant China

Connect Market, the Bank will sell any China Connect Securities pursuant to Clause 8 (*Sale, Transfer and Disgorgement*) above in order to ensure compliance with all Applicable Regulations. In such case, no China Connect Securities buy orders for the relevant China Connect Securities will be accepted until the relevant China Connect Market informs its corresponding SEHK Subsidiary or SEHK that the aggregate foreign shareholding has fallen below a certain percentage. SEHK may determine in its absolute discretion which Exchange Participants and what quantity of China Connect Securities should be subject to a Forced-sale Notice (this is generally likely to be on a "last-in, first-out" basis), and SEHK's (or the relevant SEHK Subsidiary's) own records shall be final and conclusive.

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

As of the date of these Stock Connect Terms, the single foreign investor limit is set at 10% of the shares of a PRC Listco and the aggregate foreign investor limit is set at 30% of the shares of a PRC Listco (while the Cautionary Level and the Permitted Level are set at 28% and 26% respectively of the shares of a PRC Listco). Such limits and levels are subject to change from time to time and the Bank shall not be under any obligation to inform the Customer of any such changes relating to foreign ownership limits.

8. Securities Eligible for Northbound Trading

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

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

China Connect will be allowed only to sell it and are prohibited from further buying. For details concerning the risk alert board, please refer to the SSE Listing Rules, the SZSE Listing Rules and any other relevant sources from time to time.

9. Special China Connect Securities

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

abnormal trading activities will be accepted or designated by SEHK as Special China Connect Securities. The Customer will be able only to sell, but not to buy, any Special China Connect Securities.

10. ChiNext Shares

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

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

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

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

11. No Off-exchange Trading and Transfers

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

The Customer acknowledges that the rule against off-exchange trading and transfers under Northbound trading may delay or disrupt reconciliation of orders by the Bank. The Bank shall not be responsible or held liable for any loss or damage directly or indirectly

suffered by the Customer arising from this rule, including, without limitation, any loss arising from any delay in settlement of trades.

12. Placing Orders

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

13. China Connect Market Price Limits

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

14. Taxation

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

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

15. Client Securities Rules

By way of brief background, the Client Securities Rules prescribe how client assets are to be dealt with by all intermediaries and their associated entities. However, as the China Connect Securities traded through China Connect are not listed or traded on SEHK, the

Customer will not have protection under the Client Securities Rules, unless otherwise specified by the SFC or any other relevant China Connect Authority.

16. Investor Compensation Fund

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

17. Ownership of China Connect Securities

China Connect Securities are held in CSDCC. HKSCC will become a direct participant in CSDCC and China Connect Securities acquired by investors through Northbound Trading will be:

- (a) recorded in the name of HKSCC in the nominee securities account opened by HKSCC with CSDCC and HKSCC will be nominee holder of such China Connect Securities; and
- (b) held in custody by the depository of CSDCC and registered in the shareholders' register of the relevant PRC Listco.

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

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

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

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

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

exercise their rights in relation to China Connect Securities as proprietary owners through HKSCC.

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

- (a) it is the Hong Kong and overseas investors as the ultimate investors (rather than any broker, custodian or intermediary through whom such investors hold the China Connect Securities) who should be recognised under PRC laws and regulations as having beneficial ownership in the China Connect Securities;
- (b) as key functions of a nominee holder, HKSCC will be responsible for collecting and distributing dividends to its participants (for their own account and/or as agent for their investors) and obtaining and consolidating voting instructions from its participants and submitting a combined single voting instruction to the issuer of the relevant China Connect Securities. Under the CCASS China Connect Rules, HKSCC is prepared to provide assistance to the beneficial owners of China Connect Securities where necessary.

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

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

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

18. Amendment of Orders and Loss of Priority

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

19. Risk of CSDCC Default

CSDCC has established a risk management framework and measures that are approved and supervised by the CSRC. If CSDCC (as the host central counterparty) defaults, HKSCC may (but shall have no obligation to) take any legal action or court proceeding to seek recovery of the outstanding China Connect Securities and monies from CSDCC through available legal channels and through CSDCC's liquidation process, if applicable. As CSDCC does not contribute to the HKSCC guarantee fund, HKSCC will not use the HKSCC guarantee fund to cover any residual loss as a result of closing out any of

CSDCC's positions. HKSCC will in turn distribute China Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant China Connect Authorities. The Bank in turn will be distributing China Connect Securities and/or monies only to the extent recovered directly or indirectly from HKSCC. Although the likelihood of a default by CSDCC is considered to be remote, investors should be aware of this arrangement and of this potential exposure before engaging in Northbound trading.

20. Risk of HKSCC Default

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

21. Scripless Securities

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

22. Company Announcements on Corporate Actions

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

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

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

- (a) any liability in respect of any inaccuracies or delays; and

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

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

23. Disclosure of Information and Publication of Trade Information

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

In addition, the Bank may be required by any China Connect Authority to provide any information relating to the Customer including, without limitation, any information relating to China Connect trades executed by the Customer through Exchange Participants other than the Bank, where the China Connect Securities in respect of such trades have been transferred to the Bank for sale.

24. Retention of Information

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

25. Client Error

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

The China Connect Rules generally prohibit any off-exchange trading or transfers. However, transfers may be permitted between Exchange Participants and their clients to rectify an error trade in limited circumstances, although there is a lack of clarity as to the circumstances in which such transfers may be permitted. Any Exchange Participant who performs a Non-trade Transfer to rectify an error trade will be required to submit to SEHK an error trade report together with supporting documents explaining how the error was made and providing details of the Non-trade Transfer. SEHK has the power to disallow a particular Exchange Participant to conduct Non-trade Transfers for error trade rectification if SEHK has reasonable cause to suspect or to believe that the Exchange Participant may abuse or may have abused such rectification arrangements or may have used such

rectification arrangements to circumvent the prohibition against off-exchange trades or transfers. SEHK may provide error trade reports and related information to the SFC and the relevant China Connect Market. Exchange participants are warned by SEHK not to misuse this arrangement to effect off-exchange trades or transfers which are otherwise disallowed under the relevant China Connect Rules. The Bank shall have absolute discretion to determine whether to conduct any transfer to rectify any error trade and shall have no obligation to do so. Neither the Bank nor any Related Person shall have any liability for any losses which may result directly or indirectly from any error trade or any refusal to conduct a transfer to correct an error trade.

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

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

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

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

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

In addition, the China Connect Market System is a platform for trading of China Connect Securities under China Connect. The Bank provides trading services based on the China Connect Market System which is operated by the relevant China Connect Market. The Bank is not responsible for any delay or failure caused by any China Connect Market System and investors accept all risks arising from trading China Connect Securities through any China Connect Market System. Neither the Bank nor any Related Person

shall be responsible or held liable for any loss or damage directly or indirectly suffered by the Customer arising from or in connection with the China Connect Service or the CSC through Northbound trading including, without limitation, the following:

- (a) a suspension, restriction or cessation of the China Connect Service or the CSC, or any inability to access or use the CSC or the China Connect Service;
- (b) any special arrangement put in place or any action, step or measure taken or not taken to deal with an emergency, including but not limited to the cancellation of any or all China Connect orders input by Exchange Participants;
- (c) any suspension, delay, interruption or cessation of trading of any China Connect Securities on the relevant China Connect Market or through SEHK;
- (d) any delay, suspension, interruption or order cancellation of any China Connect Securities as a result of the hoisting of a Typhoon Signal No. 8 or above or the issuance of the Black Rainstorm Warning in Hong Kong;
- (e) any delay or failure to route any China Connect orders or any delay or failure to send any order cancellation requests or to provide the China Connect Service, due to any system, communication or connection failure, power outage, software or hardware malfunction or other event beyond the control of SEHK, the Bank or any Related Person;
- (f) any circumstance in which a China Connect order which a China Connect Exchange Participant has requested to be cancelled is not cancelled for any reason whatsoever;
- (g) any delay, failure or error of any China Connect Market System or any system upon which the relevant SEHK Subsidiary, the Bank or any Related Person is reliant in providing the China Connect Service; and
- (h) any delay or failure to execute, or any error in matching or executing any, China Connect order due to any reason beyond the control of SEHK, HKEX or the relevant SEHK Subsidiary, the Bank or any Related Person (including, without limitation, any action or decision taken or made, or not taken or made, by the relevant China Connect Market, any China Connect Authority or any other relevant governmental or regulatory body).

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

27. Operational Hours

SEHK has absolute discretion to determine from time to time the operational hours of the China Connect Service, and will have absolute discretion to change the operational hours and arrangements of the China Connect Service at any time and without advance notice, whether on a temporary basis or otherwise. The Bank shall not be under any obligation to inform the Customer of any such determination by SEHK as to the operational hours of the China Connect Service. Any such change in the operational hours and arrangements with respect to the China Connect Service will affect the Bank's ability to accept and process the Customer's orders and generally to provide China Connect Service in a timely manner.

Where, for example, there is any price sensitive information relating to a PRC Listco during a time when the China Connect Service is not in operation, the A Shares of the PRC 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.

28. Margin Trading

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. The relevant China Connect Market may suspend margin trading activities in any specific A Share if the volume of margin trading activities in such A Share exceeds a threshold determined by the relevant China Connect Market and resume margin trading activities when the volume of margin trading activities drops below a prescribed threshold. Where the SEHK is notified by the relevant China Connect Market that a suspension or resumption involves a security on the list of Eligible Margin Trading 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 China Connect Markets have reserved the right to require (at some point in time) margin trading orders to be flagged as margin trading orders when routed to China Connect. Neither the Bank nor any Related Person shall have any obligation to update the Customer in respect of the list of Eligible Margin Trading Securities or any restrictions or suspensions in respect of margin trading from time to time.

29. Rights Issuances

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

- (a) is a China Connect Security, Hong Kong and overseas investors will be allowed to buy and sell the entitlement security through China Connect;
- (b) is not a China Connect Security but is a RMB-denominated security listed on a China Connect Market, Hong Kong and overseas investors may be permitted to sell the entitlement security through China Connect but will not be permitted to buy such entitlement security;
- (c) is a security listed on a China Connect Market but is not traded in RMB, Hong Kong and overseas investors will not be allowed to buy or sell the entitlement security through China Connect. HKEX has stated that the relevant China Connect Market and SEHK will consult each other to agree on the appropriate treatment of the entitlement security; or
- (d) is not listed on a China Connect Market, Hong Kong and overseas investors will not be allowed to buy or sell the entitlement security on China Connect unless and until appropriate arrangements (if any) have been provided by HKSCC. It is possible that no such alternative arrangements will be provided.

30. 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.

31. Short Selling

Covered short selling of China Connect Securities may be available, provided that such covered short selling satisfies the requirements specified by the relevant China Connect Authorities. Short selling may be suspended where the volume of short selling in respect of the relevant China Connect Security exceeds the threshold(s) specified by the relevant China Connect Market, and may be resumed if the relevant China Connect Market so permits. Naked short selling of China Connect Securities is prohibited. The Customer shall be fully responsible for understanding and complying with short selling requirements in effect from time to time and for any consequences of non-compliance.

32. Stock Borrowing and Lending

Stock borrowing and lending are permitted for eligible China Connect Securities for the purposes of (a) covered short selling and (b) satisfying the Pre-Trade Checking requirement. Special China Connect Securities are not eligible for stock borrowing and lending for the purpose of covered short selling (but are eligible for the purpose of satisfying the Pre-Trade Checking requirement). The China Connect Markets will determine a list of eligible China Connect Securities for stock borrowing and lending. Stock borrowing and lending of eligible China Connect Securities will be subject to restrictions set by the 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 the SEHK.

Only certain persons are eligible to lend China Connect Securities in stock borrowing and lending arrangements concerning China Connect Securities.

The Bank will be required to file a monthly report to the SEHK providing details of its 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.

Where the prescribed proportion of stock borrowing and lending of any China Connect Security exceeds the limit prescribed by the relevant China Connect Market, such relevant China Connect Market may suspend stock borrowing and lending of such China Connect Security and require the corresponding SEHK Subsidiary to suspend placement of covered short selling orders relating to such China Connect Security. If and when the prescribed proportion of stock borrowing and lending falls below the prescribed limit, the relevant China Connect Market may resume stock borrowing and lending of such China

Connect Security and notify the corresponding SEHK Subsidiary that it may resume acceptance of covered short selling orders relating to such China Connect Security.

The Customer is advised to refer to the relevant provisions from time to time governing stock borrowing and lending of China Connect Securities under the SEHK China Connect Rules and the Applicable Regulations. Neither the Bank nor any Related Person shall have any obligation to update the Customer in respect of any suspension of stock borrowing and lending or any change to the relevant SEHK China Connect Rules or Applicable Regulations.

33. Risks associated with investing in China Connect Securities

PRC-related risks

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

Market risk

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

Possible business failure risk

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

Equity risk

Investing in China Connect Securities may offer a higher rate of return than investing in short term and longer term debt securities. However, the risks associated with investments in China Connect Securities may also be higher, because the investment performance of China Connect Securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies.

Dividend risk

Whether an issuer of China Connect Securities will pay distributions is subject to such issuer's dividend policy. Dividend payment rates in respect of China Connect Securities may depend on factors including general economic conditions and the financial positions

of the relevant issuers. There can be no assurance that any dividends or distributions in respect of China Connect Securities will be declared or paid.

Liquidity risks

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

General legal and regulatory risk

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

Currency risk

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

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

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

APPENDIX 2

DEFINITIONS AND INTERPRETATION

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

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

"**Applicable Regulations**" means any law, regulation or order, or any rule, direction, guideline, code, notice or restriction (whether or not having the force of law) issued by any exchange, regulatory authority, governmental agency (including tax authority), or other organisation (in each case, whether within or outside Hong Kong) which is applicable to the Customer and/or the Bank or any Related Person from time to time including, without limitation, the China Connect Rules.

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

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

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

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

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

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

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

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

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

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

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

"**Clearing Participant**" has the meaning given to such term in the rules of 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 Securities Rules**" means the Securities and Futures (Client Securities) Rules (Cap 571H of the Laws of Hong Kong).

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

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

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

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

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

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

"**Exchange Participant**" means (i) Hang Seng Securities Limited which is a person registered as a China Connect Exchange Participant (as defined in the SEHK China Connect Rules) by the SEHK; or (ii) where the context requires, any China Connect Exchange Participant (as defined in the SEHK China Connect Rules).

"**Forced-sale Notice**" has the meaning given to such term in Clause 8.1.

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Related Person**" means (i) the Exchange Participant, (ii) any Affiliate of the Bank or the Exchange Participant, or (iii) any director, officer, employee or agent of the Bank, the Exchange Participant or any Affiliate of the Bank or the Exchange Participant.

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

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

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

"**SAT**" means the State Administration of Taxation of the PRC.

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

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

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

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

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

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

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

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

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

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

"**SSE Listing Rules**" means the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, as amended, supplemented, modified and/or varied from time to time.

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

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

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

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

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

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

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

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

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

"Terms and Conditions" means the terms and conditions / agreements of the Bank governing the account through which the Services are provided by the Bank to the Customer, as supplemented by these Stock Connect Terms.

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