



元大證券(香港)有限公司
Yuanta Securities (Hong Kong) Co., Ltd.

Terms and Conditions
for
Securities / Futures / Options Trading Accounts

Yuanta Securities (Hong Kong) Company Limited is licensed by the Securities and Futures Commission for Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities.

Yuanta Securities (Hong Kong) Company Limited is also an exchange participant of The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited.

PART A – INTERPRETATION

This section forms part of the Terms & Conditions and throughout the Terms & Conditions the following terms shall bear the following meanings:

“Account Application Form”	the account opening form which contains the particulars and other necessary information of the Client and the Account
“Account(s)”	Securities Cash Account and/ or Securities Margin Account and/ or Futures Account and/ or Options Account and/ or any other trading account opened by the Client with YSHK through Offline Operation or Electronic Operation or by any other means
“Agreement”	these Terms & Conditions, the Account Application Form, any appendix entered into between YSHK and the Client or issued by YSHK regarding the opening, maintenance and operation of the Account(s) as may be amended from time to time including any standing authority or written directions provided by the Client as may be amended from time to time
“Associated Entity”	has the meaning given to that term in the Securities and Futures Ordinance
“Beneficial Identity”	the ultimate beneficiary of the Account which in the case of a company or body corporate the individuals who are the ultimate beneficial owners of the share capital of the company or body corporate and includes a beneficiary holding an interest through a nominee or trust
“Business Day”	Any day other than a Saturday, a Sunday, a public holiday or a gale warning day or a black rainstorm warning day as defined in s.71(2) of the Interpretation and General Clauses Ordinance (Cap 1 of the Laws of Hong Kong)
“Clearing House”	the clearing houses including the Hong Kong Securities Clearing Company Limited, the SECH and any other relevant bodies which are recognized by the Governing Rules to provide clearing and settlement services
“Client”	the client of YSHK who has opened the Account(s) and whose name, address and particulars are set out in the Account Application Form
“Client Contract”	has the meaning as defined in the Options Trading Rules which means a contract validly made at the time when an order in respect of an option series is matched by the Options System with another order in respect of that option series and incorporates the terms and conditions of the Standard Contract for a particular option series
“Client Money Standing Authority”	the authorization granted by the Client to YSHK in the terms set out in the sample Client’s authorization letter
“Closing Out”	in relation to any contract, the entering into of another contract of the same specification and for the same amount but of an opposite position in order to cancel the former contract and/or to crystallize the profit or loss on such former contract, and the term “Close Out” shall be construed accordingly
“Code”	the Code of Conduct for Persons Licensed by or Registered with the SFC as may be amended from time to time
“Collateral”	all Securities and other assets acceptable to YSHK which shall be maintained at or delivered to YSHK by the Client as collateral under the Securities Margin Account
“Commodities”	any item and includes, without limitation, agricultural commodities, metals, currencies, interest rates, indices (whether stock market or otherwise), other financial contracts, energy, right or authority, and shall where the case requires include a Futures Contract or options contract in respect of any of the above and in each case whether or not the item is capable of being delivered
“Derivative Product”	a financial contract traded on a stock exchange or over-the-counter whose value is designated to track the return on or is derived from currencies, interest rates, securities, bonds, money market instruments, metals and other commodities, financial instruments, reference indices or any other benchmark
“Derivative Transaction”	any transaction in Derivative Products entered into by the Client through YSHK as agent pursuant to this Agreement
“Electronic Means”	includes the internet, electronic mail, mobile phone, personal digital assistant or any other electronic means of communication and such other means as may be permitted by YSHK from time to time
“Electronic Operation”	electronic securities trading operated via Electronic Means by the Client under the Account
“Electronic Service”	the electronic facility which enables the Client to give instructions and obtain information services provided by YSHK by Electronic Means
“Event Of Default”	an event of default as described in clause of the General Terms
“Exchange Contract”	a contract for a commodity approved by the SFC and the Futures Exchange for trading on any of the market from time to time operated by the Futures Exchange and which may result in a Futures Contract
“Exchange Traded Options Business”	business related to Options Contracts and all matters incidental to Options Contracts
“Financial Accommodation”	has the meaning given to that term in the Securities and Futures Ordinance
“F.O. Business”	the business of dealing in Futures Contracts and/ or options contracts traded on the Futures Exchange
“Futures Account”	the futures trading account opened by the Client with YSHK through Offline Operation or Electronic Operation or any other means for the purpose of trading Futures Contracts and options contracts on the Futures Exchange
“Futures Contract”	has the meaning given to that term in the Securities and Futures Ordinance
“Futures Exchange”	the Hong Kong Futures Exchange Limited and any successors
“FX”	foreign currencies, currency options, currency futures or forward contracts and contracts for the future delivery of foreign currencies or otherwise relating to foreign currencies accepted by YSHK to be traded from time to time in its absolute discretion
“FX Contract(s)”	contract(s) entered into between YSHK and the Client, or by YSHK on behalf of the Client, in relation to FX Transaction(s)
“FX Transaction(s)”	transaction(s) involving currencies, currency options, currency futures or forward contracts and contracts for the future delivery of foreign currencies
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“General Terms”	the general terms and conditions as set out in Part B of this Agreement and applicable to client accounts opened with YSHK

“Governing Rules”	the rules and regulations of all regulatory authorities whether located in Hong Kong or in any other jurisdiction applicable to dealings in Securities or other instruments in respect of the Account and/or the operation of the Account
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Instructions”	the instructions of the Client (i) for dealing in Securities, Futures Contracts, Options Contracts, FX Contracts or other assets or property held in or on behalf of the Account, (ii) for the transfer, deposit or withdrawal of funds or Securities or other assets or property into or out of the Account including transferring into or from any other account of the Client with the Yuanta Group, (iii) for the provision of Financial Accommodation and/or (iv) for any other act relating to the operation of the Account
“Margin”	such monies in such currency and such other property or collateral as security or guarantee for the performance of the Client’s obligations hereunder as YSHK may from time to time demand in its absolute discretion from the Client by way of margin or variation adjustment in relation to a Futures Contract or an Options Contract
“Margin Deposit”	the amount of funds, which shall be no less than the Initial Margin or Maintenance Margin (as the context requires), required to be deposited by the Client with YSHK as from time to time prescribed by YSHK
“Margin Facility”	any Financial Accommodation provided by YSHK to the Client for the Securities Margin Account
“Obligations”	all monies or Securities falling due or otherwise owed to YSHK by the Client under the Account or owed by the Client under any other account maintained with any member of the Yuanta Group
“Offline Operation”	securities trading operated by the Client under the Account not by way of Electronic Means and/or in such manner as may be permitted by YSHK
“Omnibus Account”	an Account opened by any securities intermediary properly registered or licensed as a stock broker, dealer or bank or exempted from such registration or licensing in any jurisdiction and operated on behalf of his clients as indicated in the Account Application Form
“Options Account”	the options trading account opened by the Client with YSHK through Offline Operation or Electronic Operation or any other means
“Options Contract”	a contract made pursuant to Options Trading Rule 513 incorporating the terms and conditions of the Standard Contract for a particular options series
“Options Exchange Participant”	a person registered by the Stock Exchange as either an Options Trading Exchange Participant or an Options Broker Exchange Participant (pursuant to Chapter 2 of the Options Trading Rules)
“Options Trading Rules”	the Options Trading Rules issued by the Stock Exchange
“Options System”	the system provided by the Stock Exchange for the trading and clearing of Options Contracts and any other facility provided by the Stock Exchange for the transaction of Options Contracts and any other business related to Options Contracts and all matters incidental to Options Contracts
“Professional Investor”	professional investor as defined in section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance and the Securities and Futures (Professional Investor) Rules
“Regulations”	the regulations, made by the board of directors of the Futures Exchange, for the time to time being in force for regulating the activities of the markets from time to time established and operated by the Futures Exchange or, as the context may require, the regulations applicable to any one of the markets
“Rules”	include the Options Trading Rules, the clearing rules of the SEOCH, the rules of the Hong Kong Securities Clearing Company Limited and such other laws, rules and regulatory directions which may be applicable from time to time
“Securities”	has the meaning given to “securities” in the Securities and Futures Ordinance and may also include such other instruments, assets or property as YSHK may determine from time to time
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as may be amended or re-enacted from time to time
“Securities Cash Account”	the cash securities trading account opened by the Client with YSHK through Offline Operation or Electronic Operation or by any other means
“Securities Margin Account”	the securities trading account opened by the Client with YSHK through Offline Operation or Electronic Operation or by any other means in respect of which YSHK has agreed to provide the Margin Facility to the Client in accordance with this Agreement
“Securities Margin Financing”	has the meaning given to that term in the Securities and Futures Ordinance
“SEOCH”	The SEHK Options Clearing House Limited
“SFC”	the Securities and Futures Commission of Hong Kong
“Standard Contract”	means the standard terms and conditions applicable to an Options Contract as specified by the Stock Exchange from time to time as set out in the Sixth Schedule to the Options Trading Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Terms & Conditions”	this document of terms and conditions as may be supplemented and amended from time to time and shall apply to the operation of the Account and bind the Client
“Trading Limit”	the trading limit allowed for the Client’s Transactions under the Account in accordance with the Trading Policy or otherwise fixed by YSHK. The limit is subject to change at YSHK’s discretion from time to time
“Trading Policy”	the policies and procedures applicable to the operation of the Account which shall be binding on the Client and determined by YSHK from time to time and will be available upon the Client’s request
“Transactions”	executed Instructions
“Username And Password”	the unique username and password provided to the Client for assessing the Service by YSHK
“Yuanta Group”	any member of the controlling group of YSHK including, its subsidiaries, its controlling company and the subsidiaries and associated companies of such controlling company
“YSHK”	Yuanta Securities (Hong Kong) Company Limited, a limited company incorporated in Hong Kong with its principal place of business in Hong Kong and licensed by the SFC (CE Number: ABS 015) for Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management)

regulated activities under the Securities and Futures Ordinance and an exchange participant of the Stock Exchange and the Futures Exchange

References to statutory provisions, regulations or notices shall include those provisions, regulations or notices as amended, extended, consolidated, substituted or re-enacted from time to time.

Words denoting the singular shall include the plural and vice versa.

Reference to one gender shall include all genders and words denoting a subject shall include a person, firm, sole proprietorship, partnership, syndicate and corporation or vice versa.

PART B – GENERAL TERMS

These General Terms shall apply to all types of Accounts and shall be binding on the Client.

1. The Account

- 1.1 These Terms & Conditions and the Trading Policy shall apply to the operation of the Account.
 - 1.2 If any conflict arises between the provisions in these Terms & Conditions and the Trading Policy, these Terms & Conditions shall prevail.
 - 1.3 If Instructions are given via Electronic Operation, the following provisions shall apply:
 - a. The Client or such other persons authorized by the Client with YSHK's prior approval in writing shall be the only authorized users of the Electronic Service in respect of the Account.
 - b. The Client shall not attempt to tamper with, modify, decompile, reverse engineer and otherwise alter in any way, and shall not attempt to gain unauthorized access to, any part of the Electronic Service.
 - c. YSHK shall have no liability to the Client for any damage, delay or loss which he may suffer as a result of transmission errors, technical faults, malfunctions, illegal intervention in network equipment, network overloads, malicious blocking of access by third parties, internet malfunctions, interruptions or other deficiencies on the part of the internet service providers. The Client acknowledges that access to the Electronic Service may be limited or unavailable due to such system errors, and the YSHK reserves the right upon notice to suspend access to the Electronic Service for this reason.
 - d. All online quoted data and information provided by YSHK or any other third party is for reference purpose only and YSHK will not be liable for any inaccuracy thereof or any loss and damages whatsoever of the Client in reliance thereon.
 - 1.4 If an Omnibus Account is opened by the Client, the Account shall be traded for and on behalf of his clients and the Client must be properly registered or licensed as a stock broker, dealer or bank or exempted from such registration or licensing in respect of such dealings in the jurisdiction where his clients were solicited and/or where such arrangement is carried out. The Client's registration/ licensing status (if applicable) shall remain valid at all times when the Account remains valid and operative. The Client is solely responsible for the legality and legitimacy of operating the Omnibus Account in the relevant jurisdiction(s) and agrees to indemnify YSHK against all actions, losses, costs, expenses which may be brought against, suffered or incurred by YSHK by reason of the operation of an Omnibus Account.
 - 1.5 The Client and, as the case may be, its officers (including directors), employees or agents shall keep confidential all access codes including passwords or otherwise for the operation of the Account and use thereof and the Client shall be wholly responsible for all Instructions placed and/or Transactions transacted for the Account through the use of such access codes.
 - 1.6 The Client shall forthwith inform YSHK in writing of any change to the information given in the Account Application Form and in any case, not later than 24 hours after such change has occurred. YSHK shall inform the Client of any material change to these Terms & Conditions and the information regarding YSHK provided in this Agreement including changes to YSHK's name, address, licensed status and contact numbers or changes to the nature, or in respect, of YSHK's business which may affect the services YSHK provides to the Client.
 - 1.7 YSHK shall keep information relating to the Account confidential, subject always to its right to disclose any information relating to the affairs of the Client or the Account to:
 - a. the Stock Exchange, the SFC, the Futures Exchange, the Clearing House, Hong Kong Exchanges and Clearing Limited and any other regulatory authorities as may be requested by them from time to time or otherwise in compliance with the Governing Rules; or
 - b. any member of the Yuanta Group; or
 - c. any other party for the operation or performance of this Agreement or for the provision of financial and related services to the Client including the marketing of such services.
 - 1.8 The Client's attention is specifically drawn to the provisions of Part XIII and Part XV of the Securities and Futures Ordinance as may be amended from time to time. The Client is reminded that it is his own responsibility to comply and ensure compliance with any duty or obligation under Part XIII and Part XV of the Securities and Futures Ordinance, in respect of anything done, or which the Client requests to be done, by YSHK on his behalf. The Client hereby confirms that he is aware of the provisions of Part XIII and Part XV of the Securities and Futures Ordinance and that he shall at all time observe or ensure that such provisions are observed. YSHK shall not be liable for any breach of the Securities and Futures Ordinance which may result from anything done or proposed to be done by YSHK on the Client's directions or Instructions.
 - 1.9 Unless otherwise specified in this Agreement or as YSHK otherwise indicates or notifies in writing, the Client acts as principal and YSHK acts as agent of the Client in respect of any and all Instructions given in respect of the Account.
 - 1.10 If the Client is not the person or entity ultimately responsible for originating the Instructions, beneficially entitled to the commercial or economic benefit or bears the commercial or economic risk of any Transactions, the Client undertakes to provide information regarding the identity, address and other details of such person or entity that the Client is acting on behalf of to YSHK or to the relevant regulatory authorities upon request and in any case within two (2) Business Days of such request. This undertaking shall survive even after the termination of this Agreement.
 - 1.11 YSHK shall provide regular statements of the Account to the Client from time to time in accordance with the Governing Rules. In the absence of manifest error and objection by the Client by giving written notice to YSHK within seven (7) Business Days from the date of such statement or record, it shall be conclusive and binding on the Client.
 - 1.12 YSHK may amend, modify or alter the provisions of this Agreement at any time and from time to time by notifying the Client in writing of such change. Any such changes shall be binding on the Client upon YSHK's issuance of the notice.
 - 1.13 Communications made by YSHK to the Client via the associated contact methods to the address, email address, fax number or phone number provided by the Client in the Account Application Form shall be deemed authorized and valid when deposited in the post or sent by Electronic Means or telephoned or faxed notwithstanding any delay or failure of such transmission. Any notice or communication made or given by the Client to YSHK shall be made or given at the risk of the Client and shall be effective only upon actual receipt by YSHK.
- ### 2. Governing Law
- 2.1 This Agreement is governed and construed according to the laws of Hong Kong and the parties submit to the non-exclusive jurisdiction of the Hong Kong courts. All Transactions under the Account shall be effected in accordance with all Governing Rules including rules and regulations of the Stock Exchange, the SFC, the Futures Exchange, the Clearing House and the laws of Hong Kong, as may be amended from time to time. If a Transaction is executed outside Hong Kong, such Transaction may be subject to rules and laws of governing bodies of such other jurisdictions and the Client shall be solely responsible for ensuring compliance with the laws of such other jurisdictions.
 - 2.2 The provision of services under this Agreement is principally targeted for Hong Kong residents. Non-Hong Kong residents should ensure their legality and compliance under the laws and regulations of their relevant jurisdiction.

3. Transactions

- 3.1 Unless otherwise specified in this Agreement or as YSHK otherwise indicates or notifies in writing, YSHK acts as agent of the Client and the Client acts as principal in effecting any and all Instructions given by the Client. YSHK may in its sole discretion act as agent for any of its other clients in fulfilling any transaction for the Client and shall not be liable to account to the Client for any commission, remuneration, profit or other benefit resulting from the same.
- 3.2 The Client may give YSHK and YSHK may accept (but in its absolute discretion shall not be bound to accept) Instructions to buy and sell or otherwise deal in Securities on behalf of the Client.
- 3.3 The Client shall inform YSHK if Instructions placed involves short selling. The execution of any short-selling order shall be subject to the Trading Policy as may be amended from time to time. Until and unless the Client provides YSHK with prior written notice to the contrary, all Instructions given by the Client for the sale of Securities shall be long sales in the sense that the Client (i) owns the Securities in question or (ii) has a presently exercisable and unconditional right to vest the Securities in the relevant purchaser.
- 3.4 If the Client maintains more than one account with YSHK and/or any member of the Yuanta Group, the Client shall clearly specify in his Instructions the account in respect of which such Instructions are being given. In the absence of such specification or where it is unclear to YSHK which account is specified, YSHK may refuse to act on such instructions or may in its absolute discretion determine which account to apply such Instructions as it deems fit.
- 3.5 YSHK has the right to demand any initial and subsequent deposits for any Transaction YSHK has the absolute discretion to refuse to effect any Instructions for any reason whatsoever, including but not limited to, circumstances where the Client has insufficient cleared funds and/or Securities in the Account to meet the minimum balance requirements set by YSHK from time to time.
- 3.6 For any Instructions placed or Transactions executed, the Client shall observe and comply with the Trading Limit. If the Trading Limit is exceeded, YSHK may decline such Instructions and/or, without giving the Client prior notice, do any other act to ensure that the Trading Limit is not exceeded including, but not limited to, disposal of Securities in the Account.
- 3.7 Subject to the Governing Rules, the Client authorizes YSHK to accept any Instructions in written, facsimile or verbal form or through Electronic Means. However, YSHK has the sole discretion to insist Instructions be given in a particular manner on a case-by-case basis. The Client shall fully indemnify YSHK on demand against all actions, losses, costs, expenses which may be brought against, suffered or incurred by YSHK arising from YSHK's reliance on such Instructions or communications.
- 3.8 The Client shall accept facsimile or any Electronic Means (if provided by the Client) as a communication medium with YSHK for data transmission and documentation. Subsequent request for paper copies of such information or documents may be subject to a handling fee as determined by YSHK from time to time.
- 3.9 For any Instructions placed or Transactions executed, contract notes shall be provided by YSHK to the Client in accordance with the Governing Rules and shall be conclusive and deemed accepted unless the Client duly informs YSHK in writing to the contrary within three (3) Business Days of the date of the contract note.
- 3.10 YSHK has the right to consolidate and/or disaggregate any Instructions to purchase and/or sell Securities with other similar instructions placed by other clients of YSHK or with YSHK's own orders. The Client acknowledges that such consolidation or disaggregation may result in the execution of the Client's Instructions at a price more or less favourable than that could have been achieved had the Instructions been executed individually. In the event of there being insufficient or excessive Securities available to satisfy the consolidated purchase or sale order, priority shall be determined in accordance with the order in which individual instructions are received by YSHK. The number of Securities actually purchased or sold (as the case may be) shall be allocated to each individual instruction with due regard to the Governing Rules, the order in which such instructions are received by YSHK and fairness to Clients. The Client acknowledges and agrees that YSHK may at any time determine at its absolute discretion the priorities of instructions for the best execution pricing.
- 3.11 The Client consents to YSHK monitoring and/or recording all Instructions and/or any other communications between YSHK and the Client or any of the Client's authorized persons placed or made through telephone, Electronic Means or otherwise. The Client agrees to accept the contents of any such recording as conclusive and binding.
- 3.12 YSHK may purchase and/or sell Securities on the Client's behalf by placing instructions with itself, any member of the Yuanta Group or any of its or their clients, whether acting as principals, underwriters, investment managers, merchant or commercial banks, registered or licensed deposit takers, brokers, dealers or otherwise, or with any other brokers or dealers, as YSHK may in its sole discretion decide. The Client consents to YSHK effecting any Transactions with or through itself, any member of the Yuanta Group or any of its or their clients without prior disclosure to the Client on a case-by-case basis provided that such dealing is at a price and on terms no less favourable than that could reasonably have been effected with or through an independent third party. Neither YSHK nor any member of the Yuanta Group shall be liable to account to the Client for any profit, commission or remuneration or other benefit resulting from such Transaction.
- 3.13 YSHK has the right to direct any Instructions to other brokers or dealers for execution as YSHK deems fit.
- 3.14 Unless otherwise determined by YSHK, the Client agrees that when YSHK has executed a purchase or sale Transaction on the Client's behalf, the Client will by the due settlement date make payment to YSHK against delivery of or credit to the Client's Account for purchased Securities or make good delivery of sold Securities to YSHK against payment (as the case may be). If the Client fails to do so, YSHK is authorized to transfer and sell any purchased Securities or to borrow or purchase any sold Securities to meet the Client's obligations hereunder and the Client shall be responsible for any loss, fees and expenses in connection with the Client's failure to meet such obligations by the due settlement date.
- 3.15 If the Client requests YSHK to apply for Securities in a new issue for listing on any exchange the Client:
- authorises YSHK (or any member of the Yuanta Group) to make such application on the Client's behalf;
 - warrants that the application for Securities made on the Client's behalf is the only application made or intended to be made for the Client's benefit or any person for whose benefit the Client has requested the application to be made;
 - warrants that no other application is being made or is intended to be made by the Client or for the Client's benefit by any other person;
 - authorises YSHK (or such member of the Yuanta Group) to represent and warrant on the application form that no other application is being made or is intended to be made by the Client or for the Client's benefit by any other person;
 - authorises YSHK (or such member of the Yuanta Group) to disclose that the application made by YSHK (or such member of the Yuanta Group) on the Client's behalf is the only application made or intended to be made for the Client's benefit or any person for whose benefit the Client has requested the application to be made;
 - acknowledges that the representations, warranties and disclosure referred to above will be relied upon by YSHK (or such member of the Yuanta Group) in making the application and by the issuer of the Securities in deciding whether or not to allot Securities to YSHK (or such member of the Yuanta Group) on the Client's behalf;
 - acknowledges that an application made for an unlisted company which does not carry on any business other than dealing in securities and in respect of which the Client exercises statutory control shall be deemed to be an application made for the Client's benefit; and
 - undertakes to indemnify YSHK (in its own capacity and in its capacity as trustee for its officers (including directors), employees and agents) in full against any and all losses, damages, claims, liabilities, costs or expenses arising out of or in connection with any breach of this clause 3.15.
- 3.16 The Client shall pay the brokerage fee/ commission and all applicable levies, stamp duties, bank charges, transfer fees, interest, tariffs, exchange fees, taxes, communication charges, settlement charges, custodial fees, insurance fees, premiums, currency exchange costs, legal expenses and any other expenses or charges in respect of any Instructions or any Transactions or in respect of or otherwise arising from or relating to the Account. The brokerage fee/ commission shall be at such rate as may be determined by YSHK and notified to

the Client from time to time. YSHK shall be entitled to deduct from the Account any and all amounts payable by the Client as they may become due.

3.17 The Client shall be liable for any taxes, charges, tax reporting and other responsibilities to relevant authorities of whatsoever jurisdiction to which the Client may be subject in respect of placing any Instructions and/or any activities relating to the Account. YSHK has the right to dispose of or liquidate any Securities, instruments, other assets or positions, or apply monies, held in the Account, for the settlement of such liabilities at any time without prior notice to the Client.

3.18 The Client shall pay interest on all sums owing and all overdue balances in respect of the Account (including interest arising after a judgment debt is obtained against the Client) at such rates and on such terms as required by YSHK from time to time.

3.19 If conversion of currency is required for the operation of the Account, the exchange rate shall be determined by YSHK in its sole discretion with reference to the prevailing rates in the foreign exchange market.

4. Own Judgment

4.1 The Client shall make his own independent judgment and decision with respect to each Instruction. YSHK shall be under no liability whatsoever in respect of any information or suggestion given by any of its officers (including directors), employees or agents irrespective of whether or not such information or suggestion is given at the Client's request.

5. Investor Compensation Fund

5.1 If the Client suffers pecuniary loss by reason of YSHK's default as defined in Part XII of the Securities and Futures Ordinance the Client may make a claim under the Investor Compensation Fund established under the Securities and Futures Ordinance or any other Governing Rules but subject to such monetary limits and terms specified in the Securities and Futures (Investor Compensation – Compensation Limited) Rules. There can be no assurance that any pecuniary loss sustained by reason of such a default will necessarily be recouped from the Investor Compensation Fund in full, in part or at all.

6. Payments

6.1 All sums payable by the Client shall be paid when due or on demand by YSHK in immediately available and freely transferable funds to the account that YSHK may specify from time to time and such sums payable by the Client may, at the discretion of YSHK, be deducted from the Account.

7. Personal Data Protection

7.1 The client shall read, understand and accept the provisions relating to personal data protection as set out in Part E.

8. Set Off

8.1 Subject to applicable rules and regulations, including without limitation, the Securities and Futures (Client Money) Rules and Securities and Futures (Client Securities) Rules, YSHK may at any time combine or consolidate all or any accounts of whatever type maintained by the Client with YSHK or any member of the Yuanta Group, including the Account or to transfer or to allow any member of the Yuanta Group to transfer any funds or assets from the Account to set off any obligations or liabilities arising from any of those accounts.

9. Directorship, Employees And Accredited Persons

9.1 The Client shall promptly notify YSHK if (i) he is a director or employee or accredited person of an exchange participant of the Stock Exchange or the Futures Exchange or a registered person of the SFC, or is acting as an intermediary for the Account or is otherwise associated therewith or (ii) he is associated with any employee or accredited persons of any member of the Yuanta Group.

10. Disclaimer

10.1 The Client agrees that YSHK and its officers (including directors), employees and agents shall not be liable for any failure or delay in the performance of any of YSHK's obligations under this Agreement or for any losses caused directly or indirectly by any condition or circumstances over which YSHK and its officers (including directors), employees or agents have no direct control including, but not limited to, any government restriction, war, strikes, natural disaster, severe weather, exchange or market rulings, suspension of trading, default or delay of any counterparty, failure of electronic or mechanical equipment or communication lines, computer viruses, telephone or other connection problems, unauthorised access or theft.

10.2 None of YSHK and its officers (including directors), employees nor agents shall be liable to the Client for any loss, damage or litigation costs resulting from any error of fact or judgment, or from action taken or inaction or omission or default by YSHK and its officers (including directors), employees or agents, or from any consequences thereof whatsoever, save and except where such loss, damage or cost is suffered or incurred as a direct result of negligence or wilful default in the performance of YSHK's obligations under this Agreement.

11. Power Of Attorney

11. YSHK shall have full power as the true and lawful attorney of the Client to take any action and execute any instrument to achieve the purposes of the Account or any Instructions.

12. Event Of Default

12.1 Any of the following events shall constitute an Event Of Default:-

- a. the Client's failures to provide sufficient funds or Collateral or margin deposit (as the case may be) to YSHK's satisfaction from time to time for any Transaction or for the Account when due;
- b. the death, insolvency or liquidation of the Client, the filing of a petition for bankruptcy or winding-up or the commencement of other analogous proceedings against the Client;
- c. the levying of attachment against the Account;
- d. the Client's default in the due performance or observance of any term of these Terms & Conditions;
- e. in YSHK's absolute opinion, the occurrence of an adverse change in the assets or financial condition of the Client or the value of the Collateral (if applicable);
- f. the termination of the Account or the objection of the Client to YSHK's alteration of (i) any term of the Terms & Conditions or (ii) the operation of the Account;
- g. the Client's failure to meet any of the Obligations.

12.2 If an Event Of Default occurs, YSHK shall (without prejudice to YSHK's any other rights against, and remedies from, the Client) be entitled to take any or all of the following actions:-

- a. cancel all outstanding Instructions;
- b. cancel all commitments made by YSHK;
- c. liquidate or cover all positions in the Account by any means;
- d. close the Account;
- e. appropriate or apply or realize or take possession of any credit balance, assets or Collateral (as the case may be) under the Account to offset and discharge any of the Obligations; and/or
- f. charge default interest and/or handling fee as determined by YSHK from time to time.

13. Indemnity

13.1 The Client shall indemnify YSHK and its officers (including directors), employees or agents on demand against any losses, costs, damages, claims, liability, expenses or demands that YSHK may suffer or incur arising out of or, by reason of, the performance of YSHK's obligations under the Agreement or due to any act or breach of the Client in connection with the Account, including costs reasonably incurred in collecting debts from the Client and in closing the Account.

14. Termination

14.1 The Account may be terminated by written notice given by YSHK at any time and YSHK shall not be obliged to give any reason for such termination. The Client may terminate the Account by written notice to YSHK provided that the Account shall not be deemed terminated by the Client until YSHK accepts the Client's written notice of termination. Such termination shall not prejudice YSHK's rights against or remedies from the Client for any debit balance to the Account and the interest accrued and to be accrued thereto. For the avoidance of

- doubt, the Client shall pay to YSHK all amounts due to YSHK and YSHK may deduct the same from the Account and refuse to deliver up any Securities, assets or funds in the Account unless and until the same has been duly satisfied.
- 14.2 To the extent permitted by law, YSHK may at any time and from time to time amend any term of the Terms & Conditions by notice to the Client. If the Client does not accept such amendment the Client shall have the right to terminate the Account in accordance with this clause 14.
- 15. Assignment**
- 15.1 The Client may not assign or otherwise part with any of his rights, interests or obligations hereunder except with the prior written consent of YSHK.
- 15.2 The Client undertakes not to create any charge, pledge or encumbrance over the Account or any Securities or assets in the Account except as permitted under this Agreement nor to appoint any other person to manage or deal with the Account without first obtaining YSHK's consent in writing.
- 15.3 Subject to the Governing Rules, YSHK shall be entitled, without prior consent of the Client, to assign, transfer, delegate or otherwise dispose of all or any of its rights, interests or obligations (or the performance thereof) in or under this Agreement to any person, firm or company as it thinks fit.
- 15.4 This Agreement shall be binding upon and ensure for the benefit of the Client and YSHK and their respective successors, permitted assigns and personal representatives (as the case may be).
- 16. General**
- 16.1 If any provision of the Terms & Conditions shall be held to be illegal, invalid, void or unenforceable by any court or regulatory body, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the remaining provisions of the Terms & Conditions.
- 16.2 Any forbearance or failure or delay by YSHK in exercising any right under this Agreement shall not be deemed to be a waiver of such right and any single or partial exercise of any right hereunder shall not preclude the future exercise thereof.
- 16.3 No provision of this Agreement shall operate to remove, exclude or restrict any rights of the Client or obligation of YSHK under Hong Kong law.
- 16.4 If the Client consists of more than one party, all such parties shall be jointly and severally liable as the Client under this Agreement and references to the Client shall be construed as references to each of and/or any such parties. Unless terminated in accordance with this Agreement, the death of one joint Client does not operate to terminate this Agreement. Any notice, payment or delivery by YSHK to either or any one of the joint Clients shall be full and sufficient discharge of YSHK's obligations to notify, pay or deliver under this Agreement. YSHK is also authorized by the Client to carry out Instructions from either or any one of the joint Clients.
- 16.5 This Agreement, including any schedules and appendices (as may be amended from time to time), contains the entire understanding between the Client and YSHK and supersedes all previous agreements and arrangements (if any) made between YSHK and the Client in relation to the Account.
- 16.6 The Client confirms that this Agreement, including the Risk Disclosure Statements, has been provided and explained to the Client in English and/or Chinese, which is the language of the Client's choice. In the event that there is any inconsistency between the English version and the Chinese version of the Terms & Conditions, the English version shall prevail.
- 16.7 The Client hereby warrants, represents and undertakes to YSHK that:-
- he is entering into this Agreement as principal and is not trading on behalf of any other person unless YSHK is notified otherwise in writing;
 - he has the full power and authority to enter into and perform his obligations as contained in this Agreement and confer on YSHK such authorities as are necessary to enable YSHK to perform under this Agreement and any agreement supplemental hereto will be binding upon him;
 - upon valid execution by the Client, this Agreement constitutes a valid and legally binding agreement on the Client enforceable in accordance with its terms; and
 - this Agreement and its performance and the obligations contained herein do not and will not:
 - contravene any existing applicable law, statute, ordinance, rule or regulation or any judgement, decree or permit to which the Client is subject; or
 - conflict with or result in any breach of the terms of or constitute any default under any agreement or other instrument to which the Client is a party or is subject or by which any of the Client's property is bound, or
 - (if the Client is a company) contravene or conflict with any provision of the Client's memorandum and articles of association or articles of incorporation or by-laws as appropriate and as the case may be

PART C – ADDITIONAL TERMS APPLICABLE TO RESPECTIVE ACCOUNTS

SCHEDULE 1– ADDITIONAL TERMS FOR SECURITIES CASH ACCOUNT

- 1. Introduction**
- 1.1 This schedule is supplemental to the General Terms and applies to Securities Cash Account.
- 2. Custody Over Securities**
- 2.1 Securities in respect of the Securities Cash Account which are Securities listed or traded on the Stock Exchange or interests in a collective investment scheme authorised by the SFC shall be deposited in safe custody in a segregated account which is designated as a trust account or client account maintained in Hong Kong by YSHK or an Associated Entity of YSHK with an authorised financial institution, a custodian approved by the SFC for providing custodian facilities or another intermediary licensed for dealing in securities or registered in the name of the Client or in the name of the Associated Entity.
- 2.2 Securities in respect of the Securities Cash Account which are not Securities listed nor traded on the Stock Exchange nor are interests in a collective investment scheme authorised by the SFC shall be dealt with according to the applicable Governing Rules.
- 2.3 YSHK will credit any dividends or other amounts received by or for the Client or arising from the Securities received on behalf of the Client to the Securities Cash Account after deduction of any fees and/or handling charges determined by YSHK from time to time.
- 2.4 If YSHK is required at any time to make delivery or return any Securities to the Client, it shall be sufficient if YSHK delivers or returns Securities of the same class and relevant nominal amount (subject to any capital reorganization of the company to which the Securities relate).
- 2.5 YSHK has the right to hold all Securities and assets or other property in the Securities Cash Account as a continuing security for the payment and/or discharge of the Obligations of the Client arising from any Transaction. YSHK further has the right to appropriate or dispose of all or part of the Securities or assets or other property held under the Securities Cash Account for the settlement of any Obligations.
- 2.6 YSHK or its nominee may, but is not obliged to, exercise the voting rights attached to the Securities in accordance with the Client's Instructions.
- 3. Interest On Trust Money**
- 3.1 YSHK has the right to retain for itself any and all interest accrued on any amount in any trust account or any account established by YSHK

for the Securities Cash Account unless the Client is notified by YSHK to the contrary. Any interest earned will be at such rate and on such terms as may be determined by YSHK from time to time.

SCHEDULE 2 – ADDITIONAL TERMS FOR SECURITIES MARGIN ACCOUNT

1. Introduction

1.1 This schedule is supplemental to the General Terms and applies to Securities Margin Account.

2. Activities Under The Securities Margin Account

2.1 YSHK will only provide Financial Accommodation to the Client for the purpose of the acquisition or the continued holding of Securities and the Client may not withdraw funds under such facility for any other purposes.

2.2 The Client agrees that YSHK is under no obligation at any time to provide or continue to provide any Financial Accommodation or to make any advances. For the avoidance of doubt, if a debit balance arises on the Client's Securities Margin Account or any other margin account held with any member of the Yuanta Group, YSHK shall not be, nor shall it be deemed to be, obliged to make, provide or continue to provide Financial Accommodation. For instance, but without limitation, the fact that YSHK permits a debit balance to arise in any margin account shall not imply any obligation on the part of YSHK to advance monies or incur any obligation on the Client's behalf on any subsequent occasion, but without prejudice to the Client's Obligations in respect of any debit balance which YSHK has permitted to arise.

3. Authorization To YSHK

3.1 The Client authorizes YSHK to do the following acts and things relating to the Securities Margin Account at the sole discretion of YSHK:-

- a. to deposit into or transfer payment to and from the Securities Margin Account whether to settle any outstanding payments or to effect any set off;
- b. to draw on any credit balance in the Securities Margin Account, including the disposal of any Collateral or other Securities or other assets held for or on the Client's behalf for the settlement of any Obligations owed by the Client to YSHK, a member of the Yuanta Group or any third party;
- c. to ask for and receive from any member of the Yuanta Group all information relating to the status of any account maintained with such member of the Yuanta Group.

3.2 YSHK shall have the right in its sole discretion to do any of the following provided standing authority is obtained from the Client:

- a. to withdraw or take possession of the Collateral and to pledge, charge, dispose of and realise all or part of the Collateral;
- b. to deposit any Collateral with or lend any Collateral to an authorized institution or a licensed dealer or such other party permitted by the Governing Rules as collateral for Financial Accommodation provided to YSHK or for the discharge or satisfaction of YSHK's settlement obligations and liabilities; and
- c. to apply any Securities or Collateral pursuant to a securities borrowing and lending agreement.

4. Custody Over Securities And Securities Collateral

4.1 The Client agrees to pay YSHK and/or deposit at all times sufficient Collateral in such form and of such amounts as required by YSHK from time to time for the procurement of the Margin Facility.

4.2 The Client warrants and represents that the Collateral shall be free from all encumbrances other than that constituted under the Securities Margin Account and that the Client is lawfully entitled to create security over them in favour of YSHK.

4.3 Securities in respect of the Account which are Securities listed or traded on the Stock Exchange or interests in a collective investment scheme authorised by the SFC and not deposited with YSHK as Collateral shall be deposited in safe custody in a segregated account which is designated as a trust account or client account maintained in Hong Kong by YSHK or an Associated Entity of YSHK with an authorised financial institution, a custodian approved by the SFC for providing custodian facilities or another intermediary licensed for dealing in securities or registered in the name of the Client or in the name of the Associated Entity of YSHK.

4.4 Securities in respect of the Account which are deposited as Collateral and are Securities listed or traded on the Stock Exchange or are interests in a collective investment scheme shall be deposited in safe custody in a segregated account which is designated as a trust account or client account maintained in Hong Kong by YSHK or an Associated Entity of YSHK with an authorised financial institution, a custodian approved by the SFC for providing custodian facilities or another intermediary licensed for dealing in securities or registered in the name of the Client, the name of YSHK or the name of an Associated Entity of YSHK.

4.5 Securities in respect of the Account, including Securities deposited as Collateral with YSHK which are not listed nor traded on the Stock Exchange nor are interests in a collective investment scheme shall be dealt with according to the applicable Governing Rules.

4.6 YSHK will credit any dividends or other amounts received by or for the Client or arising from the Collateral and other Securities received on behalf of the Client to the Securities Margin Account after deduction of any fees and/or handling charges determined by YSHK from time to time. Dividends or other amounts derived from Collateral may, at YSHK's discretion, be considered as Collateral.

4.7 YSHK or its nominee may, but is not obliged to, exercise the voting rights attached to the Securities (including Collateral) in accordance with Client's Instructions.

4.8 If YSHK is required at any time to make delivery of or return any Securities, including any Collateral to the Client, it shall be sufficient if YSHK delivers or returns Securities or property of the same class and relevant nominal amount (subject to any capital reorganization of the company to which the Securities or Collateral relates).

4.9 YSHK has the right to hold all Collateral and any Securities, assets or other property in the Securities Margin Account as a continuing security for the payment and/or discharge of the Obligations of the Client arising from any Transaction or any matter relating to the Account or any amounts owing to YSHK or any member of the Yuanta Group. YSHK further has the right to appropriate or dispose of all or part of the Collateral, Securities, assets or other property held under the Securities Margin Account for the settlement of any Obligations.

5. Enforcement Of Collateral

5.1 YSHK has the right without prior notice or consent from the Client, to dispose of or otherwise deal with any part of the Collateral in its absolute discretion when any amount in the Securities Margin Account has become due and payable. In the event of any deficiency after disposal of the Collateral, the Client shall make good and pay on demand to YSHK such deficiency.

5.2 Cash in the Securities Margin Account and any proceeds from the disposal of Collateral shall be applied in the following order: (a) in payment of all costs, charges, legal and other fees and expenses including stamp duty, commission and brokerage properly incurred in transferring or perfecting title of any part of the Collateral; (b) in payment of the interest for the time being accrued and due; (c) towards the payment of the amount due (other than the interest) under the Securities Margin Account; (d) towards the payment of all or part of the amount due by the Client to any member of the Yuanta Group; and (e) the residue, if any, shall be paid to the Client or his order.

5.3 YSHK may resort to other means of obtaining payment or securing performance as it thinks fit without affecting the security created herein.

5.4 The Client shall pay or reimburse YSHK immediately upon demand all costs, charges and expenses incurred by YSHK in connection with the enforcement of or the preservation of any of the rights of YSHK under the Securities Margin Account including but not limited to the legal fees and collection expenses incurred by YSHK on a full indemnity basis.

6. Interest

- 6.1 YSHK may charge interest on any loans or facilities made under or available for the Securities Margin Account on a daily basis at such rate as may be determined by YSHK from time to time subject to any applicable laws.
- 6.2 YSHK will notify the Client of the interest rate and the arrangements regarding collection of interest from time to time. The interest rate and arrangements for collection shall be subject to change at YSHK's discretion and shall be binding on the Client.
- 6.3 YSHK has the right to retain for itself any and all interest accrued on any amount in any trust account or any account established by YSHK for the Securities Margin Account unless the Client is notified by YSHK to the contrary. Any interest earned shall be at such rate and on such terms as may be determined by YSHK from time to time.

SCHEDULE 3 – ADDITIONAL TERMS FOR FUTURES ACCOUNT

1. Introduction

- 1.1 This schedule is supplemental to the General Terms and applies to Futures Account.

2. Orders And Instructions

- 2.1 The Client hereby authorizes YSHK to sell and/or purchase Futures Contracts and/ or options contracts traded on the Futures Exchange for and on behalf of the Client pursuant to his Instructions given in accordance with clause 2.2 of this Schedule 3.
- 2.2 The Client may give Instructions to effect Transactions or for transfer or withdrawal of funds in the Futures Account orally, in writing or through any Electronic Means as approved by YSHK from time to time and must quote the Futures Account's name, number or other forms of identification as YSHK may designate. The Client's Instructions shall be irrevocable unless YSHK expressly agrees otherwise and shall only be effective upon actual receipt by YSHK. Unless otherwise disclosed herein or to the Client in writing, YSHK is acting solely as broker to any Transactions made with YSHK by the Client and does not trade on its own discount. Save as aforesaid, YSHK shall have the right (at the absolute discretion of YSHK, and without assigning any reason thereof) to refuse to act for the Client in any particular Transaction and shall not in any circumstances whatsoever be liable in any way for any loss of profit or gain, damage, liability, cost or expense suffered or incurred by the Client arising out of or in connection with YSHK declining to act on such Instruction.
- 2.3 The Client also agrees not to exceed the position limits set by any regulatory authority as well as limits established by the Futures Exchange, other Commodities exchanges and boards of trade for the Client's Account, acting alone or in concert with others, and to promptly advise YSHK if the Client is required to file reports of the Client's positions with the Securities and Futures Commission, the Futures Exchange, the Clearing House or other similar regulatory authority.
- 2.4 The Client acknowledges the right of YSHK to limit the number of open positions the Client may maintain or acquire through YSHK at any time.
- 2.5 The Client acknowledges that YSHK is bound by Rules 630 and 632 of the Futures Exchange which permits the Chief Executive of the Futures Exchange to take steps to limit positions or require the Closing Out of Exchange Contracts on behalf of such clients who in the opinion of the Chief Executive are accumulating positions which are or may be detrimental to any particular market or markets or which are or may be capable of adversely affecting the fair and orderly operation of any market or markets as the case may be.
- 2.6 The Client may from time to time instruct YSHK to enter into any Futures Contract and/ or options contract traded on the Futures Exchange on behalf of the Client and YSHK shall be entitled in its absolute discretion but not bound to accept such Instruction. Any such Instruction shall be transmitted at the risk of the Client. Where following the sale of any Securities, Commodities or other properties by YSHK at the direction of the Client (including any short sale effected for the Client) YSHK shall be unable to deliver the same to the purchaser by reason of the Client's failure to supply YSHK therewith the Client authorizes YSHK to borrow and/or do anything necessary to make delivery of any Securities, Commodities or other properties and the Client hereby agrees to guarantee, indemnify and hold YSHK harmless against any loss which YSHK may sustain thereby including any costs associated with borrowing and/or doing anything necessary to make delivery of any such Securities, Commodities or other properties, any premiums which YSHK may be required to pay, or for any loss which YSHK may sustain where YSHK is unable to deliver the Securities, Commodities or other properties sold.
- 2.7 The Client acknowledges that subject to the provisions of the Securities and Futures Ordinance, and any applicable law, YSHK may take the opposite position to the Client's order in relation to any Futures Contract and/ or options contract traded on the Futures Exchange, whether for YSHK's own account, for the account of any member of the Yuanta Group or for the account of other clients of YSHK, provided that such trade is executed competitively on or through the facilities of the Futures Exchange in accordance with the rules and regulations and procedures of the Futures Exchange or the facilities of any other commodity, futures or options exchange in accordance with the rules and regulation of such other exchange.
- 2.8 If YSHK or its agent (as the case may be) shall for any reason whatsoever and howsoever fail to receive payment of all or any part of any amount or delivery of all or any part of any amount of any Commodity (whether from the relevant exchange and/or Clearing House and/or any other person) due to be paid or delivered to the Client in respect of any Futures Contract or options contract traded on the Futures Exchange entered into by YSHK on behalf of the Client on the due date for payment or delivery thereof in accordance with the rules and regulations of the relevant exchange and/ or Clearing House and/ or any applicable laws, YSHK's obligations to make payment or to deliver any Commodity to the Client in respect of such Futures Contract or options contract traded on the Futures Exchange shall thereupon and by virtue of such Commodity as is equal to such payment or such amount as is actually received by YSHK in respect hereof.
- 2.9 YSHK shall be entitled, in its absolute discretion, but shall not be bound to act on any Instruction from the Client to take any action whatsoever or howsoever against any exchange and/or Clearing House and/or any other person in respect of any failure by such exchange and/or Clearing House and/or other person to make any payment or to deliver any amount of any Commodity in respect of any Futures Contract or options contract traded on the Futures Exchange entered into by YSHK on behalf of the Client as provided in clause 2.8 of this Schedule 3 provided that if any such action is taken by YSHK, the Client shall indemnify YSHK in respect of all costs, claims, demands, damages and expenses arising out of or in connection with the taking of such action.
- 2.10 If YSHK or its agent is not able to enter into the number of Futures Contracts or options contracts traded on the Futures Exchange which are specified in any such Instruction, YSHK or its agent may enter into any lesser number of such Futures Contracts or options contracts traded on the Futures Exchange as it may in its absolute discretion determine and the Client shall be bound by such Futures Contracts or options contracts traded on the Futures Exchange so entered into provided that YSHK or its agent (as the case may be) shall not have any obligation or liability whatsoever and howsoever in respect of any Futures Contract or options contract traded on the Futures Exchange specified in such Instruction which have not been entered into.
- 2.11 YSHK may, for the purpose of carrying out any Instruction given by the Client, contract with or otherwise deal with or through any other agent, including any person or party associated in any manner with YSHK or any member of the Yuanta Group on such terms and conditions as YSHK may in its absolute discretion determine. YSHK or any member of the Yuanta Group may be the counterparty to any transaction effected by YSHK on the Client's behalf.
- 2.12 The Client shall, forthwith upon request by YSHK, supply to YSHK in relation to any Futures Contract or options contract traded on the Futures Exchange entered into by YSHK on its behalf such information in relation to the delivery and/or settlement and/or (in the case of an options contract traded on the Futures Exchange) exercise of any such Futures Contract or options contract traded on the Futures Exchange which has not been Closed Out or, as the case may be exercised, as YSHK may request.

2.13 Any statement or confirmation issued by YSHK stating the price or value at which any Futures Contract or options contract traded on the Futures Exchange is entered into or Closed Out, or the exchange rate applicable in any currency conversion, or the amount owing by the Client to YSHK at any given time, shall (in the absence of manifest error) be binding on the Client as to the particulars stated.

3. Lien And Power Of Sale

3.1 Without prejudice and in addition to any general lien, right of set off or similar right to which YSHK may be entitled by law or otherwise, any funds, Securities, Commodities, Futures Contracts, Options Contract, or other properties held by YSHK for any purpose for the Client or carried by YSHK in the Client's Account (either solely or jointly with others) or which may be in the possession of YSHK, or in the possession of any member of the Yuanta Group in Hong Kong or in other parts of the world, at any time and for any purpose, including safe-keeping, for the Client and/or in the Client's name (hereinafter collectively called "Client's Property") shall be subject to a general lien in favour of YSHK and are to be held by YSHK as security for the payment of any liability of the Client to YSHK. YSHK shall also have the right to exercise any or all of the powers more particularly set out in clauses 3.5 and 3.6 of this Schedule 3 hereof in respect of the Client's Property regardless of whether any other person is interested in the Client's Property or YSHK has made advances in connection with the Client's Property and irrespective of the number of the Client's Account.

3.2 The Client agrees that the Client shall be liable for all debit balance owing in the Client's Account whether or not the Client's Account is liquidated including all debts and/or deficiencies resulting from a liquidation of the Client's Account.

3.3 Debit balance in the Client's Account shall be charged with interest thereon at a rate to be determined by YSHK from time to time with or without notice to the Client and the Client shall promptly settle, upon demand, all liabilities outstanding to YSHK, together with all fees, costs, commissions, brokerage, levies, and other charges and expenses which YSHK may charge against the Client in accordance with this Agreement and all costs, charges and expenses (including all legal fees and expenses on full indemnity basis) which YSHK may incur in enforcing or obtaining payment from the Client or in attempting to do so.

3.4 The Client agrees to pay immediately on demand any amount owing to YSHK with respect to any of the Client's Account.

3.5 If any of the following events occurs:

- a. (if applicable) a petition is presented or an order is made or an effective resolution is passed or analogous proceedings are taken for the winding up of the Client save for the purposes of an amalgamation, merger or reconstruction the terms whereof have previously been approved by YSHK;
- b. the Client fails to pay or admits his inability to pay his debts as and when they fall due or the Client convenes a meeting for the purpose of making, or proposes and/or enters into any arrangement or composition for the benefit of the Client's creditors;
- c. (if applicable) the Client shall become bankrupt, or otherwise become insolvent or make any arrangement or composition with the Client's creditors;
- d. an encumbrancer takes possession or a receiver or similar officer is appointed of the whole or any part of the assets or the undertaking (if applicable) of the Client or a distress or execution is levied or enforced upon or sued out against the property or the Client's Account and is not discharged within seven days of being levied;
- e. in the event of the death or judicial declaration of incompetence of the Client;
- f. whenever YSHK at the sole discretion of YSHK shall consider it necessary for the protection of YSHK, because of margin requirements or otherwise;
- g. determines in its absolute discretion that YSHK is under an obligation to comply with any requirement imposed by any relevant exchange and/or Clearing House and/or broker or any applicable laws, rules and regulations;
- h. the Client violates or fails to perform on a timely basis any term, covenant or condition on its part to be performed hereunder;
- i. any third party asserts a claim in respect of any monies in the Account;
- j. any information supplied by the Client to YSHK or any warranty made by the Client is incorrect or misleading in any material respect;
- k. it shall become unlawful for the Client to maintain the Account or to perform any of the Client's obligations under these additional terms, or any authorization, consent, approval or licence necessary for the Client to continue the Account or to perform any of his obligations under these additional terms shall be revoked or otherwise cease to be in full effect; or
- l. there occurs a material adverse change in the business, assets or general condition of the Client which, in the absolute opinion of YSHK, may adversely affect the due performance by the Client of his Obligations under these additional terms.

YSHK shall have the right to:

- a. sell, realize or convert into cash the Client's Property (and YSHK is hereby authorized by the Client to do all such things necessary or incidental to such sale) and utilise the proceeds to offset and discharge part or all of the Obligations the Client may have to YSHK (either directly or by way of guarantee or surety) or to any member of the Yuanta Group;
- b. sell any or all Securities, or Commodities which may be long in the Client's Account;
- c. buy any or all Securities, or Commodities which may be short in the Client's Account;
- d. enter into liquidate straddle or spread positions with respect to any Securities or Commodities long or short in any of the Client's Account;
- e. cancel any outstanding orders or other commitments made on behalf of the Client; and/or
- f. exercise any option (put or call) arising from any options contracts traded on the Futures Exchange held by YSHK on behalf of the Client in order to close the Client's Account.

3.6 Such sale or purchase may be public or private and all rights in clause 3.5 of this Schedule 3 above may be exercised with or without advertising or notice to the Client and in such manner as YSHK may, in its sole discretion determine, and no demands, tenders or notices which YSHK makes or gives shall be considered a waiver of the right of YSHK to sell or to buy without demand or notice as herein provided. At any such sale YSHK may purchase the Securities or Commodities free of any right of redemption and the Client agrees that in respect of any such sale YSHK shall have no liability for loss thereby incurred and without prejudice to the generality of the foregoing the Client shall not make any claim against YSHK concerning the manner of sale or timing thereof. The proceeds of such transactions are to be applied to reduce the indebtedness owing to YSHK, if any.

4. Client's Account

4.1 All monies, approved securities, approved debt securities or other properties received by YSHK from the Client or from any other person, including the Clearing House for the Client's Account shall be held by YSHK as trustee, segregated from YSHK's own assets and paid into a segregated bank account, a segregated securities account or a segregated debt securities account (as appropriate) (collectively "Segregated Account(s)") in the manner specified in paragraphs 7 to 12 of Schedule 4 to the Code and that all money or other property so held by YSHK shall not form part of the assets of YSHK for insolvency or winding up purposes but shall be returned to the Client promptly upon the appointment of a provisional liquidator or similar officer over all or any part of YSHK's business or assets.

4.2 Any monies, approved debt securities or approved securities received by YSHK from the Client or from any other person (including the Clearing House) are held in the manner specified in paragraphs 7 to 12 of Schedule 4 to the Code, the Client hereby authorises YSHK to apply such monies, approved debt securities or approved securities in the segregated bank account, segregated debt securities or

segregated securities account respectively in the manner specified in paragraphs 14 to 15 of Schedule 4 to the Code in order to:

- a. meet the obligations of YSHK to the Clearing House or an executing agent arising in connection with F.O. Business transacted by YSHK on the Instructions of the Client provided that no withdrawal from the Segregated Account(s) may be made which would have the effect that the Clearing House margin, variation adjustment requirements or other trading related liabilities in respect of F.O. Business conducted on behalf of any client are thereby financed by other Client's money, approved debt securities or approved securities;
- b. meet commission, brokerage, levies and/or other proper charges directly relating to F.O. Business transacted by YSHK on the Instructions of Client (whether or not payable to YSHK);
- c. transfer to another Segregated Account;
- d. make payments/returned to or in accordance with the directions of the Client, but in such a case notwithstanding the Client's directions, no money may be paid/ no approved debt securities or approved debt may be deposited into another account of YSHK unless that account is a segregated bank account, segregated debt securities account or segregated securities account respectively; and
- e. in particular, the Client acknowledges that YSHK may apply such monies, approved debt securities or approved securities in or towards meeting YSHK's obligations to any party insofar as such Obligations arise in connection with or incidental to F.O. Business transacted on the Client's behalf. The Client agrees that YSHK may retain interest on the Client's money and withdraw such interest from the segregated bank account.

5. Clearing House Account

- 5.1 The Client acknowledges that in respect of any account of YSHK maintained with the Clearing House, whether or not such account is maintained wholly or partly in respect of the F.O. Business transacted on behalf of the Client and whether or not monies, approved debt securities or approved securities paid or deposited by the Client has been paid to or deposited with the Clearing House, as between YSHK and the Clearing House, YSHK deals as principal and accordingly no such account is impressed with any trust or other equitable interest in favour of the Client and monies, approved debt securities or approved securities paid to or deposited with the Clearing House are thereby freed from the trust referred to in clause 4.1 of this Schedule 3.

6. Margin Requirements

- 6.1 Except for the purpose of Closing Out the Client's open positions or as the Futures Exchange may from time to time prescribe, generally or otherwise, the Client agrees that YSHK shall not transact F.O. Business for the Client until and unless YSHK has received from the Client Collateral adequate to cover the Client's expected trading liabilities, minimum margins and variation adjustments.
- 6.2 The original margin and variation adjustment, the rates of which to be determined from time to time by YSHK in its sole discretion shall be settled and maintained by the Client in the Client's Account. Any margin call and/or demand for variation adjustment shall be met within the period specified by YSHK from time to time failing which YSHK may Close Out the Client's open positions with or without notice to the Client. If YSHK determines that additional margin is required, the Client agrees to deposit with YSHK such additional margin forthwith upon demand, provided, however, that notwithstanding any demand for additional margin, YSHK may at any time proceed in accordance with clause 3.5 of this Schedule 3. YSHK may require more margin or variation adjustment than that specified by the Futures Exchange and/or the Clearing House and/or other exchanges. YSHK may at any time and in its sole discretion change margin requirements. No previous margin shall establish any precedent. Any new margin requirements once established shall, in the absence of any contrary provisions by YSHK at the sole discretion of YSHK, apply to the Client's existing positions as well as to the new positions in Futures Contracts. Margin requirements may be met by a deposit of cash or Securities or any other form acceptable by YSHK and in accordance with the Rules and Regulations of the Futures Exchange or the rule of other exchanges governing the relevant markets.

7. Margin Call

- 7.1 The Client acknowledges that YSHK will report to the Futures Exchange and the SFC particulars of all open positions in respect of which two successive margin calls and demands for variation adjustment are not met within the period specified by YSHK and YSHK may require more margin or variation adjustments than that specified by the Futures Exchange and/ or Clearing House and may close out open positions in respect of which any margin calls and demands for variation adjustments are not met within the period specified by YSHK or at the time of making such call(s) or demands(s).
- 7.2 The Client acknowledges that YSHK may be required to report to the Futures Exchange and/or the SFC particulars of all open positions in respect of which margin calls and/or demands for variation adjustment are not met within the period specified by YSHK.

8. Transactions In Foreign Currencies

- 8.1 In the event that the Client directs YSHK to enter into any contract on an exchange or other market on which such Transactions are effected in a foreign currency,
- a. any profit or loss arising as a result of fluctuation in the exchange rate affecting such currency will be entirely for the Account and risk of the Client;
 - b. all initial and subsequent deposits for margin purpose shall be made in such currency in such amounts as YSHK may at the sole discretion of YSHK require; and
 - c. when such a contract is liquidated YSHK shall debit or credit the Client's account in the currency in which such account is denominated at an exchange rate (where the relevant contract is denominated in currency other than that of the account) determined by YSHK at the sole discretion of YSHK on the basis of the then prevailing money market rates of exchange between such currencies.

9. Levies And Commission

- 9.1 Every Exchange Contract shall be subject to the charge of an Investor Compensation Fund levy and a levy pursuant to the Securities and Futures Ordinance, the cost of both of which shall be borne by the Client.
- 9.2 Where an Exchange Contract is executed in a market that is subject to the charge of a special levy pursuant to the Exchanges (Special Levy) Ordinance, the Client will bear the cost of any such changes.
- 9.3 In respect of contracts executed in markets other than those organized by the Futures Exchange, any charges levied on such contracts by the relevant markets shall be borne by the Client.
- 9.4 The Client agrees to pay commission, brokerage, levies, and interest on the Client's Account (where applicable) and/or fees and charges or any other charges which YSHK may think fit at a rate to be determined by YSHK or any charges pursuant to the laws of Hong Kong or the Rules of the Futures Exchange or the rules of other exchanges governing the relevant markets.

10. Rules And Laws

- 10.1 All Transactions shall be subject to the consultation, rules, regulations, customs, usages, rulings and interpretations, from time to time extant or in force of the exchange or other markets (and of their respective clearing house, if any), where the Transactions are executed by YSHK or the agents of YSHK. All Transactions under this Agreement shall also be subject to any law, rules or regulation then applicable thereto, including but not by way of limitation the provisions of the Securities and Futures Ordinance, as amended from time to time and the rules and regulations thereunder.

- 10.2 Transactions related to Exchange Contracts shall be subject to the Rules and Regulations and the procedures of the Futures Exchange. Such Rules contain provisions requiring YSHK in certain circumstances to disclose name, Beneficial Identity and such other information concerning the Client as the Futures Exchange may require and the Client agrees to provide such information concerning the Client as YSHK may require in order for YSHK to comply with the Rules, the Regulations and the procedures and that in the event YSHK fails to comply with the disclosure requirement under Rule 606(a) or 613(a) of the Futures Exchange, the Chief Executive of the Futures Exchange may require the Closing Out of positions on behalf of the Client or the imposition of a margin surcharge on the positions of the Client.
- 10.3 In respect of Transactions related to the F.O. Business executed in markets other than those organized by the Futures Exchange, the Client acknowledges such Transactions shall be subject to the rules and regulations of those markets and not those of the Futures Exchange, with the result that the Client may have a markedly different level and type of protection in relation to those transactions as compared to the level and type of protection afforded by the Rules of the Futures Exchange.
- 10.4 The construction validity and/or performance of this Agreement shall be subject to and governed by the laws from time to time in force in Hong Kong. This provisions herein shall be continuing and shall cover individually and collectively all the Client's Accounts which the Client may open or re-open with YSHK and shall inure to the benefit of, and bind YSHK, YSHK's successors and assigns, whether by merger, consolidation or otherwise, as well as the heirs, executors, administrators, legatees, successors, personal representatives and assigns of the Client.
- 10.5 No act or omission to act or forbearance by YSHK shall be or be deemed to be a waiver by YSHK of any rights against the Client. Any consent or waiver given by YSHK shall operate as a consent or waiver only in relation to the particular matter it relates and shall in no way be considered as a consent waiver or release of any of the provisions hereof nor shall it be construed as dispensing with the necessity of obtaining the specific written consent of YSHK in future unless expressly so provided in writing and duly signed by and on behalf of YSHK.
- 10.6 Time shall in all respects be of the essence for the performance of the Client's Obligations under or in relation to this Agreement.
- 10.7 The Client shall not assign any contract entered into with YSHK or any of the rights or Obligations thereunder and hereunder without the consent in writing from YSHK given or withheld at YSHK's absolute discretion.
- 10.8 The Client shall immediately on demand supply to YSHK such financial and other information relating to the Client (or, where applicable, the Beneficial Identity of the Client) as YSHK may, in its absolute discretion and without giving any reason therefore require.

SCHEDULE 4 – ADDITIONAL TERMS FOR OPTIONS ACCOUNT

1. Introduction

- 1.1 This schedule is supplemental to the General Terms and applies to Options Account.
- 1.2 YSHK is an Options Exchange Participant of the Stock Exchange. YSHK will be primarily responsible for the Client's affairs with respect to the Options Account.

2. Laws And Rules

- 2.1 All Exchanged Traded Options Business shall be effected in accordance with the Rules which apply to YSHK. In particular, the SEOCH has authority under the Rules to make adjustments to the terms of contracts, YSHK shall notify the Client of any such adjustments which affect Client Contracts to which the Client is a party. All actions taken by YSHK, the Stock Exchange, the SEOCH or the HKSCC in accordance with the Rules shall be binding on the Client.
- 2.2 The Client agrees that the terms of the Standard Contract for the relevant options series shall apply to each Client Contract between YSHK and the Client, and that all Client Contracts shall be created, exercised, settled and discharged in accordance with the Rules.

3. Confirmation

- 3.1 The Client confirms that:
- the Options Account is operated solely for his account and benefit, and not for the benefit of any other person; or
 - he has disclosed to YSHK in writing the name of the person(s) for whose benefit the Options Account is being operated; or
 - he has requested YSHK to operate the Options Account as an Omnibus Account, and will immediately notify YSHK, on request, of the identity of any person(s) ultimately beneficially interested in the Client Contracts.

4. Margin Requirements

- 4.1 The Client agrees to provide YSHK with Margin as YSHK may from time to time demand in its absolute discretion, as security for his obligations to YSHK under this Agreement. Margin shall be paid or delivered as demanded by YSHK from time to time. The amounts required by way of Margin shall not be less than, but may exceed, the amounts as may be required by the Options Trading Rules in respect of the Client's open position and delivery Obligations, and further Margin may be required to reflect changes in market value.
- 4.2 If YSHK accepts Client's Securities by way of Margin, the Client authorises and agrees that YSHK may, to the extent permitted under the prevailing laws and regulations, deliver such Securities to the SEOCH as SEOCH collateral in respect of Exchange Traded Options Business resulting from the Client's Instructions to YSHK, without further notice to the Client. YSHK does not have any further authority from the Client to borrow or lend such Securities or otherwise part with possession (except to the Client or on the Client's Instructions) of any of such Securities for any other purpose.

5. Client Default

- 5.1 The Client agrees to indemnify YSHK, its officers (including directors), employees and agents, against all losses and expenses resulting from breach of the Client's Obligation under this Agreement, including costs reasonably incurred in collecting debts from the Client, and in closing the Options Account.
- 5.2 If the Client fails to comply with any of his Obligations and/ or to meet his liabilities under this Agreement, including failure to provide Margin, YSHK may in accordance with the Options Trading Rules:
- decline to accept further Instructions from the Client in respect of Exchange Traded Options Business;
 - Close Out some or all of the Client's Client Contracts with YSHK;
 - enter into contracts, or transactions in Securities, futures or Commodities, in order to settle obligations arising or to hedge the risks to which YSHK is exposed in relation to the Client's failure; or
 - dispose of Margin, and apply the proceeds thereof to discharge the Client's liabilities to YSHK.

Any proceeds remaining after discharge of all of the Client's liabilities to YSHK shall be paid to the Client.

6. Contracts

- 6.1 In respect of all contracts effected on the Client's Instructions, the Client will pay YSHK, within the time period notified by YSHK, premium, commission and any other charges, and applicable levies imposed by the Stock Exchange, as have been notified to the Client. YSHK may deduct such premium, commissions, charges and levies from the Options Account or any other Accounts in Client's name maintained with YSHK.
- 6.2 YSHK may place limits on the open positions or delivery obligations that the Client may have at any time.

- 6.3 The Client acknowledges that:
- a. YSHK may be required to Close Out Options Contracts to comply with position limits imposed by the Stock Exchange; and
 - b. if YSHK goes into default, the default procedures of the Stock Exchange may result in Client Contracts being Closed Out, or replaced by Client Contracts between the Client and another Options Exchange Participant;
- 6.4 YSHK may agree, upon the Client's request, to replacing the Client Contracts between YSHK and the Client, in accordance with the Options Trading Rules, with Client Contracts between the Client and another Options Exchange Participant.
- 6.5 On exercise of a Client Contract by or against the Client, the Client shall perform his delivery Obligations under the relevant contract, in accordance with the Standard Contract and as notified by YSHK.
- 6.6 The Client acknowledges that, although all Options Contracts are to be executed on the Stock Exchange, the Client and YSHK shall contract as principals under Client Contracts.
- 6.7 The Client acknowledges that on the expiry day and only on the expiry day, the Options System will automatically generate exercise instructions in respect of all open long positions which are in-the-money by or above the percentage prescribed by the SEOCH from time to time. The Client may instruct YSHK to override such an "automatically generated exercise instruction" before the system closure on the expiry day in accordance with the operational clearing procedures of the SEOCH.
- 7. General**
- 7.1 YSHK shall provide the Client, upon request, with the product specifications for Options Contracts.
- 7.2 If YSHK fails to meet its obligations to the Client pursuant to this Agreement in respect of Options Accounts, the Client shall have a right to claim under the Investor Compensation Fund established under the Securities and Futures Ordinance, subject to the terms of the Investor Compensation Fund from time to time.

PART D – RESPECTIVE RISK DISCLOSURE STATEMENTS

SCHEDULE 1 – RISK OF SECURITIES TRADING

The prices of securities fluctuate, 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.

SCHEDULE 2 – RISK OF MARGIN TRADING

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

SCHEDULE 3 – RISKS OF PROVIDING AN AUTHORITY TO REPLEDGE YOUR SECURITIES COLLATERAL

There is risk if you provide YSHK with an authority that allows YSHK to apply your Securities or Collateral pursuant to a securities borrowing and lending agreement, repledge your Collateral for financial accommodation or deposit your Collateral as collateral for the discharge or satisfaction of YSHK's settlement obligations and liabilities.

If your Securities or Collateral are received or held by YSHK in Hong Kong, the above arrangement is allowed only if you consent in writing. Moreover, unless you are a Professional Investor, the authority must specify the period for which it is current and be limited to not more than 12 months. If you are a Professional Investor, these restrictions do not apply.

Additionally your authority may be deemed renewed (i.e. without your written consent) if YSHK issues to you a reminder at least 14 days prior to the expiry of the authority and you do not object to such deemed renewal before the expiry date of your then existing authority.

You are not required by any law to sign these authorities. But an authority may be required by YSHK, for example, to facilitate margin lending to you or to allow your Securities or Collateral to be lent to or deposited as collateral with third parties. YSHK should explain to you the purposes for which one of these authorities is to be used.

If you sign one of these authorities and your Securities or Collateral are lent to or deposited with third parties, those third parties will have a lien or charge on your Securities or Collateral. Although YSHK is responsible to you for Securities or Collateral lent or deposited under the authority, a default by it could result in the loss of your Securities or Collateral.

A Securities Cash Account not involving securities borrowing and lending is available. If you do not require margin facilities or do not wish your Securities or Collateral to be lent or pledged, you should not sign the above authorities but should open a Securities Cash Account instead.

SCHEDULE 4 – RISKS OF TRADING GROWTH ENTERPRISE MARKET STOCKS

Growth Enterprise Market (the "GEM") stocks involve a high investment risk. In particular, companies may list on the GEM with neither a track record of profitability nor any obligation to forecast future profitability. The GEM stocks may be very volatile and illiquid.

You should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of the GEM mean that it is a market more suited to professional and other sophisticated investors.

Current information on the GEM stocks may only be found on the internet website operated by the Stock Exchange. Companies listed on the GEM are usually not required to issue paid announcements in gazetted newspapers.

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

SCHEDULE 5 – RISK OF TRADING NASDAQ-AMEX SECURITIES AT THE STOCK EXCHANGE OF HONG KONG LIMITED

The Securities traded under the Nasdaq-Amex Pilot Program (the "PP") are aimed at sophisticated investors. You should consult YSHK and become familiarised with the PP before trading in the PP securities. You should be aware that the PP securities are not regulated as a primary or secondary listing on the Stock Exchange or the GEM.

SCHEDULE 6 – RISKS OF FUTURES AND OPTIONS TRADING

This brief statement does not disclose all of the risks and other significant aspects of trading in futures and options. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in futures and options is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

1. Risks Of Trading Futures And Options

- 1.1 The risk of loss in trading futures contracts or options is substantial. In some circumstances, you may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds.

If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore study and understand futures contracts and options before you trade and carefully consider whether such trading is suitable in light of your own financial position and investment objectives. If you trade options you should inform yourself of exercise and expiration procedures and your rights and obligations upon exercise or expiry.

FUTURES

2. Effect Of Leverage Or “Gearing”

2.1 Transactions in futures carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that transactions are “leveraged” or “geared”. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit; this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with YSHK to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

3. Risk-Reducing Orders Or Strategies

3.1 The placing of certain orders (e.g. “stop-loss” orders, or “stop-limit” orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as “spread” and “straddle” positions may be as risky as taking simply “long” or “short” positions.

OPTIONS

4. Variable Degree Of Risk

4.1 Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

4.2 The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options you should be aware that the chance of such options becoming profitable ordinarily is remote.

4.3 Selling (“writing or granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a futures contract, the seller will acquire a position in a futures contract with associated liabilities for margin (see the section on Futures above). If the option is “covered” by the seller holding a corresponding position in the underlying interest or a futures contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

4.4 Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

ADDITIONAL RISKS COMMON TO FUTURES AND OPTIONS

5. Terms And Conditions Of Contracts

5.1 You should ask YSHK about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g. the circumstances under which you may become obliged to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

6. Suspension Or Restriction Of Trading And Pricing Relationships

6.1 Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or “circuit breakers”) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

6.2 Further, normal pricing relationships between the underlying interest and the futures, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge “fair value”.

7. Deposited Cash And Property

7.1 You should familiarise yourself with the protections given to money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

8. Commission And Other Charges

8.1 Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

9. Transactions In Other Jurisdictions

9.1 Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask YSHK about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

10. Currency Risks

10.1 The profit or loss in transaction in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

11. Trading Facilities

11.1 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. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms.

Such limits may vary; you should ask YSHK for details in this respect.

12. Electronic Trading

- 12.1 Trading on an electronic trading system may differ from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you 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 your order is either not executed according to your instructions or is not executed at all.

13. Off-Exchange Transactions

- 13.1 In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. YSHK may be acting as your 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 you undertake such transactions, you should familiarise yourself with applicable rules and attendant risks.

SCHEDULE 7 – RISK OF PROVIDING AN AUTHORITY TO HOLD MAIL OR TO DIRECT MAIL TO THIRD PARTIES

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

SCHEDULE 8 – RISK OF CLIENT ASSETS RECEIVED OR HELD OUTSIDE HONG KONG

Client assets received or held by YSHK outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance and the rules made thereunder. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

SCHEDULE 9 – RISKS OF TRADING IN DERIVATIVE PRODUCTS

1. Equity Linked Instruments

- 1.1 The buyer of the equity linked instrument(s) (the "ELI(s)") is investing in the issuer's ability to repay the sum invested upon maturity. Certain ELIs may also carry features that tie the repayment amount to the market value of an underlying instrument or asset. As a result, the repayment value of the ELIs may vary according to the market price of the underlying instrument or asset.
- 1.2 Investing in certain types of ELIs may result in you having to take or make delivery of any underlying asset or financial instrument at a pre-determined price. In such circumstances, you will need to perform such obligation however far the market price of the underlying asset or financial instrument has moved away from the pre-determined price. Therefore, the losses will be equal to the unfavourable movement of market prices and can be substantial.
- 1.3 If the ELI has been used as collateral for margin by you and market price of the underlying asset or financial instrument has moved unfavourably away from the pre-determined price, the ELI may be liquidated without prior notice to you.

2. Liquidity Risks

- 2.1 The secondary market for Derivative Products may not always be liquid. Accordingly, you may not be able to transfer the Derivative Product or any interest therein or realize any amount in respect of the Derivative Product prior to its maturity. You further acknowledge and agree that YSHK makes no representation that you may sell the Derivative Product or any part thereof back to YSHK prior to or after its maturity.

3. Market Risks

- 3.1 While Derivative Transactions entered into by you pursuant to this Agreement would normally be over-the-counter or exchange-traded transactions, the underlying assets of certain Derivative Products may or may not be exchange-traded securities or other financial products, e.g. an exchange-traded futures contract or option. Upon physical settlement of such a Derivative Transaction, you may acquire the relevant securities or an open position in respect of such exchange-traded product and would be exposed to the risks associated therewith. You should therefore be aware of and understand the risk associated with such exchange-traded products.
- 3.2 Market conditions (e.g. illiquidity) and/or the operation of rules of certain markets (e.g. the suspension of trading in any securities or any contract or contract month because of price limits or circuit breakers) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate or offset positions.
- 3.3 Further, normal pricing relationships between the underlying asset and the futures contract or between the underlying asset and the option may not exist. This can occur when, for instance, the futures contract underlying an option is subject to price limits while the option is not. The absence of any underlying reference price may make it difficult to judge fair value of a Derivative Transaction.

4. Transactions In Other Jurisdictions

- 4.1 Transactions involving markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such market may be subject to regulation which may offer different or diminished investor protection. Before trading, you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask for details about the types of redress available in both Hong Kong and other relevant jurisdictions before starting to trade.

5. Counterparty/Issuer Risk

- 5.1 YSHK is acting as agent for you in connection with any Derivative Transaction entered into by you under this Agreement with a third party. The rights and obligations under a Derivative Transaction are exclusively between the issuer of the Derivative Product or the counterparty to the Derivative Transaction and you. Accordingly, you are exposed to the credit and other risks of the issuer of the Derivative Product or the counterparty to the Derivative Transaction. YSHK has not conducted and will not conduct due diligence on the issuer or the counterparty and makes no representation whatsoever as to the issuer's or counterparty's creditworthiness or otherwise.

SCHEDULE 10 – INTERNET RISK

Since YSHK does not control signal power, its reception or routing via internet, configuration of your equipment or reliability of its connection, we cannot be responsible for communication failures, distortions or delays when trading online (via internet). Trading currencies involves substantial risk that is not suitable for everyone. Although, trading online is convenient or efficient, it does not necessarily reduce risks associated with currency trading. You should recognize that foreign exchange trading spot prices may vary from institution to institution and from minute to minute which may arise, including without limitation, as a result of a time lag in data transmission, and that it may prove impossible to effect trades even at advertised prices. Thus you agree to accept that such prices as YSHK may offer from time to time are the best prices then available.

PART E – NOTES RELATING TO THE PERSONAL DATA (PRIVACY) ORDINANCE OF HONG KONG (THE "PDPO")

1. From time to time, it may be necessary for you to supply YSHK with data in connection with the opening or continuation of accounts and the establishment or continuation of credit facilities or provision of securities trading, nominee and/or investment advisory services. The data is collected pursuant to applicable laws, regulations, rules or codes binding on YSHK.

2. Failure to supply such data may result in YSHK being unable to open or continue accounts or establish or continue credit facilities or provide securities trading nominee and/or investment advisory services to you.
3. It is also the case that data may be collected from you in the ordinary course of the continuation of the business relationship.
4. The purposes for which the data relating to you may be used are as follows:-
 - a. the daily operation of securities-related services and credit facilities provided to you;
 - b. conducting credit checks;
 - c. assisting other financial institution to conduct credit checks;
 - d. ensuring ongoing credit worthiness of you;
 - e. designing financial services or related products for your use;
 - f. marketing financial services or relating products;
 - g. determining the amount of indebtedness owed to or by you;
 - h. collection of amounts outstanding from you and amounts as security for your obligations;
 - i. meeting the requirements to make disclosure under the requirements of any law regulations rules, codes binding on YSHK; and
 - j. purposes ancillary or relating to any of the above.
5. Data held by YSHK relating to you will be kept confidential but YSHK may provide such information to the following parties for the purposes set out in paragraph 4:-
 - a. any agent, contractor or third party service provider who provides administrative, telecommunications, computer legal, accounting, payment or securities clearing or other services to YSHK or Yuanta Group in connection with the operation of its business;
 - b. any other person under a duty of confidentiality to YSHK;
 - c. any financial institution with which you have or propose to have dealings;
 - d. any actual or proposed assignee of YSHK or participant or sub-participant or transferee of YSHK's rights in respect of you;
 - e. any person to whom YSHK or Yuanta Group is compelled by law or by relevant regulatory authorities to make disclosure;
 - f. any person with your express or implied consent;
 - g. an person where YSHK or Yuanta Group's interests require disclosure; and
 - h. any person where the public interest requires disclosure.
6. In the course of performing YSHK's duties, YSHK may as permitted by law, match, compare transfer or exchange any personal data provided by you with data held, or hereafter obtained, for these or any other purposes by YSHK, government bodies, other regulatory authorities, corporations, organisations or individuals in Hong Kong or overseas for the purpose of verifying those data.
7. Under and in accordance with the terms of the PDPO any individual:-
 - a. has the right to check whether YSHK holds data about him/her and the right of access to such data;
 - b. has the right to require YSHK to correct any data relating to him/her which is inaccurate; and
 - c. has the right to ascertain YSHK's policies and practices in relation to data and to be informed of the kind of personal data held by YSHK.
8. In accordance with the terms of the PDPO, YSHK has the right to charge a reasonable fee for the processing of any data access request.
9. The person to whom requests for access to data or correction of data or for information regarding policies and practices and kinds of data held are to be addressed is as follows:-

Responsible Officer

23/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong

PART F – DISCLAIMERS

1. Hong Kong Exchange

HKEx Information Services Limited, its holding companies and/or any subsidiaries of such holding companies endeavour to ensure the accuracy and reliability of the information provided but do not guarantee its accuracy or reliability and accept no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions.

Stock indices and other proprietary products upon which contracts traded on the Futures Exchange may be based may from time to time be developed by the Futures Exchange. The HKFE Taiwan Index is the first of such stock indices developed by the Futures Exchange. THE HKFE Taiwan index and such other indices or proprietary products as may from time to time be developed by the Futures Exchange (the "HK Exchange Indices") are the property of the Futures Exchange. The process of compilation and computation of each of the HK Exchange Indices is and will be the exclusive property of and proprietary to the Futures Exchange. The process and basis of compilation and computation of the HK Exchange Indices may at any time be changed or altered by the Futures Exchange without notice and the Futures Exchange may at any time require that trading in and settlement of such futures or options contracts based on any of the HK Exchange Indices as the Futures Exchange may designate be conducted by reference to an alternative index to be calculated. The Futures Exchange does not warrant or represent or guarantee to any Exchange Participant or any third party the accuracy or completeness of any of the HK Exchange Indices or their compilation and computation or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to any of the HK Exchange Indices is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Futures Exchange in respect of the use of any of the HK Exchange Indices or for any inaccuracies, omissions, mistakes, errors, delays, interruption, suspensions, changes or failures (including but not limited to those resulting from negligence) of the Futures Exchange or any other person or persons appointed by the Futures Exchange to compile and compute any of the HK Exchange Indices in the compilation and computation of any of the HK Exchange Indices or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any Exchange Participant or any third party dealing with futures and options contracts based on any of the HK Exchange Indices. No claims, actions or legal proceedings may be brought by any Exchange Participant or any third party against the Futures Exchange in connection with or arising out of matters referred to in this disclaimer. Any Exchange Participant or any third party engages in transactions in futures and options contracts based on any of the HK Exchange Indices in full knowledge of this disclaimer and can place no reliance on the Futures Exchange in respect of such transactions.

2. Hang Seng Index Futures and Options

HSI Services Limited ("HSI") currently publishes, compiles and computes a number of stock indices and may publish, compile and compute such additional stock indices at the request of Hang Seng Data Services Limited ("HSDS") from time to time (collectively, the "Hang Seng Indices"). The marks, names and processes of compilation and computation of the respective Hang Seng Indices are the exclusive property of and proprietary to HSDS. HSI has granted to the Futures Exchange by way of licence the use of Hang Seng Index and the

four sub-indices of the Hang Seng Index, the Hang Seng China-Affiliated Corporations Index and the Hang Seng China Enterprises Index solely for the purposes of and in connection with the creation, marketing and trading of futures contracts and options contracts based on such indices respectively and may from time to time grant to the Futures Exchange corresponding use of any other Hang Seng Indices for the purposes of and in connection with futures contracts and options contracts based on such other Hang Seng Indices (collectively, “Futures/Options Contracts”). The process and basis of compilation and computation of any of the Hang Seng Indices and any of the related formulae and formulae, constituent stocks and factors may at any time be changed or altered by HSI without notice and the Futures Exchange may at any time require that trading in and settlement of such of the Futures/Options Contracts as the Futures Exchange may designate be conducted by reference to an alternative index or alternative indices to be calculated. Neither the Futures Exchange nor HSDS nor HSI warrants or represents or guarantees to any Exchange Participant or any third party the accuracy or completeness of the Hang Seng Indices or any of them and the compilation and computation thereof or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to the Hang Seng Indices or any of them is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Futures Exchange, HSDS or HSI in respect of the use of the Hang Seng Indices or any of them for the purposes of and in connection with the Futures/Options Contracts or any of them and/or dealings therein, or for any inaccuracies, omissions mistakes, errors, delays, interruptions, suspension, changes or failures (including but not limited to those resulting from negligence) of any HSI in the compilation and computation of the Hang Seng Indices or any of them or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any Exchange Participant or any third party dealing with the Futures/Options Contracts or any of them. No claims, actions or legal proceedings may be brought by any Exchange Participant or any third party against the Futures Exchange and/or HSDS and/or HSI in connection with or arising out of matters referred to in this disclaimer. Any Exchange Participant or any third party deals in the Futures/Options Contracts or any of them in full knowledge of this disclaimer and can place no reliance whatsoever on the Futures Exchange HSDS and/or HSI.

PART G – SUPPLEMENTAL CHINA CONNECT TERMS AND RISK DISCLOSURES

Dec 2016

Section A: Supplemental Terms for China Connect

1 Introduction

- 1.1 These Supplemental Terms for China Connect (as amended from time to time, the “China Connect Terms”) shall apply where the Client informs or indicates to Yuanta that the Client wishes to trade China Connect Securities through China Connect.
- 1.2 These China Connect Terms amend and are supplemental to, and are without prejudice to, the applicable existing terms of business, client account agreements and/or other relevant notices and disclosure between the Client and Yuanta that govern Yuanta’s provision of services to the Client, whether written or unwritten, and shall include, but not limited to, the Terms and Conditions for Securities / Futures / Options Trading Accounts in force between Yuanta and the Client as may be amended from time to time (the “Terms and Conditions”). For any matter relating to China Connect, in the event of any inconsistency between these China Connect Terms and the Terms and Conditions, the provisions of these China Connect Terms shall prevail.

2 Definitions

Capitalised terms used in these China Connect Terms will have the meanings given below or otherwise in the Terms and Conditions.

“A Shares”	means any securities issued by companies incorporated in Mainland China which are listed and traded on the Stock Exchanges of Mainland China from time to time.
“Cash”	means all cash or cash equivalents in Renminbi received and held by Yuanta on the terms of these China Connect Terms.
“CCASS China Connect Rules”	means the general rules of CCASS, as amended for the purposes of implementing China Connect, and as amended, supplemented, modified and/or varied from time to time.
“ChinaClear”	means China Securities Depository and Clearing Corporation Limited.
“China Connect”	means the securities trading and clearing links programme developed by SEHK, SSE, SZSE, HKSCC, China Clear and other entities for the establishment of mutual market access amongst SEHK, SZSE and SSE.
“China Connect Authorities”	means the regulators which regulate China Connect and activities relating to China Connect, including without limitation, the CSRC, the People’s Bank of China, the State Administration of Foreign Exchange, SFC and any other regulator, agency or authority with jurisdiction, authority or responsibility in respect of China Connect.
“China Connect Entities”	means the exchanges, clearing systems and other entities which provide services relating to China Connect, including without limitation, SEHK, HKSCC, SEHK Subsidiary, SSE, SZSE and ChinaClear.
“China Connect Laws”	means the laws and regulations of Hong Kong and Mainland China from time to time in respect of China Connect or any activities arising from China Connect.
“China Connect Markets”	means SSE and SZSE.
“China Connect Market System”	means the systems used for the trading of China Connect Securities on SSE or SZSE, as operated by SSE or SZSE, as the case may be.
“China Connect Rules”	means any rules, policies or guidelines published or applied by any China Connect Authority or China Connect Entity from time to time in respect of China Connect or any activities arising from China Connect.
“China Connect Securities”	has the meaning given by the rules of SEHK from time to time.
“China Connect Service”	means the order-routing service through which Northbound orders placed by an Exchange Participant may be transmitted by the relevant SEHK Subsidiary to SSE or SZSE (as the case may be) for the buying and selling of China Connect Securities and any related supporting services.
“Clearing Participant”	has the meaning given to such term in the rules of CCASS.
“Client Identity Rules”	means the SFC’s client identity rules in the SFC’s Code of Conduct and Client Identity Rule Policy.
“Client Securities Rules”	means the Securities and Futures (Client Securities) Rules (Cap 571H of the Laws of Hong Kong).
“CSC”	means the China Connect System for receiving and routing orders under China Connect to the trading system on a China Connect Market for automatic matching and execution.
“CSRC”	means China Securities Regulatory Commission.
“Exchange Participant”	has the meaning given by the rules of SEHK and shall include Yuanta.
“Forced-sale Notice”	has the meaning given in Clause 9.1.
“H Shares”	means any securities issued by companies incorporated in Mainland China and listed on SEHK.
“HKEx”	means Hong Kong Exchanges and Clearing Limited.

"HKSCC"	means Hong Kong Securities Clearing Company Limited.
"Mainland China"	means the People's Republic of China (excluding Hong Kong, Macau and Taiwan).
"Mainland China Listco"	means a Mainland China incorporated company which is listed on a Stock Exchange of Mainland China.
"Mainland China Resident"	means a person who is a citizen of the People's Republic of China and who does not have permanent right of abode in a jurisdiction outside Mainland China.
"Northbound"	denotes the trading of China Connect Securities by Hong Kong and international investors through China Connect.
"Pre-Trade Checking"	means the requirement under the China Connect Law pursuant to which SSE or SZSE (as the case may be) may reject a sell order if an investor does not have sufficient available China Connect Securities in its account.
"Renminbi" or "RMB"	means the lawful currency of Mainland China, deliverable in Hong Kong.
"SEHK"	means the Stock Exchange of Hong Kong Limited.
"SEHK China Connect Rules"	means the rules of SEHK, as amended for the purposes of implementing China Connect, and as amended, supplemented, modified and/or varied from time to time.
"SEHK Subsidiary"	means a wholly-owned subsidiary of SEHK duly authorised as automated trading service provider under the SFO and licensed under applicable laws in Mainland China to provide the order-routing service under China Connect.
"SFC"	means the Securities and Futures Commission of Hong Kong.
"SFO"	means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).
"Special China Connect Securities"	means any securities listed on SSE or SZSE (as the case may be) which SEHK (after consulting with SSE or SZSE (as the case may be)) accepts or designates as eligible only for China Connect sell orders and not China Connect buy orders.
"SSE"	means the Shanghai Stock Exchange.
"SSE China Connect Rules"	means the regulations (including but not limited to the SSE Regulations on the Shanghai-Hong Kong Stock Connect Pilot Programme) published by SSE for the purposes of implementing China Connect, as amended, supplemented, modified and/or varied from time to time.
"SSE Listing Rules"	means the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, as amended, supplemented, modified and/or varied from time to time.
"SZSE"	means the Shenzeng Stock Exchange.
"SZSE China Connect Rules"	means the regulations (including but not limited to the SZSE Shenzhen-Hong Kong Stock Connect Business Implementation Rules) published by SZSE for the purposes of implementing China Connect, as amended, supplemented, modified and/or varied from time to time.
"SZSE Rules"	means the SZSE China Connect Rules and the business and trading rules and regulations of SZSE, as amended, supplemented, modified or varied from time to time.
"Taxes"	means all taxes, duties, levies, imposts, charges, assessments, deductions, withholdings and related liabilities, including additions to tax, penalties and interest imposed on or in respect of (i) China Connect Securities or Cash, (ii) any transaction effected under these China Connect Terms or (iii) the Client (including, in each of cases (i), (ii) and (iii), as imposed by the relevant authorities in Hong Kong and/or Mainland China).
"Trading Day"	means a day on which SEHK is open for Northbound trading, where "T day" denotes the Trading Day on which a transaction is executed and "T+1 day" denotes the day which is one Trading Day after T day.

2.1 "References to Clauses" are to Clauses of these China Connect Terms.

2.2 The headings used in these China Connect Terms are for convenience only and shall not affect the construction or interpretation hereof.

2.3 Any reference in these China Connect Terms to words importing the singular shall include the plural and vice-versa.

3 Eligible Investors

The Client represents and undertakes on a continuing basis (including without limitation on each date the Client places an order or gives an instruction in respect of China Connect Securities), that:

a.

- (i) (if he/she is a natural person) he/she is not a Mainland China Resident or (if it is a legal person) it is not an entity incorporated or registered under the laws of Mainland China; or
- (ii) if he/she is a Mainland China Resident, he/she is using funds lawfully owned by him/her and located outside Mainland China to enter into transactions under these China Connect Terms; or
- (iii) if it is an entity incorporated or registered under the laws of Mainland China, its entry into of any transaction under these China Connect Terms has been conducted pursuant to any program (including the Qualified Domestic Institutional Investor Program or similar program, if applicable) approved by, or any other approval of, any competent Mainland China regulator;
- (iv) if the order is related to trading of China Connect Securities that are listed on the ChiNext Board of SZSE; the Client is an institutional professional investor as defined in the relevant Hong Kong rules and regulations; and

b. his/her or its entry into of any transaction under these China Connect Terms does not violate the laws and regulations of Mainland China, including those in relation to foreign exchange control and reporting.

4 Compliance with China Connect Laws and China Connect Rules

4.1 Any trading in China Connect Securities will be subject to all China Connect Laws and China Connect Rules, certain of which are referred to in these China Connect Terms.

4.2 These China Connect Terms highlight certain key features of China Connect as of the date hereof. Yuanta is not liable for any inaccuracies or misstatements in the information set out in these China Connect Terms. These China Connect Terms do not purport to cover all China Connect Laws and China Connect Rules. The Client understands that the Client shall be fully responsible for understanding and complying with all China Connect Laws and China Connect Rules and for any consequences of Northbound trading. Yuanta does not, and does not intend to, advise the Client on any China Connect Laws or China Connect Rules.

4.3 Yuanta shall have the right to apply any procedures or requirements in respect of any trading of China Connect Securities through China Connect which it determines in its absolute discretion to be necessary or desirable for the purpose of any China Connect Laws, China Connect Rules or market practice. Yuanta shall have no liability for any losses or risks which may result directly or indirectly from such

procedures or requirements.

- 4.4 Yuanta may, in its absolute discretion, refuse to execute any instruction provided by the Client if such instruction is not compliant with any China Connect Laws or China Connect Rules or if Yuanta believes that such instruction may not be compliant with any China Connect Laws or China Connect Rules. Yuanta shall have no liability for any losses or risks which may result directly or indirectly from such refusal.
- 4.5 Without limitation to the foregoing, Yuanta may in its absolute discretion suspend, terminate or limit the Client's ability to access China Connect through Yuanta without advance notice to Client, including but not limited to where requested or directed by a China Connect Authority.

5 Risk Disclosures and Acknowledgement

- 5.1 By instructing Yuanta in respect of any transaction relating to China Connect Securities, the Client acknowledges:
- 5.1.1 that (i) it has read and understood the risk disclosures and other information set out in Section B hereof; (ii) it understands that there is a risk of prohibition of trading China Connect Securities; and (iii) it understands its obligations set out in Section B hereof including the consequences of a breach of China Connect Laws;
- 5.1.2 that Yuanta shall not be liable for any loss, liability or third party claim or demand that it may suffer directly or indirectly as a result of any action or inaction by Yuanta in connection with the provision of services in respect of China Connect Securities to the Client by Yuanta including, without limitation, the materialisation of any of the risks described in Section B hereof;
- 5.1.3 that SEHK has the power not to extend the China Connect Service to the Client if it is found that the Client has or may have committed any abnormal trading conduct set out in the SSE Rules or SZSE Rules (as the case may be);
- 5.1.4 that if the SSE Rules or SZSE Rules (as the case may be) are breached, or the disclosure and other obligations referred to in any China Connect Laws or China Connect Rules are breached, SSE or SZSE (as the case may be) has the power to carry out an investigation, and may, through SEHK (or any other governmental or regulatory body), require Yuanta to (a) provide relevant information and materials relating to it including, without limitation, its identity and trading activity; and (b) to assist in a China Connect Authority's investigation in relation to it and/or its trading activity;
- 5.1.5 that where a China Connect Authority considers that there is a serious breach of the SSE Rules or SZSE Rules (as the case may be), Yuanta may be required by a China Connect Authority to (a) issue warning statements (verbally or in writing) to it; and (b) cease providing it with any service relating to trading China Connect Securities through China Connect;
- 5.1.6 and agrees that prior to Yuanta informing the Client that a Northbound buy order made by the Client has been settled, it shall not make a Northbound sell order in respect of the China Connect Securities which are the subject of such Northbound buy order;
- 5.1.7 and consents to Yuanta providing information relating to its profile, the type and value of Northbound buy and sell orders and transactions executed on its behalf to a China Connect Authority at such intervals and in such form as such China Connect Authority may specify from time to time;
- 5.1.8 and accepts responsibility for paying all fees, charges, levies and taxes and shall comply with any filing or registration obligations as may be required under any China Connect Laws or China Connect Rules relating to any China Connect Securities and any dividends or entitlements in respect of such China Connect Securities;
- 5.1.9 that SEHK may, upon the request of SSE or SZSE (as the case may be), require Yuanta to reject its order; and
- 5.1.10 that none of the China Connect Authorities or their respective directors, employees or agents shall be responsible or held liable for any loss or damage that it may suffer, whether directly or indirectly in connection with the trading of China Connect Securities or the operation of the CSC in respect of China Connect Securities.

6 Representations and Undertakings

- 6.1 The Client makes the representations set out in this Clause 6.1 to Yuanta on a continuing basis (including without limitation on each date that it places an order or gives an instruction in respect of China Connect Securities) and such representations shall apply to each transaction conducted under the China Connect Terms:
- 6.1.1 that it is aware of and shall comply with all China Connect Laws and China Connect Rules to which it may be subject;
- 6.1.2 that the execution of any instruction it gives to Yuanta shall not result in any breach of any China Connect Laws or China Connect Rules;
- 6.1.3 that it understands and have assessed the risks relating to China Connect and is willing to undertake such risks;
- 6.1.4 it is not an insider as defined or interpreted under Mainland Chinese law and it is not in possession of insider information when trading China Connect Securities or procuring others to do so;
- 6.1.5 it does not hold more than 5% of the shares of any Mainland China-incorporated company which is listed and traded on any stock exchange in Mainland China; and
- 6.1.6 in purchasing China Connect Securities, it has no intention to manipulate the market.
- 6.2 The Client makes the following representations to Yuanta on each date it places an order to sell China Connect Securities that:
- 6.2.1 it does not know of any fact that might impair the validity of such China Connect Securities and that it has full authority to receive, deal with and give instructions, authorisations or declarations in respect of the same;
- 6.2.2 there is no adverse claim to such China Connect Securities; and
- 6.2.3 there is no restriction on the transfer of such China Connect Securities other than those expressly provided for under the SEHK China Connect Rules or CCASS China Connect Rules.
- 6.3 The Client undertakes to Yuanta to inform it immediately in writing (and in any event no later than one Business Day after the relevant event) of anything that may potentially render any of the representations in these China Connect Terms inaccurate or misleading.

7 Compliance with Pre-Trade Checking Requirements

- 7.1 The Client undertakes that it will comply with any requirements relating to Pre-Trade Checking mandated by the China Connect Authorities, the China Connect Entities or as notified to the Client by Yuanta.
- 7.2 In addition, the Client undertakes to ensure there are sufficient available China Connect Securities in its account by the applicable cut-off time on the applicable day (as notified to it (orally or through email or other means of communication as agreed between Yuanta and the Client) by Yuanta from time to time) to cover any proposed sell order given on that Trading Day.
- 7.3 The Client understands that if Yuanta considers that the Client does not for whatever reason have sufficient available China Connect Securities in its account to settle a sell order by the applicable cut-off time (as notified to the Client by Yuanta from time to time), Yuanta may in its absolute discretion:
- 7.3.1 reject its sell order; or
- 7.3.2 perform any other act which Yuanta considers necessary or desirable to comply with Pre-Trade Checking and/or relevant China Connect Laws or China Connect Rules and to cover the shortfall (including but not limited to applying any other China Connect Securities available to Yuanta from other sources).
- 7.4 In respect of any instruction to make a Northbound buy order, if Yuanta determines in its absolute discretion that the Client does not have

sufficient funds to settle the payment obligation in respect of such order on the settlement day, Yuanta may, in its absolute discretion, reject the buy order.

- 7.5 Any risk, loss or cost resulting from non-compliance or potential non-compliance with Pre Trade Checking and/or the relevant China Connect Laws or China Connect Rules shall be borne by the Client. The Client shall reimburse Yuanta for any costs, losses or expenses which Yuanta incurs as a result of its failure to deliver in respect of its sell order on such terms and price (including any associated fees and expenses) and at such time as Yuanta shall determine in its absolute discretion.

8 Settlement and Currency Conversion

- 8.1 As all Northbound trading is effected and settled in Renminbi, if Yuanta does not receive sufficient Renminbi before settlement of a Northbound buy order to settle such purchase of China Connect Securities, settlement may be delayed and/or fail and the Client may not acquire title to sell or transfer the relevant China Connect Securities. Where Yuanta holds any funds on the Client's behalf, if there are insufficient Renminbi funds to settle any Northbound buy order or other payment obligation in connection with China Connect, the Client authorises Yuanta to convert any funds in another currency which Yuanta holds on its behalf into Renminbi for the purposes of settlement thereof.
- 8.2 Notwithstanding any other provisions in the Terms and Conditions, where it is necessary to convert one currency to another pursuant to these China Connect Terms and if Yuanta chooses to do so at its absolute discretion, such conversion may be carried out automatically by Yuanta in a commercially reasonable manner without prior notice to the Client. Any risk, loss or cost resulting from any conversion of one currency into another currency pursuant to these China Connect Terms shall be borne by the Client. For avoidance of doubt, the Client understands and acknowledges that Yuanta does not have any obligation to make any such conversion.
- 8.3 The Client agrees that in the event that it fails to settle any payment obligation in relation to an instruction to purchase China Connect Securities in a timely manner, Yuanta has the right to immediately and without prior notice to the Client take such action as Yuanta considers appropriate to reduce or eliminate any loss or liability that Yuanta suffers or may suffer (including but not limited to taking any steps to sell, realize, dispose of or otherwise deal with the relevant China Connect Securities) and that the Client shall indemnify and hold Yuanta harmless for any liabilities, expenses or other losses Yuanta may incur in exercising the foregoing right. The Client further agrees that Yuanta shall have no liability to it for any loss, diminution in value or other damages whatsoever for any action or inaction of Yuanta or its agents pursuant to this Clause.
- 8.4 Notwithstanding any other provisions in the Terms and Conditions, where Yuanta determines that there is insufficient liquidity in RMB to settle any buy orders, Yuanta may, in its sole and absolute discretion, reject such buy order.

9 Sale, Transfer and Disgorgement

- 9.1 Where, under the terms of the China Connect Rules, Yuanta receives notice (a "Forced-sale Notice") from a China Connect Authority requiring Yuanta to sell and liquidate a specified number of China Connect Securities, Yuanta shall be entitled to issue a corresponding notice (a "Client Forced-sale Notice") to the Client requesting the Client to sell and liquidate any number of such China Connect Securities that the Client holds in its account with Yuanta (as determined by Yuanta in its sole discretion) within the time period specified by the relevant China Connect Authority, and the Client undertakes to comply with any such Client Forced-sale Notice.
- 9.2 In relation to any Forced-sale Notice, the Client authorises Yuanta to sell or arrange for the sale of such China Connect Securities on its behalf at such price and on such terms as Yuanta may determine in its absolute discretion if it fails to comply with a Client Forced-sale Notice in a timely manner, to the extent necessary to comply with all China Connect Laws and China Connect Rules.
- 9.3 Where China Connect Securities owned by the Client that are the subject of a Client Forced-sale Notice have been transferred from the Clearing Participant that settled the relevant Northbound buy order (the "Original CP") to another Clearing Participant or custodian (the "Recipient Agent"), the Client authorises Yuanta to provide instructions to the Recipient Agent on its behalf to return the relevant China Connect Securities to the Original CP for sale and liquidation in accordance with all China Connect Laws and China Connect Rules. The Client also undertakes to inform the Recipient Agent of such authorisation and, where required, the Client undertakes to instruct the Recipient Agent to act accordingly.
- 9.4 The Client authorises Yuanta to sell or arrange for the sale of any quantity of China Connect Securities owned by the Client if Yuanta receives notice from any China Connect Authority requiring it to disgorge any profits as a result of the "short swing profit rule", as more fully described under paragraph 21 (Short Swing Profit Rule) of Section B of these China Connect Terms.
- 9.5 In addition to the above, the Client authorises Yuanta to sell, transfer or carry out any other action in relation to China Connect Securities owned by the Client if Yuanta is instructed to do so by any China Connect Authority or if Yuanta otherwise determines in its absolute discretion that it is necessary or desirable to do so in order to comply with any China Connect Laws or China Connect Rules.
- 9.6 Yuanta shall have no liability for any losses or risks which may result to the Client directly or indirectly from any actions taken by Yuanta under this Clause.

10 Fees and Taxation

- 10.1 Yuanta shall be entitled in its absolute discretion, without further notice or demand, forthwith to satisfy any obligation of Yuanta or the Client to pay or account for any amounts in respect of any Taxes by selling, realising or otherwise dealing with, in such manner as Yuanta in its absolute discretion may determine, all or part of any of the Client's property held by Yuanta for any purpose in any of its accounts, and to apply the proceeds in reduction of all or part of its liability to any tax authority or Yuanta.
- 10.2 The Client is responsible for paying all fees, charges, levies and taxes, and the Client undertakes that it will comply with any filing or registration obligations, in each case as may be required under any China Connect Laws or China Connect Rules relating to any China Connect Securities and any dividends or entitlements in respect of such China Connect Securities.
- 10.3 Notwithstanding any other provision in these China Connect Terms, Yuanta shall not be responsible for and shall have no liability to the Client for any damage, liability or loss (including loss of profit) which may result directly or indirectly from any actions taken by Yuanta under this Clause unless such damage, liability or loss is a direct result of Yuanta's fraud, wilful default or gross negligence.

11 Indemnity

In addition and without prejudice to any of Yuanta's rights under the Terms and Conditions or under any other provisions of these China Connect Terms, including without limitation Clause 8.3 above, the Client will indemnify Yuanta on a full indemnity basis against any claims, demands, actions, proceedings, damages, costs, expenses, losses and all other liabilities whatsoever arising directly or indirectly from Yuanta providing any services to the Client in respect of its trading or investment in China Connect Securities, including, without limitation, to (a) any Taxes resulting from any trading of China Connect Securities pursuant to China Connect; (b) the materialisation of any risk referred to in Section B hereof; (c) any legal costs which Yuanta may incur in connection with any instruction given by the Client; or (d) any costs incurred in connection with Clause 9 (Sale, Transfer and Disgorgement) above, in each case other than those claims, demands, actions, proceedings, damages, costs, expenses, losses and liabilities which are a direct result of Yuanta's fraud, wilful default or gross negligence.

12 Payments in respect of China Connect Securities

All sums payable by the Client under these China Connect Terms shall be paid or accounted for free and clear of any tax (including goods and services and value added tax), levy, duty, charge, impost, fee, interest, penalty, deduction or withholding (collectively the "taxes") of any nature now or hereafter imposed, withheld or assessed by any taxing or other authority. If the Client is required by any law or regulation to make any deduction or withholding on account of any taxes from any such sums payable by it, the Client shall, together with

such sums, immediately pay or account for such additional amount as will ensure that Yuanta receives or is credited (free and clear of the taxes) the full amount which Yuanta would have received or been credited if no such deduction or withholding had been required. Upon Yuanta's request, the Client will promptly forward to Yuanta copies of official receipts or other evidence showing that the full amount of any such deduction or withholding has been paid over to the relevant taxing or other authority.

13 Miscellaneous

- 13.1 The Client will provide all information (including translations into Chinese, if required) to Yuanta which Yuanta requests if such information is requested by an exchange, regulatory authority or an organisation (whether within or outside Hong Kong) with which HKEx or SEHK has entered into any information sharing arrangement or agreement. The Client acknowledges that, the Client's failure to comply with this provision may, among other things, result in the suspension of China Connect service to it.
- 13.2 Save for Clause 11 (Indemnity), the Client will execute any further documents and provide any materials and/or information as Yuanta may reasonably request to enable Yuanta to perform its duties and obligations under these China Connect Terms which may become necessary as and when the China Connect Rules are amended from time to time.
- 13.3 Yuanta reserves the right at its discretion to review, add to, alter, vary or modify all or any of these China Connect Terms at any time without giving any reason. When any of such changes affect the liabilities and obligations of the Client, Yuanta shall give at least 30 days' notice to the Client unless such changes are not within Yuanta's control. In other cases, reasonable notice shall be given. Such notice may be given by such means as Yuanta at its discretion sees fit. Any Client who does not close his/her relevant account prior to the effective date of any changes is deemed to have agreed to such changes.

14 Governing Law and Jurisdiction

- 14.1 The parties agree that the governing law and jurisdiction clauses in the Terms and Conditions shall also apply to these China Connect Terms.

Section B: Risk Disclosures and Other Information

This Section describes some of the key risk factors and other information concerning China Connect. This Section does not disclose all the risks and other significant aspects of Northbound trading through China Connect. I acknowledge that I understand the nature and risks of China Connect and Northbound trading and I have considered carefully (and consult my own advisers where necessary) whether trading in China Connect Securities is suitable for me in light of my circumstances. The decision to trade in China Connect Securities is mine, and I have fully understood and am willing to assume the risks associated with China Connect and am able to comply with all relevant China Connect Laws and China Connect Rules. I acknowledge the risks and agree to the terms set out in these China Connect Terms.

I understand Yuanta does not represent that the information set out in this Section is up to date or comprehensive and does not undertake to update the information set out in this Section. I am responsible for monitoring changes in the China Connect Laws and China Connect Rules and complying with any new requirements.

Home Market Rules

1 Home Market Rules

As Mainland China is the home market of China Connect Securities, the SSE Rules, the SZSE Rules and other Mainland China securities laws and regulations shall apply to me. If such rules and regulations are breached, SSE or SZSE (as the case may be) has the power to carry out an investigation.

Nevertheless, certain Hong Kong legal and regulatory requirements will also continue to apply to Northbound trading.

Trading and Settlement Restrictions

2 Pre-Trade Checking

SEHK is required to check that, in respect of any Northbound sell orders given by an Exchange Participant, the relevant Exchange Participant holds sufficient available China Connect Securities to be able to fill such Northbound sell orders by the commencement of trading on the trading day I wish to execute. Otherwise, I may be unable to execute Northbound sell orders due to Pre-Trade Checking related requirements.

I shall bear any risk, loss, cost or expenses resulting from non-compliance or potential non-compliance with Pre-Trade Checking and/or the relevant China Connect Laws or China Connect Rules and/or the above actions taken by Yuanta.

3 Settlement

Northbound trades will follow the A Share settlement cycle. For settlement of China Connect Securities trades, ChinaClear will debit or credit the securities accounts of its participants (including HKSCC as clearing participant) on T day free of payment and settlement of funds relating to such trading will be effected on T+1 day. Title to China Connect Securities will not be released until the receipt of confirmation of payment. Accordingly, for purposes of contract notes, the settlement date would be T+1 day when both the securities and the cash are settled. I understand that, until Yuanta has enhanced its trading system, stock and money settlements of China Connect Securities may only be reflected in my account on T+1 (as opposed to T for stock and T+1 for money settlements respectively). This system issue, however, will not affect the time at which title to China Connect Securities will be transferred to investors on T+1.

4 Quota Restrictions

Purchases of China Connect Securities through China Connect are subject to certain quota controls like daily quotas. As a result, there is no assurance that a buy order can be successfully placed through China Connect. Any instruction to buy that has been submitted but not yet executed may be restricted or rejected.

SEHK, SSE 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 applicable quotas.

5 Restriction on Day Trading

Day (turnaround) trading is not permitted on the Mainland China A Shares market.

6 No off-exchange trading and transfers

Unless otherwise provided by the CSRC, I understand that Yuanta shall not, with certain limited exceptions, trade or provide services to facilitate trading of any China Connect Securities through any venue other than through the China Connect Market System, and Yuanta shall not match, execute or arrange the execution of any sale and purchase instructions or any transfer instructions from me in respect of any China Connect Securities in any manner otherwise than through China Connect in accordance with the China Connect Rules.

7 Placing Orders

Only limit orders with a specific price are allowed pursuant to China Connect Laws and China Connect Rules, where buy orders must not be lower than the current best price and sell orders may be executed at or higher than the specified price. Market orders will not be accepted.

8 Price Limits

China Connect Securities are subject to a general price limit of a range of percentages based on the previous trading day's closing price.

The price limit may be changed from time to time. All orders in respect of China Connect Securities must be within the price limit and any orders with a price beyond the price limit will be rejected by SSE or SZSE (as the case may be).

9 Restrictions on selling China Connect Securities

Investors are prohibited from using China Connect Securities purchased through China Connect to settle any sell orders placed through channels other than China Connect. Accordingly, there may be a limited market and/or lower liquidity for China Connect Securities purchased through China Connect (as compared to the same shares purchased through other channels). In addition, any scrip entitlements received by me in respect of China Connect Securities are not eligible for trading through China Connect. Accordingly, there is a risk of low/no liquidity for such shares received by way of scrip entitlement.

10 Sell-only of China Connect Securities

SSE

I will only be allowed to sell but restricted from buying such China Connect Securities on SSE through China Connect if:

- a. such securities subsequently cease to be a constituent stock of the relevant indices; and/or
- b. they are subsequently placed under risk alert; and/or
- c. the corresponding H Shares of such securities are subsequently delisted from SEHK, as the case may be.

SZSE

I will only be allowed to sell but restricted from buying such China Connect Securities on SZSE through China Connect if:

- a. such securities subsequently cease to be a constituent stock of the relevant indices; and/or
- b. such securities are, based on any subsequent periodic review, determined to have a market capitalisation of less than RMB 6 billion; and/or
- c. they are subsequently placed under risk alert; and/or
- d. the corresponding H shares of such securities are subsequently delisted from SEHK, as the case may be.

11 Account Information of Beneficial Owner

I understand that my identity as the beneficial owner of China Connect Securities which are the subject of a sell order may need to be disclosed to HKSCC and/or relevant Mainland China authorities.

12 Scripless Securities

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

13 Short Selling

Covered short selling of China Connect Securities is subject to the requirements specified by the relevant China Connect Authorities. However naked short selling of China Connect Securities is prohibited. I am fully responsible for understanding and complying with short selling requirements as amended from time to time and for any consequences of non-compliance.

14 Amendment of Orders and Loss of Priority

Consistent with the current practice in Mainland China, if I wish to amend an order, I must first cancel the original order and then input a new one. Accordingly, order priority will be lost and, subject to the daily quota and aggregate quota restrictions, the subsequent order may not be filled on the same trading day.

15 Warning Statements

I understand that SEHK may require Yuanta (a) to issue warning statements to me and/or (b) to cease to extend the China Connect Service to me.

16 Special China Connect Securities

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

17 Margin Trading

Subject to certain conditions prescribed by the China Connect Authorities, I may only conduct margin trading in certain China Connect Securities as determined by the relevant China Connect Authorities to be eligible for margin trading from time to time. SSE or SZSE (as the case may be) may suspend margin trading activities in any specific China Connect Security where the volume of margin trading activities in such China Connect Security exceeds certain thresholds and may resume margin trading activities when the volume drops below a prescribed threshold. Yuanta shall not have any obligation to update me in respect of the list of eligible margin trading securities or any restrictions or suspensions in respect of margin trading from time to time.

18 Rights Issuances

Where I receive as entitlements shares or other types of securities from the issuer of a China Connect Security, whether I can buy and/or sell the entitlement security through China Connect will depend on a number of factors including whether the entitlement security is a China Connect Security, whether or not it is traded in RMB and whether or not HKSCC has put in place arrangements enabling me to do so.

19 Odd Lot Trading

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

Mainland China and Hong Kong Legal Issues

20 Disclosure of Interests

If I hold or control shares on an aggregate basis in a Mainland China Listco above a certain threshold, I may have to disclose such interest within the period specified by the relevant China Connect Authority, and I must not buy or sell any such shares within a specified period. I may also have to disclose any substantial change in my holdings.

At the same time, I may have to comply with disclosure obligations under Part XV of the SFO.

21 Short Swing Profit Rule

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

22 Foreign Ownership Limits

Mainland China foreign ownership limits on the number of shares a foreign investor is permitted to hold in a single Mainland China Listco and on the maximum combined holdings of all foreign investors in a single Mainland China Listco may have an adverse effect on the liquidity and performance of an investment in China Connect Securities. As a result, I may suffer losses in China Connect Securities.

I understand that if Yuanta becomes aware that I have breached (or reasonably believe that I may breach upon execution of further Northbound buy orders) any foreign ownership limits, or if Yuanta is so required by any China Connect Authority, including without limitation to any Forced-sale Notice issued by SSE or SZSE (as the case may be), Yuanta will sell any China Connect Securities pursuant to Clause 9 (Sale, Transfer and Disgorgement) in Section A of the China Connect Terms if I fail to comply with the corresponding Client Forced-sale Notice in order to ensure compliance with all China Connect Laws and China Connect Rules. In such case, no China Connect Securities buy orders for the relevant China Connect Securities will be accepted until SSE or SZSE (as the case may be) informs the relevant SEHK Subsidiary or SEHK that the aggregate foreign shareholding has fallen below a certain percentage. SEHK may determine in its absolute discretion which Exchange Participants and what quantity of China Connect Securities should be subject to a Forced-sale Notice (this will generally be on a “last-in, first-out” basis), and SEHK’s (or relevant SEHK Subsidiary’s) own records shall be final and conclusive.

Moreover, under Mainland China laws, where foreign investors hold more than a specified percentage (the “Cautionary Level”) of the issued shares of a single Mainland China Listco in aggregate, upon notification by SSE or SZSE (as the case may be) to the relevant SEHK Subsidiary, SEHK and the relevant SEHK Subsidiary are required as soon as practicable thereafter to suspend accepting China Connect Securities buy orders in respect of the relevant China Connect Securities. In such circumstances, Yuanta may reject my buy orders until the aggregate shareholding of foreign investors is reduced to below the specified percentage (the “Permitted Level”) as advised by SSE or SZSE (as the case may be).

23 Taxation

I will be fully responsible for any Taxes in respect of China Connect Securities including, without limitation, any capital gains tax or other Mainland China taxes, and will indemnify Yuanta from and against all Taxes which Yuanta may incur arising in connection with any China Connect Securities which I hold, trade or otherwise deal in.

I understand and agree that Yuanta assumes no responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with China Connect, nor will Yuanta provide any service or assistance in this regard. Prior to investing in China Connect Securities, I understand that I should consult my own tax advisers and counsel with respect to the possible tax consequences to me of such investment since such tax consequences may differ in respect of different investors.

24 Insider Dealing, Market Manipulation and Other Market Conduct Rules

Northbound trading through the China Connect will be subject to Mainland China laws and regulations prohibiting activities that constitute market manipulation, insider dealing and related offences. The scope of these restrictions may not be the same as equivalent requirements under Hong Kong law. In particular, defences applicable under Hong Kong market misconduct rules may not be applicable under Mainland China laws and regulations. I understand that I should seek specialist advice before engaging in trading through China Connect.

25 Client Securities Rules and Client Identity Rules

I understand that as the China Connect Securities traded through China Connect are not listed or traded on SEHK, I will not have protection either under the Client Securities Rules nor under the Client Identity Rules of the SFC.

26 Investor Compensation Fund

I understand that, in trading China Connect Securities, I will not enjoy the protection afforded by the investor compensation fund established under the SFO.

27 Ownership of China Connect Securities

As China Connect is a recent initiative there may be some uncertainty surrounding the proprietary interest of investors in China Connect Securities. In addition, while Hong Kong and overseas investors may have proprietary rights over China Connect Securities, HKSCC as nominee is not obliged to enforce such rights in Mainland China on behalf of such investors (including myself).

28 Stock lending and borrowing

Stock borrowing and lending of China Connect Securities will be permitted only in certain circumstances. Restrictions on the duration of stock loans and record keeping requirements may apply.

Clearinghouse Risk

29 Risk of ChinaClear Default

If ChinaClear defaults, HKSCC may, but has no obligation to, take any legal action or court proceedings to seek recovery of outstanding China Connect Securities and monies from ChinaClear. If it does so, HKSCC will distribute the China Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant China Connect Authorities. Yuanta in turn will only be distributing the China Connect Securities and/or monies to the extent recovered directly or indirectly from HKSCC. Although the likelihood of a default by ChinaClear is considered to be remote, I understand that I should be aware of this arrangement and of this potential exposure before engaging in Northbound trading.

30 Risk of HKSCC Default

Yuanta’s provision of services pursuant to these China Connect Terms also depends upon the performance by HKSCC of its obligations. Any action or inaction of the HKSCC or a failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement of China Connect Securities and/or monies in connection with it and I may suffer losses as a result. Yuanta shall have no responsibility or liability for any such losses.

Other Operational Issues

31 Company Announcements on Corporate Actions

I understand that I should refer to websites of SSE or SZSE and the relevant newspapers for the latest listed company announcements or, alternatively, the HKEx website’s page entitled “China Stock Markets Web” (or such other replacement or successor page from time to time) for corporate actions in respect of China Connect Securities. I understand that SSE/SZSE-listed issuers publish corporate documents in Chinese only, and English translations will not be available.

In addition, HKSCC will endeavour to collect and distribute cash dividends relating to China Connect Securities to Clearing Participants participating in China Connect in a timely manner.

Following existing market practice in Mainland China, I understand that I will not be able to attend meetings by proxy or in person, unlike the current practice in Hong Kong in respect of SEHK-listed shares.

I understand Yuanta does not and cannot ensure the accuracy, reliability or timeliness of any company announcements of corporate actions and accepts no liability (whether in tort or contract or otherwise) for any loss or damage arising from any errors, inaccuracies, delays or omissions or any actions taken in reliance thereon. I understand Yuanta has expressly disclaimed all warranties, expressed or implied, as to the accuracy of any company announcement or as to the fitness of the information for any purpose.

32 Disclosure of Information and Publication of Trade Information

I understand that SEHK may require Yuanta to provide information on my identity, profile, and the type and value of my orders in relation to Northbound trading of China Connect Securities and the trades which Yuanta executed for me at such intervals and in such form as SEHK may specify from time to time for purposes of their publication, dissemination or public distribution of aggregated information in respect of China Connect Securities trades under China Connect, trading volumes, investor profiles and other related data. SEHK may forward such information to SSE or SZSE (as the case may be) for surveillance and investigation purposes.

33 Client Error

I understand that Yuanta will not be liable for any loss, damage or expense or consequential loss, damage or expense suffered by me as a result of any trading based on my instructions. Yuanta will not be able to unwind any trade, and I should also take note of the settlement arrangements in respect of China Connect Securities under China Connect, including but not limited to quota restrictions which may affect my ability to mitigate the consequences of any error trades. Yuanta shall have no liability for any losses which may result directly or indirectly from such error trades.

Yuanta shall have absolute discretion to determine whether to conduct any transfer to rectify any error trade and shall have no obligation to do so. Yuanta shall have no liability for any losses which may result directly or indirectly from such error trades or any refusal to conduct a transfer to correct an error trade.

34 Retention of Information

I acknowledge and accept that Yuanta will be required under the China Connect Rules to keep records in relation to Northbound trading for a period of not less than 20 years.

35 China Connect Market System

The China Connect Market System is a new platform for trading of China Connect Securities under China Connect. Yuanta is not responsible for any delay or failure caused by the China Connect Market System and I accept all risks arising from trading China Connect Securities through the China Connect Market System. I understand that Yuanta shall not be responsible or held liable for any loss or damage directly or indirectly suffered by me arising from or in connection with the China Connect Service or the CSC through Northbound trading including, without limitation, the following:

- a. a suspension, restriction or cessation of the China Connect Service or the CSC, or any inability to access or use the CSC or the China Connect Service;
- b. any special arrangement put in place or any action, step or measure taken or not taken to deal with an emergency, including but not limited to the cancellation of any or all China Connect orders input by Exchange Participants;
- c. any suspension, delay, interruption or cessation of trading of any China Connect Securities;
- d. any delay, suspension, interruption of trading or of any order cancellation in respect of China Connect Securities as a result of the hoisting of a Typhoon Signal No. 8 or the issuance of the Black Rainstorm Warning in Hong Kong;
- e. any delay or failure to route any China Connect orders, any delay or failure to send any order cancellation requests or to provide the China Connect Service due to any system, communication or connection failure, power outage, software or hardware malfunction or events beyond the control of Yuanta or SEHK;
- f. in the event that a China Connect order which a China Connect Exchange Participant has requested to be cancelled is not cancelled for any reason whatsoever;
- g. in the event that SEHK or SSE or SZSE (as the case may be) requires that Yuanta reject any order for China Connect Services;
- h. any delay, failure or error of any China Connect Market System or any system upon which the relevant SEHK Subsidiary is reliant in providing the China Connect Service; and
- i. any delay or failure to execute, or any error in matching or executing any, China Connect order due to reasons beyond the control of Yuanta, SEHK, HKEx or the relevant SEHK Subsidiary including, but not limited to, any action or decision taken or made, or not taken or made, by SSE, SZSE, any China Connect Authority or a relevant governmental or regulatory body.

If there is any delay or failure to send any order cancellation requests in the circumstances described in paragraph (e) above, I shall, in the event that the order is matched and executed, remain responsible to Yuanta for any settlement obligations in respect of such order.

36 Operational Hours

SEHK has absolute discretion to determine from time to time the operational hours of the China Connect service, and will have absolute discretion to change the operational hours and arrangements of the China Connect service, whether on a temporary basis or otherwise, at any time and without advance notice.

37 RMB Conversion and RMB Risks

If I belong to certain counterparty types (such as an individual) in certain jurisdictions that are subject to currency conversion restrictions, (as required by the relevant authority from time to time) any conversion of any currency into RMB pursuant to Clause 8 (Settlement and Currency Conversion) of Section A of these China Connect Terms is subject to any applicable daily maximum conversion limit. Settlement of a Northbound buy order may be delayed and/or fail if there is a delay in converting the relevant currency into RMB. Any risk, loss or cost resulting from any such delay or failure of settlement shall be borne by me.

There are also significant restrictions on the remittance of RMB into and out of Mainland China. If the issuer of the RMB securities is not able to remit RMB to Hong Kong or make distributions in RMB due to exchange controls or other restrictions, the issuer may make distributions (including dividends and other payments) in other currencies. I may therefore be exposed to additional foreign exchange risk and liquidity exposures. The liquidity and trading price of China Connect Securities may be adversely affected by the limited availability of RMB outside Mainland China and the restrictions on the conversion of RMB. These factors may affect the amount of liquidity in RMB for investors and accordingly adversely affect the market demand for China Connect Securities.

38 Other risks associated with investing in China Connect Securities

General Mainland China related risk

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

Equity risk

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

General legal and regulatory risk

I will comply with all China Connect Laws and China Connect Rules. Furthermore, I understand that any change in any China Connect Laws or China Connect Rules may have an impact on the market sentiment which may in turn affect the performance of China Connect Securities. I understand that it is impossible to predict whether such an impact caused by any such change will be positive or negative for China Connect Securities. I understand that in the worst case scenario, I may lose a material part of my investments in China Connect Securities.