



國泰證券(香港)有限公司

Cathay Securities (Hong Kong) Limited

TERMS AND CONDITIONS OF SECURITIES SERVICE 證券服務條款及細則

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Cathay Securities (Hong Kong) Limited

Important Notice

These Terms and Conditions will create legal obligations and liabilities on your part. You are strongly advised to carefully read and understand the terms and conditions thereof and to seek independent legal advice before you agree to be bound by these Terms and Conditions.

TERMS AND CONDITIONS OF SECURITIES SERVICE

PART I GENERAL PROVISIONS FOR SECURITIES SERVICE

1. DEFINITIONS AND INTERPRETATIONS

- 1.1 In these Terms and Conditions, unless the context otherwise requires, the following words and expressions shall have the following meanings:-

“Account Mandate”	means account opening forms, signature card(s) and all other documents for corporation, partnership, sole proprietorship, individual or joint account in the form prescribed by us in relation to the operation of the Securities Account and/or using the Securities Service.
“Account Opening Form”	means account opening forms and/or other incidental documents for corporation, individual or joint account in the form prescribed by us from time to time.
“Agreement”	means the agreement for the Securities Account entered into between you and us in writing as varied, modified, amended or supplemented from time to time, including, without limitation, the Account Mandate, these Terms and Conditions and other documents signed by you to us in respect of the Securities Service.
“Applicable Laws”	means all laws (whether statutory or otherwise), rules, regulations, guidelines, directives, circulars, codes of conduct and disclosure requirements of any relevant jurisdiction, market or regulatory/competent authority which are applicable to you, us or the relevant transaction at any time and from time to time.
“Associate”	means a company or body corporate which is our direct or indirect holding companies, subsidiaries, affiliated companies or our other branches in Hong Kong or elsewhere.
“Authorized Person”	means the person(s) authorized and/or designated by you and accepted by us to give instruction to deal with all matters in connection with the operation of the Securities Account or the using the Securities Service subject to such change as may be agreed by us from time to time.
“Business Day”	means a day when banks are generally open for business in Hong Kong but excluding Saturdays and Sundays and



any day on which typhoon signal No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon; unless otherwise provided in the specific transactions.

“CCASS”		means the Central Clearing and Settlement System established and operated by HKSCC.
“CCASS Depository”		means such person appointed by HKSCC to perform the depository and custodian services in CCASS.
“CCASS Nominee”		means the nominee company of HKSCC or such other person appointed by HKSCC to provide the nominee services in CCASS.
“China-HK Services”	Connect	means the Shanghai-Hong Kong Stock Connect, the Shenzhen-Hong Kong Stock Connect and/or any other securities trading and clearing links programmes developed or to be developed for the establishment of mutual stock market access between SEHK and the relevant China Connect Market(s) (as the case may be);
“China Connect Market”		means the SSE, the SZSE and/or a stock market in Mainland China acceptable to SEHK and included from time to time in the list of China Connect Markets published by HKEX (as the case may be);
“Clearing House”		means HKSCC in relation to SEHK and, in relation to any other Foreign Stock Exchange, the clearing house providing services similar to those of HKSCC to such Foreign Stock Exchange.
“Commission”		means The Securities and Futures Commission and its assign and successor.
“Content”		means the contents provided to you under the Electronic Trading Services which include without limitation any content, software, data, information, messages and all textual, audio, video, still image, graphical and other content or material that can be accessed by or through the Electronic Trading Services.
“Correspondent Agent”		means anyone who acts as our agent, sub-agent custodian, sub-custodian, professional advisors, brokers or dealers in Hong Kong or elsewhere, including, without limitation, any member of an Exchange or a Clearing House.
“Electronic Services”	Trading	means any electronic trading facility provided by us enabling you to give electronic instructions to purchase, sell, deal with or otherwise dispose of Securities.
“Eligible Securities”		means such securities which is from time to time designated and accepted by HKSCC for deposit, clearance and settlement in CCASS.
“Exchange”		means SEHK and any Foreign Stock Exchange.
“FATCA”		means the Foreign Account Tax Compliance Act.
“Foreign Stock Exchange”		means a stock exchange which is permitted to operate in a country or territory.
“Fund”		means mutual fund or unit trust.
“HKSCC”		means the Hong Kong Securities Clearing Company Limited.
“Hong Kong”		means the Hong Kong Special Administrative Region of the People’s Republic of China.
“Hong Kong Dollars”		means the lawful currency for the time being of Hong



“Login ID and Password”	Kong
“Margin”	means any unique personal identifiers issued by us to the Subscriber for gaining access to the Market Data Service.
“Margin Facility”	means the amount (whether cash or non-cash collateral) as may from time to time be demanded by us from you by way of margin (including without limitation the initial margin and additional margin), variation adjustments or cash adjustments or otherwise for providing margin financing to you and “margin requirements” means the requirements prescribed by us in respect of the collection and specifications of the Margin.
“Ordinance”	means the Securities and Futures Ordinance (Cap.571), Law of Hong Kong and all rules together with regulations made thereunder.
“OTC Market”	means the over-the-counter market.
“Renewal Date”	means the date immediately after the last day of the Subscription Period.
“Securities”	has its meaning as given under the Ordinance.
“Securities Account”	means any one or more or all of the securities account(s) for dealing with margin and/or cash trading maintained in your name with us from time to time (as the case may be).
“Securities Service”	means the services in respect of the Securities Account including, without limitation, the Electronic Trading Services provided or to be provided by us to you from time to time.
“SEHK”	means the Stock Exchange of Hong Kong Limited.
“Signing Arrangement”	means the signing arrangement of person(s) delegated with authority to operate the Account or use the Securities Service subject to change from time to time and accepted by us.
“Specimen Signature”	means the signature specimen of the person(s) with authority to operate the Securities Account or use the Service.
“Structured Product”	has its meaning as given in the Ordinance.
“Structured Transaction”	means any transaction of the Structured Product entered into by you pursuant to the Agreement.
“US Person”	means any person who is defined as a United States person under the FATCA and include any one or more of the following:-- <ul style="list-style-type: none">(i) a citizen or resident of the United States;(ii) a person that is not a citizen or national of the United States and who meets either the “green card” test or the “substantial presence” test under the Internal Revenue Code of 1986, as amended, and/or any other applicable laws, rules and regulations for the calendar year;(iii) a person electing to be treated as a tax resident of the United States; and(iv) any other person that is subject to the United States federal income taxation on his worldwide income regardless of its source.
“Unit”	means unit of the Fund.

1.2 The clause headings in these Terms and Conditions are for convenience only and shall not



affect the interpretation or construction of these Terms and Conditions and have no legal effect.

- 1.3 References in these Terms and Conditions to clauses and sub-clauses are, except where the context otherwise requires, to be construed respectively as references to clauses and sub-clauses to these Terms and Conditions.
- 1.4 References in these Terms and Conditions to the singular shall include references to the plural and vice versa and references to the genders shall include the other and the neutral genders as the context requires.
- 1.5 References in these Terms and Conditions to any party hereto shall be deemed to be references to or to include their respective successors or permitted assigns.
- 1.6 Reference in these Terms and Conditions to any enactment shall be deemed to include references to such enactment as amended, extended or re-enacted from time to time and the rules and regulations thereunder.
- 1.7 References in these Terms and Conditions to “these Terms and Conditions” or any other documents shall, except otherwise expressly provided, include references to these Terms and Conditions or such other documents as amended, extended, novated, replaced and/or supplemented in any manner from time to time and/or any document which amends, extends, novates, replaces and/or supplements these Terms and Conditions or any such other documents.
- 1.8 References in these Terms and Conditions to “we” or “us” are to be construed as references to “Cathay Securities (Hong Kong) Limited” and references to “our” are to be construed accordingly. References in these Terms and Conditions to “you” are to be construed as references to the client(s) who maintain(s) the Securities Account with or use(s) the Securities Service provided by “Cathay Securities (Hong Kong) Limited” from time to time and references to “your” are to be construed accordingly.

2. SERVICE

- 2.1 We shall in our absolute discretion provide you with the Securities Service, the Electronic Trading Services and the Market Data Service in accordance with these Terms and Conditions as we consider fit.
- 2.2 The Securities Service, the Electronic Trading Services and the Market Data Service shall be provided to you within the office hours as determined by us from time to time in our absolute discretion.
- 2.3 We are at liberty to withdraw, cancel or revoke the Securities Service, the Electronic Trading Services or the Market data Service at any time in whole or in part.

3. INSTRUCTIONS AND AUTHORIZATION

- 3.1 You agree and acknowledge to give instructions to deal with all the matters relating to the Securities Account and the Securities Service in accordance with the Account Mandate, the Specimen Signature and the Signing Arrangement from time to time provided to us by you.
- 3.2 We may in our absolute discretion decline or act in accordance with any instruction from you without giving any reason there for. If we decline an instruction we will take all reasonable



steps to notify you promptly of this but no undertaking is given as to prompt notification.

- 3.3 We are authorized to execute transaction in accordance with the Applicable Laws and market practice from time to time of Exchange, Clearing House or the market practice of the OTC Market and all transactions so executed shall be conclusively binding on you.
- 3.4 We have unfettered right to retain the Correspondent Agent to execute transaction and you acknowledge that the terms of business of such Correspondent Agent and the rules of any Exchange, Clearing House or the market practice of the OTC Market relevant to such transaction shall be binding on you.

4. DEALING RULES

- 4.1 In undertaking transaction, we may take all such steps as may be required or permitted by the Applicable Laws and market practice. We will be entitled to take or not take any action as we consider fit in order to ensure compliance with the same and all such actions so taken or not taken will be binding on you.
- 4.2 In undertaking transaction, we may act either as your agent or a principal (as the case may be) subject to the terms and conditions contained herein. Unless otherwise provided in writing, we shall act as your agent to enter into transactions or provide the Securities Service for you. In any event, we shall specifically disclose to you when we act as a principal in accordance with the Applicable Laws.
- 4.3 You understand and agree that we may use a telephone recording system to record conversations with you and the Authorized Person. You acknowledge and warrant that each of the Authorized Person also consents to such recording.

5. SETTLEMENT

- 5.1 You shall take all necessary actions to enable us to effect settlement and delivery of the Securities or other assets in a timely manner in accordance with the requirements of the relevant Exchange, the Clearing House and the OTC Market including but not limited to making any appropriate payment and/or delivering any of the Securities or other assets to us in good time for us to complete settlement and delivery.
- 5.2 Any crediting to you of cash, the Securities or other assets is subject to reversal if, in accordance with the Applicable Laws and market practice, the delivery of cash, Securities or other assets giving rise to the credit is reversed.
- 5.3 All the transactions entered into for or with you under the Securities Service shall be settled through the account as prescribed by us in our absolute discretion.
- 5.4 For the purposes of carrying out your orders or exercising any of our rights under the Agreement or under any of the Securities Account, we may, at any time in our sole and absolute discretion and without any obligation, convert any amount in any currency in any of the Securities Account or standing to the credit to any other currency. Exchange rate losses and the costs of conversion shall be borne by you.
- 5.5 The Securities purchased for you will be delivered to you (or as you may direct) provided that:-
- (i) such of the Securities are fully paid; and



- (ii) such of the Securities are not subject to any lien, and/or are not held as collateral by us or the Associate.

6. CLIENT SECURITIES AND CLIENT MONEY

- 6.1 You authorize us, in relation to all of the Securities deposited by you with us or purchased or acquired by us on your behalf, and held by us for safe keeping, to register the same in the name of our nominee or in your name, or deposit in safe custody in a designated account of us or our nominee's banker or with other institution which, to the satisfaction of the Commission, provides facilities for the safe custody of the Securities.
- 6.2 Any of the Securities held by us, any nominee, banker or institution pursuant to the preceding sub-clause 6.1 shall be at your sole risk and we and the relevant nominee, banker and institution shall be under no obligation to insure any of the Securities against any kind of risk, which obligation is your sole responsibility.
- 6.3 If in relation to any of the Securities deposited with us which are not registered in your name, any dividends or other distributions or benefits accrue in respect of such Securities, the Securities Account shall be credited (or payment made to you as may be agreed) with the proportion of such benefit which is equivalent to the proportion of the Securities held on your behalf out of the total number or amount of such Securities.
- 6.4 If in relation to any of the Securities deposited with us but which are not registered in your name, and we suffer loss, the Securities Account may be debited (or may by you as may be agreed) with the proportion of such loss which is equivalent to the proportion of the Securities held on your behalf out of the total number or amount of such Securities.
- 6.5 Except as provided in these Terms and Conditions, we shall not, without your written authority under the Applicable Laws and market practice, to transfer, lend, pledge, re-pledge or otherwise deal with any of Securities for any purpose.
- 6.6 The Securities held by you and the Securities collateral provided to us shall be treated and dealt with in compliance with the Applicable Laws and the provisions of the Ordinance and the relevant Securities from time to time received on your behalf will be deposited in safe custody in a segregated account maintained in Hong Kong for the purpose of holding such Securities with an authorized financial institution, a custodian approved by the Commission or another intermediary licensed for dealing in securities, or registered in your name or the Associate.
- 6.7 Client money shall be treated and dealt with in compliance with the Applicable Laws and the provisions of the Ordinance and relevant client money from time to time received on your behalf will be paid into a segregated account for client money maintained in Hong Kong with an authorized financial institution or any other person approved by the Commission. You agree that we shall be entitled to retain for our own benefit and not be accountable to you for any amounts of interest derived from the holding of client money on your behalf.
- 6.8 We will not return to you the Securities originally delivered or deposited but will return the Securities of the same class, denominations and nominal amount and ranking to you.
- 6.9 Where the Securities belonging to you and held by us are not registered in your name, any dividends, distributions or benefits which accrue in respect of such Securities will be received by us and credited into the Securities Account. We may also exercise voting rights on your behalf with respect to such Securities upon your prior specific instructions.

7. AUTHORIZED PERSON



- 7.1 You are required to notify us in writing and provide us with the Authorized Person's particulars and the Specimen Signature(s) together with all other information as prescribed by us. Unless otherwise agreed between you and us in writing, the Authorized Person is authorized to give instruction to deal with all the matters or transactions in relation to the Securities Account and the Securities Service in accordance with the Account Mandate, the Specimen Signature and the Signing Arrangement except for:-
- (i) the application for (a) opening new Securities Account; or (b) closure of the existing Securities Account; or (c) utilizing new Securities Services; or (d) termination of the existing Securities Service;
 - (ii) any change of the Authorized Person or the Signing Arrangement; and
 - (iii) any change of the correspondence address, contact number or other personal particulars of the account holder(s) (except for Corporate Account Client).
- 7.2 Unless otherwise agreed between you and us in writing, any change in, addition to or revocation of the Authorized Person and/or the Specimen Signature(s) and/or the Signing Arrangement shall not take effect unless and until we shall have actually received such documents and/or authorizations in the form and substance satisfactory to us and reasonable time to process such change, addition or revocation.
- 7.3 Unless otherwise agreed between you and us in writing, any effective change in, addition to or revocation of the Authorized Person and/or the Specimen Signature(s) and/or the Signing Arrangement shall apply to all of the Securities Account or the Securities Service.
- 7.4 In relation to the Securities Account's discretionary authority, no person other than the Authorized Person is entitled to have discretionary authority and the Authorized Person is obliged to exercise its authority in accordance with the Applicable Laws and our requirements. We, our directors, officers and employees shall not be authorized by you as person to have discretionary authority with respect to the Securities Account. To the fullest extent permitted by the Applicable Law, we shall not be held liable or responsible for any loss or damages sustained or suffered by you arising out of or in connection with your delegation of discretionary authority in breach of this provision.

8. EXCLUSION OF LIABILITY

- 8.1 To the fullest extent permitted by the Applicable Laws, we shall not be liable to or responsible for any loss or damage you sustain or suffer directly or indirectly arising out of any act or omission of any of the Correspondent Agent, counter-party or any party contracted or retained for the purposes hereunder. Further,

9. EVENT OF DEFAULT

- 9.1 Any of the following events shall constitute an event of default:-
- (i) the failure of you to pay any sum of whatever nature under the Agreement;
 - (ii) breach by you of any terms and conditions contained in the Agreement;
 - (iii) the continuing performance of any terms and conditions of the Agreement becomes illegal or is claimed by any regulatory authority to be illegal;



- (iv) notice to us of the death or mental incapacity of you;
 - (v) you will become insolvent or generally suspend payment of debts when the same become due or a bankruptcy petition or a winding-up petition is being presented against you or a resolution is being passed for the winding-up of you; or you shall suffer any distraint or levy of execution of any kind; or a receiver is being appointed over you or any of you or any substantial part of the property of you;
 - (vi) occurrence of any event which constitute an event of default in accordance with the terms and conditions under the Specific Provisions for Securities Service of Part II hereof; and
 - (vii) circumstances shall have arisen or continued which, in our reasonable opinion, may jeopardize our position and require us to take such action as may be necessary for the protection of us.
- 9.2 Upon the occurrence of any of the events of default, we shall be entitled (but not obliged) to, without prior notice to you and without prejudice to the other rights and remedies of us and without releasing you from any liability, exercise all or any of the following powers to:-
- (i) immediately close the Securities Account and/or terminate the Securities Service;
 - (ii) terminate all or any part of the Agreement;
 - (iii) cancel any or all non-executed orders or any other commitments made on behalf of you;
 - (iv) close any or all contracts between you and us, cover any short position of you through the purchase of Securities or other assets on the Exchange or the OTC Market or liquidate any long position of you through the sale of Securities or other assets on the relevant Exchange or the OTC Market;
 - (v) dispose of any or all of the Securities, assets or property held by us and/or the Associate for or on behalf of you and to apply the proceeds thereof together with any cash deposit(s) to settle all outstanding balances owing to us including, without limitation, all costs, charges, legal fees, expenses, stamp duties, commissions and brokerages properly incurred by us in transferring or selling all or any of the Securities, assets or property in the Securities Account or the Securities Service or in perfecting title thereto;
 - (vi) borrow or purchase any of the Securities or assets required for delivery in respect of any sale effected for you; and
 - (vii) combine, consolidate and set-off any or all accounts of you in accordance with Clause 11 hereof.
- 9.3 Upon default, we are entitled (but not obliged) to apply any money received by us in the following order of priority and any residue thereof will be paid to you or to your order:-
- (i) payment of all costs, charges, legal fees and expenses including stamp duty, commission and brokerage properly incurred by us in transferring and selling all or any



of the Securities belonging to you;

- (ii) payment of interest accrued on the aggregate outstanding amount due or owing to us or the Associate for the time being; and
- (iii) payment of all money and liabilities due or owing by you to us or the Associate.

9.4 In the event of a default committed by us resulting in you suffering pecuniary loss, you shall have a right to claim under the Investor Compensation Fund established under the Ordinance, subject to the terms of the Investor Compensation Fund from time to time.

10. LIABILITY INDEMNITY, WARRANTY AND REPRESENTATIONS

10.1 You warrant, represent and undertake to that:-

- (i) you enter into the Agreement as principal and are neither trading for and on behalf of nor acting as an agent for any other person (except where notified to and expressly approved by us in writing). Further, you are the person ultimately responsible for originating the instruction in relation to each transaction under the Securities Account and the person that stands to gain the commercial or economic benefit of each transaction in relation to the Securities Account and/or bear its commercial or economic risk (except where any other person has been disclosed to us in the Account Opening Form or other notices to us pursuant to the provisions of these Terms and Conditions). In addition, if you are not the person ultimately responsible for originating the instruction or not the person that stands to gain its commercial or economic benefit and/or bear its commercial or economic risk, you undertake and agree to provide information on the identity, address and contact and other details of such person to us before giving the instruction to us. You also undertake and agree to provide such information to the Exchange, the Clearing House or other competent authorities or regulators within such period prescribed by us in our absolute discretion and such undertaking and agreement shall survive termination of the Agreement;
- (ii) the information provided in the Account Opening Form is true and correct;
- (iii) you are the beneficial owner of the Securities under the Securities Account free from any lien, charge, equity or encumbrance save as created by or under the Agreement;
- (iv) you have full power and authority to enter into and perform your obligations under the Agreement and (applicable to a limited company only) you have obtained all necessary consents from shareholders and directors and have taken all necessary actions to enable you to enter into the Agreement and perform your obligations under the Agreement;
- (v) the Agreement and its performance and the obligations contained in the Agreement do not and will not contravene any of the Applicable Laws, contravene any provisions of your memorandum and articles of association or by-laws (where applicable), or constitute a breach or default under any agreement or arrangement by which you are bound;
- (vi) you will not charge, pledge or allow to subsist any charge or pledge over the Securities or monies under the Securities Account or grant or purport to grant an option over any of the Securities or monies under the Securities Account except in accordance with the provisions of the Agreement;



- (vii) all governmental, regulatory and other consents that are required to have been obtained by you in relation to the Agreement have been so obtained and are in full force and effect and all conditions of any such consents have been complied with;
 - (viii) the obligations under the Agreement constitute your legal, valid and binding obligations, enforceable in accordance with their respective terms;
 - (ix) you will comply with all of the Applicable Laws and market practice;
 - (x) you will promptly give/or procure to be given to us such information and assistance as we may require to enable us to assist or achieve compliance with any of the obligations under the Agreement; and
 - (xi) where the Securities Account is a client account, you have put in place reliable system to verify your client identity and proper systems and controls to allocate funds in the pooled account to the individual underlying clients. Further, you are satisfied as to the source of the funds used to open the Securities Account or passing through the Securities Account.
- 10.2 To the fullest extent permitted by the Applicable Laws, our liability to you for any neglect or default on the part of us shall not extend to any indirect, consequential or exemplary damages, expenses, losses or costs and any damages for loss of profit.
- 10.3 You warrant and undertake to ratify and confirm at our request any act, deed, thing or matter lawfully done or caused to be done by us in the proper performance of our duties or obligations hereunder.
- 10.4 To the fullest extent permitted by Applicable Laws, you warrant and undertake to keep us and our agents and employees fully and effectively indemnified against all costs, charges, liabilities and expenses whatsoever incurred by us pursuant to our lawful acts hereunder.
- 10.5 Where you are acting as an investment manager of any collective investment schemes, discretionary accounts or trusts, if there are any transactions in which your investment discretion is overridden, you agree that you will advise us of such fact and provide information on the identity and contact and other details of the person overriding your investment discretion before giving the instruction to us. You also undertake and agree that you will disclose such information to the Exchange, the Clearing House or other competent authorities or regulators within such period prescribed by us in our absolute discretion and such undertaking and agreement shall survive termination of the Agreement.

11. LIEN SET-OFF AND CONSOLIDATION

- 11.1 In addition and without prejudice to any general lien, right to set-off or similar rights to which we are entitled by law, we for ourselves or as agent for any of the Associate may at any time and without notice to you:-
- (i) combine or consolidate all or any of the Securities Account either individually or jointly with others, maintained with us and/or Associate and we may set off or transfer all or any of the Securities, assets, monies or other property in any such accounts to honour obligations or satisfy liabilities on your part due and owing to us or any of the Associate, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several; and
 - (ii) if any sum is due but remains unpaid hereunder, retain all or any of the Securities, asset,



monies or other property whatever and wherever situate which may be deposited with or otherwise held by us and/or the Associate for or in your name whether for safe custody or otherwise and sell the same or any part thereof at such price and in such manner as we shall determine and, for this purpose, we may retain such agent or broker and apply the proceeds thereof to set off any or all sums due and owing under the Agreement after full deduction of all costs and expenses.

- 11.2 We may at any time in our absolute discretion convert any sum in the Securities Account or under the Securities Service into any currency by any lawful means and at the prevailing rate of exchange as determined by us on the day of passing the entry for the purpose of combination, consolidation or set off without reference to you.

12. FULL PAYMENT

- 12.1 Any sums to be paid by you to us under the Agreement shall be paid to us in the contracted currency or otherwise as we may from time to time prescribe in full clear of any of present or future taxes, levies, charges, fees or withholding and without set off, counterclaim or deduction whatsoever. °

13. FEES, INTEREST AND ETC.

- 13.1 We will charge you commissions calculated at such rate and on such basis as we may from time to time determine and notify to you. You shall be liable for payment upon demand of any debts and negative balance whatsoever and howsoever arising on the Securities Account including but not limited to commissions, charges, fees, statutory fees, taxes, levies, delivery charges and so on. We may withdraw cash from or liquidate the Securities in the Securities Account to discharge the amounts due.
- 13.2 You agree to pay us all interest accrued on all sums payable by you to us calculated from the due date to the date of actual payment at such rate as prescribed by us and the interest shall be computed on the basis of the actual number of days elapsed in a 365-day year or a 360-day year in accordance with our prevailing practice for the relevant currency.
- 13.3 All your indebtedness to us will be charged with interest at such rate(s) to be notified by us from time to time. In the absence of such notification, your Hong Kong Dollars indebtedness will be charged with interest at an annual rate of the higher of (i) eight (8) per cent above the prime lending rate on Hong Kong Dollars quoted by the Standard Chartered Bank (Hong Kong) Limited; or (ii) twelve and a half (12.5) per cent above the prevailing one-month Hong Kong Inter-bank Offered Rate. In the case of foreign currency indebtedness, the annual interest rate will be ten (10) per cent over the cost of funds of us to be quoted by us whether or not it has actually borrowed the funds.
- 13.4 Without prejudice to any other rights and remedies available to us, we may charge a maintenance fee payable at such rate or in such amount and upon such other terms as we may prescribe from time to time on the Securities Account if it has no trading activity for six (6) months or more. Payment of such fees will be automatically deducted from the Securities Account.

14. STATEMENTS AND CONFIRMATIONS

- 14.1 We will report to you execution of transactions (i) promptly by telephone calls, facsimile or email; or (ii) by sending to you hard copy of the transaction confirmation or account statement on the following Business Day (as the case may be). We shall send you a monthly statement demonstrating a transaction summary for the month except for the monthly accounting period during which at all times you have a nil securities, securities provided in relation to margin



transactions, collateral or account balance unless otherwise provided by the Applicable Laws.

- 14.2 You will have a duty to examine the transaction confirmation, the account statement and the monthly statement carefully and to notify us in writing of any error, mistake or irregularity therein within 7 days of the date of issuance by us thereof or such other period of time as may be specified by us from time to time in our absolute discretion. Unless objection in writing reaches us within the said prescribed time limit, the transaction confirmation, the account statement and the monthly statement are considered to be correct, conclusive and binding on you.
- 14.3 Notwithstanding the provisions of the preceding sub-clause 14.1, you have right of recourse against:-
- (i) unauthorized transaction arising from forgery or fraud by any third party and in relation to which we have failed to exercise reasonable care and skill;
 - (ii) unauthorized transaction arising from forgery or fraud by any of our employees or agents; and
 - (iii) other unauthorized transactions arising from negligence or wilful default on the part of us.

15. CONCLUSIVE EVIDENCE

- 15.1 Except for manifest error, the books, records and notes kept by us (including, without limitation, tape recording and any handwritten information recorded by our employees or agents in the course of their dealing with you) in respect of the Securities Account and/or the Securities Service shall be conclusive evidence for all purposes.

16. JOINT AND PARTNERSHIP ACCOUNT

- 16.1 Unless otherwise provided, this Clause 16 shall apply where the Securities Account holder or the user of the Securities Service consists of more than one person such as joint account holders, trustees or personal representatives.
- 16.2 Where the Securities Account consists of more than one person or the user of the Securities Service is more than one person, all of the Securities Account holders or the Securities Service users will be jointly and severally liable for all or any of the obligations or liabilities under the Agreement.
- 16.3 Unless otherwise agreed between you and us in writing:-
- (i) each joint account holder of the Securities Account or user of the Securities Service will have sole authority on behalf of all the joint Securities Account holders or the Securities Service users to deal with us fully and completely without any notice to the other joint account holders or service users;
 - (ii) any of the joint Securities Account holders or the Securities Service users may give us an effective and final discharge in respect of any of our obligations or liabilities hereunder; and
 - (iii) any notice or communication given to one of the joint Securities Account holders or the Securities Service users shall be deemed to be given to all.



- 16.4 On the death of any of the Securities Account holders or the Securities Service users, the Agreement will not terminate but remain in full force and effect and binding on the surviving Securities Account holder(s) or the Securities Service users unless otherwise agreed between you and us in writing. Further, all rights and interests of and in the Securities Account and the Securities Service will be vested in the survivor(s) under the Securities Account or the Securities Service by operation of the rule of survivorship.
- 16.5 Notwithstanding the foregoing provisions, we reserve our right: -
- (i) to require joint instructions from some or all of the joint Securities Account holders or the Securities Service users before taking any action under the Agreement; and
 - (ii) if we receive instructions from any one of the joint Securities Account holders or the Securities Service users which are not consistent with other instructions, to advise one or more joint Securities Account holders or the Securities Service users of such conflict or inconsistency and/or take no action on any such instructions until we receive further instructions in the form and substance satisfactory to us.
- 16.6 If you are a partnership, the following provisions shall apply:-
- (i) unless otherwise agreed by us, your partnership agreement, if any, will not bind us regardless of whether or not we have notice thereof and the operation of a partnership account and the use of the Securities Service by a partnership business are governed by and subject to these Terms and Conditions;
 - (ii) all partners will be jointly and severally responsible for their obligations and liabilities under the Agreement;
 - (iii) notwithstanding any change in your constitution, the remaining partners will have full power and authority to deal with the Securities Account or use the Securities Service until we shall have actually received the notice of change; and
 - (iv) unless otherwise agreed by us, you will forthwith give us a new Account Mandate and open a new account upon any change of constitution.

17. PERSONAL DATA AND CONFIDENTIALITY

- 17.1 Your personal data is collected and used by us in accordance with our Personal Information Collection Statement and a receipt of a copy thereof is acknowledged by you. You agree to be bound by the same.
- 17.2 We shall keep confidential all information relating to the Securities Account and/or the Securities Service provided that we may disclose any such information incidental thereto to the regulators or law enforcement agency to comply with the lawful requirements and to any of our branches, the Associate and/or the Correspondent Agent for the purpose of providing services to you from time to time without any prior consent from you.

18. CONFLICT OF INTEREST AND DISCLOSURE

- 18.1 In relation to any transaction, we and/or the Associate may have an interest, relationship, arrangement, or duty which is material or which gives or may give rise to a conflict of interest with your interest(s) in relation to transaction directly or indirectly (the “**Material Interest**”). We shall take reasonable steps to ensure fair treatment for you in relation to any of such transaction subject to the Applicable Laws.



- 18.2 Subject to the Applicable Laws, we shall be entitled to give advice or make recommendation to you or enter into transaction for or with you or act as your agent or provide the Securities Service and any other service notwithstanding the Material Interest and shall not be under a duty to disclose to you any profit arising therefrom.
- 18.3 Subject to the Applicable Laws, we shall not be liable to account to you for or (save in respect of fees or commissions charged to you) to disclose to you any profit, commission or remuneration made or received (whether from you or by reason of any of the Material Interest or otherwise) by us by reason of any services provided for transaction.

19. DEBT COLLECTION

- 19.1 We have absolute right to engage debt collection agent(s) to collect any sum due to be paid to us by you under the Agreement. You are hereby warned that, to the fullest extent permitted by the Applicable Laws, you shall indemnify and keep us indemnified on a full indemnity basis from and against all costs, fees and expenses which we may incur in engaging the debt collection agent(s).

20. FORCE MAJEURE

- 20.1 While we agree to use our best endeavour to honour our obligations in a timely manner, we will not be liable for any failure or delay in performance of the Agreement which is caused by circumstances beyond our reasonable control including but not limited to any communication, systems or computer failure, market default, suspension, failure or closure, or the imposition or change (including a change of interpretation) of any law or governmental or regulatory requirement and we shall not be held liable for any loss or damage you may incur as a result thereof.

21. WAIVER

- 21.1 No failure to exercise or enforce and no delay in exercising or enforcing on the part of us of any right, remedy, power or privilege under the Agreement shall operate as waiver thereof, nor shall any single or partial exercise or enforcement of any right, remedy, power or privilege hereunder operate as a waiver thereof, nor shall any single or partial exercise or enforcement of any right, remedy, power or privilege preclude any other further exercise or enforcement thereof, or the exercise or enforcement of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative to and not exclusive of any right, remedy, power and privilege provided by law or other documents held by us.

22. SUCCESSORS AND ASSIGNS

- 22.1 The Agreement shall be binding upon, and ensure to the benefit of, the parties to the Agreement and their respective successors and permitted assigns.
- 22.2 Unless otherwise agreed by us, you agree that you will not assign any of your rights, interest, powers, obligations or liabilities under the Agreement.
- 22.3 We may at any time assign all or any of our rights or benefits hereunder and in that event the assignee shall have the same rights or benefits against you as he would have had as if the assignee had been a party hereto and you waive and renounce all your rights, if any, to challenge the validity of any such assignment by way of this sub-clause 22.3.

23. SEVERABILITY

- 23.1 If at any time any provision of the Agreement is prohibited by law or judged by court to be illegal, void, invalid or unenforceable in any respect, that provision shall, to the extent required, be severed from the Agreement and rendered ineffective without modifying the remaining provisions of the Agreement and shall not in any way affect any other



circumstances of or the validity or enforcement of the Agreement.

- 23.2 The rights, powers, remedies and privileges in the Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.
- 23.3 Each of the provisions in the Agreement is several and distinct from the others and if any one or more of such provisions is or becomes invalid or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

24. AMENDMENT

- 24.1 You agree and accept that, subject to the Applicable Laws, we may unilaterally amend the terms and conditions of these Terms and Conditions upon giving you a notice of the changes in writing by way of displaying the same in a prominent position of our office premises or such other manner as we shall in our absolute discretion consider fit.

25. NOTICE

- 25.1 A notice or demand by us under the Agreement may be served by post, personal delivery, cable, telex, electronic mail or facsimile transmission and shall be deemed to have been duly served if by post on the Business Day following the day of posting (its subsequent return or non-delivery notwithstanding) and if by personal delivery, cable, telex, electronic mail or facsimile transmission at the time on the day of such personal delivery, cable, telex, electronic mail or facsimile transmission if addressed to you or the legal or personal representative(s) of you at the last known address according to our record.
- 25.2 A notice by you or your legal representative(s) or your estate may be served by post, personal delivery, cable, telex or facsimile transmission at the registered office or last known address of us but shall not be deemed to have been duly served unless and until actual receipt of such post, personal delivery, cable, telex or facsimile transmission by us.
- 25.3 Any notice or communication made or given by you will be sent at your own risk and will be effective only upon actual receipt by us.

26. SUITABILITY

- 26.1 If we solicit the sale of or recommend any of the Financial Product to you, the Financial Product must be reasonably suitable for you having regard to your financial situation, investment experience and investment objectives. No other provision of these Terms and Conditions or any other document we may ask you to sign and no statement we may ask you to make derogates from this sub-clause unless otherwise provided by the Applicable Laws.
- 26.2 For the purpose of clause 26.1, Financial Product means any securities, any futures contract or any leveraged foreign exchange contract as defined in the Ordinance.

27. INDEMNITY

- 27.1 You shall indemnify and keep indemnified us from and against all losses, damages, demands, actions, proceedings, costs and expenses suffered or sustained by us arising out of or in connection with your failure to perform your obligations or duties required under the Agreement.

28. TIME OF ESSENCE

- 28.1 Time shall be of the essence for the purposes of any provision of the Agreement. \



29. PROVISION AND CHANGE OF INFORMATION

- 29.1 You confirm and acknowledge that any information which you provide to us is true, complete, accurate and updated and you agree to provide any further information properly required by any competent authority from time to time.
- 29.2 You and we undertake to inform each other of any material change to the information provided in the Agreement. In particular, you and we agree that:-
- (i) we shall notify you of any change relating to us to you in accordance with the Applicable Laws; and
 - (ii) you will notify us of any change of name, address, particulars, tax status and information and provide such supporting documents as reasonably required by us.

30. CURRENCY EXPOSURE

- 30.1 For any transaction executed under the Securities Account or in respect of the Securities Service in foreign currencies, you acknowledge that profits or losses may arise as a result of a fluctuation in exchange rates, which shall be entirely for your account.

31. TAX STATUS

- 31.1 You hereby certify that you are not a US Person and is not subject to the tax of United States of America. In particular, without limitation, you are also not an entity taxable as a corporation, or a partnership created or organized in or under the laws of the United States of America or any state or political subdivision thereof or therein, including the District of Columbia or any other states of the United States of America. You hereby consent for us or any of the Associate (collectively the “Cathay Group”) to share your information and data with domestic and overseas regulators, tax or other competent authorities (if necessary) to establish your tax liability in any jurisdiction. You consent and agree that the Cathay Group is authorized to withhold from the Securities Account such amounts as the domestic or overseas regulators, tax or other competent authorities may from time to time require in accordance with the Applicable Laws including, and without limitation, the FATCA. In the event of any change of the tax status, you hereby undertake to notify the Cathay Group in writing forthwith.

32. CONFLICT

- 32.1 In the event of any difference between the Chinese and English versions of these Terms and Conditions, you and we agree that the English version shall prevail.

33. GOVERNING LAW AND JURISDICTION

- 33.1 The Agreement shall be governed by and construed in all respects in accordance with the laws of Hong Kong. The parties to the Agreement irrevocably submit to the non-exclusive jurisdiction of the Hong Kong Courts but we shall be entitled to enforce the Agreement in courts of other competent jurisdiction as we may select.
- 33.2 If you are an individual or a company domiciled outside Hong Kong, you shall, immediately upon demand by us, appoint a person or agent in Hong Kong to be your process agent to receive all notices and communications relating to any legal proceedings in relation to you, and you agree that any service of any legal process on the process agent shall constitute sufficient service on you for the purpose of legal proceedings in the Hong Kong courts.



PART II SPECIFIC PROVISIONS FOR SECURITIES SERVICE

These Specific Provisions should be read in conjunction with the General Provisions for Securities Service. In the event of any difference between those provisions and these provisions, the provisions herein shall prevail.

1. SECURITIES TRADING

- 1.1 Unless otherwise agreed between you and us in writing or we have already held sufficient cash or the Securities in deliverable form on your behalf, you will pay us cleared fund or deliver to us the Securities in deliverable form within the time limit as prescribed by the Applicable Laws and market practice of the Exchange, the Clearing House or the market practice of the OTC Market for the purpose of settling the executed transaction.
- 1.2 Any day order placed with us by you that has not been executed before the close of business of the relevant Exchange or otherwise shall be deemed to have been cancelled automatically.
- 1.3 If the orders cannot be executed in whole or in part, we are not required to notify you immediately. An order may be executed in part if it cannot be executed in full.
- 1.4 You acknowledge that due to the trading practices of the Exchange or the OTC Market in which transaction is effected, it may not always be able to execute order at the price quoted “at best” or “at market” and you agree in any event to be bound by transaction effected by us following instructions given by you.
- 1.5 We may in our absolute discretion aggregate your order with other orders or our other clients’ orders. In doing in this way we must reasonably believe this will be to your advantage, for instance to obtain better execution or reduced dealing costs by being part of a larger transaction. We will allocate the acquired Securities amongst you and the others in a fair and equitable manner subject to the Applicable Laws and market practice.
- 1.6 Subject to the Applicable Laws and market practice of the Exchange, the Clearing House or the market practice of the OTC Market, we may in our absolute discretion determine the priority in the execution of your orders, having due regard to the sequence in which such orders are received, and you will not have any claim of priority to another in relation to the execution of any order received by us.
- 1.7 We will not be liable for any delay or failure in the transmission of orders due to breakdown or collapse of communication facilities or for any other delay or failure beyond the control of us.
- 1.8 Once order is placed, instruction to cancel or amend order placed will not be accepted unless the placed order has not been executed.
- 1.9 Market orders may result in unfavorable executions owing to volatile market conditions. Further, cancellation of market orders is rarely practicable as they are subject to immediate execution.
- 1.10 Your order is good for the day unless you instruct otherwise. A good-till-cancelled order remains a pending order until cancelled by you. The order may be executed at any time prior to such cancellation, and you accept full responsibility for the executed order (whether executed in whole or in part).



2. NEW ISSUE APPLICATION

- 2.1 You agree to comply with all the terms and conditions governing the Securities of the new listing and/or issue and the application for such new Securities set out in any prospectus and/or offering document and the application form or any other relevant documents in respect of such new listing and/or issue and you also agree to be bound by such terms and conditions in any such transaction you may have with us.
- 2.2 You recognize and understand that the legal, regulatory requirements and market practice in respect of application for new Securities may vary from time to time. You undertake to provide us with such information and take such additional steps and make such additional representations, warranties and undertakings as may be required in accordance with such legal, regulatory requirements and market practice.
- 2.3 When you ask us to apply for new issues on your behalf, you represent and warrant to and agree with us that:-
- (i) (if the application is made for the Securities Account) no other application is being made for the Securities Account by you or by anyone applying as your agent or by any other person;
 - (ii) (if the application is made by you as agent for the account of another person) no other application is being made by you as agent for or for the account of that person or by that person or by any other person as agent for that person;
 - (iii) the applicants under such applications are fully entitled to make such application and hold the Securities applied for and no breach of any law, regulation or other requirement in any part of the world will arise or result from the making or approval of any such application; and
 - (iv) we are entitled (but not obliged) to sign an application on your behalf.
- 2.4 You acknowledge and confirm that, if an application is made by an unlisted company that does not carry on any business other than dealing in shares and in respect of which you exercise control, such an application shall be deemed to be an application made for your own benefit.
- 2.5 You agree and acknowledge that the foregoing representations and/or warranties will be relied on by us in making the application, and by the issuer in deciding whether it will make allotment for such application.

3. FUNDS DEALING

- 3.1 You hereby engage us as your agent for the purpose of carrying out your directions in relation to holdings, subscription, purchase, switching, transfer, or redemption of the Unit, or any other instructions which you may wish or need to give to the Fund from time to time and which we may agree to process, including the placing of any order or request on your behalf for subscription, purchase, switching and redemption of the Unit, and the transmission to the relevant fund representative of the relevant documents and payments subject to these Terms and Conditions. We may appoint and engage sub-agents to carry out our responsibilities hereunder.
- 3.2 You hereby expressly agree and authorize us to hold any of the Unit subscribed by or transferred to you pursuant to these Terms and Conditions, or to arrange for such Unit to be held in safe custody in accordance with these Terms and Conditions.



- 3.3 You authorize us to switch, transfer, redeem or otherwise deal with any of the Unit held by us or our nominee for the Securities Account upon your instructions. We are expressly authorized by you to transmit your instructions to switch, transfer, redeem or otherwise deal with any of the Unit so held for the Securities Account to the relevant fund representative and to execute all necessary or relevant documents on your behalf.
- 3.4 In the event that you wish to subscribe, purchase, switch, transfer or redeem any of the Unit or to inquire and amend any particulars relating to your holding of the Unit, you agree that we may upon your instructions, make the necessary arrangements to do the same (including arranging for the transfer of the Unit from the Securities Account and to debit the Securities Account for any charges, commissions, fees and any other cost incurred, and/or to credit the Securities Account with the proceeds of the redemption or transfer less any charges, commissions, fees and any other cost incurred.
- 3.5 You acknowledge that any advice or confirmation of the execution of your instructions to subscribe, purchase, switch, transfer or redeem the Unit will be sent by the relevant fund representative to us and or our nominee. We shall either issue or cause our nominee to issue a separate statement to you.
- 3.6 All instructions must be given by you to us in clear and unambiguous manner and all dealings, transactions, and instructions shall be subject to the procedures between us and the fund representative of the relevant Fund regulating the subscription, purchase, switching, transfer and redemption of the Unit therein and other incidental matters, including, without limitation, the dealing days and dealing deadlines applicable to the Fund (the “**Procedure**”). We are not obliged to act in accordance with or respond to verbal instructions. It is your sole responsibility to ensure that the information given in the application or request is complete and accurate in all respects. We do not undertake to verify the completeness and accuracy of such information and do not accept any responsibility for any loss or damage caused to you arising out of any error or omission in completing any application or request.
- 3.7 An instruction to subscribe for or purchase, switch, transfer or redeem the Unit will only be accepted by us for handling upon receipt by us of (i) the duly signed application or request in the form required by us or, if we so specify, in the form required by the relevant Fund, and (ii) in the case of a subscription or purchase, the receipt of payment, and (iii) any other necessary information or documentation.
- 3.8 We are not obliged to accept any instruction at any time and not be obliged to give any reason or any refusal to accept an instruction. However, once we have accepted an instruction on your behalf, it may not be revoked or withdrawn without the written consent of us. You agree that we are not be obliged to act on any instruction for revocation, variation or amendment of any instruction already given to us and shall not be liable to you for any loss or expense suffered or incurred by you if the original instruction has already been completed or, in the opinion of us, we have insufficient time or are unable to act on such instruction to revoke, vary or amend the original instruction.
- 3.9 You acknowledge and agree that instructions given to the us may not, depending on the prevailing market conditions, be executed, and you agree that all losses incurred as a result of such non-execution shall be borne by you. You further agree that we shall not be liable for any loss incurred by reason of the manner or timing of execution of any instructions given by you. We shall not be liable to you for any loss or damage due to any delay in the transmission or execution of instructions arising out of a breakdown or failure of communication facilities or any other cause beyond the our reasonable control and anticipation.
- 3.10 The actual bid and offer prices for the transactions in the Unit will be determined by the Fund in accordance with the latest constitution documents and offering documents of the Fund and



the Procedures relating to the Fund. Any data that may be quoted by us or our representatives at any time is for information only.

- 3.11 We shall be entitled in our absolute discretion to reject in whole or in part any instruction to redeem any of the Unit if there are insufficient number or amount of such of the Unit held in the name of the us or the our nominee which are not subject to any charge, lien or other security interest in favour of any person including us.

4. MARGIN ACCOUNT

- 4.1 The margin facility is granted to you through the margin account in accordance with the provisions set out in the Agreement and all other terms as stipulated by us.

- 4.2 You agree to maintain the Margin and shall on demand pay such sum by way of additional and/or supplemental margin or collateral acceptable to us within such time limit (which may be at or before 3:00 p.m. within the same day) as may be determined by us or within such time as may be specified by us from time to time as we in our absolute discretion determines.

- 4.3 If you fail to pay the Margin, additional and/or supplemental margin or collateral when demanded by us, we are entitled (but not obliged) to close out some or all of your positions, we are not obliged to close out any transaction or take any other action in respect of positions opened or acquired on your instruction and in particular, no failure by you to pay the Margin, additional and/or supplemental margin when demanded will require us to close out any such transaction. It is hereby agreed and declared that failure to pay the Margin, additional and/or supplemental margin or collateral when demanded by us shall constitute an event of default as referred to sub-clause 9.1 under the General Provisions for Securities Service of Part I hereof.

- 4.4 All of the Margin and other payments due by you to us pursuant to the Agreement shall be made in cleared funds and to such account(s) as we may from time to time specify. If you are by law required to make any deduction or withholding in respect of taxes or otherwise, then you will be liable to pay such sum to us as will result in us receiving a net amount equivalent to the full amount which would have been received had no such deduction or withholding been required.

- 4.5 Any sums due to us from you under the Agreement may be deducted on notice in writing to you from any assets and we may have recourse against and sell realize or dispose of the assets (including any margin, charged assets and safe custody assets) in order to realize proceeds which may be applied in the discharge of such sum.

- 4.6 We shall be entitled to revise margin requirements from time to time in our absolute discretion. You will be granted the Margin Facility to an extent of up to such percentage of the market value of security maintained with us as may be determined by us in our absolute discretion from time to time. No previous margin requirements shall be regarded as a precedent and revised requirements once established shall apply to existing positions as well as to the new positions in the contracts affected by such revision.

- 4.7 As security for the performance of your obligations under the Agreement, you hereby charge to us by way of first legal charge and as a continuing security:-

- (i) all your rights, title and interest in respect of the Securities, cash and any other assets from time to time credited to the Securities Account;
- (ii) all of the Securities or other assets which, or the certificates or documents of title to which, are for the time being deposited with or held by us;
- (iii) all your rights under the Agreement including, without limitation, all your rights to



delivery of cash, the Securities or other assets;

- (iv) all sums of money held by us for you, the benefit of all accounts in which any such money may from time to time be held and all your rights, titles and interest under any trust relating to such money or to such accounts as aforesaid; and
- (v) all and any property and other rights in respect of or derived from the assets referred to in this clause, including, without limitation, any rights against any custodian, banker or other person.

4.8 The charge created hereunder is a continuing security and will extend to the ultimate balance of all the obligations under the margin account, regardless of any intermediate payment or discharge in whole or in part. Security is additional to any other security, guarantee or indemnity now or subsequently held by us in respect of the obligations under the Agreement and security is not in any way prejudiced or invalidated by any of other security, collateral, guarantee or indemnity from time to time deposited with or held by us and shall remain in full force and effect until discharged by us. Further, security shall not be prejudiced or invalidated by the illegality, invalidity or unenforceability of, or any defect in, any provision of any documents relating to the margin facility or any security, indemnity or guarantee provided to us whether on the ground of ultra vires, not being in the interest of the relevant person or not having been duly authorized, executed or delivered by any person or for any other reason whatsoever.

4.9 Subject to the Applicable Laws and market practice and without prejudice to the generality of the provisions herein, we are authorised to dispose of the Securities and we shall have absolute discretion to determine which Securities which are charged to us are to be disposed of in settlement of:-

- (i) your obligation to maintain the Margin; or
- (ii) any liability of you to repay or discharge the Margin Facility provided by us; or
- (iii) any liability of you to settle a transaction against which liability security has been provided by you; or
- (iv) any liability you owed to us for dealing in Securities which remains after we have disposed of all other assets designated as security for securing the settlement of that liability.

5. CUSTODY SERVICE

5.1 We are appointed to act as custodian for you to provide custody of the Securities (but we are not obliged to accept). Upon commencement of the appointment, you agree not to pledge, charge, sell, grant an option or otherwise deal in any of the Securities without our written consent.

5.2 We shall arrange for the Securities to be registered in the name of you or in the name of us or held in safe custody in accordance with the Applicable Laws and market practice of the Exchange or the Clearing House. Further, we shall deposit such amount of the Eligible Securities as we in our absolute discretion determine in the CCASS Depository either in the form deposited or registered or re-issued in the name of the HKSCC or in the name of the CCASS Nominee.



- 5.3 We shall collect any dividends, interest, payments or other entitlements to which you may be entitled and of which we are notified and shall remit the same to you as soon as possible after deduction of any taxes and duties payable or credit the same to the Securities Account.
- 5.4 We are not required to attend meetings of holders of the Securities or exercise any rights unless otherwise agreed with you in writing.
- 5.5 Instructions to withdraw or transfer the Securities are subject to such notices, quantity restrictions, payments and procedures as we may determine. We may need to take delivery from the seller or custodian or complete a transfer to you in accordance with the Applicable Laws and market practice and the place for collection of any certificates or documents shall be designated by us from time to time.
- 5.6 The Securities held by us as custodian for you under and pursuant to this Clause 5 are so held at your sole risk and we shall not be responsible for or liable in respect of any loss or damage suffered by you in connection therewith.

6. INVESTMENT ADVISORY SERVICE

- 6.1 You may appoint us as your investment adviser in relation to: -
- (i) all of the Securities from time to time deposited or held in the Securities Account and accepted by us for advisory service hereunder;
 - (ii) all monies from time to time deposited into the Securities Account or such other accounts specified by you and accepted by us for advisory service hereunder; and
 - (iii) all monies arising from the Securities held in the Securities Account or such other accounts with us (the “**Portfolio**”) subject to and upon the terms and conditions contained herein.
- 6.2 You represent and acknowledge that we may: -
- (i) act as your agent and on your behalf and in your name, to invest the monies comprised in the Portfolio, to purchase and subscribe for the Securities, and to exchange, sell and dispose of or otherwise deal with the Securities comprised in the Portfolio, on a non-discretionary basis and in accordance with your instructions; and
 - (ii) provide such other services as agreed between you and us from time to time.
- 6.3 We may, having accepted your appointment hereunder, provide you with market information and data, market views, research products, investment ideas, advice in regard to specific investment and risk management opportunities or investment recommendations (collectively the “**Investment Advice**”), which you may accept or reject, in whole or in part. In providing you with the Investment Advice, we shall have due regard to your financial position, investment objectives, experiences and restrictions relating to the Portfolio as illustrated by you to us from time to time.
- 6.4 Without prejudice and in addition to all representations and acknowledgments in the foregoing provisions given by you and to the extent permitted by the Applicable Laws, you hereby further represent and warrant to and undertake with us that you have or will have:-
- (i) the capability to make decisions about the material terms, conditions and risks of such transactions as you may instruct us to enter into from time to time; and



- (ii) the financial resources to absorb the risk of any loss that may be associated with the entry into of the transaction or the purchase or sale of Securities.
- 6.5 You represent and acknowledge (which representations and acknowledgements shall be repeated by you on each date on which transaction is entered into under the Agreement) that:-
 - (i) the Portfolio is not managed or supervised by us, and that it is your sole responsibility to manage and supervise the Portfolio unless otherwise agreed between you and us;
 - (ii) we are not obliged to update or review any of the Investment Advice that may have been made to you. Events occurring subsequent to the Investment Advice being given may prejudice the Investment Advice's correctness, appropriateness and suitability and that we give no undertaking or warranty that the Securities will perform in accordance with the Investment Advice; and
 - (iii) transactions that you instruct us to enter into may be subject to any or all of the risks described in the risk disclosure statements.
- 6.6 Where we provide you with the Investment Advice or other services in relation to any specific product including, without limitation, any of the Structured Product, we may, upon your request, supply you with the issuers' product specifications, descriptions and any prospectus or other offering or constitution documents relating to such Structured Product. We accept no liability for the accuracy or correctness of any information, whether in the relevant product specifications, descriptions, prospectus, offering or constitution documents or otherwise, obtained or originated from third parties (including the issuer or counterparty of any of the Structured Product) which may be provided to you.
- 6.7 No undertaking or warranty as to the recommendations and/or advice by us under or pursuant to the Agreement or as to the performance or profitability of the Portfolio is given by us.
- 6.8 To the fullest extent permitted by the Applicable Laws, we shall not be liable for any loss of opportunity resulting in the increase in the value of the Portfolio, any decline in the value of the Portfolio, any error of fact or judgment, mistake of law, any loss arising out of any of the investments of the Portfolio or any act or omission in the execution of the Agreement.
- 7. **STRUCTURED PRODUCT TRANSACTION**
- 7.1 Without prejudice and in addition to all representations, warranties and acknowledgments in the foregoing provisions given by you and to the extent permitted by the Applicable Laws, you hereby further represent and warrant to and undertake with us (which representations, warranties and undertakings shall be repeated by you on each date on which transaction is entered into under the Agreement) that you have or will have:-
 - (i) the capability to make decisions about the terms, conditions and risks of the Structured Product Transaction undertaken by you from time to time; and
 - (ii) the financial resources to absorb the risk of any loss that may be associated with the entry into of the Structured Product Transaction.
- 7.2 We will make available to you a terms sheet or key facts statement showing the descriptions, specifications, features, particulars or otherwise relating to the relevant Structured Product or the risk associated therewith (the "**Structured Product Key Facts Statement**"). You agree confirm and acknowledge that to the extent permitted by the Applicable Laws, we accept no



liability for the accuracy or correctness of any information, whether in the relevant specifications, descriptions, prospectus, offering or constitution documents or otherwise, obtained or originated from third parties (including the issuer or counterparty of any of the Structured Product) which may be provided to you.

- 7.3 For the avoidance of doubt, it is hereby agreed and declared that you will and are deemed to have read the Structured Product Key Facts Statement prior to your entry into any of the Structured Product Transaction and will fully understand the descriptions, specifications, features, particulars and other relevant details of the Structured Product as well as the risks associated therewith.
- 7.4 You acknowledge and agree that you will seek independent and professional advice on the Structured Product to be dealt with or the Structured Product Transaction to be entered into by you if you consider fit and necessary and subject to the Applicable Laws and unless agreed by us, we shall not provide you with professional advices on the Structured Product and you enter into any of the Structured Product Transaction at your own risks.
- 7.5 You agree to use your best endeavour to ensure that, at the time you give your instructions to enter into the Structured Product Transaction, you have deposited sufficient cleared funds in the Securities Account or such other accounts for payment of the relevant value under the Structured Product Transaction. We may (but not obliged to) enter into the Structured Product Transaction for or with you despite that, at the time of your entry into the relevant transaction, you do not have sufficient cleared funds in the Securities Account or other accounts for payment of the relevant value without further notice to you. In such event, you shall forthwith place sufficient cleared funds into the Securities Account or such other accounts as designated by us as soon as practicable for the purpose of payment of the relevant value.
- 7.6 We shall confirm to you in writing the agreed terms of the Structured Product Transaction by way of trade confirmation setting out sufficient details or particulars for identification of the Structured Product Transaction (the “**Confirmation**”). The Structured Product Key Facts Statement and the Confirmation constitute a supplement to and forms an integral part of the agreement in relation to the Structured Product Transaction. In respect of a particular Structured Product Transaction, in the event of any difference between the provisions of the relevant Confirmation and the other documents evidencing the terms and conditions thereof, the provisions of the Structured Product Key Facts Statement and the Confirmation shall prevail.
- 7.7 You are obliged to carefully examine all information and particulars set out in the Confirmation and acknowledge the correctness of the Confirmation by countersigning the duplicate copies thereof and return them to us within 3 days of the date of issuance thereof or such other time limit as may be specified by us from time to time in our absolute discretion. If no objection to us in writing is raised by you within 3 days of the date of issuance of the Confirmation or such other time limit as may be specified by us from time to time in our absolute discretion, all information data and particulars in the Confirmation are considered to be correct, conclusive and binding on you.
- 7.8 You understand and acknowledge that you are obliged to settle the Structured Product Transaction in cash or delivery of the specified underlying asset upon settlement on the specified settlement day (the “**Settlement Date**”) in accordance with the terms and conditions of the Structured Product Key Facts Statement and the Confirmation.
- 7.9 Where the Structured Product Transaction may expire unless appropriate action in connection with the redemption of the Structured Product Transaction is taken on the Settlement Date, the following provisions shall apply:-



- (i) subject to the Applicable Laws and unless agreed by us, it is your sole responsibility to understand the rights and terms of all of the Structured Product Transaction and you are required to take all necessary actions in connection with the redemption of the Structured Product Transaction;
- (ii) if you fail or omit to instruct us at least 3 Business Days before the Settlement Date or such other time limit specified by us:-
 - (a) where the redemption of the Structured Product Transaction is not obligatory, it shall be conclusively deemed that you have irrevocably waived forgone or renounced all your rights and entitlements regarding the redemption of such Structured Product Transaction and we are entitled to deal with or otherwise dispose of such Structured Product Transaction in the manner as we shall consider fit; or
 - (b) where the redemption of the Structured Product Transaction is obligatory, we are entitled to sell or transfer any of the Securities or other assets in the Securities Account or all cash, assets, property otherwise deposited with or held by us and/or the Associate to satisfy your settlement obligations in the manner as we shall in our absolute discretion determine. You shall fully indemnify and keep us indemnified from and against all losses, damages, interest, actions, demands, claims, legal proceedings whatsoever which we may suffer or sustain and all costs and expenses reasonably incurred by us as a result of effecting such a transfer or sale and matters directly or indirectly relating thereto or otherwise to your default in performance of your settlement obligations hereunder; and
- (iii) if you instruct us at least 3 Business Days or such other time limit as may be specified by us before the Settlement Date to take appropriate action for the redemption of the Structured Product Transaction, we are not obliged to follow your instruction to redeem unless and until sufficient cleared funds or specified underlying assets in an appropriate form (as the case may be) have been deposited with us when you give your instruction and, in default thereof, the provisions of sub-clause 7.9(ii) above shall apply as if you have failed to give us punctual instruction.

7.10 Where the Structured Product Transaction provides for settlement in cash or delivery of the specified underlying asset upon settlement on the Settlement Day, you represent and warrant to and undertake with us that: -

- (i) in case of the Structured Product Transaction providing for settlement in cash on the Settlement Date, you shall make available to us sufficient cleared funds to enable us to fully satisfy on your behalf your settlement obligations in respect of such Structured Product Transaction before the Settlement Date. If you fail or omit to fulfil your settlement obligations hereunder by the Settlement Date, we are authorized and empowered to sell or transfer any of the Securities or other assets in the Securities Account or all cash, asset or property otherwise deposited with or held by us and/or Associate in satisfaction of your settlement obligations. You shall fully indemnify and keep us indemnified from and against all losses, damages, interest, actions, demands, claims whatsoever which we may suffer or sustain and all costs and expenses reasonably incurred by us as a result of effecting such a sale and matters directly or indirectly relating thereto or otherwise to your default in performance of your settlement obligations; and/or
- (ii) in case of the Structured Product Transaction providing for settlement by way of delivery of the specified underlying asset, you shall deliver the specified quantity of such assets in an appropriate form to us or otherwise settle such trade before the



Settlement Date. If you fail or omit to fulfil your settlement obligations by the Settlement Date, we are authorized and empowered to execute on your behalf the purchase or acquisition of such specified underlying assets as are necessary to satisfy your settlement obligations hereunder. We are also authorized and empowered to appropriate, withdraw and/or apply the relevant quantity of the appropriate assets from the assets you deposited with or held by us and/or the Associate so as to enable us to settle the Structured Product Transaction.

- 7.11 Without prejudice to the foregoing provisions, unless otherwise agreed between you and us, it is not incumbent on us to notify you of any upcoming Settlement Date from time to time or to take any action on your behalf.
- 7.12 Upon the Settlement Date, we shall be entitled to debit the entire amount payable for the Structured Product Transaction (including, without limitation, the purchase price, all fees, charges, commissions, stamp duties, taxes or levies incurred and all other reasonable expenses) from the Securities Account or such other accounts.
- 7.13 The net proceeds of the Structured Product Transaction after deducting all brokerages, commissions, charges, stamp duties and fees incurred and all other reasonable expenses shall first be applied towards payment and discharge (whether in whole or in part) of all indebtedness, if any, due and owing to us hereunder and the surplus, if any, shall be credited into the Securities Account or such other accounts.
- 7.14 You agree that you are and remain fully responsible for all settlement and all other obligations in relation to any of the Structured Product Transaction entered into by you, regardless of the amount of cleared funds in the Securities Account or such other accounts. In addition, you agree that we are at any time entitled to close out any or all contracts or agreements relating to the Structured Product Transaction effected by us for or with you, cover any short position of you through the purchase of the specified underlying assets on the SEHK, other relevant Exchange or the OTC Market or liquidate any of your long position through the sale of the Structured Product on the SEHK, other relevant Exchanges or the OTC Market, or take any other action as we may in our absolute discretion consider fit in relation to the relevant Structured Product Transaction should, in our reasonable opinion, we consider that you are or may be unable or unwilling to comply with any of your settlement or other obligations under the Structured Product Transaction entered into.
- 7.15 (If applicable) You agree to pay margin amount or collateral required to be paid or to be provided in such form and manner as agreed within such period as prescribed under and pursuant to the terms and conditions of the Structured Product Transaction. It is hereby agreed and declared that failure to pay margin amount or collateral when demanded by us shall constitute an event of default as referred to sub-clause 9.1 under the General Provisions for Securities Service of Part I hereof.

8. DEALING IN TAIWAN SECURITIES

- 8.1 In the event that we are instructed to trade the Taiwan securities for you, you agree that you shall observe all the laws, rules and regulations applicable to the dealing in the Taiwan securities (the “**Applicable Taiwan Laws**”) and the Applicable Taiwan Laws shall be conclusive binding on you. Further, you acknowledge that you have sufficient knowledge of and fully understood the Applicable Taiwan Laws. In particular, you have sought professional advice on tax and all other regulatory treatments of the Taiwan securities.
- 8.2 You acknowledge and confirm that all the funds applied by you to invest in the Taiwan securities and/or financial products available in Taiwan market shall not be sourced from



Taiwan or the People's Republic of China (excluding Hong Kong or Macau Special Administrative Region) in whole or in part (whether directly or indirectly).

- 8.3 You agree to pay all taxes, fees, charges, levies or impositions in respect of dealing in the Taiwan securities prescribed by the Applicable Taiwan Laws.
- 8.4 We are authorized to settle the dealing in the Taiwan securities in accordance with the period prescribed by the Applicable Taiwan Laws. We are, for the purpose of settlement, entitled to convert the sum under the Securities Account into Taiwan Dollars at our prevailing exchange rate. The losses arising out of the conversion are for your account.
- 8.5 We have rights to convert Taiwan Dollars held by you under the Securities Account into U.S. Dollars or Hong Kong Dollars at our prevailing exchange rate and remit the sum so converted to our clients' account in Hong Kong to be held by us for you. The losses arising out of the conversion shall be borne by you.

9. ELECTRONIC TRADING SERVICES

- 9.1 The Electronic Trading Services shall be provided to you subject to and upon the terms and conditions stipulated by us from time to time and these Terms and Conditions shall mutatis mutandis apply to all the transactions entered into through the Electronic Trading Services.
- 9.2 You acknowledge and agree that it is your sole responsibility to keep the Login ID and Password or security device in relation to the Electronic Trading Services confidential. You shall not disclose the Login ID and Password to any third party or share it with anyone and shall put the security device in a place to which any third party shall have no access at all times.
- 9.3 You acknowledge and agree that you will be wholly and solely responsible for all instructions entered through the Electronic Trading Services. You further acknowledge that the Electronic Trading Services and the software comprised in them, are proprietary to us. You undertake and warrant that you will not, and will not attempt to, tamper with, modify, decompile, reverse engineer, damage, destroy or otherwise alter in any way, and shall not attempt to gain unauthorized and/or illegal access to, any part of the Electronic Trading Services, and any of the software comprised therein. You agree that we shall be entitled to close any or all of the Securities Account immediately without notice to you, and you acknowledge that we may take legal action against you in the event that you are at any time in breach of this warranty and undertaking. You undertake to notify us immediately if you become aware that any of the actions described above in this provision is being perpetrated by any other person.
- 9.4 In the event that you open the Securities Account with us on-line, in addition to completing the required documents on-line, you agree to return to us the hard copy of the Account Opening Form, the Account Mandate and such other documents as prescribed by us from time to time. °
- 9.5 We will not be deemed to have received your electronic instructions or have executed your electronic instructions unless and until you are in actual receipt of our message acknowledging receipt or confirming execution of your electronic instructions, either by way of electronic means or hard copy.
- 9.6 You acknowledge and agree that, as a condition of using the Electronic Trading Services to give instructions, you will immediately notify us if:-
- (i) an instruction has been placed through the Electronic Trading Services and you have not received an instruction number or have not received an accurate acknowledgement



of the instruction or of its execution (whether by hard copy, electronic or verbal means);

- (ii) you have received acknowledgement (whether by hard copy, electronic or verbal means) of an instruction which you did not issue or has error or irregularity;
 - (iii) you have notice or become aware of any of the acts mentioned in sub-clause 9.3 being done or attempted by any person;
 - (iv) you become aware of any unauthorized and/or illegal use of the password or security device belonging to you; or
 - (v) you have difficulties in the use of the Electronic Trading Services;
- 9.7 You agree to review and verify every instruction before sending it as it shall not be able to cancel your instructions and the instructions shall be conclusively binding on you once sent.
- 9.8 You agree that, to the fullest extent permitted by the Applicable Laws, we shall not be liable for any loss or damage you or any other person may suffer as a result of using or attempting to use the Electronic Trading Services unless such loss or damage are caused by willful default or gross negligence on the part of us. You further undertake to indemnify us on demand for any loss or damage we may suffer as a result of your use of the Electronic Trading Services save and except that such loss or damage is beyond your control.
- 9.9 You acknowledge that we and the information provider may assert proprietary interests and rights of all market data provided through the Electronic Trading Services and that you agree not to do any act which would constitute any infringement or encroachment of such rights or interests. You also understand that no representation or warranty is given as to the timeliness, sequence, accuracy or completeness of market data or any market information provided to you through the Electronic Trading Services.
- 9.10 In the event that any transaction or trade is executed by means of electronic instruction, the electronically-executed transaction or trade is subject to all terms and conditions applicable to it.
- 9.11 The Electronic Trading Services may provide, for informational purposes only, data about securities, derivatives, mutual funds or other investment products published by third parties. Owing to market volatility and possible delay in the data-transmission process, the data may not be real-time market quotes for the relevant products. Whilst we believe such data to be reliable, it has no independent basis to verify or contradict the accuracy or completeness of the information provided. No recommendation or endorsement from us shall be inferred from such data.
- 9.12 You expressly acknowledges and agrees that the Content is provided to you on an “as is” basis and that its use of its Content is at its sole risk. We give no warranty of any kind whatsoever (save for those expressly stated herein) relating to the Content, express or implied, including without limitation, non-infringement of third party rights or merchantability or fitness for any particular purpose or use. We endeavor to ensure the accuracy and reliability of the Content 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.
- 9.13 To the fullest extent permitted by the Applicable Laws, we shall not be held liable to you or anyone else for any direct, indirect, consequential or incidental loss, costs or damages, nor any



special or punitive damages, or injury caused in whole or in part by our negligence in procuring, compiling, interpreting, editing, reporting or delivering any of the Content. In no event shall we be liable to you for any direct, consequential, incidental, special or punitive damages, including any lost profits or lost savings, or for any third party claim of any nature whatsoever related to the Electronic Trading Services or its use.

10. CHINA-HK CONNECT SERVICES - CHINA-HONG KONG STOCK CONNECT PILOT PROGRAMME

- 10.1 You shall comply with all laws, rules and regulations as well as all requirements and requests of regulatory or governmental bodies, exchanges, markets, clearing houses and other bodies with competent jurisdiction (including but not limited to The Stock Exchange of Hong Kong Limited (SEHK), the Shanghai Stock Exchange (SSE), the Shenzhen Stock Exchange (SZSE), the respective relevant subsidiaries and affiliates of SEHK, SSE and SZSE, China Securities Depository and Clearing Corporation Limited (ChinaClear), the Securities and Futures Commission of Hong Kong, the China Securities Regulatory Commission, the State Administration of Foreign Exchange of Mainland China and the State Administration of Taxation of Mainland China) as may be applicable from time to time (the “Market Requirements”) to the China-HK Connect Services and trading through the use of such services.
- 10.2 You shall be responsible as principal for all obligations and liabilities in connection with your use of the China-HK Connect Services and trading through the use of such services and Cathay Securities (Hong Kong) Limited and its agents do not in any circumstances whatsoever have any responsibility towards any person on whose behalf you may act. You agree that Cathay Securities (Hong Kong) Limited may dispose or initiate a disposal by its associated entity of any of the securities or securities collateral received or held on your behalf in settlement of any liability owed by you or on your behalf to Cathay Securities (Hong Kong) Limited, the associated entity or a third person.
- 10.3 Cathay Securities (Hong Kong) Limited has absolute discretion to add or amend any terms governing the China-HK Connect Services from time to time for the purpose of ensuring or facilitating compliance with any Market Requirements or other purposes as Cathay Securities (Hong Kong) Limited considers appropriate. Furthermore, you agree that the China-HK Connect Services will be or are provided by Cathay Securities (Hong Kong) Limited in respect of particular market(s) or exchange(s) in the Mainland China subject to and upon additional terms from time to time prescribed by Cathay Securities (Hong Kong) Limited and set out in the relevant market annex(es). The said additional and revised terms shall form part of and be read together with this Agreement. Continued use by you of the China-HK Connect Services will constitute acceptance of the additional and revised terms by you. Cathay Securities (Hong Kong) Limited may post the additional and/or revised terms on our website at www.cathaysec.com.hk or notify you by other means as Cathay Securities (Hong Kong) Limited considers appropriate.
- 10.4 You have been invited to read carefully and consider the terms of the risk disclosure statements as Cathay Securities (Hong Kong) Limited may provide from time to time setting out risks associated with the use of China-HK Connect Services and to ask questions and take independent advice if appropriate.
- 10.5 You agree to pay and reimburse Cathay Securities (Hong Kong) Limited and its agents for all commissions and fees, charges, costs, expenses, levies, penalties and taxes incurred by or imposed on Cathay Securities (Hong Kong) Limited or its agents in connection with your use of the China-HK Connect Services as you may agree with Cathay Securities (Hong Kong) Limited from time to time or which are required by any Market Requirements. Cathay Securities (Hong Kong) Limited and its agents shall not be accountable to you for any commissions, remuneration, rebates or other benefits which Cathay Securities (Hong Kong)



Limited or agent may receive from or offer to any person in respect of any transaction or business conducted with you or on your behalf.

- 10.6 Cathay Securities (Hong Kong) Limited and its agents shall not be liable for any failure to perform any of their respective obligations in connection with the China-HK Connect Services where such failure is directly or indirectly due to (i) the restraint, failure, default or act of any governmental or regulatory body, exchange, market, clearing house or other body with competent jurisdiction; (ii) suspension, restriction or cessation of services provided by any exchange; (iii) disruption or failure of settlement and clearing of transactions on the part of any clearing house; (iv) riot, commotion, war, flood, typhoon, earthquake, fire or explosion; (v) any interruption, delay, failure, suspension or error of third party electronic transmission or other electronic system; or (vi) any other cause which is beyond the reasonable control of Cathay Securities (Hong Kong) Limited or its agents. Cathay Securities (Hong Kong) Limited reserves the right to suspend, restrict or cease to provide all or part of the China-HK Connect Services in its absolute discretion without any prior notice upon the happening of any of the above events.
- 10.7 Cathay Securities (Hong Kong) Limited shall not be liable to you for any indirect, consequential, incidental, special or punitive damages, losses, liabilities, costs or expenses whatsoever relating to the China-HK Connect Services including but not limited to any loss of profits.
- 10.8 Cathay Securities (Hong Kong) Limited shall have the right to assign, transfer or otherwise dispose of all or any of our rights, interests or obligations in or under this Agreement to any third party as it thinks fit and without having to notify you or obtain your consent. You shall not assign, transfer or dispose your rights, interests or obligations in or under this Agreement to any third party without the prior written consent of Cathay Securities (Hong Kong) Limited.
- 10.9 You shall comply, and be solely responsible for complying, with all laws, rules and regulations as well as all requirements and requests of regulatory or governmental bodies, exchanges, markets, clearing houses and other bodies with competent jurisdiction (including but not limited to The Stock Exchange of Hong Kong Limited (SEHK), the Shanghai Stock Exchange (SSE), the Shenzhen Stock Exchange (SZSE), the respective relevant subsidiaries and affiliates of SEHK, SSE and SZSE, China Securities Depository and Clearing Corporation Limited (ChinaClear), the Securities and Futures Commission of Hong Kong, the China Securities Regulatory Commission, the State Administration of Foreign Exchange of Mainland China and the State Administration of Taxation of Mainland China) as may be applicable from time to time ("Market Requirements") to the China-HK Stock Connect Services and trading through the use of such services. Cathay Securities (Hong Kong) Limited is not obliged to update this Section in light of any change in the Market Requirements.
- 10.10 In particular, the client shall be fully aware of and comply with all Market Requirements in the Mainland China in relation to short-swing profits, restrictions on conducting off-exchange transactions and transfers, shareholding restrictions and disclosure obligations including but not limited to the following in respect of A shares listed on SSE (subject to change without any notice from Cathay Securities (Hong Kong) Limited):-
- (i) requirement for an investor to disclose interest held or controlled by it in a Mainland China listed company within three working days of its interest reaching 5% of the issued shares of such listed company and not to buy or sell the shares of that company within such three-day period, and the requirement to disclose any change in its shareholding and to comply with the related trading restrictions; and
 - (ii) the 10% single foreign investor's shareholding limit (10% of the total issued shares of a Mainland China listed company) and the 30% aggregate foreign investors'



shareholding limit (30% of the total issued share capital of a Mainland China listed company) applicable to Hong Kong and/or overseas investors and the related forced-sale arrangement.

- 10.11 You acknowledge that unless otherwise permitted under the Market Requirements, securities listed on SSE (the “SSE-Securities”) purchased on a trading day cannot be sold on the same day and you shall have sufficient SSE-Securities in its account with Cathay Securities (Hong Kong) Limited before commencement of trading on a trading day if you intend to sell the SSE-Securities. You are prohibited from naked short selling in SSE-Securities.
- 10.12 Where you conducts margin trading, stock borrowing and lending and/or short-selling activities through the use of the China-HK Stock Connect Services, the client shall be fully aware of the restrictions, requirements and conditions applicable to such activities. In particular, you acknowledge that trading services for such activities may be suspended, restricted or ceased in circumstances stipulated by the Market Requirements (such as when volume of trading activities exceeds the thresholds prescribed by the Market Requirements or any abnormal trading activities have or are suspected to have taken place) and that margin trading and short-selling activities may only be conducted in respect of eligible SSE-Securities. You may refer to the lists of eligible SSE-Securities published on the website of Hong Kong Exchanges and Clearing Limited (“HKEx”) from time to time.
- 10.13 You acknowledge that SEHK, SSE, SZSE and their respective subsidiaries and affiliates have power not to extend their services relating to the China-HK Stock Connect Services in circumstances stipulated by the Market Requirements (such as upon contravention of any Market Requirement or abnormal trading conduct committed by any of the client, Cathay Securities (Hong Kong) Limited and/or its agents) and Cathay Securities (Hong Kong) Limited may refuse to accept instructions from or cease to provide all or part of the China-HK Stock Connect Services to you in Cathay Securities (Hong Kong) Limited’s absolute discretion without any prior notice.
- 10.14 You agree that Cathay Securities (Hong Kong) Limited may take or refrain from taking such actions whether in your name or otherwise in Cathay Securities (Hong Kong) Limited’s absolute discretion without any prior notice including but not limited to any action for a forced -sale of the relevant securities, limiting, restricting or rejecting trading, order cancellation or other instructions given by you and suspending, restricting or ceasing to provide all or part of the China-HK Connect Services (i) so as to ensure or facilitate compliance with the 1 Market Requirements and to avoid or mitigate any losses that may be incurred or suffered by Cathay Securities (Hong Kong) Limited in so ensuring or facilitating compliance with the Market Requirements; (ii) if the client breaches any Market Requirement or term of this Annex; or (iii) upon the happening of any contingency or force majeure event beyond the reasonable control of Cathay Securities (Hong Kong) Limited or its agents.
- 10.15 You agree that for the purposes of carrying out your orders or exercising any of Cathay Securities (Hong Kong) Limited’s rights under this Annex or under any of your accounts with Cathay Securities (Hong Kong) Limited, Cathay Securities (Hong Kong) Limited may, at any time in its sole and absolute discretion and without any obligation, convert any amount in any currency in any account(s) of you or standing to your credit to any other currency, and any exchange rate losses and the costs of conversion shall be borne by you.
- 10.16 You acknowledge that the regulators, SSE, SEHK and the respective subsidiaries and affiliates of SSE and SEHK may have powers to carry out investigations in respect of any breach or suspected breach of any Market Requirements and agrees that Cathay Securities (Hong Kong) Limited and/or its agents may, in accordance with the request made by any such bodies, provide relevant information and materials (including but not limited to information, identities and personal data regarding you, your accounts and other persons (legal or otherwise) who are



ultimately responsible for originating the instruction in relation to a transaction and stand to gain the commercial or economic benefit of the transaction and/or bear its commercial or economic risk and information regarding their orders and transactions) and issue warnings to you to facilitate any investigations, surveillance or compliance with the Market Requirements.

- 10.17 You agree that personal data relating to or provided by you may be used and transferred outside of Hong Kong in accordance with Policy of Cathay Securities (Hong Kong) Limited on Personal Data Privacy (available from Cathay Securities (Hong Kong) Limited's website at www.cathaysec.com.hk or upon request) and you undertakes and represents that it shall obtain all necessary consents from the individuals concerned for the said use and transfer and comply with the Personal Data (Privacy) Ordinance.
- 10.18 You acknowledge that HKEx, SEHK, SSE and their respective subsidiaries, affiliates, directors, employees and agents shall not be responsible or held liable for any loss, damage or liability directly or indirectly suffered or incurred by you or any other parties arising from or in connection with the China-HK Stock Connect Services or trading through the use of such services.
- 10.19 Either the client or Cathay Securities (Hong Kong) Limited may terminate your use of the China-HK Stock Connect Services by giving at least seven days' prior notice to the other party.
- 10.20 The terms in this part (as may be amended and supplemented from time to time) shall constitute a legally binding agreement if you commence or continue to use the China-HK Connect Services.
- 10.21 This Agreement shall be governed by the laws of the Hong Kong Special Administrative Region. All disputes arising in connection with this Agreement and/or any transactions entered into through the use of the China-HK Connect Services shall be subject to the jurisdiction of the courts of the Hong Kong Special Administrative Region.