

CLIENT AGREEMENT¹ FOR SECURITIES TRADING

Version Series Number: C202203

THIS AGREEMENT, effective immediately upon execution, is entered into

BETWEEN

- (A) **GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED** whose registered office is at 27th Floor, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong (hereinafter referred to as "**GTJAS**"); and
- (B) the undersigned client(s) whose name(s) and address are as appeared on the signatory page of the Account Opening Form for securities trading (hereinafter referred to as the "**Client**").

GTJAS is licensed and registered with:-

- (a) Securities and Futures Commission ("**SFC**") as a Licensed Corporation, CE number **ABY236**, for carrying on the regulated activities of (1) dealing in securities (including provision of financial accommodation to facilitate acquisitions or holdings of securities by Client); (2) advising on securities; and (3) dealing in futures contracts (only for hedging purpose in relation to its activities as an issuer of products listed on the recognized stock market); and
- (b) The Stock Exchange of Hong Kong Limited ("**Exchange**") as an Exchange Participant.

In consideration of GTJAS accepting to open a securities trading account(s) and operating such account in the Client's name and on the Client's behalf, for the purpose of and in connection with the sale and purchase of Securities, the Client hereby agrees to abide by the following terms and conditions.

NOW IT IS HEREBY AGREED as follows:-

1. DEFINITION AND INTERPRETATION

1.1. In this **Agreement**, the following terms shall bear the following meanings:

"**Access Codes**" means the combination of a Password and an Account Number to gain an access to GTJAS's Electronic Trading Services.

"**Account**" means each account opened by the Client with GTJAS from time to time pursuant to this Agreement.

"**Account Number**" means a serial number assigned by GTJAS to be used as the Client's personal identification when opening the Account.

"**AEOI**" or "**Automatic Exchange of Financial Account Information**" means one or more of the following, as the context requires: (i) FATCA (Foreign Account Tax Compliance Act); (ii) the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters – the Common Reporting Standard and any associated guidance; (iii) any intergovernmental agreement, treaty, regulation, guidance, standard or any other arrangement between Hong Kong and any other jurisdiction (including between any government bodies in each relevant jurisdiction), entered into to facilitate, implement, comply with or supplement the legislation, regulations, guidance or standards described in (i) and (ii) above; and (iv) any legislation, regulations or guidance implemented in Hong Kong to give effect to the matters outlined above.

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

"**Agreement**" means this Client Agreement between GTJAS and the Client (including the Account Opening Form) as may be varied, amended or supplemented from time to time. It manifests the contractual relationship between GTJAS and the Client wherein GTJAS act as the Client's agent, or in such other capacity as disclosed to the Client, in the buying, selling and otherwise dealing of Securities and attend to other related administrative matters.

"**Business Day**" means a day (other than a Saturday) on which licensed banks and the Exchange are open for business.

"**Connected Person**" means as it is defined in the Listing Rules.

"**Debit Balance**" means an account balance representing money owed to GTJAS.

"**Electronic Trading Service**" or "**ETS**" means the software, systems and other facilities, including, but not limited to, the website, telephone, facsimile, electronic mail and other devices provided by GTJAS under this Agreement, which enables the Client to give electronic Instructions and to obtain information services provided by GTJAS.

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

"**FATCA**" or "**Foreign Account Tax Compliance Act**" means (i) sections 1471 to 1474 of the US Internal Revenue Code of 1986 or any associated regulations or other official guidance; (ii) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other

¹ 如果希望閱讀此協議書之中文版本，請向甲方受理開戶申請人員索取。中英文版本之間若有差異，以英文版本為準。

jurisdiction, which (in either case) facilitates the implementation of the legislation or guidance referred to in (i) above; and (iii) any agreement pursuant to the implementation of the legislation or guidance referred to in (i) or (ii) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"Financial Product" means, where applicable, any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO.

"GTJA Group" means GTJAS and its Affiliates.

"GEM" means the Growth Enterprise Market operated by the Exchange.

"HKSCC" means the Hong Kong Securities Clearing Company Limited.

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

"Institutional Professional Investor" means a "professional investor" as defined in paragraphs (a) to (i) of Part I of Schedule 1 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the regulations thereunder, excluding the definitions of individual and corporate professional investors.

"Instruction" means any instruction (including any subsequent amendment or cancellation thereof accepted by GTJAS) the Client may give in connection with trading or dealing in Securities, whether verbally or in writing, through the electronic trading service or such other means or in such other manner as GTJAS may permit.

"Listing Rules" means the Rules Governing the Listing of Securities on the Exchange.

"Main Board" means the stock market operated by the Stock Exchange of Hong Kong Limited, excluding GEM and Option market.

"Password" means the Client unique personal password used in conjunction with the Account Number to gain access to the GTJAS Electronic Trading Services.

"PIN" means Personal Identification Number used by the Client, as a security measure, to identify and verify the identity of an authorized individual(s) giving Instructions.

"Professional Investor" means a "professional investor" as defined in paragraphs (a) to (j) of Part I of Schedule 1 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the regulations thereunder.

"Securities" means (a) shares, stocks, debentures, loan stocks, funds, bonds or notes; (b) rights, options, interests, certificates of participation in, receipts for or warrants to subscribe for or purchase of such respects as specified in (a); and (c) interests in any collective investment scheme.

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

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

"Transaction" means an executed Instruction and/or the allocation and acquisition of a new listing and issue of Securities.

- 1.2. Words denoting the singular shall include the plural and vice versa, reference to one gender shall include all genders and words denoting person, The Client and GTJAS shall include a natural person, firm or a sole proprietorship, partnership, syndicate and corporation and vice versa.

2. THE ACCOUNT

- 2.1. **Accurate Information:** The Client confirms that the information provided in the Account Opening Form and/or other information collection documents is complete, accurate and current. The Client acknowledges the importance to provide complete, accurate and current information to GTJAS as GTJAS will rely on such information to understand the Client's personal background, financial situation and other necessary information for GTJAS to provide services or products to the Client. The Client undertakes to inform GTJAS immediately if there is any change to that information. It is the Client's responsibility to ensure Account accuracy and to notify GTJAS immediately with regard to any discrepancies. GTJAS also undertakes to inform the Client of any material change of GTJAS's name, address, registration status, services, remuneration and margin / short selling facilities.
- 2.2. **Credit Inquiries:** GTJAS is authorized to conduct credit inquiries on the Client and to verify the information the Client has provided.
- 2.3. **Legal Capacity:** The Client represents that he is of required legal age and mentally fit to enter into this Agreement.
- 2.4. **Beneficial owner(s) of the Account.** The Client represents that the Client is the only party who has the ultimate interest(s) in the Client's Account. Should the direct ownership or direct beneficiary interests have changed, the Client agrees to inform and notify GTJAS in writing promptly.
- 2.5. **Authorization:** The Client authorizes GTJAS to take any action (including, without limitation, executing any document on the Client's behalf) which in the reasonable opinion of GTJAS is necessary or desirable for the purposes of this Agreement (which, for the avoidance of doubt, includes any act that is necessary or desirable to protect GTJAS's position) and the Client undertakes not to bring any action or proceedings against GTJAS for taking such actions.

- 2.6. **Safeguard of Password, PIN and Account Number:** For the protection of the integrity of the Client's Account, the Client will create a password and Personal Identification Number (PIN) to access his Account. The Client acknowledges, represents and warrants that the Client is the sole and exclusive owner(s) and authorized user(s) of such password and PIN. The Client accepts the full responsibility for monitoring and safeguarding the integrity and security of the Client's password, PIN and Account number. The Client will immediately notify GTJAS in writing, if the Client becomes aware of any loss, theft or unauthorized use of the Client's password, PIN and/or Account number. In the absence of such notification, GTJAS is not liable for any consequential damage in connection therewith.
- 2.7. **Joint Account:** Where the Account is jointly owned by two or more individuals, the Client states that the Client are joint tenants with right of survivorship. The Client's liabilities and obligations shall be joint and several. In the event of death of either or any of the Client, the entire interest in any account opened on the Client's behalf shall be vested in the survivor or survivors on the same terms and conditions in this Agreement.
- 2.8. **Disclosure of Information:** GTJAS may from time to time be required to share the Client's confidential information with certain third parties (whether in Hong Kong or elsewhere) for the purposes of proper and effective operation of the Account and provision of products and services to the Client, for the purposes of implementation of credit control or risk management policies of GTJA Group, and/or for the purposes for complying with and/or enabling any entity within the GTJA Group to comply with any foreign or local laws, regulations (including Foreign Account Tax Compliance Act, Automatic Exchange Of Financial Account Information, Common Reporting Standards and similar regulations), notifications, directives, guidelines or guidance given or issued by or in agreement with any legal, regulatory, governmental, tax, law enforcement or other authorities, exchanges, or self-regulatory or industry bodies or associations of financial services providers, within or outside Hong Kong, existing currently and in the future. For these purposes, the Client authorizes GTJAS to disclose such confidential information to the following entities, whether in Hong Kong or elsewhere, (i) other entities within the GTJA Group; (ii) any GTJA Group's professional advisor (including any legal advisor or auditor), rating agency, insurer, insurance broker, direct or indirect provider of credit protection, or third party provider of services, (such as operational, administrative, data processing, back office support, payment or securities clearing, telecommunications, computer and technological service providers); (iii) any entity as required by any applicable law, regulation or contractual commitment, regulatory and other authorities (including government, quasi-government, administrative, regulatory or supervisory body or authority or court or tribunal having jurisdiction over any entity within the GTJA Group); (iv) any issuer of securities as required by its articles of association or any applicable constitutional document; and (v) upon default by the Client in payment on demand or on the due date therefor of any of the Client's indebtedness to GTJAS or any other default by the Client hereunder, to any party at GTJAS's absolute discretion.

3. AGENTS AND ASSOCIATION

- 3.1. **Associated with GTJAS's Employees or Agents:** The Client represents and warrants to GTJAS that the Client is not associated with any of GTJAS's employees or agents or any employees or agents of any member of the GTJA Group including without limitation as a child under 18 years of such employees or agents and agrees that if the Client is or becomes associated with any of such employees or agents, the Client shall promptly notify GTJAS of the existence and nature of such association and acknowledge that GTJAS may, upon receipt of such notice, at GTJAS's absolute discretion, choose to terminate the Account.
- 3.2. **Connected Person:** The Client further represents and warrants to GTJAS that the Client is not a Connected Person of the company(ies) and/or the Securities, of which the Client shall place orders or Instructions with GTJAS for the purchase or disposal of or otherwise deal in such company(ies) Securities unless the Client specifically notifies GTJAS to the contrary prior to the placing of such orders or Instructions.

4. APPLICABLE RULES AND REGULATIONS

- 4.1. **Laws and rules:** All Transactions in securities traded on the Main Board and GEM of the Exchange and/or other exchanges or markets in other jurisdictions, which GTJAS effects on the Client's behalf, shall be effected in accordance with all applicable laws, rules and regulations (as amended from time to time) of Hong Kong and other applicable jurisdictions and the by-laws, codes, rules, regulations; customs and usage of the SFC, the Exchange, the HKSCC and/or the relevant exchanges or markets in other jurisdictions.
- 4.2. **Legally Binding:** The Client hereby agrees that this Agreement (including the terms of the Electronic Trading Service) and all the terms herein shall be binding upon the Client and the Client's heirs, estate, executors, representatives, successors and assignees. All actions taken by GTJAS in accordance with such laws, rules and regulations shall be binding on the Client.

- 4.3. **Disclosure to Regulators:** If GTJAS receives any request for information on any Transaction relating to any of the Client's Account by any regulators in Hong Kong or elsewhere including but not limited to the SFC and the Exchange, even if the Client's account has been terminated prior to such request: (a) The Client hereby authorizes GTJAS to provide the required information to the regulators according to the request, where GTJAS already has such information; (b) The Client shall, upon GTJAS's request, provide the required information to GTJAS or the relevant regulators within two (2) Business Days of such regulator's request, where GTJAS does not have such information; (c) The Client shall, within two (2) Business Days of such regulator's request, inform GTJAS or the relevant regulators of the identity, address, contact details and other relevant identification information of any beneficiary ("underlying client") or originator of instructions in respect of the Client's Account, where the Client acts as an intermediary of and effects trades for the benefit of such third party(ies), and where the Client effects trades for discretionary accounts, discretionary trusts or collective investment schemes, the Client shall also provide GTJAS or the relevant regulators with the identification information of such accounts, trusts or schemes and their managers, and whenever the manager's discretion is overridden by the beneficiary or any other persons, the identification information of such beneficiary or any other persons who has overridden the manager's discretion, and whenever the manager's discretion is overridden, the Client shall immediately inform GTJAS such information in writing; (d) The Client, where acting as an intermediary, shall make arrangements with such underlying client(s) or any third party(ies) to ensure or procure the provision of such identification information of its underlying clients, together with their written consents for the provision of such information and/or waivers of any benefits of the secrecy or personal data protection laws that prohibit disclosure, to the regulators; and (e) The Client shall, upon GTJAS's request, immediately provide, or authorize GTJAS to provide, the aforesaid relevant identification information to any regulatory authority in Hong Kong or any other jurisdiction within two (2) Business Days of the regulator's request.
- 4.4. **Hong Kong Jurisdiction:** This Agreement shall be governed by, interpreted and construed in accordance with the laws of Hong Kong. The Client irrevocably submits to the exclusive jurisdiction of the Hong Kong courts.

5. CAPACITY, INSTRUCTIONS AND TRANSACTIONS

- 5.1. **Capacity and Affiliation:** GTJAS will act as the Client's agent in effecting Transactions unless GTJAS indicates (in the contract note, statement and/or other trade-related documents for the relevant Transaction or otherwise) that GTJAS is acting as principal. GTJAS will act as principal in effecting Transactions in bonds.
- 5.2. **Reliance on Instructions:** The Client expressly agrees to use internet or such other means or in such other manner as GTJAS may permit to communicate or transmit the Client's trading and other related Instructions, including the subscriptions to acquire new listings or issues of Securities. GTJAS is under no duty to verify the identity or authority that emanates such Instructions. The Client hereby waives any and all defenses that any such Instructions was not in writing as may be required by the relevant laws, rules and regulations.
- 5.3. **Third Party Instructions:** The Client understands that GTJAS will not accept any third party Instruction, unless the Client has formally executed and delivered a valid power of attorney which expressly authorizes a named specific party to emit trade Instruction on the Client's behalf. The Client further agrees to indemnify GTJAS from any disputes, losses and other claims arising from the execution by GTJAS of any unauthorized third party Instruction transmitted on the Client's behalf. Should the Client decides to employ a third party to give Instructions, the Client agrees to supply GTJAS with an accurate and truthful identification and personal information about the designated third party. The Client also understands those personal information will be made available to Hong Kong regulators and other government agencies, including but not limited to the SFC, Exchange, Independent Commission Against Corruption (ICAC) and so forth.
- 5.4. **Order Cancellations:** The Client may amend or cancel the Client's Instructions that have been previously transmitted. The Client agrees that GTJAS is not obligated to accept such amendment or cancellation. Instructions may only be amended or cancelled prior to the execution. The Client shall accept full responsibilities for the Transactions, partial or full, executed prior to the processing of the Client's amendment and/or cancellation request.
- 5.5. **Independent Judgment:** Subject to clause 5.6 below, the Client agrees that the Client shall independently make his own judgments and decisions with respect to each Instruction and/or Transaction.
- 5.6. **Suitability of Recommendation:** If GTJAS solicits the sale of or recommend any Financial Product to the Client, the Financial Product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provisions of this Agreement or any other document GTJAS may ask the Client to sign and no statement GTJAS may ask the Client to make derogates from this clause.

- 5.7. **No Guarantee of Executions:** The Client acknowledges the fact that extraordinary events/technical difficulties may prevent or otherwise hinder the execution of the Client's Instructions. The Client agrees that GTJAS will not be liable for any loss, actual or projected, resulted, directly or indirectly, from government actions, price variations, exchange/market restrictions, equipment, communication and systems failure and breakdowns, unauthorized access or trade Instructions, and other physical and technical restraints and conditions beyond GTJAS's control.
- 5.8. **Short Sale:** The Client acknowledges the fact that GTJAS requires that stock certificate of Securities or the equivalent be deposited into the Client's Account prior to the acceptance of a sell order. Upon placing of sale orders of Securities which are not owned by the Client at the time of the sale (i.e. short selling), the Client hereby undertakes to: (a) make full and frank disclosure of such order(s) to GTJAS; (b) provide (without demand by GTJAS) all documentary evidence in substantiation of the legality of the short selling under the SFO or other laws, rules and regulations of Hong Kong and of the Exchange; (c) authorize GTJAS to arrange a buy-in of the relevant Securities at the prevailing market price for the Client's Account that the Client accidentally sold short; (d) indemnify GTJAS against all damage, loss, lawsuits, cost and expenses which may be sustained or incurred by GTJAS as a result of the execution of the shorting selling order(s).
- 5.9. **No Stop-Limit Orders:** Stop-Limit orders are types of conditional Instructions. They are usually not immediately executable. The execution of such orders is pending on the satisfaction of certain previously defined conditions. The Client understands that GTJAS generally does not accept such Instructions. If such orders are accepted, GTJAS does not guarantee the execution of such orders.
- 5.10. **Inside Dealing is prohibited:** It is unlawful to distribute, disseminate and act upon any unpublished price sensitive information to make a profit or to avoid a loss in Securities trading. The Client confirms that he is aware of such practice are unlawful. The Client agrees not to engage in the said and other unlawful practices and to take full responsibility for the consequences.
- 5.11. **Restrictions on Trading:** The Client agrees that GTJAS may, in GTJAS's sole discretion and without giving the Client prior notice, prohibit or restrict his ability to trade Securities through the Client's Account. The Client agrees that GTJAS is not liable for any losses and/or damages, actual or hypothetical, as a result of such restrictions.
- 5.12. **Transaction in foreign currency:** In the event that Client instructs GTJAS to enter into any Securities trading transactions, which are effected in a foreign currency, (i) any profit or loss arising as a result of a fluctuation in the exchange rate affecting such currency will be entirely for Client's account and at Client's risk; and (ii) GTJAS is authorized to convert funds in the Account into and from such foreign currency at prevailing market rate of exchange. If, for any purpose, the Client is required to convert any amount due to GTJAS into a currency other than that in which it would otherwise have been due, the Client shall pay GTJAS such additional amounts as are necessary to ensure that, when received and reconverted, GTJAS will receive the full amount in the original currency as it would have received had no such conversion taken place.
- 5.13. **Over-The-Counter Transaction:** In relation to any Client's Instructions for Over-The-Counter ("OTC") transactions between the Client and other third parties, including without limitation trading of any new Securities before their listing on the relevant exchange, entered or to be entered into by the Client, the Client acknowledges and agrees that:
- (a) subject to clause 5.1 above, GTJAS is acting as agent for the Client and does not guarantee the settlement of such OTC transactions;
 - (b) the Client's orders may be partially executed or not executed at all. Trades executed will be cancelled and void if the relevant security subsequently fails to list on the relevant exchange;
 - (c) in the event that the Client in selling any Securities fails to deliver such Securities, GTJAS is entitled to purchase in the market (at the prevailing market price) the relevant Securities required for delivery in respect of such sale effected for the Client in order to complete the settlement of the relevant transaction. The Client shall bear all losses arising out of or in connection with such transaction;
 - (d) in the event that (1) the Client buys Securities from a seller and such seller fails to deliver the relevant Securities and (2) the purchase of the relevant Securities cannot be effected or GTJAS in its absolute discretion determines not to purchase the relevant Securities pursuant to clause 5.13(c) the Client will not be entitled to obtain the relevant Securities at the matched price and shall only be entitled to receive the money paid for the purchase of the relevant Securities;
 - (e) in the event that the Client in buying any Securities fails to deposit the necessary settlement amount, GTJAS is entitled to sell any and all Securities or collateral held in the Client's Account and use the sale proceeds after deducting all costs in settlement of the transaction. However, if the Client is the seller under such transaction and such transaction cannot be settled, the Client shall only be entitled to the relevant Securities but not the sale proceeds of the relevant Securities; and
 - (f) without prejudice to the above, the Client shall bear its own losses or expenses and shall be responsible to GTJAS for any losses and expenses resulting from its and/or its counterparty's settlement failures.

5.14. **Client Eligibility:** The Client undertakes that he shall comply with all applicable eligibility requirements for all Transactions. The Client represents and undertakes on a continuing basis, including without limitation on each date that the Client gives an Instruction, that: (i) the Client will trade any debt securities listed on the Exchange under Chapter 37 of the Listing Rules and any shares or warrants of a special purpose acquisition company only when the Client is, and in the case where the Client is an intermediary (including, but not limited to, a fund manager, asset manager, broker or order placer) trading for or on behalf of an underlying client or clients, each of such underlying client is, a Professional Investor and is eligible to trade such products; and (ii) the Client will trade any shares listed on the ChiNext Board of the Shenzhen Stock Exchange and any shares listed on the STAR Board of the Shanghai Stock Exchange only when the Client is, and in the case where the Client is an intermediary (including, but not limited to, a broker or order placer) trading for or on behalf of an underlying client or clients, each of such underlying client is, an Institutional Professional Investor and is eligible to trade such products. The Client authorizes GTJAS to unwind any ineligible Transactions in GTJAS's absolute discretion within a period of time specified by GTJAS and the Client undertakes not to bring any action or proceedings against GTJAS for taking such actions, notwithstanding any losses that the Client may suffer as a result of such actions.

6. SETTLEMENT

6.1. **Commissions and Charges:** All Transactions executed in pursuance of the Instructions of the Client shall be subject to such commissions and fees as charged by GTJAS from time to time. Transactions on the Exchange shall also be subject to a Transaction levy and other levies that the Exchange from time to time may impose. GTJAS is authorized to deduct and collect any such levies in accordance with the rules prescribed by the Exchange from the Client's Account. The Client shall pay GTJAS on demand and/or authorize GTJAS to deduct from the funds available in the Client's Account commissions and fees on purchases, sales and other Transactions or services for the Account at such rate as GTJAS may from time to time have notified the Client, together with all stamp duties, bank charges, transfer fees, interest and other charges in respect of or connected with the Account or any Transaction or Services thereof or any Securities therein. The Client acknowledges and agrees that the commission rates and fees are determined and set solely by GTJAS, Exchange and other government agencies, and are subject to change at any time.

6.2. **Sufficient Funds/Securities:** Before GTJAS executes the Client's Instructions, the Client is required to have available funds or Securities in the Client's Account at least equal to the amount to cover such purchase or sale (including all commissions, Transaction costs and charges). Unless otherwise agreed, in respect of each Transaction, or GTJAS is already holding cash or Securities on the Client's behalf to settle the Transaction, the Client will, in a timely manner: (a) pay GTJAS cleared funds or deliver to GTJAS Securities in deliverable form; or (b) otherwise ensure that GTJAS has received such funds or Securities.

6.3. **Duty to Settle on Time:** The Client agrees that when GTJAS has executed an Instruction and settled the Transaction on the Client's behalf, the Client shall, by the due settlement date, make payment to GTJAS against delivery of or credit to the Account for purchased Securities, or make good delivery of sold Securities to GTJAS against payment, as the case may be. Whenever the Client fails to make such payment or delivery of Securities by the due date as mentioned above or upon closure of the Account or termination of GTJAS's relationship with the Client, the Client hereby irrevocably grants GTJAS the authorization and rights under clause 6.4 of this Agreement.

6.4. **Authorization to Cover:** In the event that the Client does not have such sufficient funds or Securities available in the Client's Account, the Client authorizes GTJAS that GTJAS may at its sole discretion and without prior notification to the Client:-

- (a) execute, cancel or liquidate the Client's Transactions;
- (b) set-off any amount receivable from and amount payable to the Client where such amounts arise from the purchase and sale of Securities;
- (c) dispose any of the Client's Securities in the Account to settle any liability owed by the Client to GTJAS arising from the purchase of Securities; or
- (d) borrow on the Client's behalf and/or purchase Securities with the funds available in the Client's Account arising from the sale of Securities.

The Client hereby acknowledges that the Client shall indemnify GTJAS against any loss, costs, fees and expenses that GTJAS may incur in connection with the Client's failure to meet any of the Client's settlement failures.

6.5. **Undelivered Purchase:** The Client realizes that delivery of any Securities the Client may purchase from the other party is not guaranteed.

- 6.6. **Lien and Right of Sale over Securities and Other Property:** GTJAS shall have a lien over any and all Securities, acquired on the Client's behalf, or in which the Client has an interest (either individually or jointly with other) which are held for the Client's Account and all cash and other property at any time held by GTJAS on the Client's behalf, all of which shall be held by GTJAS as a continuing security, on trust for itself and any other member of the GTJA Group, for the payment and/or discharge of the Client's obligations to GTJAS or any other member of GTJA Group under this Agreement or any agreement with any other member of GTJA Group and such security shall include all dividends or interest paid or payable after the date hereof on such Securities and all stocks, shares (and the dividends or interest thereon) rights, monies or property accruing or offered at any time by way of redemption, bonus, preference, option or otherwise to or in respect of such Securities. Upon default by the Client in payment on demand or on the due date therefor of any of the Client's indebtedness to GTJAS or any other member of GTJA Group or any other default by the Client hereunder or any agreement with any other member of the GTJA Group, GTJAS shall have the right, acting in good faith, to sell or otherwise dispose the whole or any part of such security as when and how and at such price and on such terms as GTJAS shall think fit and to apply the net proceeds of such sale or disposition and any moneys for the time being in GTJAS's hands in or towards discharge of the Client's indebtedness (whether actual or contingent) to GTJAS or any other member of GTJA Group; and such security shall be in addition to and shall not prejudice or be prejudiced by any right of set-off or other security which GTJAS or any other member of GTJA Group may hold at any time for the Client's indebtedness to GTJAS or any other member of GTJA Group or by any release modification or abstention from enforcement thereof or other dealing therewith.
- 6.7. **Payment on Demand:** Notwithstanding any of the other provisions of this Agreement, the Client shall pay all the Client's indebtedness to GTJAS on demand or earlier when due and at GTJAS's request, shall deposit such cash, Securities or otherwise and maintain such security with GTJAS as GTJAS deems satisfactory or which may be required by the rules of any stock exchange or market of which GTJAS is a member or to which GTJAS may have any obligation, and such margin/security call shall be met immediately. The Client further acknowledges that GTJAS may at any time require the Client to deposit sufficient cleared funds in the Account before carrying out any Transactions in respect of any Securities on the Client's behalf. The Client acknowledges that GTJAS shall not be responsible for any loss occasioned thereby. The Client will be responsible to GTJAS for any losses and expenses in connection with enforcing payment or discharge of any such indebtedness, liability or obligation.
- 6.8. **Interest Charge:** The Client agrees to pay interest on all overdue Debit Balances (including interest arising after a judgment debt is obtained against the Client) charged at an annual rate of eight (8) per cent above the best lending rate (Prime Rate) on Hong Kong dollars quoted by bank from time to time or at such rate as be stipulated by GTJAS's sole discretion from time to time.
- 6.9. **Costs of Collection:** The Client agrees to pay for the reasonable costs and expenses of collection of the Debit Balance and any unpaid deficiency in the Client's Account, including, but not limited to, attorney's fees, court costs and any other costs incurred or paid by GTJAS.
- 6.10. **Pre-Condition to Payment and Delivery:** Any obligation GTJAS may have to pay or deliver to the Client shall be conditional upon the Client having no outstanding liabilities (whether or not then due or payable) owed to GTJA Group and no outstanding Transaction under which such liability could arise.

7. CUSTODY OF CLIENT FUNDS AND SECURITIES

- 7.1. **Fund Deposit:** The Client agrees to deposit the Client's own funds for the purpose solely of making securities investment. The Client further agrees not to deposit or transfer, and GTJAS is under no obligation to accept for deposit, into the Client's Account any Securities, cheques, bank drafts or other property which are not in the Client's name. Should GTJAS decide to accept such deposit, the Client shall indemnify GTJAS for all loss and liability incurred by GTJAS in connection therewith.
- 7.2. **Fund Withdrawal:** Subject to payment of any indebtedness, liability or other obligation then due by the Client to GTJAS, the Client may withdraw funds up to his credit balance from the Client's Account upon written notice to GTJAS with applicable fees GTJAS may charge. The Client shall effect such appointment by completing the form for the appointment of an agent for transfer of funds and/or Securities accessible by notice to GTJAS in writing, together with the Client's signature, via mail or facsimile. Provided that GTJAS has such authorization documents on file, GTJAS is under no duty to verify the identity or authority of such agent who makes any withdrawal Instructions. The Client hereby declares that the Client will be solely responsible for any errors, misappropriations or losses arise from such appointments.
- 7.3. **Fund Balance:** Any cash held for the Client, other than cash received by GTJAS in respect of settling a Transactions and of fulfilling other debt obligations by the Client, shall be credited to a client trust account maintained with a licensed

bank as required by applicable laws from time to time. The Client's Account will be credited at an rate as stipulated by GTJAS's sole discretion from time to time.

- 7.4. **Safekeeping of Securities:** Any Securities which are held by GTJAS for safekeeping may, at GTJAS's discretion, be registered (if registrable) in the Client's name or in the name of GTJAS's nominee; or be deposited, at the Client's cost, in safe custody in a designated account with GTJAS's bankers or with any other institution approved by the SFC, which provides facilities for the safe custody of documents. Where securities are not registered in the Client's name, any dividends or other benefits arising in respect of such securities shall, when received by GTJAS, be credited to the Client's Account or paid or transferred to the Client, as agreed with GTJAS. Where the Securities form part of a larger holding of identical securities held for GTJAS's clients, the Client shall be entitled to the same share of the benefits arising on the holding as the Client's share of the total holding.

8. NOTICE AND COMMUNICATIONS

- 8.1. **Mode of Delivery:** All notice and communications from GTJAS to the Client under this Agreement may be sent and delivered by personal delivery, postal mail, facsimile, electronic mail or other electronic transmission to the address, facsimile number, electronic mail address in the Account Opening Form or as notified to GTJAS in writing from time to time by at least seven (7) days' advance notice. All notices and other communications shall be deemed to be given (i) at the time of delivery if delivered by means other than by post; or (ii) twenty-four (24) hours after despatch if sent by post; provided that any notice or other communication to be given to GTJAS shall be effective only when received by GTJAS.
- 8.2. **Presumption of Receipt:** All communications so sent whether by messenger, mail, facsimile, electronic mail or otherwise, shall be deemed delivered and received, unless otherwise notify to GTJAS by the Client. It is the Client's responsibility to ensure the Account correctness and accuracy and to contact GTJAS immediately with any discrepancies.
- 8.3. **Verbal Communications:** GTJAS may also communicate with the Client verbally. The Client is deemed to have received any message left for the Client on the Client's answer machine, voicemail or other similar electronic or mechanical devices at the time it is left for the Client.
- 8.4. **Responsibility to Retrieve and Review Communications:** The Client agrees to check regularly the Client's mailbox, electronic mailbox, facsimile machine and other sources of facilities through which the Client receives communication from GTJAS (including but not limited to accessing such communication through the applicable ETS for the Client's Account). GTJAS will not be responsible for any losses that arise from the Client's failure, delay or negligence to check such sources or facilities.
- 8.5. **Monitoring and Recording of Telephone Conversations and Electronic Mails:** For the protection of the Client and GTJAS, and as a tool to detect and rectify misunderstandings, the Client agrees and authorizes GTJAS, at GTJAS's discretion and without further prior notice, to monitor and record any or all telephone conversations and any electronic communications between GTJAS and the Client.
- 8.6. **Confirmation and Account Statements:**
- 8.6.1. GTJAS may provide and the Client may consent to the receipt of all acknowledgements, confirmations, contract notes and Account statements in relation to the Client's Transactions and other Account activity information through access to the applicable ETS for the Client's Account where such documents are posted ("Access Service") in lieu of other means of service. GTJAS will notify the Client as soon as reasonably practicable by way of electronic mail to the Client's designated email address once such documents have been placed through the applicable ETS for the Client's Account. The Client may revoke such consent by providing at least one month advance notice (in person or by mail, facsimile transmission, electronic mail or through the ETS) to GTJAS. If the Client does not provide or revokes such consent, GTJAS will provide such acknowledgements, confirmations, contract notes and Account statements to the Client by email or post. GTJAS may charge reasonable fees for providing such acknowledgements, confirmations, contract notes and Account statements by post at the Client's request. The Client further acknowledges, understands and agrees that:
- (a) appropriate hardware and software, internet access and a specific email address, mobile phone number or other electronic address provided and designated by the Client for receiving electronic mail, short message service (SMS) or other electronic notifications from GTJAS are required for using the Access Service;
 - (b) Internet, electronic mail, short message service (SMS) and other electronic information services may be subject to certain IT risks and disruption;
 - (c) revocation of consent to receive acknowledgements, confirmations, contract notes and Account statements through

the Access Service will be subject to the giving of such advance notice by the Client as specified under this clause 8.6.1;

- (d) GTJAS may charge the Client reasonable fees for: (i) obtaining a copy of the acknowledgements, confirmations, contract notes and Account statements that is no longer available for access and downloading through the applicable ETS; or (ii) requesting GTJAS to provide the acknowledgements, confirmations, contract notes and Account statements, in addition to the request for the Access Service, by other means; and
- (e) in order to avoid missing notifications, the Client will inform GTJAS as soon as practicable upon a change in the designated email address.

8.6.2. The Client is responsible for reviewing all acknowledgements, confirmations, contract notes and Account statements in relation to the Client's Transactions and other Account activity information upon first receiving them to ensure that any errors are detected and reported to GTJAS as soon as practicable. The Client is also responsible for saving an electronic copy of such acknowledgements, confirmations, contract notes and Account statements in the Client's own storage or print a hard copy for future reference. All Transaction and other information therein contained will be binding on the Client unless GTJAS receives the Client's notice of objection in writing within seven (7) days after the Client receives or deemed to have received them. In all cases, GTJAS has the right to determine the validity of the Client's objection to the relevant Transaction or information.

8.7. **Undelivered or Returned Mails:** The Client agrees to keep the Client's Account information up to date, and to notify GTJAS of any changes within forty-eight (48) hours. The Client understands, for the security and integrity of the Client's Account, that GTJAS may temporarily or permanently disable or restrict the Client's Account, if and when the mails become undeliverable or are returned as a result of the Client's failure to provide, update and/or notify GTJAS with most current and accurate Account information.

9. BENEFITS, INDEPENDENCE AND CONFLICTS OF INTERESTS

9.1. **Potential Conflict of Interests:** Subject to applicable laws, rules and regulations, GTJAS shall be entitled to:-

- (a) act in any capacity for any other person or buy, sell, hold or deal in any Securities for GTJAS's own Account even if similar Securities may be in the Client's Account or covered by the Instruction in respect of the Client's Account;
- (b) purchase for the Client's Securities, fully or partially, held by GTJAS from GTJAS's own Account;
- (c) purchase for GTJAS's own Account Securities, fully or partially, from the Client's Account;
- (d) match the Client's order with that of GTJAS's client(s) by acting on his or their behalf as well as on the Client's behalf;
- (e) take the opposite position to the Client's order whether it is on GTJAS's own Account or is on behalf of other clients of GTJAS; and
- (f) deal in Securities where GTJAS is involved in a new issue, rights issue, takeover or similar Transaction concerning such Securities,

provided that in cases under (b), (c), and (d) above, the terms of any Transaction in which the Client is involved are not less favorable to the Client than they would have been, had the Transaction been entered into at arm's length on the day in question. To the extent permissible under applicable laws, regulations and rules, GTJAS shall not be liable to the Client for or obligated to disclose to the Client, any commission, profits or other benefits whatsoever resulting from GTJAS's carrying out any of the above actions or entering into any of the above Transactions.

9.2. **Acceptance of Benefits:** The Client acknowledges and agrees that GTJAS may solicit, accept and retain for its own benefit any rebate, brokerage, commission, fee, discount and/or other benefit or advantage from any Transaction effected by GTJAS. GTJAS will disclose such benefit or advantage to the Client upon request or otherwise in accordance with applicable laws, regulations and rules. GTJAS may also offer at its discretion any benefit or advantage to any person in connection with such Transaction.

- (a) **Quantifiable Monetary Benefits:** GTJAS and/or its associates may from time to time enter into explicit remuneration arrangement with and receive directly or indirectly quantifiable monetary benefits from a product issuer for distributing or selling to the Client investment products or GTJAS may otherwise obtain trading profits from back-to-back transactions of investment products ("back-to-back transactions" refer to transactions in which GTJAS purchases an investment product from a third party subsequent to its receipt of an order from the Client, and GTJAS then sells the same to the Client without assuming any market risk; or GTJAS sells an investment product to a third party subsequent to its receipt of a sell order from the Client without assuming any market risks).
- (b) **Unquantifiable Monetary Benefits:** GTJAS and/or its associates may from time to time receive monetary benefits from a product issuer for distributing or selling investment products to the Client where the monetary benefits are not quantifiable prior to or at the point of entering into a transaction. Such monetary benefits may be in the form of

commissions, fees, rebates, spreads, or other form of remuneration.

(c) **Non-explicit Remuneration Arrangement:** GTJAS and/or its associates may from time to time distribute or sell to the Client investment products issued by the members of GTJA Group or their associates without any explicit remuneration arrangement. While GTJAS and/or its associates may not explicitly receive monetary benefits for distributing or selling such products, GTJAS and/or its associates may nonetheless receive non-explicit and/or non-monetary benefit from the origination and distribution of the same.

(d) **Non-Monetary Benefits:** GTJAS and/or its associates may from time to time receive non-monetary benefits from products issuers and such non-monetary benefits may include commitment for businesses (whether contractual or otherwise and whether on exclusive basis or otherwise) or other forms of benefits that cannot be quantified in pecuniary terms.

9.3. **Discounts:** GTJAS may in certain occasions exercise discretion to offer the Client discounts on fees and charges payable by the Client. In exercising the discretion, GTJAS may take into account factors including the nature of the product, existence of any remuneration arrangement between GTJAS and the product issuers, and the value of the Client's assets under management of any member of GTJA Group.

9.4. **Non-Independence:** GTJAS will not be an independent intermediary in distributing or selling investment products to the Client because GTJAS may have links or other legal or economic relationships with the issuers of such products; and/or GTJAS may receive commissions, fees, or other monetary or non-monetary benefits from other parties including the issuers of such products.

10. NEW LISTING OF SECURITIES

10.1. **Authority to Make Application.** In the event that the Client requests and authorizes GTJAS to apply for Securities in respect of a new listing and/or issue of Securities on the Exchange as the Client's agent for the Client's benefit or for the benefit of any other person, the Client hereby warrants for GTJAS's benefit that at the time of such application, GTJAS has authority to make such application on the Client's behalf.

10.2. **Familiarization With the Terms and Conditions of the New Listing and/or Issue:** The Client shall familiarize himself and comply with all the terms and conditions governing the Securities of the new listing and/or issue and the application for such new Securities set out in any prospectus, offering documents and the application form or any other relevant documents in respect of such new listing and/or issue and the Client agrees to be bound by such terms and conditions in any such Transaction the Client may have with GTJAS.

10.3. **Representation, Warranties and Undertakings:** The Client gives to GTJAS all the representations, warranties and undertakings which an applicant for Securities in a new listing and/or issue is required to give (whether to the issuer, sponsors, underwriters or placing agents of the relevant Securities, the Exchange or any other relevant regulator or person).

10.4. **Sole and Only Application:** The Client further declares and warrants, and authorizes GTJAS to disclose and warrant to the Exchange on any application form (or otherwise) and to any other person as appropriate, that any such application made by GTJAS as the Client's agent is the only application made, and there is no other application intended to be made, by the Client or on the Client's behalf, to benefit the Client or the person for whose benefit the Client is applying. The Client acknowledges and accepts that the aforesaid declaration and warranty will be relied upon by GTJAS and by the issuer, sponsors, underwriters or placing agents of the relevant Securities, the Exchange or any other relevant regulator or person in respect of any application made by GTJAS as the Client's agent.

10.5. **Compliance with Relevant Rules and Industry Practice:** The Client recognizes and understands that the legal, regulatory requirements and market practice in respect of applications for Securities may vary from time to time as may the requirements of any particular new listing or issue of Securities. The Client undertakes to provide to GTJAS such information and take such additional steps and make such additional representations, warranties and undertakings as may be required in accordance with such legal, regulatory requirements and market practice as GTJAS may in its absolute discretion determine from time to time.

10.6. **Bulk Application:** If GTJAS or GTJAS's agents make a bulk application for GTJAS's own account, on GTJAS's behalf and/or on behalf of GTJAS's other clients, the Client acknowledges and agrees: (a) that such bulk application may be rejected for reasons which are unrelated to the Client and the Client application and neither GTJAS nor GTJAS's agent shall, in absence of fraud, negligence or willful default, be liable to the Client or any other person in consequence of such rejection; and (b) to indemnify GTJAS if such bulk application is rejected either in circumstances where the

representations and warranties have been breached or otherwise because of factors relating to the Client. The Client acknowledges that the Client may also be liable in damages to other persons affected by such breach or other factors.

10.7. **Offer of IPO Loan:** GTJAS, on receipt of a request from the Client to apply for and purchase shares in companies that are being brought to the market by way of a new issue ("IPO Shares"), may provide assistance in financing subscriptions for such shares ("IPO Loan"). As continuing security for the due and punctual payment by the Client of all principal, interest and other sums owed by the Client to GTJAS in respect of the IPO Loan, the Client as beneficial owner hereby charges by way of first legal charge the IPO Shares to GTJAS until full payment made to GTJAS of the IPO Loan by the Client; and hereby expressly authorizes GTJAS to receive and apply all sums of whatever nature received by GTJAS (or GTJAS's nominees) in respect of any part of the charged shares towards payment of the IPO Loan in such manner and at such time as GTJAS may determine.

11. ELECTRONIC TRADING SERVICE

11.1. **Electronic Trading Service:** The Client understands that the Electronic Trading Service is a semi-automated facility, which enables the Client to send electronic Instructions and receive information and services. The Client agrees to use the ETS only in accordance with the terms of this Agreement. Any additional services offered through the ETS in the future shall only be used by the Client in accordance with the terms of this Agreement.

11.2. **Authorized Access:** The Client shall be the only authorized user of the ETS for the Client's Account. The Client shall be responsible for the confidentiality and use of the Access Codes. The Client acknowledges and agrees that the Client shall be solely responsible for all Instructions entered through the ETS using the Access Codes and neither GTJAS nor GTJAS's directors, officers or employees shall have any liability to the Client, or to any other person whose claim may arise through the Client, for any claims with respect to the handling, mishandling or loss of any Instruction.

11.3. **Proprietary System:** The Client acknowledges that the ETS is proprietary to GTJAS. The Client warrants and undertakes that the Client shall not, and shall not attempt to, tamper with, modify, de-compile, reverse engineer or otherwise alter in any way, and shall not attempt to gain unauthorized access to, any part of the ETS. The Client acknowledges that GTJAS may take legal action against the Client, if the Client at any time breaches this warranty and undertaking or if GTJAS at any time reasonably suspects that the Client has breached the same. The Client undertakes to notify GTJAS immediately if the Client becomes aware that any of the actions described above in this clause is being perpetrated by any other person.

11.4. **Responsibility to Notify Errors:** The Client further acknowledges and agrees that, as a condition of using the ETS to give Instructions, the Client shall immediately notify GTJAS if: (a) an Instruction in respect of the Account has been placed through the ETS and the Client has not received an order number; (b) an Instruction in respect of the Account has been placed through the ETS and the Client has not received an accurate acknowledgement of the Instruction or of its execution, whether by hard copy or via electronic or verbal means; (c) the Client has received acknowledgement, whether by hard copy, electronic or verbal means, of a Transaction which the Client did not originate or instruct; and/or (d) the Client become aware of any unauthorized use of the Account Number and/or Password.

11.5. **Alternative Trading Facilities:** The Client agrees that should the Client experience any problems in reaching GTJAS through the ETS or vice versa, the Client shall attempt to use an alternative method or device, as GTJAS may make available, to communicate with GTJAS to place the Client orders and to inform GTJAS of the difficulty the Client may experience. The Client acknowledges that GTJAS gives no express or implied warranties (including but not limited to warranties of merchantability, functionality or fitness for a particular use) with respect to trade or trade related services. The Client agrees that GTJAS shall not be responsible to the Client for any losses, costs, expenses, damages or claims which the Client may suffer as a result of any disruption, malfunction or other suspension of GTJAS's service beyond GTJAS's control.

11.6. **Third Party Market Data:** The Client understands that the ETS may provide, for informational purpose only data about securities published by third parties. Owing to market volatility and possible delay in the data-transmission process, the data may not be real-time market quotes for the relevant securities or investment. The Client understands that whilst GTJAS believes such data to be reliable, it has no independent basis to verify or contradict the accuracy or completeness of the information provided. The Client understands that no recommendation or endorsement from GTJAS shall be inferred from the data provided with respect to any securities or investment.

11.7. **No Guarantee of Accuracy or Timeliness of Information:** The Client acknowledges that the price quote service available at the ETS is provided by a third party provider appointed by GTJAS from time to time. The Client understands

that information provided in the ETS is on an "as is", "as available" basis and GTJAS does not guarantee the timeliness, sequence, accuracy, adequacy or completeness of such information.

12. FAX AND ELECTRONIC INSTRUCTIONS INDEMNITY

- 12.1. **Electronic Instructions:** The Client acknowledges that from time to time, GTJAS needs to act on fax or electronic instructions (including but not limited to email or short message service (SMS)) from the Client. The Client understands that facsimile and electronic instructions are not secure means of communication and there are risks involved. The Client hereby requests GTJAS to accept such facsimile or electronic instructions for the Client's convenience. GTJAS is hereby authorized to act on any facsimile or electronic instructions that GTJAS in its sole discretion believe emanate from the Client. Provided that GTJAS exercises reasonable care in verifying the signature of the purported authorized person in the facsimile instructions or the identity of the person giving the electronic instructions, GTJAS shall not be liable for acting in good faith on facsimile or electronic instructions that emanate from unauthorized persons.
- 12.2. **Binding Transaction and Indemnity:** Any transaction put through by GTJAS for the Client pursuant to a facsimile or electronic instruction acted upon in good faith and in the absence of negligence default or fraud shall be binding upon the Client whether made with or without the Client's authority, knowledge or consent. The Client undertakes to indemnify GTJAS and keep GTJAS indemnified at all times against all actions, proceedings, claims, losses, damages, costs and expenses which may be brought against GTJAS or suffered or incurred by GTJAS and which shall have arisen either directly or indirectly out of or in connection with GTJAS's accepting facsimile or electronic instructions and acting thereon, whether or not the same are confirmed in writing by the Client.

13. GENERAL PROVISIONS

- 13.1. **Entire Understanding:** This Agreement, together with all other written agreements, existing or subsequent, between GTJAS and the Client related to the Client's Account and terms contained on statements and confirmations sent to GTJAS, contains the entire understanding between and binding upon GTJAS and the Client concerning the subject matter of this Agreement.
- 13.2. **Severability:** If any provision of this Agreement shall be held to be invalid or unenforceable by any court or regulatory agency or body, such invalidity or unenforceability shall attach only to such provision. The validity of the remaining provisions shall not be affected thereby and this Agreement shall be carried out as if any such invalid or unenforceable provision were not contained here. Time shall be of the essence in relation to all matters arising under this Agreement. Where the Client consists of more than one person, the liability of each of the persons shall be joint and several and references to the Client shall be construed, as the context requires, to any or each of the persons. GTJAS shall be entitled to deal separately with any of the persons including the discharge of any liabilities to any extent without affecting the liability of the others.
- 13.3. **Presumption of Delivery:** All notices and communications to the Client may be effectively given by mailing the same by post addressed to the Client at any of the Client business, residential or mailing addresses as they appear from time to time on GTJAS's records, or by delivering the same to the Client or to any such address, or by facsimile or telephone or e-mail to any number or address notified to GTJAS from time to time for the purpose and shall be deemed to be received (a) on the third business day after such notice is mailed (in the case of post), and (b) when delivered (in the case of personal delivery), or communicated (in the case of telephone, facsimile transmission or e-mail) and that no such notice or communication need be signed on GTJAS's behalf.
- 13.4. **Presumption of Authorization:** Every Transaction indicated or referred to in any notice, statement, confirmation or other communication and every statement of Account shall be deemed and treated as authorized and correct and as ratified and confirmed by the Client unless GTJAS shall receive from the Client written notice to the contrary within five (5) days after the date after such notice, statement, confirmation or other communication is deemed to have been received by the Client.
- 13.5. **Duty to Notify:** The Client shall inform GTJAS within two (2) Business Days of the possession or knowledge of information, if the Client acts as intermediary for or effected a Transaction on behalf of someone other than the Client as an ultimate beneficiary owner(s): and if the Client notices any discrepancies and/or error with regard to and in connection with any the Client's Account information, Transactions, settlements and fund transfers. The Client agrees that the Client failure to notify of such discrepancy and/or error in a prompt manner (no later than seven (7) calendar days) would exonerate GTJAS and GTJAS's agents from any claims, liabilities or damages resulted from those discrepancies and/or errors.

- 13.6. **Amendment:** To the extent permitted by law, GTJAS may from time to time amend any of the terms and conditions of this Agreement by notifying the Client and such amendments shall come into effect immediately upon the Client deemed receipt of GTJAS's notice. The Client acknowledges and agrees that if the Client does not accept any amendments (including amendments to GTJAS's commission rates and fees) as notified by GTJAS from time to time, the Client shall have the right to terminate this Agreement in accordance with termination clause under this Agreement. The Client further agrees that any amendments shall be deemed to be accepted by the Client, should the Client continue to effectuate Transaction(s) in the Client's Account without expressly communicate the Client objections to such amendments prior to the Transaction(s).
- 13.7. **Material Change:** GTJAS will notify the Client of material changes to any information provided to the Client, which may affect the service(s) provided to the Client under this Agreement.
- 13.8. **Waiver:** Waiver of any right under this Agreement must be in writing signed by the party waiving such right. GTJAS will not be regarded as having waived any right under this Agreement if GTJAS fails or delays in exercising such right. Any single or partial exercise of any rights under this Agreement will not preclude any further exercise of such right or exercise of any other right. GTJAS's failure to insist at any time on strict compliance with any of the terms or conditions of this Agreement or any continued course of such conduct on GTJAS's part shall, in no event, constitute or be considered as a waiver by GTJAS of any of GTJAS's powers, rights, remedies or privileges.
- 13.9. **Assignment:** GTJAS may assign GTJAS's rights or obligations under this Agreement to any of GTJAS's subsidiaries or affiliates without giving any prior notice, or to any other entity upon prior written notice to the Client. The Client shall not assign the Account and/or any of the Client rights and/or obligations under this Agreement to any other party except with GTJAS's prior written consent.
- 13.10. **Default:**
- 13.10.1. Any of the following non-exclusive and non-exhaustive events shall constitute an event of default: (a) the Client has breached any material term(s) of this Agreement or defaulted in respect of any Transaction with GTJAS; (b) the Client fails to **pay** for or otherwise settle any purchase (including the subscriptions to acquire a new listing and issue) or other Transaction under this Agreement when due; (c) a voluntary or involuntary case or other procedure is commenced against the Client seeking or proposing bankruptcy, liquidation, reorganisation, an arrangement or composition, a freeze, standstill or moratorium, or other similar relief with respect to the Client or the Client's debts under any bankruptcy, insolvency, regulatory, supervisory or similar law (including any corporate or other law with potential application to the Client, if insolvent) or seeking the appointment of an insolvency official in respect of the Client or any substantial part of the Client's assets; or (d) any warranty order of attachment or distress or equivalent is filed against the Client.
- 13.10.2. If an event of default occurs, without prejudice to any other rights or remedies that GTJAS may have against the Client and without further notice to the Client, GTJAS shall be entitled to: (a) cancel any or all outstanding orders or any other commitments made on the Client behalf; (b) cover any short position in the Account through the purchase of Securities or liquidate any long position in the Account through the sale of Securities; (c) sell, dispose of or otherwise deal with in whatever manner any Securities in the Account and any Securities deposited by the Client with GTJAS; (d) sell or realize all or any part of the Client's property held by GTJAS or other member of GTJA Group in such manner and upon such terms as GTJAS may conclusively decide and satisfy the Client's obligations and indebtedness towards GTJAS or GTJAS's affiliates out of the net proceeds (with fees, expenses and costs deducted).
- 13.10.3. Notwithstanding of clause 13.10.2 above, GTJAS may, at any time, combine or consolidate all or any of such accounts as are for the time being opened and maintained by the Client with GTJAS or other member of GTJA Group, including the Account, and the Client hereby irrevocably authorize GTJAS (without prejudice to the other authorities granted to GTJAS hereunder): (a) to instruct other member of GTJA Group to transfer on the Client's behalf any funds standing from time to time in any account maintained at any time by the Client with other member of GTJA Group to any of the Client's account maintained at any time with GTJAS; (b) to transfer any funds standing from time to time in any account maintained by the Client with GTJAS to any account maintained at any time by the Client with other member of GTJA Group; (c) to set-off or transfer any sum standing to the credit of any one or more such accounts by the Client in or towards satisfaction of the Client's indebtedness, obligation or liability to GTJAS, other member of GTJA Group or GTJAS's affiliates on any of the accounts or in any other respect whatsoever, whether such indebtedness, obligations or liabilities be present or future, actual or contingent, primary or collateral, several or joint, secured or unsecured; and (d) to give other member of GTJA Group notice of such authority, and when such combination, consolidation, set-off or transfer requires the conversion of the currency into another, such conversion shall be calculated at such rate of exchange as conclusively determined by GTJAS's prevailing in such foreign exchange market as GTJAS may at its

absolute discretion (but shall notify the Client of GTJAS's decision) select on or about the date of the combination, consolidation, set-off or transfer. In respect of any payments by GTJAS to offset and discharge any of the Client's obligations to other member of GTJA Group or GTJAS's affiliates, GTJAS shall not be concerned whether or not such obligation exist, provided demand has been made on GTJAS by other member of GTJA Group or GTJAS's affiliates.

13.11. Set-off:

13.11.1. Unless expressly provided otherwise in the Agreement, all sums payable by the Client under the Agreement shall be paid in full without set-off or counterclaim or any restriction or condition.

13.11.2. The Client irrevocably and unconditionally authorises GTJAS to apply any amounts (in whatever currency) standing to the credit of the Accounts and/or any other account(s) in the Client's name with GTJAS or GTJAS's Affiliates in reduction of any amounts (whether matured or contingent) payable by the Client under the Agreement.

13.11.3. In addition to any right of set-off, offset, combination of accounts, lien, right of retention or withholding or similar right GTJAS may have under the Agreement or by law, GTJAS may, without prior notice to the Client or any other person, set off any sum or obligation (whether or not arising under the Agreement, whether matured or contingent and irrespective of the currency, place of payment or booking office of the sum or obligation) owed by the Client to GTJAS or any Affiliate of GTJAS against any sum or obligation (whether or not arising under the Agreement, whether matured or contingent and irrespective of the currency, place of payment or booking office of the sum or obligation) owed by GTJAS or any Affiliate of GTJAS to the Client.

13.12. Termination: Either party may terminate this Agreement at any time provided a written notice is given to the other party fifteen days in advance. The Client understands, upon the presentation of such notice, that the Client's Account shall be restricted to the closing transactions only (i.e. the liquidation of existing Securities). However, GTJAS may terminate this Agreement forthwith at any time without notice to the Client if the Client breaches or fails to comply with any terms of this Agreement (termination for cause). Any termination is conditioned on the satisfaction of any outstanding indebtedness and/or obligations in the Client's Account, including but not limited to any debit balance, executed and yet unpaid purchases, and the settlement of the subscription, allocation and acquisition of the shares of a new listing and issue and shall not affect any Transaction already entered into, or prejudice or affect any right, power, duty and obligation of either party accrued, prior to such termination.

13.13. English/Chinese Version: The Client confirms that the Client has read the English or Chinese version of this Agreement and that the contents of this Agreement have been fully explained to the Client in a language which the Client understands, and that the Client accepts this Agreement in its entirety. In the event that there is inconsistency between the English version and the Chinese version of this Agreement, the English version shall prevail.

13.14. Descriptive Headings: The heading of each provision hereof is for descriptive purposes only. They shall not be deemed to modify, qualify or otherwise substitute for any of the rights or obligations set forth in each of the provisions thereof contained in this Agreement.

13.15. Indemnification: The Client agrees that GTJAS and GTJAS's directors, officers, employees and agents shall not be liable for any delay or failure to perform any of GTJAS's obligations hereunder or for any losses caused directly or indirectly by any condition or circumstances over which GTJAS, GTJAS's directors, officers, employees or agents do not have control, including but not limited to government restriction, exchange or market rulings, suspension of trading, failure of electronic or mechanical equipment or communication lines, telephone or other interconnect problems, unauthorized access, theft, war (whether declared or not), severe weather, earthquakes and strikes. The Client agrees to fully indemnify and keep indemnified GTJAS and its Affiliates and their directors, officers, employees and agents ("**Indemnified Persons**") against any loss, cost, claim, liability or expense, including legal fees, that may be suffered or incurred by any and/or all of the Indemnified Persons, arising out of or in connection with any Instructions or Transactions (including but not limited to claims from third party service providers with which GTJAS or its Affiliates execute an Instruction or Transaction), or otherwise arising out of any action or omission by GTJAS in accordance with the terms of this Agreement, or arising out of any event of default, or arising out of any breach by the Client of any of its obligations under this Agreement, including any costs reasonably incurred by GTJAS in collecting any debts due to GTJAS or any unpaid deficiency in the Account, in enforcing the rights of GTJAS hereunder or in connection with the closure of the Account, and any penalty charged to GTJAS by any exchange and/or clearing house.

14. RISK DISCLOSURE STATEMENTS

- 14.1. **Risk of Securities Trading:** The price of Securities fluctuates, sometimes dramatically. The price of a Security may move up or down and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling Securities.
- 14.2. **Fluctuation in Prices:** The Client acknowledges and agrees that the price of Securities can and does fluctuate, and that any individual Security may experience upward or downward movements and may even become valueless. There is an inherent risk associated with the dealings of Securities and the Client is prepared and able to accept and tolerate such risk.
- 14.3. **Securities in Custody:** The Client acknowledges and agrees that there are risks in leaving Securities in the safe custody of GTJAS, GTJAS's nominee or agent or in authorizing GTJAS to deposit Securities as collateral for loans or advances made to the Client or authorizing GTJAS to borrow or loan Securities; and that GTJAS will not be responsible for any damage or loss arising in connection with such safe custody nor any act, default or negligence of any independent nominee, or other third party(ies) and the Client accepts that any Securities placed and pledged with any of them are at the Client's own risk.
- 14.4. **Risk of Electronic Trading:** Access to the Internet or other electronic devices may be limited or unavailable during periods of peak demand, market volatility, systems upgrades or maintenance or for other reasons. Transactions conducted through the Internet or other electronic devices may be subject to interruption, transmission blackout, and delayed transmission due to unpredictable traffic congestion and other reasons beyond GTJAS's control. Internet is, due to technical limitation, an inherently unreliable medium of communication. As a result of such unreliability, there may be delays in the transmission and receipt of Instructions and other information and that this may result in delays in the execution of Instructions and/or the execution of Instructions at prices different from those prevailing prices at the time the Instructions were given. Moreover, communications and personal data may be accessed by unauthorized third party; and there are risks of misunderstanding or errors in any communication and that such risks shall be absolutely borne by the Client. The Client acknowledges and agrees that it shall not usually be possible to cancel an Instruction after it has been given.
- 14.5. **Trading facilities:** Electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. The Client's ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms. Such limits may vary: the Client should ask the firm with which the Client deals for details in this respect.
- 14.6. **Electronic trading:** Trading on an electronic trading system may differ from trading on other electronic trading systems. If the Client undertakes transactions on an electronic trading system, the Client will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that the Client's order is either not executed according to the Client's Instruction or is not executed at all.
- 14.7. **Off-exchange transactions:** In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which the Client deals may be acting as the Client's counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before the Client undertakes such transactions, the Client should familiarize himself/herself with applicable rules and attendant risks.
- 14.8. **Risk of entering into over-the-counter derivative transactions with an unlicensed person:** If the Client enters into over-the-counter derivative transactions with Guotai Junan Financial Products Limited ("**Your Counterparty**"), it is important for the Client to note that Your Counterparty is not licensed by the SFC and hence is not subject to the conduct and prudential supervision by the SFC. The Client should also note that Your Counterparty is not regulated by any other financial regulator and as such, the Client may not receive any regulatory protection at all. The Client should cautiously consider whether it would be in the Client's best interest to enter into over-the-counter derivative transactions with Your Counterparty instead of a licensed corporation and seek independent professional advice when in doubt.
- 14.9. **Risk of Trading GEM Stocks:** GEM stocks involve a high investment risk. In particular, companies may list on GEM with neither a track record of profitability nor any creditability to forecast future profitability. GEM stocks may be very volatile and illiquid. The Client acknowledges that the Client should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors. Current information on GEM stocks may only be found on the website operated by the Exchange. GEM companies are usually not required to issue paid announcements in gazetted newspapers. The Client acknowledges that

the Client should seek independent professional advice if the Client should be uncertain of or have not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of GEM stocks.

14.10. Risk of Trading Nasdaq-Amex Securities at the Exchange: The securities under the Nasdaq-Amex Pilot Program ("PP") are aimed at sophisticated investors. The Client should consult his professional advisors and become familiarized with the PP before trading in the PP Securities. The Client should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or GEM of the Exchange.

14.11. Risks of Assets received or held outside Hong Kong: The Client acknowledges and agrees that the Client Assets received or held by the licensed or registered persons outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the SFO and the rules made thereunder. Consequently, the Client's Assets may not enjoy the same protection as that conferred on the Client's Assets received or held in Hong Kong.

14.12. Risk of trading Hong Kong Listed Derivative Warrants ("DW"):

14.12.1. Issuer default risk: In the event that a DW issuer becomes insolvent and defaults on their listed securities, investors will be considered as unsecured creditors and will have no preferential claim to any assets held by the issuer. Investors should therefore pay close attention to the financial strength and credit worthiness of DW issuers.

14.12.2. Uncollateralised product risk: Uncollateralised DWs are not asset backed. In the event of issuer bankruptcy, investors can lose their entire investment. Investors should read the listing documents to determine if a product is uncollateralised.

14.12.3. Gearing risk: DWs are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. Investors should be aware that the value of a DW may fall to zero resulting in a total loss of the initial investment.

14.12.4. Expiry considerations: DWs have an expiry date after which the issue may become worthless. Investors should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy.

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

14.12.6. Foreign exchange risk: Investors trading DWs with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value and thereby also affect the DW price.

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

14.12.8. Time decay risk: All things being equal, the value of a DW will decay over time as it approaches its expiry date. DWs should therefore not be viewed as long term investments.

14.12.9. Volatility risk: Prices of DWs can increase or decrease in line with the implied volatility of underlying asset price. Investors should be aware of the underlying asset volatility.

14.13. Risk of trading Callable Bull/Bear Contracts ("CBBC"):

14.13.1. Issuer default risk: In the event that a CBBC issuer becomes insolvent and defaults on their listed securities, investors will be considered as unsecured creditors and will have no preferential claim to any assets held by the issuer. Investors should therefore pay close attention to the financial strength and credit worthiness of CBBC issuers.

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

- 14.13.3. **Gearing risk:** CBBCs are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. Investors should be aware that the value of a CBBC may fall to zero resulting in a total loss of the initial investment.
- 14.13.4. **Expiry considerations:** CBBCs have an expiry date after which the issue may become worthless. Investors should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy.
- 14.13.5. **Extraordinary price movements:** The price of a CBBC may not match its theoretical price due to outside influences such as market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price.
- 14.13.6. **Foreign exchange risk:** Investors trading CBBCs with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value and thereby also affect the CBBC price.
- 14.13.7. **Liquidity risk:** The Exchange requires all CBBC issuers to appoint a liquidity provider for each individual issue. The role of liquidity providers is to provide two way quotes to facilitate trading of their products. In the event that a liquidity provider defaults or ceases to fulfill its role, investors may not be able to buy or sell the product until a new liquidator provider has been assigned.
- 14.13.8. **Mandatory call risk:** Investors trading CBBCs should be aware of their intraday “knockout” or mandatory call feature. A CBBC will cease trading when the underlying asset value equals the mandatory call price/level as stated in the listing documents. Investors will only be entitled to the residual value of the terminated CBBC as calculated by the product issuer in accordance with the listing documents. Investors should also note that the residual value can be zero.
- 14.13.9. **Funding costs:** The issue price of a CBBC includes funding costs. Funding costs are gradually reduced over time as the CBBC moves towards expiry. The longer the duration of the CBBC, the higher the total funding costs will be. In the event that a CBBC is called, investors will lose the funding costs for the entire lifespan of the CBBC. The formula for calculating the funding costs are stated in the listing documents.
- 14.14. **Risk of trading Exchange Traded Funds (“ETF”):**
- 14.14.1. **Market risk:** ETFs are typically designed to track the performance of certain indices, market sectors, or groups of assets such as stocks, bonds, or commodities. ETF managers may use different strategies to achieve this goal, but in general they do not have the discretion to take defensive positions in declining markets. Investors must be prepared to bear the risk of loss and volatility associated with the underlying index/assets.
- 14.14.2. **Tracking errors:** Tracking errors refer to the disparity in performance between an ETF and its underlying index/assets. Tracking errors can arise due to factors such as the impact of transaction fees and expenses incurred to the ETF, changes in composition of the underlying index/assets, and the ETF manager’s replication strategy. (The common replication strategies include full replication/representative sampling and synthetic replication which are discussed in more detail below).
- 14.14.3. **Trading at discount or premium:** An ETF may be traded at a discount or premium to its net asset value. This price discrepancy is caused by supply and demand factors, and may be particularly likely to emerge during periods of high market volatility and uncertainty. This phenomenon may also be observed for ETFs tracking specific markets or sectors that are subject to direct investment restrictions.
- 14.14.4. **Foreign exchange risk:** Investors trading ETFs with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value and thereby also affect the ETF price.
- 14.14.5. **Liquidity risk:** Securities market makers are Exchange Participants that provide liquidity to facilitate trading in ETFs. Although most ETFs are supported by one or more securities market makers, there is no assurance that active trading will be maintained. In the event that the securities market makers default or cease to fulfill their role, investors may not be able to buy or sell the product.
- 14.14.6. **Counterparty risk involved in ETFs with different replication strategies**
- (a) **Full replication and representative sampling strategies:** An ETF using a full replication strategy generally aims to invest in all constituent stocks/assets in the same weightings as its benchmark. ETFs adopting a

representative sampling strategy will invest in some, but not all of the relevant constituent stocks/assets. For ETFs that invest directly in the underlying assets rather than through synthetic instruments issued by third parties, counterparty risk tends to be less of concern.

(b) **Synthetic replication strategies:** ETFs utilizing a synthetic replication strategy use swaps or other derivative instruments to gain exposure to a benchmark. Currently, synthetic replication ETFs can be further categorized into two forms:

(i) Swap-based ETFs

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

(ii) Derivative embedded ETFs

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

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

14.15. Risk of trading equity linked instruments ("ELI"): ELIs are structured products involving derivatives and its return component is based on the performance of the underlying asset. Investor purchasing an ELI is indirectly writing an option on the underlying shares. Investors should pay attention to the points below.

14.15.1. Exposure to equity market: Investors are exposed to price movements in the underlying security and the stock market, the impact of dividends and corporate actions and counterparty risks. Investors must also be prepared to accept the risk of receiving the underlying shares or a payment less than their original investment.

14.15.2. Possibilities of losing investment: Investors may lose part or all of their investment if the price of the underlying security moves against their investment view.

14.15.3. Price adjustment: Investors should note that any dividend payment on the underlying security may affect its price and the payback of the ELI at expiry due to ex-dividend pricing. Investors should also note that issuers may make adjustments to the ELI due to corporate actions on the underlying security.

14.15.4. Interest rates: While most ELIs offer a yield that is potentially higher than the interest on fixed deposits and traditional bonds, the return on investment is limited to the potential yield of the ELI.

14.15.5. Potential yield: Investors should consult their brokers on fees and charges related to the purchase and sale of ELI and payment / delivery at expiry. The potential yields disseminated by the Exchange have not taken fees and charges into consideration.

14.16. Risk of trading Renminbi products:

14.16.1. Renminbi currency risk: Renminbi is not freely convertible at present and conversion of Renminbi through banks in Hong Kong is subject to certain restrictions. For Renminbi products which are not denominated in Renminbi or with underlying investments which are not Renminbi denominated, such products will be subject to multiple currency costs involved in making investments and liquidating investments, as well as the Renminbi exchange rate fluctuations and bid/offer spreads when assets are sold to meet redemption requests and other capital requirements (e.g. settling operating expenses). The PRC government regulates the conversion of Renminbi and other currencies. If the restrictions on Renminbi convertibility and the limitations on the flow of the Renminbi funds between PRC and Hong Kong become more stringent, the depth of the Renminbi market in Hong Kong may become further limited.

14.16.2. Exchange rate risk: The value of the Renminbi against the Hong Kong dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economical conditions and by many other factors. For

Renminbi products, the value of investor's investment in Hong Kong dollar terms may decline if the value of Renminbi depreciates against Hong Kong dollar.

- 14.16.3. **Interest rate risk:** The PRC government has gradually liberalized the regulation of interest rates in recent years. Further liberalization may increase interest rate volatility. For Renminbi products which are, or may invest in, Renminbi debt instruments, such instruments are susceptible to interest rate fluctuations, which may adversely affect the return and performance of the Renminbi products.
- 14.16.4. **Limitation on the provision of Renminbi funding:** In case the Client does not have sufficient Renminbi funding in the account to subscribe Renminbi products, subject to compliance with all applicable laws, rules and regulations, GTJAS may assist the Client to convert other currencies to Renminbi. However, GTJAS do not guarantee that it can assist the Client to obtain sufficient Renminbi funding due to the limitation on the flow of Renminbi funds in Hong Kong. GTJAS may unwind the Client's trade due to insufficient Renminbi funding and the Client's investment may be adversely affected if he suffers losses due to settlement failure.
- 14.16.5. **Limited availability of underlying investments denominated in Renminbi:** For Renminbi products that do not have access to invest directly in Mainland China, their available choice of underlying investments denominated in Renminbi outside Mainland China may be limited. Such limitation may adversely affect the return and performance of the Renminbi products.
- 14.16.6. **Projected returns which are not guaranteed:** For some Renminbi investment products, their return may not be guaranteed or may only be partly guaranteed. Investors should read carefully the statement of illustrative return attached to such products and in particular, the assumption on which the illustration are based, including, for example, any future bonus or dividend declaration.
- 14.16.7. **Long Term commitment to investment products:** For Renminbi products which involve a long period of investment, if investor redeems his investment before the maturity date or during the lock-up period (if applicable), investor may incur significant loss of principal where the proceeds may be substantially lower than the invested amount. Investor may also suffer from early surrender / withdrawal fees and charges as well as the loss of returns (where applicable) as a result of redemption before the maturity date or during lock-up period.
- 14.16.8. **Credit risk of counterparties:** For Renminbi products investing in Renminbi debt instruments which are not supported by any collateral, such products are fully exposed to the credit risk of the relevant counterparties. Where a Renminbi product may invest in derivative instruments, counterparty risk may also arise as the default by the derivative issuers which may adversely affect the performance of the Renminbi product and result in substantial loss.
- 14.16.9. **Liquidity risk:** Renminbi products may suffer significant losses in liquidating the underlying investment, especially if such investments do not have an active secondary market and their prices have large bid / offer spread.
- 14.16.10. **Possibility of not receiving Renminbi upon redemption:** For Renminbi products with a significant portion of non-Renminbi denominated underlying investments, there is a possibility of not receiving the full amount in Renminbi upon redemption. This may be the case if the issuer is not able to obtain sufficient amount of Renminbi in a timely manner due to the exchange controls and restrictions applicable to the currency.

14.17. Risk of trading bonds

- 14.17.1. **Issuer default risk:** There is a risk that the issuer may fail to pay investors the interest or principal as scheduled.
- 14.17.2. **Interest rate risk:** When the interest rate rises, the price of a fixed rate bond will normally drop. If investors want to sell their bond before it matures, they may get less than their purchase price.
- 14.17.3. **Foreign exchange risk:** Investors trading bond denominated in a foreign currency face an exchange rate risk. Any fall in the foreign currency will reduce the amount investors receive when they convert a payment of interest or principal back into the local currency.
- 14.17.4. **Liquidity risk:** Investors may need to sell the bonds before maturity when they have an urgent cash-flow need or use the capital for other investments. However, investors may not achieve this if the liquidity of the secondary bond market is low.

- 14.17.5. **Reinvestment risk:** If investors hold a callable bond, when the interest rate goes down, the issuer may redeem the bond before maturity. If this happens investors have to re-invest the proceeds, the yields on other bonds in the market will generally be less favorable.
- 14.17.6. **Equity risk:** If the bond is "convertible" or "exchangeable", investors also face equity risk associated with stocks. A fall in the stock price will usually make the bond price fall.
- 14.18. **Risk of providing authority to hold mail or to direct mail to third parties:** If the Client provides GTJAS with an authority to hold mail or to direct mail to third parties, it is important for the Client to promptly collect in person all contract notes and statements of the Client Account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.
- 14.19. **Instructions Outside Hong Kong:** If the Client gives any Instruction to GTJAS outside Hong Kong, the Client agrees to ensure and represent that such Instruction will have been given in compliance with any applicable law of the relevant jurisdiction from which the Client's Instruction is given, and the Client further agrees that the Client shall, when in doubt, consult legal advisers and other professionals of the relevant jurisdiction. The Client accepts that there may be taxes or charges payable to relevant authorities in respect to any Instruction given outside Hong Kong, and the Client agrees to pay such taxes or charges as applicable.
- 14.20. **Acknowledgment of the Risks:** The Client has been explained by GTJAS's licensed person and understand the above stated risk disclosures.

15. CLIENT IDENTITY

- 15.1. **Assistance to Hong Kong Regulators:** GTJAS is required to provide to SFC and the Exchange identity details of the ultimate person(s) for whom it is processing a Transaction as well as the person(s) who give(s) Instructions in relation to that Transaction within two (2) business days of their request. In exceptional market circumstances, the details may have to be made available very shortly after the request. Alternatively, GTJAS may provide the required details directly to the regulators in the manner described below.
- 15.2. **Disclosure of Beneficiaries:** If the Client effects Transactions for the Account of clients or other beneficial owners, whether on a discretionary or non-discretionary basis, and whether as agent or by matching Transactions as principal with the beneficiaries, the Client agrees that, in relation to a Transaction where GTJAS has received an inquiry from regulators, the Client shall immediately upon GTJAS's request provide to the regulators such identity details of the beneficiaries for whose Account the Transaction was effected, of the person with the ultimate beneficial interest in the Transaction and/or of the person who originated the Transaction.
- 15.3. **Arrangement where Beneficiaries are intermediaries:** If the Client is aware that any of the beneficiaries is acting as intermediary for its underlying client(s), and the Client does not know the identity, address, occupation and contact details of the underlying client(s) for whom the Transaction was effected, the Client confirms that the Client has arrangements in place with such beneficiaries, which entitle the Client to obtain the details contemplated above from the beneficiaries immediately upon request or procure that they be so obtained. GTJAS will, upon GTJAS's request in relation to a Transaction, promptly request the requisite identity details from the beneficiaries on whose Instructions the Transaction was effected, and provide them to the regulators as soon as received from the beneficiaries or procure that they be so provided.
- 15.4. **Survivability:** The Client further confirms that the Client's obligations under this clause 15 will continue after the termination of this Agreement.

16. PERSONAL DATA

- 16.1. The Client may from time to time be requested by GTJAS to supply personal data relating to the Client. GTJAS may use the Client's personal data for the purposes stipulated in GTJAS's Personal Information Collection Statement ("**PICS**"), which has been provided to the Client and is posted on GTJAS's website (www.gtjai.com). The Client acknowledges he or she has read and understand the content of the PICS. The Client agrees that GTJAS may: (1) use such personal data on the terms of and for the purposes set out in the PICS; (2) use such sensitive personal data for the purposes set out in the PICS; and (3) conduct any cross-border transfer of such personal data for the purposes set out in the PICS. The Client further agrees to any revision or amendment that GTJAS may from time to time make in respect of any content of the PICS by notice to the Client.

17. AEOI COMPLIANCE

17.1. **Disclosure, Consent and Waiver:** The Client shall provide to GTJAS, GTJA Group, their agents or service providers, upon request, any documentation or other information regarding the Client and its beneficial owners that GTJAS, GTJA Group, their agents or service providers may require from time to time in connection with their obligations under, and compliance with, applicable laws and regulations including, but not limited to, AEOI. The Client hereby agrees and consents that GTJAS, GTJA Group and their agents and service providers may collect, store and process information obtained from the Client or otherwise in connection with this Agreement and/or the Client's transactions for the purposes of complying with AEOI and/or other applicable law, including disclosures between GTJAS and any of them and to the governmental authorities of the United States of America, Hong Kong and/or other jurisdictions. To the extent permitted by law, Client hereby waives any provision of any data protection, privacy, banking secrecy or other law or regulation of any jurisdiction and/or the terms of any confidentiality agreement, arrangement or understanding that would otherwise prevent compliance by GTJAS, GTJA Group and their agents and service providers with AEOI and/or other applicable law. The Client acknowledges that this may include transfers of information to jurisdictions which do not have strict data protection, data privacy laws or banking secrecy laws. The Client shall ensure that, before the Client or anyone on its behalf discloses information relating to any third party to GTJAS, GTJA Group or their agents or service providers in connection with this Agreement or the Client's transactions that third party has been provided with such information and has given such consents or waivers as are necessary to allow GTJAS, GTJA Group and their agents and service providers to collect, store, process and disclose his, her or its information as described in this Clause.

17.2. **Provision of Information:**

- (a) The Client shall upon request by GTJAS confirm to GTJAS (i) whether the Client is a person who is entitled to receive payments free from any deduction or withholding as required by AEOI (the "AEOI Exempt Person"); and (ii) supply to GTJAS such forms, documentation and other information relating to the Client's status under AEOI (including its applicable passthru rate or other information required under the US Treasury Regulations or other official guidance including intergovernmental agreements) as GTJAS reasonably requests for the purposes of that GTJAS's compliance with AEOI (and the compliance of any of GTJA Group).
- (b) If the Client confirm to GTJAS pursuant to the above that the Client is a AEOI Exempt Party and the Client subsequently becomes aware that the Client is not, or has ceased to be a AEOI Exempt Party, the Client shall notify GTJAS as soon as reasonably practicable.
- (c) If the Client fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (a) above (including, for avoidance of doubt, where paragraph (b) above applies), then:
 - (i) If the Client failed to confirm whether the Client is (and/or remains) a AEOI Exempt Party then the Client will be treated as if the Client is not a AEOI Exempt Party; and
 - (ii) If the Client failed to confirm its applicable passthru rate then the Client will be treated as if its applicable passthru rate is 100%, until such time as the Client provide GTJAS the requested confirmation, forms, documentation or other information.

17.3. **Withholding or Deduction:** If GTJAS is required pursuant to AEOI or otherwise by law to withhold or deduct any AEOI withholding taxes (including any penalties or interest payable in connection with any failure to pay or any delay in paying any such taxes) on any payments to the Client, GTJAS may deduct such taxes and GTJAS will not be required to increase any payment in respect of which GTJAS makes such withholding. The Client shall be treated for all purposes of this Agreement as if the Client had received the full amount of the payment, without any deduction or withholding. The Client shall provide GTJAS such additional documentation reasonably requested by GTJAS to determine the amount to deduct and withhold from such payment.

18. CHINA CONNECT

18.1. Without prejudice to any other provisions in this Agreement, the Client acknowledges and accepts the following additional terms and conditions applicable to trading in securities ("China Connect Securities") listed in the Shanghai Stock Exchange ("SSE") and/or Shenzhen Stock Exchange ("SZSE") through the Shanghai Connect and/or Shenzhen Connect under China Connect ("Northbound trading");

- (a) The Client represents and undertakes on a continuing basis, including without limitation on each date that the Client places an order or gives an instruction in respect of China Connect Securities, that: (1) the Client is not a Mainland China Resident or an entity incorporated or registered under the laws of Mainland China; if the Client is a Mainland China Resident, the Client is using funds lawfully owed by the Client and located outside Mainland China to make investments in China Connect Securities; or if the Client is an entity incorporated or registered under the laws of Mainland China, its investment in China Connect Securities has been conducted pursuant to any program (including the Qualified Domestic Institutional Investor Program, if applicable) approved by, or any other approval

- of, any competent Mainland China regulator; (2) the Client's investment in China Connect Securities does not violate the laws and regulations of Mainland China, including those in relation to foreign exchange control and reporting; and (3) the Client will trade shares listed on the ChiNext Board of the SZSE ("ChiNext Shares") and shares listed on the STAR Board of the SSE ("STAR Shares") only when the Client is, and in the case where the Client is an intermediary (including, but not limited to, a fund manager, asset manager, broker or order placer) trading for or on behalf of an underlying client or clients, each of such underlying client is, an Eligible Investor to trade ChiNext Shares and STAR Shares under the Northbound Trading Regulations;
- (b) The Client must understand and comply with all the applicable by-laws, codes, rules and regulations of SSE and/or SZSE ("SSE/SZSE Rules"), the relevant rules applicable to the companies listed in SSE/SZSE as issued by SSE/SZSE ("SSE/SZSE Listing Rules"), and other applicable laws and regulations of Mainland China relating to Northbound trading (together "Northbound Trading Regulations"). The Client acknowledges that if the Client is in breach of any Northbound Trading Regulations, the Client will be subject to regulatory investigation and be personally liable to any legal and regulatory consequences. GTJAS will not and does not intend to advise the Client on any of such Northbound Trading Regulations. The Client should consult the Northbound Trading Regulations (including but not limited to the information about Northbound Trading Regulations published by Hong Kong Exchanges and Clearing Limited which can be accessed at its website) and obtain professional advice as necessary;
 - (c) The Client hereby agrees and authorizes GTJAS to do or not to do whatever act without Client's prior approval in connection with any Northbound trading of the Client as GTJAS in its absolute discretion deems appropriate to comply with any Northbound Trading Regulations or any orders, directions, notices or requests from any authorities. GTJAS shall not be liable for any loss or damage directly or indirectly suffered by the Client arising from or in connection with such action or inaction of GTJAS;
 - (d) The Client must understand fully the rules and regulations of Mainland China in relation to securities investment, such as short-swing profits, disclosure obligations and follow such rules and regulations accordingly;
 - (e) GTJAS may in its absolute discretion refuse to execute or complete any instructions from the Client on any grounds such as, for example, in GTJAS' reasonable belief, execution of such instructions may not be compliant with any Northbound Trading Regulations, or the Client does not have sufficient securities to settle delivery obligation or sufficient cash (in Renminbi) to settle payment obligation;
 - (f) Pre-trade checking is in place so that the Client must have his/her shares transferred to GTJAS' corresponding Central Clearing And Settlement System ("CCASS") account before the commencement of trading on a trading day if the Client intends to sell the shares during a trading day. Client undertakes to ensure there are sufficient and available China Connect Securities in his Account by the applicable cut-off time to cover any proposed sell order given on the relevant Trading Day. If GTJAS considers that Client does not for whatever reason have sufficient and available China Connect Securities in his Account to settle a sell order by the applicable cut-off time, GTJAS may in its absolute discretion: (1) reject Client's sell order (in whole or in part); (2) use any China Connect Securities in the designated CCASS stock account(s) which GTJAS holds for itself or on behalf of its other clients to fulfill the Pre-trade checking requirement in respect of Client's sell order, in which case Client shall reimburse GTJAS for any costs, losses or expenses which GTJAS incurs as a result of buying in or otherwise sourcing the amount of China Connect Securities which Client has failed to deliver in respect of his sell order on such terms and at such price (including any associated fees and expenses) and at such time as GTJAS shall determine in its absolute discretion); or (3) perform any other act which GTJAS considers necessary or desirable to comply with Pre-trade checking and/or relevant Northbound Trading Regulations and to cover Client's shortfall (including but not limited to applying any other China Connect Securities available to GTJAS from other sources);
 - (g) All trading must be conducted on SSE/SZSE, i.e. no over-the-counter (OTC) or manual trades are allowed;
 - (h) No day trading is allowed;
 - (i) Naked short selling is not allowed;
 - (j) Foreign shareholding restriction (including the forced-sale arrangement) is in place and GTJAS has the right to "force-sell" the Client's shares upon receiving the forced-sale notification from the Exchange;
 - (k) GTJAS has the right to cancel the Client's orders in case of contingency such as hoisting of Typhoon Signal No 8 in Hong Kong;
 - (l) GTJAS may not be able to send in the Client's order cancellation requests in case of contingency such as when the Exchange loses all its communication lines with SSE/SZSE, etc and the Client shall still bear the settlement obligations if the orders are matched and executed;
 - (m) At the request of the Exchange (for the purposes of assisting SSE/SZSE or other regulators of Mainland China in its regulatory surveillance, investigation and/or enforcement, or otherwise as part of the regulatory cooperation between the Exchange and SSE/SZSE or other regulators of Mainland China), GTJAS may forward the information in relation to the Client, including but not limited to the Client's identity, personal data and trading activities, to the Exchange which may on-forward such information to SSE/SZSE or other regulators of Mainland China for such surveillance, investigation or enforcement purposes;

- (n) If any Northbound Trading Regulations is breached, or the disclosure and other obligations referred to in the SSE/SZSE Listing Rules or SSE/SZSE Rules is breached, SSE/SZSE has the power to carry out investigation, and may, through the Exchange, require GTJAS to provide relevant information and materials (in relation to, including but not limited to, the Client's identity, personal data and trading activity) and to assist in its investigation. The Client shall upon request by GTJAS, SSE/SZSE or the Exchange provide such information and provide such assistance as requested. The Client hereby waives the benefit of any applicable secrecy laws and personal data protection laws;
- (o) The Exchange may upon SSE's/SZSE's request, require GTJAS to reject or cancel orders from the Client;
- (p) The Client needs to understand and accept the risks concerned in Northbound trading, including but not limited to prohibition of trading securities listed in SSE/SZSE, being liable or responsible for breaching the SSE/SZSE Listing Rules, SSE/SZSE Rules and other applicable laws and regulations;
- (q) SSE/SZSE may request the Exchange to require GTJAS to issue warning statements (verbally or in writing) to the Client, and not to extend Northbound trading to the Client;
- (r) GTJAS shall have no obligation to collect or receive or take any other action in relation to any payment or distribution in respect of China Connect Securities for the Client's account, or to notify the Client about any notice, circular, announcement or similar corporate action in respect of China Connect Securities;
- (s) The Client shall be solely responsible for all fees, charges, levies and taxes and all filing, tax returns, and other registration or reporting obligations as may be required by any relevant authority, relating to any of the Client's investment through Northbound trading and any incomes, dividends, profits and entitlements in respect of such investment; and
- (t) GTJAS, Hong Kong Exchanges and Clearing Limited, the Exchange, the Exchange's subsidiaries, SSE/SZSE and SSE's/SZSE's subsidiaries and their respective directors, employees and agents shall not be responsible or held liable for any loss or damage directly or indirectly suffered by the Client or any third parties arising from or in connection with Northbound trading or the China Connect.

18.2. The Client has read and acknowledged the following disclosure of specific risks relating to China Connect, and agrees that these disclosures do not cover all risks related to China Connect. The Client will obtain relevant professional advice as necessary:

- (a) **Not protected by Investor Compensation Fund:** The Client should note that any Northbound or Southbound trading under China Connect will not be covered by Hong Kong's Investor Compensation Fund. As far as Hong Kong investors participating in Northbound trading are concerned, since they are carrying out Northbound trading through securities brokers in Hong Kong and these brokers are not Mainland China brokers, they are not protected by China Securities Investor Protection Fund on Mainland China.
- (b) **Pre-Trade Checking:** SEHK is required to check that in respect of any Northbound sell orders given by an Exchange Participant, the relevant Exchange Participant holds sufficient and available China Connect Securities to be able to fill such Northbound sell orders. Pre-Trade Checking will be carried out prior to the start of each Trading Day. Accordingly, the Client may be unable to execute Northbound sell orders due to Pre-Trade Checking related requirements. Note in particular that the Client may be unable to execute a sell order of China Connect Securities if there has been a delay or failure for whatever reason in the transfer of the relevant China Connect Securities to any clearing account of GTJAS or if for any other reason GTJAS considers that there is or may be non-compliance with any Northbound Trading Regulations. Any risk, loss or cost resulting from non-compliance or potential non-compliance with Pre-trade checking and/or the relevant Northbound Trading Regulations shall be borne by the Client.
- (c) **Quotas Restrictions:** Purchases of China Connect Securities through China Connect are subject to certain quota controls. As a result, there is no assurance that a buy order can be successfully placed through China Connect. There is a daily quota that limits the maximum value of all Northbound buy trades that can be executed by Exchange Participants on each Trading Day ("Daily Quota"). The Daily Quota may change from time to time without prior notice and investors are advised to refer to the HKEx website and other information published by the HKEx for up-to-date information. The SEHK and the SSE and/or SZSE (as the case may be) may also set pricing and other restrictions on buy orders in order to prevent the artificial use or filling of the Daily Quota. If there is a restriction, rejection or suspension of Northbound buying (which would include any order that has been accepted but not yet executed) as a result of a breach of the Daily Quota or the relevant pricing and other restrictions, GTJAS will be unable to carry out any buy orders and any instruction to buy submitted but not yet executed will be restricted or rejected. Conversely, under the SEHK rules, investors may sell their China Connect Securities regardless of whether there is a breach of the Daily Quota.
- (d) **Difference in trading day and trading hours:** The Client should note that, due to differences in public holiday between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be difference in trading days and trading hours in the two markets. China Connect will only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but Hong Kong

investors cannot carry out any A-share trading. The Client should take note of the days and the hours which China Connect is open for business and decide according to their own risk tolerance capability whether or not to take on the risk of price fluctuations in A-shares during the time when China Connect is not trading.

- (e) **The recalling of eligible stocks and trading restrictions:** A stock may be recalled from the scope of eligible stocks for trading via China Connect for various reasons, and in such event the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Client. The Client should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by SSE, SZSE and SEHK. Under China Connect, the Client will only be allowed to sell A-share but restricted from further buying if: (i) the A-share subsequently ceases to be a constituent stock of the relevant indices; (ii) the A-share is subsequently under "risk alert"; and/or (iii) the corresponding H share of the A-share subsequently ceases to be traded on SEHK. The Client should also note that price fluctuation limit would be applicable to A-shares.
- (f) **Trading costs:** In addition to paying trading costs and stamp duties in connection with A-share trading, the Client carrying out Northbound trading via China Connect should also take note of any current and new tax in respect of income and capital gain arising from investment in securities which would be determined by the relevant authorities.
- (g) **Local market rules, foreign shareholding restrictions and disclosure obligations:** Under China Connect, A-shares listed companies and trading of A-share are subject to market rules and disclosure requirements of the A-share market. Any changes in laws, regulations and policies of the A-share market or rules in relation to China Connect may affect share prices. The Client should also take note of the foreign shareholding restrictions and disclosure obligations applicable to A-shares. The Client will be subject to restrictions on trading (including restriction on retention of proceeds) in A-shares as a result of its interest in the A-shares. The Client is solely responsible for compliance with all notifications, reports and relevant requirements in connection with its interests in A-shares. Under the current Mainland China rules, once an investor holds or controls shares (on an aggregate basis, i.e., including both domestically and overseas issued shares of the same Mainland China Listco (as defined below), whether the relevant holdings are through Northbound trading, QFII/RQFII regime or other investment channels) in a Mainland China incorporated company which is listed on a Mainland China stock exchange (a "Mainland China Listco") above a certain threshold as may be specified from time to time by the relevant regulatory authorities, the investor is required to disclose his interest within the period specified by the relevant regulatory authorities and during which he cannot trade the shares of that company. The investor is also required to disclose any change in his shareholding and comply with related trading restrictions in accordance with the Mainland China rules and regulations. Where a Mainland China incorporated company has both H Shares listed on the SEHK and A-Shares listed on the SSE and/or SZSE (as the case may be), if an investor is interested in more than a certain threshold (as may be specified from time to time) of any class of voting shares (including A-Shares purchased through China Connect) in such Mainland China incorporated company, the investor is under a duty of disclosure pursuant to Part XV of the SFO. Part XV of the SFO does not apply where the Mainland China incorporated company has not listed any shares on the SEHK. It shall be the Client's responsibility to comply with any disclosure of interest rules from time to time imposed by the relevant regulatory authorities and arrange for any relevant filings. According to existing Mainland China practices, Hong Kong and overseas investors as beneficial owners of A-shares traded via China Connect cannot appoint proxies to attend shareholders' meetings on their behalf.
- (h) **Currency risks:** Northbound investments in the China Connect securities will be traded and settled in Renminbi. If the Client holds a local currency other than Renminbi, the Client will be exposed to currency risk if the Client invests in a Renminbi product due to the need for the conversion of the local currency into Renminbi. During the conversion, the Client will also incur currency conversion costs. Even if the price of the Renminbi asset remains the same when the Client purchases it and when the Client redeems / sells it, the Client will still incur a loss when the Client converts the redemption / sale proceeds into local currency if Renminbi has depreciated.
- (i) **Short Swing Profit Rule:** Under Mainland China laws, rules and regulations, the "short swing profit rule" requires the Client to give up/return any profits made from purchases and sales in respect of China Connect Securities of a particular Mainland China Listco if (a) the Client's shareholding in that Mainland China Listco exceeds the threshold prescribed by the relevant regulatory authorities from time to time and (b) the corresponding sale transaction occurs within the six months after a purchase transaction, or vice versa. The Client must comply with the "short swing profit rule".
- (j) **Company Announcements on Corporate Actions:** Any corporate action in respect of China Connect Securities will be announced by the relevant issuer through the SSE website and/or SZSE website (as the case may be) and certain appointed newspapers. HKSCC will also record all corporate actions relating to China Connect Securities in CCASS and inform its clearing participants of the details via the CCASS terminals as soon as practicable on the announcement date. Investors engaged in Northbound trading may refer to the SSE website and/or the SZSE website (as the case may be) and the newspapers and websites officially appointed from time to time or, alternatively, the HKEx website's China Stock Markets Web (or such other replacement or successor web page from time to time) for corporate actions in respect of China Connect Securities issued on the previous Trading Day. Investors should note that (i) issuers that are listed on the SSE/SZSE publish corporate documents in simplified Chinese only, and English translations will not be available and (ii) issuers listed on the ChiNext Board are required to publish certain corporate announcements on their corporate websites and the officially appointed websites only.
- (k) **ChiNext Shares:** ChiNext Shares involve a high investment risk. Key risks includes:

- (i) **Regulatory Risks:** The rules and guidance on listing, trading, disclosure and other matters of SZSE ChiNext vary much from those of the SZSE main board and SME board. For example, on the listing requirements, a shorter track record period and lower net profit, revenue and operating cash flow requirements will apply for company seeking IPO and listing on the ChiNext market. ChiNext companies may also have a lower post-IPO total share capital than main board and SME board companies. For details of the listing requirements on the ChiNext market, the SZSE main board and SME board, please visit SZSE website. Besides, ChiNext market adopts disclosure rules that substantially vary from those of the main board and SME board. For example, ad hoc reports of ChiNext companies are only required to be published on a CSRC designated website and on the issuers' websites. If investors continue to check information through the usual disclosure channels for main board and SME boards, they may miss out some important information disclosed by ChiNext companies. Therefore, investors are advised to closely monitor announcements and risk alerts of ChiNext companies, be aware of market risks, and comply with relevant rules and regulations while trading in the ChiNext market.
- (ii) **Delisting risks:** The delisting standards of the ChiNext market are different from those of the SZSE main board and SME board. There are more situations that will lead to the delisting of ChiNext companies. ChiNext companies have greater exposure to the risk of being delisted, and such delisting process may be speeded up. In addition, the shares of ChiNext companies may be delisted immediately after SZSE determines its delisting. Investors will not be able to trade in delisted shares, and may lose all the invested capital in this case.
- (iii) **Operating risks:** ChiNext companies are generally in an early stage of development and have a shorter history. They are usually smaller in scale, have less stable operations, and are less resilient against market risks and industry risks. Although they may have higher growth potential and leverage more on technical innovations, their future performance particularly those without a profit track record is susceptible to great uncertainty.
- (iv) **High Share Price Volatility:** The share prices of ChiNext companies may fluctuate largely and frequently due to changing market conditions, investor speculations, inconsistent financial results, etc. ChiNext companies with low public float may be vulnerable to manipulations by major shareholders. The unstable financial result also adds the difficulty to the company valuations.
- (v) **Technical Risks:** It is uncertain whether a ChiNext company is able to convert its technical innovations into physical products or services. When the industry is experiencing rapid technological development and replacement, its product may be obsolete and may not survive in the market.

Investors should also refer to the standard Risk Disclosure Statement (in Chinese only) in the Investor Eligibility Implementing Measure of ChiNext Market which Mainland investors are required to acknowledge before trading in SZSE ChiNext market.

- (l) **STAR Shares:** STAR Shares involve a high investment risk. Key risks includes:
 - (i) **Regulatory Risks:** The rules and guidance on listing, trading, disclosure and other matters of SSE STAR vary much from those of the SSE main board. For example, on the listing requirements, lower net profit and revenue requirements will apply for company seeking IPO and listing on the STAR market. Different trading arrangements will apply for the trading of STAR companies, such as daily price limit, minimum order size and maximum order size. For details of the listing requirements and the trading arrangements of the STAR market and the SSE main board, please visit SSE website.
 - (ii) **Delisting risks:** The delisting standards of the STAR market are different from those of the SSE main board. There are more situations that will lead to the delisting of STAR companies. STAR companies have greater exposure to the risk of being delisted, and such delisting process may be speeded up.
 - (iii) **Operating risks:** STAR companies are generally in an early stage of development and have a shorter history. They are usually smaller in scale, have less stable operations, and are less resilient against market risks and industry risks. Although they may have higher growth potential and leverage more on technical innovations, their future performance particularly those without a profit track record is susceptible to great uncertainty.
 - (iv) **High Share Price Volatility:** The share prices of STAR companies may fluctuate largely and frequently due to changing market conditions, investor speculations, inconsistent financial results, etc. The unstable financial result also adds the difficulty to the company valuations.
 - (v) **Technical Risks:** There is higher degree of uncertainty whether a STAR company is able to convert its technical innovations into physical products or services. When the industry is experiencing rapid technological development and replacement, its product may be obsolete and may not survive in the market.

Investors should also refer to the standard Risk Disclosure Statement (in Chinese only) in the Investor Eligibility Implementing Measure of STAR Market which Mainland investors are required to acknowledge before trading in SSE STAR market.

- (m) **Margin Trading:** Subject to certain conditions prescribed by the regulatory authorities, Hong Kong and overseas investors may conduct margin trading in China Connect Securities determined by the relevant regulatory authorities to be eligible for margin trading ("Eligible Margin Trading Securities"). The HKEx will from time to time publish a list of Eligible Margin Trading Securities. A SSE/SZSE may suspend margin trading activities in any specific A Share if the volume of margin trading activities in such A Share exceeds a threshold determined by such SSE/SZSE and resume margin trading activities when the volume of margin trading drops below a prescribed threshold. Where the SEHK is notified by the relevant SSE/SZSE 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. GTJAS shall not have any obligation to update the Client in respect of the list of Eligible Margin Trading Securities or any restrictions or suspensions in respect of margin trading from time to time.

19. THIRD PARTY RIGHTS

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) to enforce or to enjoy the benefit of any term of this Agreement.