

Cash Client's Agreement

To: Malahon Securities Limited
Registered with the Securities and Futures Commission ("SFC") as a licensed corporation (CE Number AAB291) for Type 1 regulated activities and an exchange participant of The Stock Exchange of Hong Kong Limited ("SEHK").
5/F., Malahon Centre, 10-12 Stanley Street, Central, Hong Kong

I/We _____ request you to operate a Cash securities trading account or accounts (the "Account") for me/us on the following terms and conditions:-

(1) The Account

- 1.1 I/We confirm that the information provided in the Account Information Form is completed and accurate. I/We will inform you of any changes to that information. You are authorised to conduct credit enquiries on me/us to verify the information provided.
- 1.2 You will keep information relating to my/our Account confidential, but may provide any such information to the Exchange and/or the SFC to comply with their requirements or requests for information.
- 1.3 I/We admit that you may in the course of business possess information relating to securities and agree that you shall have no duty to disclose to me/us any such information.
- 1.4 If the Account is owned by more than one person, our liabilities shall be joint and several. The liabilities of a deceased or incapacitated joint account holder shall cease only with regard to transactions made subsequent to the receipt by you.
- 1.5 If the Account is a joint account, I/we hereby declare that the account is a joint account with right of survivorship. In the event of death of any joint account holders, the estate of the deceased joint account holder or the surviving joint holder(s) shall immediately notify you in writing of the relevant death and shall produce and deliver to you true copies of such proofs of death, tax waiver and such other documents as you may in your sole discretion require.
- 1.6 Each of the joint account holders shall have the authority to exercise all the rights, powers and discretions hereunder and to deal with you as if each of us alone was the holder of the Account without notice to the other. You may follow the instructions of any of us concerning the Account and shall not be obliged to inquire into or see to the application of any monies or properties between the joint account holders.
- 1.7 I/We hereby irrevocably direct you to set-off and withhold from and apply any securities, receivables and monies held in or for the Account against all actual or contingent liability incurred by you including any liability to pay for the purchased securities and other expenses to any third party.
- 1.8 Notwithstanding any provision of this Agreement, you shall have the right exercisable at your absolute discretion at any time to close the Account without ascribing any reason and without any liability to me/us for such closure by terminating this Agreement.

(2) Laws and rules

- 2.1 All transactions in securities which you effect on my/our instructions ("Transactions") shall be effected in accordance with all laws, rules and regulatory directions applying to you. This includes the rules of The Stock Exchange of Hong Kong Limited (the "Exchange") and of the Hong Kong Securities Clearing Company Limited (the "Clearing House"). All actions taken by you in accordance with such laws, rules and directions shall be binding on me/us.
- 2.2 In the event that you or your associated person commits a default in relation to securities listed or traded, or to be listed or traded, on a recognized stock market; and related assets of such securities and I/we thereby suffer a pecuniary loss, I/we acknowledge and accept that the liability of the Investor Compensation Fund will be restricted to valid claims as provided for in the Securities and Futures Ordinance and the relevant subsidiary legislation and will be subject to the monetary limits specified in the Securities and Futures (Investor Compensation - Compensation Limits) Rules and accordingly there can be no assurance that any pecuniary loss sustained by reason of such a default will necessarily be recouped from the Investor Compensation Fund in full, in part or at all.

(3) Transactions

- 3.1 You will act as my/our agent in effecting Transactions unless you indicate (in the contract note for the relevant Transaction or otherwise) that you are acting as principal.
- 3.2 I/We will notify you when a sale order relates to securities which I/we do not own i.e. involves short selling.
- 3.3 On all Transactions, I/we will pay your commission and charges, as notified to me/us, as well as applicable levies imposed by the Exchange and the SFC, and all applicable stamp duties. You may deduct such commissions, charges, levies and duties from the Account.
- 3.4 I/We acknowledge and agree that I/we shall be solely responsible for the Transactions and neither you nor any of the directors, officers or employees of your Group ("your Group" referred to in this agreement means your Associate Companies, your subsidiaries, your fellow subsidiaries and companies affiliated to you) shall be liable to me/us, or to any other person claiming under or through me/us, for any claim made with respect to the receipt and execution of any such Transactions.
- 3.5 I/We understand and agree that you may monitor or record any of my/our telephone conversations in order to verify the instructions given by me/us or my/our Authorized Person.
- 3.6 You shall have an absolute discretion to accept or refuse any orders or the execution of any orders and shall not be obliged to give any reason for such refusal.
- 3.7 I/We acknowledge and agree that you and your Group's directors, officers, employees and agents shall not be responsible or liable for any loss suffered or which may be suffered by me/us as a result of any delay, failure or inaccuracy in the transmission or communication of instructions or orders.
- 3.8 I/We acknowledge that all Transactions effected by you pursuant to my/our instructions is entirely a result of my/our judgement and decisions and in no way results from your selection or advice.
- 3.9 If I/we reside or give any orders to you outside Hong Kong, I/we agree to ensure and represent that such orders will have been given in compliance with any and all applicable law of the relevant jurisdiction from which my/our orders are given. I/We further agree to indemnify you on demand for any claims, demands, actions, costs and expenses you may suffer or incur in connection with or arising from my/our residing or giving of any such order outside Hong Kong.
- 3.10 Unless otherwise agreed, in respect of each Transaction, unless you are already holding cash or securities on my/our behalf to settle the Transaction, I/we will
 - pay you cleared funds or deliver to you securities in deliverable form or
 - otherwise ensure that you have received such funds or securities by such times as you have notified me/us in relation to that Transaction. If I/we fail to do so, you may without any liability on your part
 - in the case of a purchase Transaction, sell the purchased securities and

- in the case of a sale Transaction, borrow and/or purchase securities in order to settle the Transaction.
- 3.11 I/We will be responsible to you for any losses and expenses resulting from my/our settlement failures.
- 3.12 I/We agree to pay interest on all overdue balances (including interest arising after a judgement debt is obtained against me/us) at such rates and on such other terms as you have notified me/us from time to time.
- 3.13 In the case of a purchase Transaction, if the selling broker fails to deliver on the settlement date and you have to purchase securities to settle the Transaction, I/we shall not be responsible to you for the costs of such purchase.
- 3.14 Every Transaction indicated or referred to in any notice, statement, confirmation or other communications shall be deemed as correct and confirmed by me/us unless you receive from me/us written notice to the contrary within seven (7) days. Any notice, statement, confirmation or other communication shall be deemed to have been received (a) if hand delivered, when delivered (b) if sent by registered post, two days after the same has been posted or (c) if sent by fax, at the same time it is dispatched.
- 3.15 Every statement of account shall, in the absence of manifest error, be conclusive and binding on me/us as to the amount standing to the debit or credit of the Account.
- 3.16 If you enter into any Transaction on behalf of me/us in a currency other than the currency in which the Account is denominated then:
- any profit or loss arising as a result of a fluctuation in the exchange rate affecting such currency will be for my/our Account and risk.
 - when such Transactions are sold, set off or otherwise liquidated, you may at its sole discretion debit or credit the Account in the currency in which the Account is denominated at a rate of exchange determined conclusively by you on the basis of the then prevailing market rates of exchange for such foreign currency.
- 3.17 I/We should make the necessary enquiries and be fully aware of the characteristics, trading and settlement arrangement, and fee and commission of the Transaction before placing such orders.
- 3.18 As you instruct a third party to deal in securities on my/our behalf on any exchanges, for the avoidance of doubt, I/we expressly consent to your sharing of commission, or the receipt of rebates, or such other amounts relating to such transactions or contracts with those persons as you think fit, subject to applicable laws, rules and regulations.
- 3.19 If you solicit the sale of or recommend any financial product to me, the financial product must be reasonably suitable for me having regard to my financial situation, investment experience and investment objectives. No other provision of this agreement or any other document you may ask me to sign and no statement you may ask you to make derogates from this clause.

Internet Securities Trading Service

- 3.20 I/We shall use the internet securities trading service only in accordance with this Agreement.
- 3.21 I/We shall be the only authorized user(s) of the internet securities trading service under the Account.
- 3.22 I/We acknowledge that the internet securities trading service is proprietary to you. I/We warrant and undertake that I/we shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer or otherwise alter in any way, and shall not attempt to gain unauthorized access to, any part of the internet securities trading service. I/We undertake to notify you immediately if I/We become aware that any of the actions described above in this paragraph is being perpetrated by any other person.
- 3.23 I/We shall be responsible for the confidentiality and use of my/our customer ID and Password.
- 3.24 I/We agree immediately to notify you if I/we become aware of:-
- any loss or theft of my /our customer ID and Password ; or
 - any unauthorized use of any of my /our customer ID and Password, or of the internet securities trading service or any information; or
 - any failure by me/us to receive a message that an order initiated by me/us through the internet securities trading service has been received and or executed through the internet securities trading service.
- 3.25 I/We shall be solely responsible for all instruction entered through the internet using my/our customer ID and Password.
- 3.26 I/We understand that you will not be liable to me/us if I am/we are unable to access my /our account information or request a transaction through the internet securities service.
- 3.27 I/We shall not use or permit the use of the Information or any part thereof for any illegal purpose.
- 3.28 I/We shall not disseminate the information to third parties, and shall be solely use the information or any part thereof for my/our own use or in the ordinary course of my/our own business.
- 3.29 Electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. My/our ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms. Such limits may vary, I/we should ask you for details in this respect.

(4) Safekeeping of securities

- 4.1 Any securities which are held by you for safekeeping may, at your discretion
- (in the case of registrable securities) be registered in my/our name or in the name of your nominee; or
 - be deposited in safe custody in a designated account with your banker or with any other institution which provides facilities for the safe custody of documents. In the case of securities in Hong Kong, such institution shall be acceptable to the SFC as a provider of safe custody services.
- 4.2 Where securities are not registered in my/our name, any dividends or other benefits arising in respect of such securities shall, when received by you, be credited to my/our Account or paid or transferred to me/us, as agreed with you. Where the securities form part of a larger holding of identical securities held for your clients, I/we shall be entitled to the same share of the benefits arising on the holding as my/our share of the total holding.
- 4.3 I/We acknowledge and agree that all securities held for the Account shall be subject to a general lien in your favour, for the performance of my/our obligations to you arising in respect of dealing in securities for me/us.
- 4.4 I/We expressly authorize that you have the right without notice to me/us to dispose my/our securities for the purpose of settling any liability owed by me/us to you to or your associated entity.
- 4.5 You do not have my/our written authority under Section 7 of Securities and Futures (Client Securities) Rule to:-
- deposit any of my/our securities with an authorized financial institution as collateral for financial accommodation provided to you; or
 - deposit any of my/our securities with:
 - (i) a recognized clearing house; or
 - (ii) another intermediary licensed or registered for dealing in securities, as collateral for the discharge and satisfaction of your settlement obligations and liabilities

(5) Cash held for me/us

- 5.1 Any cash held for me/us, other than cash received by you in respect of Transactions and which is on-paid for settlement purpose or to me/us, shall be credited to a client trust account maintained with a licensed bank as required by applicable laws from time to time.
- 5.2 I/We expressly authorize you to accept and act upon (but you are not obliged to do so) any instruction, oral or written, whether by telephone, facsimile transmission, electronic mail via the internet regarding payment or transfer of fund from my/our Account to my/our bank account stated in the Account Information Form upon my/our payment or transfer instruction.
- 5.3 I/We agree that no interest shall accrue on any amounts which may be held by you to the credit of my/our account, unless there is an agreement in writing to the contrary.
- 5.4 You will have a general lien over all or any part of any money held by you for the discharge of my/our obligations to you; you may at any time without notice combine or consolidate all or any of my/our accounts with my/our liabilities to you; and you may set-off or transfer any sum in whatever currency standing to the credit of any of my/our accounts with you in or towards satisfaction of any of my/our liabilities of whatever nature (including liabilities incurred as principal or surety and whether such liabilities be actual or contingent, primary or collateral, several or joint) to you.

(6) Risk Disclosure Statement

6.1 Risk of Securities Trading

I/We acknowledge that the price of securities can and does fluctuate, and any individual security may experience upwards or downwards movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. I/We also acknowledge that there may be risks in leaving securities in your safekeeping. For example, if you are holding my/our securities and you become insolvent, I/we may experience significant delay in recovering the securities. These are risks that I/we am/are prepared to accept.

6.2 Risk of trading Growth Enterprise Market Stocks

I/We understand that the Growth Enterprise Market (GEM) has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid. I/We appreciate that there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate.

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

I/We understand that current information on GEM stocks may only be found on the Internet website operated by The Stock Exchange of Hong Kong Limited. GEM Companies are usually not required to issue paid announcements in gazetted newspapers. I/We should seek independent professional advice if I/we am/are uncertain of or have not understood any aspect of this risk disclosure statements or the nature and risks involved in trading of GEM stocks.

6.3 Risk of client assets received or held outside Hong Kong

Client assets received or held by the licensed or registered person outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdictions which may be different from the Securities and Futures Ordinance (Cap. 571) and the rules made thereunder. Consequently, my/our assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

6.4 Risk of providing an authority to hold mail or to direct mail to third parties

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

6.5 Risk of trading NASDAQ - AMEX securities at The Stock Exchange of Hong Kong Limited

The securities under the NASDAQ-AMEX Pilot Program ("PP") are aimed at sophisticated investors. I/We should consult the licensed or registered person and become familiarized with the PP before trading in the PP securities. I/We should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

6.6 Risk on terms and conditions of contracts

I/we should ask you about the terms and conditions of each securities which I/we am/are trading and associated obligations (e.g. the circumstance under which I/we may become obliged to make or take delivery of the underlying interest of each securities). Under certain circumstances the specifications of outstanding securities may be modified by the exchange or the listed companies to reflect changes in the underlying interest.

6.7 Risk on deposit and securities

I/We should familiarize myself/ourselves with the protections given to money or other securities I/we may deposit for domestic and foreign transactions, particularly in the event of a firm's insolvency or bankruptcy. The extent to which I/we may recover my/our money or securities may be governed by specific legislation or local rules. In some jurisdictions, securities which had been specifically identifiable as my/own will be pro-rated in the same manner as cash for purpose of distribution in the event of a shortfall.

6.8 Risk on commission and other charges

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

6.9 Risk on transactions in other jurisdictions

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose me/us to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before I/we trade I/we should enquire about any rules relevant to my/our particular transactions. My/Our local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where my/our transactions have been effected. I/We should ask you deal for details about the types of redress available in both the home jurisdiction and other relevant jurisdictions before starting to trade.

6.10 Risk on Trading Facilities

Electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. My/Our ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms. Such limits may vary. I/we should ask you for details in this respect.

6.11 Risk on electronic trading

I/We hereby understand that due to unpredictable traffic congestion of the Internet, an inherently unreliable medium of communication and that such unreliability is beyond your control, there is a risk that communication over the Internet may be interrupted, delayed or accessed by unauthorized parties. Notwithstanding measures taken by you to minimize this risk, you accept no responsibility for any loss which may be incurred by me/us as a result of interruptions or delays or unauthorized access. I/We should not place any instruction with you over the Internet if I/we are not prepared to accept such risk.

I/We hereby understand that trading on an electronic trading system may differ from trading on other electronic trading systems. If I/we may undertake transactions on an electronic trading system, I/we will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that my/our order is either not executed according to my/our instructions or is not executed at all.

I/We hereby understand that while you, the Stock Exchange of Hong Kong Limited (the "HKEX"), Hong Kong Securities Clearing Company Limited ("the "HKSCC") and all related parties endeavour to ensure the accuracy and reliability of the information provided through the system, there is no guarantee that such information is accurate and reliable and that you, the HKEX, CCASS and related parties do not accept any liability (whether in text or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions.

6.12 Risk on instructions by facsimile

I/We should consider the possible risks inherent in the giving of instructions by facsimile. Non-original signatures on the facsimile may be forged and instructions given by facsimile may be transmitted to wrong numbers, may never reach you and may thereby become known to third parties thus losing their confidential nature. You are not responsible for the occurrence of any such circumstance or for any action, claim, loss, damage, or cost by facsimile.

6.13 Risk of E-Statement Service

Access to the internet or other electronic medium may be limited or unavailable during periods of peak demand, market volatility, systems upgrades or maintenance or for other reasons. Any communication through the internet or other electronic medium may be subject to interruption, transmission blackout, and delayed transmission due to unpredictable traffic congestion and other reasons beyond the licensed or registered person's control. Internet is, due to technical limitation, an inherently unreliable medium of communication. As a result of such unreliability, there may be delays in the transmission and receipt of information. The statements may not be sent to the designed email address at all. Moreover, communications and personal data may be accessed by unauthorized third parties, and there are risks of misunderstanding or error in any communication and that such risks shall be absolutely borne by me/us.

6.14 Risk of trading Derivative Products on an exchange

I/ We understand that trading of exchange-traded derivative products such as Callable Bull/Bear Contracts (CBBC), Derivative Warrants, Synthetic Exchange-Traded Fund (Synthetic ETF) involve significant risks and it is crucial for me/ us as investors to fully understand the risks and consequences involved in trading these exchange-traded derivative products before I/ we trade them.

I/ we understand that trading exchange-traded derivative products involves, but not limited to, the following general major risks:

Issuer Default Risk

In the event that a derivative product issuer becomes insolvent and defaults on their listed securities, investors will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. Investors should therefore pay close attention to the financial strength and credit worthiness of the issuers of derivative products.

Uncollateralized Product Risk

Uncollateralized derivative products are not asset backed. In the event of issuer bankruptcy, investors can lose their entire investment. Investors should read the listing documents to determine if a product is uncollateralized.

Gearing Risk

Derivative products are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. Investors should be aware that the value of such derivative products may fall to zero resulting in a total loss of the initial investment.

Expiry Considerations

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

Extraordinary Price Movements

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

Liquidity Risk

The Stock Exchange of Hong Kong Limited requires all derivative product issuers to appoint a liquidity provider for each individual issue. The role of liquidity providers is to provide two way quotes to facilitate trading of their products. In the event that a liquidity provider defaults or ceases to fulfil its role, investors may not be able to buy or sell the derivative product until a new liquidity provider has been assigned.

Foreign Exchange Risk

Investors trading derivative products with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the price of the derivative product.

In addition, there are risks pertaining to the particular type of derivative products:

Callable Bull/Bear Contracts (CBBC)

Mandatory Call Risk

Investors trading CBBCs should be aware of their intraday "knockout" or mandatory call feature. A CBBC will cease trading when the underlying asset value equals the mandatory call price/level as stated in the listing documents. Investors will only be entitled to

the residual value of the terminated CBBC as calculated by the product issuer in accordance with the listing documents. Investors should also note that the residual value can be zero.

Funding Costs

The issue price of a CBBC includes funding costs. Funding costs are gradually reduced over time as the CBBC moves towards expiry. The longer the duration of the CBBC, the higher the total funding costs. In the event that a CBBC is called, investors will lose the funding costs for the entire lifespan of the CBBC. The formula for calculating the funding costs are stated in the listing documents.

Derivative Warrants

Time Decay Risk

All things being equal, the value of a Derivative Warrant will decay over time as it approaches its expiry date. Derivative Warrants should therefore not be viewed as long term investments.

Volatility Risk

Prices of Derivative Warrants can increase or decrease in line with the implied volatility of underlying asset price. Investors should be aware of the underlying asset volatility.

Synthetic Exchange-Traded Fund (Synthetic ETF)

Market Risk

Investors are exposed to the political, economic, currency and other risks related to the Synthetic ETF's underlying index.

Counterparty Risk

Where a Synthetic ETF invests in derivatives to replicate the index performance, investors are exposed to the credit risk of the counterparties who issued the derivatives, in addition to the risks relating to the index. Further, potential contagion and concentration risks of the derivative issuers should be taken into account (e.g. since derivative issuers are predominantly international financial institutions, the failure of one derivative counterparty of a Synthetic ETF may have a "knock-on" effect on other derivative counterparties of the Synthetic ETF). Some Synthetic ETFs have collateral to reduce the counterparty risk, but there may be a risk that the market value of the collateral has fallen substantially when the Synthetic ETF seeks to realise the collateral.

Tracking Error

There may be disparity between the performance of the Synthetic ETF and the performance of the underlying index due to, for instance, failure of the tracking strategy, currency differences, fees and expenses.

Trading at a Discount or Premium

Where the index/market that the Synthetic ETF tracks is subject to restricted access, the efficiency in unit creation or redemption to keep the price of the Synthetic ETF in line with its net asset value (NAV) may be disrupted, causing the Synthetic ETF to trade at a higher premium or discount to its NAV. Investors who buy a Synthetic ETF at a premium may not be able to recover the premium in the event of termination.

6.15 **Risk relating to China Connect**

I/ we understand that the followings do not cover all risks related to Shanghai Hong Kong Stock Connect and /or Shenzhen Hong Kong Stock Connect ("China Connect") and any below mentioned laws, rules and regulations are subjected to change from time to time.

Difference in trading day and trading hours

The Customer should note that, due to differences in public holiday between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be difference in trading days and trading hours in the two markets. China Connect will only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland market but Hong Kong investors cannot carry out any A-share trading. The Customer should take note of the days and the hours which China Connect is open for business and decide according to their own risk tolerance capability whether or not to take on the risk of price fluctuations in A-shares during the time when China Connect is not trading.

Trading costs

In addition to paying trading fees and stamp duties regarding A-share trading, the Customer carrying out Northbound trading via China Connect should also take note of any new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which would be determined and updated by the relevant authorities from time to time.

Quotas used up

When the respective aggregate quota balance for Northbound and Southbound trading is less than the daily quota, the corresponding buy orders will be suspended on the next trading day (sell orders will still be accepted) until the aggregate quota balance returns to the daily quota level. Once the daily quota is used up, acceptance of the corresponding buy orders will also be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will continue to be accepted. Depending on the aggregate quota balance situation, buying services will be resumed on the following trading day.

Currency risks

Northbound investments in the SSE securities will be traded and settled in Renmibi. If the Customer holds a local currency other than RMB, the Customer will be exposed to currency risk if the Customer invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, the Customer will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Customer purchases it and when the Customer redeems/ sells it, the Customer will still incur a loss when you convert the redemption / sale proceeds into local currency if RMB has depreciated.

Restrictions on selling imposed by front- end monitoring

For Customers who keeps their A-shares outside Malahon, if they want to sell certain A-shares they hold, they must transfer those

A-shares to the respective accounts of Malahon before the market opens on the day of selling (T day). If they fail to meet this deadline, they will not be able to sell those A-shares on T day.

Not protected by Investor Compensation Fund

The Customer should note that Northbound trading under China Connect will not be covered by Hong Kong's Investor Compensation Fund. As far as Hong Kong investors participating in Northbound trading are concerned, since they are carrying out Northbound trading through securities brokers in Hong Kong and these brokers are not Mainland brokers, they are not protected by China Securities Investor Protection Fund on the Mainland as well.

Local market rules, foreign shareholding restrictions and disclosure obligations

Under China Connect, A-shares listed companies and trading of A-share are subject to market rules and disclosure requirements of the A-share market.

Any changes in laws, regulations and policies of the A-share market or rules in relation to China Connect may affect share prices. The Customer should also take note of the foreign shareholding restrictions and disclosure obligations applicable to A-shares.

The Customer will be subject to restrictions on trading (including restriction on retention of proceeds) in A-shares as a result of its interest in the A-shares. The Customer is solely responsible for compliance with all notifications, reports and relevant requirements in connection with its interests in A-shares.

Under the current Mainland rules, once an investor holds up to 5% of the shares of a company listed on the SSE, the investor is required to disclose his interest within three working days and during which he cannot trade the shares of that company. The investor is also required to disclose any change in his shareholding and comply with related trading restrictions in accordance with the Mainland rules.

Northbound Trading investors will not be able to attend general meetings in person or by means of proxy, as opposed to what they can do in Hong Kong if they hold Hong Kong stocks.

The recalling of eligible stocks and trading restrictions

A stock may be recalled from the scope of eligible stocks for trading via China Connect for various reasons, and in such event the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Customer.

The Customer should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by SSE and SEHK.

Under China Connect, the Customer will only be allowed to sell A-share but restricted from further buying if: (i) the A-share subsequently ceases to be a constituent stock of the relevant indices; (ii) the A-share is subsequently under "risk alert"; and/or (iii) the corresponding H share of the A-share subsequently ceases to be traded on SEHK. The Customer should also note that price fluctuation limit would be applicable to A-shares.

(7) Personal Data

7.1 I/We acknowledge that you are subject to the provisions of the Personnel Data (Privacy) Ordinance, which regulate your use of personal data concerning me/us. I/We confirm that the information set out in the Account Information Form is complete, true and correct. I/We undertake to promptly inform you in writing of any changes to that information. You are also authorized at any time to conduct credit enquiries on me/us and to verify the information provided with and including my/our bankers, brokers and any credit agency.

7.2 You will keep information related to the Account confidential, but may provide any such information to the relevant exchange, the SFC, any other regulatory bodies and government departments within or outside Hong Kong to comply with their requirements or requests for information under any applicable laws or regulations within or outside Hong Kong including, but not limit to the United States Foreign Account Tax Compliance Act ("FATCA"), or your Group.

7.3 The purpose for which data relating to me/us may be used are as follow:

- opening, administering and continuation of my/our Account;
- the daily operation of the loan facilities (if any) provided to me/us;
- making lending and credit analysis decisions;
- conducting credit checks and ensuring my/our ongoing credit worthiness;
- determining the amount of indebtedness owed to or by me/us;
- recovering of any monies owed from or liabilities incurred by me/us and those providing security for my/our obligations;
- designing further products and services or marketing Product of your Group to me/us;
- meeting the requirements, including the requirement to make disclosure, under any laws, rules or regulations binding on you or your Group; and/or
- for purpose of relating or incidental thereto.

7.4 Data held by you or your Group relating to me/us will be kept confidential but you or your Group may provide, transfer, disclose or exchange such personal data to:

- any agent, contractor or third party service provider who provides administrative, telecommunications, computers, payment or securities clearing or other services to you or your Group in connection with the operation of its or their business;
- any other person under a duty of confidentiality to you or your Group, including a group company of your Group, which has undertaken to keep such information confidential;
- any bank or financial institution with which I/we have or propose to have dealing;
- any actual or proposed assignee of you or your Group or participant or sub-participant or transferee of your Group's rights in respect of me/us;
- any legal, accounting or professional person, firm or body; and
- any government, law enforcement or other regulatory authority, body or entity under any applicable law, rules or regulations.

7.5 Use of Data in Direct Marketing

You intend to use and/or transfer my/our data to other members of your Group or agent for direct marketing and you require my/our consent (including no objection) for that purpose. In this connection, please note that:

- my/our name, contact details, portfolio information, transaction pattern and financial background may be used in direct marketing of investment or financial related products and services of you and your Group; and

- If I/we do not wish you to use and/or transfer my/our data for use in direct marketing, I/we may, without charge, exercise the right to opt-out.
- 7.6 I/We acknowledge that under and in accordance with the terms of the Personal Data (Privacy) Ordinance, I/we have the right to:
- check whether you hold data about me/us and the right of access to such data;
 - require you to correct any data relating to me/us which is inaccurate;
 - ascertain your policies and practices in relation to data and to be informed of the kind of personal data held by you.
- 7.7 In accordance with the terms of the Personal Data (Privacy) Ordinance, you have the right to charge a reasonable fee for the processing of any data access request. I/We request for access to data or correction of data or for information regarding policies and practices and kinds of data held are to be addressed to your Compliance Officer at 5/F., Malahon Centre, 10-12 Stanley Street, Central, Hong Kong.
- 7.8 In the event that my/our data are inadvertently, unintentionally or negligently sent, released, distributed or disseminated to any third parties, I/we shall not hold you or your Group liable for any such acts and shall not institute any claims, proceedings and/or court actions against you or your Group to recover any loss or damage whatsoever caused to me/us.
- (8) TAX INFORMATION AND COMMON REPORTING STANDARD**
- "Account Information"** means any information relating to the Account including without limitation the account number, account balance or value, gross receipts, withdrawals and payments from the account.
- "Applicable Laws and Regulations"** means: (i) any applicable local or foreign law, ordinances, regulations, demand, guidance, guidelines, rules, codes of practice, (including those relating to CRS, FATCA or an intergovernmental agreement between the governments or regulatory authorities of two or more jurisdictions; and (ii) any agreements between Malahon or its affiliates and any government or taxation authority in any jurisdiction; and including but not limited to FATCA, CRS and any agreement entered into by any Malahon Group Company (or that of any other Malahon Group Companies), as the case may be) and any applicable intergovernmental agreement entered into pursuant to FATCA or CRS).
- "Authority"** means any national, state, or local government, any political subdivision thereof, any agency, authority, instrumentality, whether judicial or administrative, regulatory or self-regulatory organization, law enforcement body, court, central bank or tax or revenue authority in any jurisdiction whether within or outside of Hong Kong.
- "Consenting Person"** means me/us and any Person other than me/us who is beneficially interested or financially interested in the payments with respect to the Account.
- "Controlling Person"** means the natural person(s) who exercise control over my/our account who is an entity. In the case of a trust, it means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions.
- "CRS"** means (i) the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard; or (ii) any legislation of any jurisdiction giving effect to, or otherwise relating to the aforementioned Common Reporting Standard.
- "Malahon Group Companies"** means any affiliated entity of Malahon deemed under FATCA and Malahon Group Company means any one of them.
- "FATCA"** means Section 1471 to 1474 of the United States Internal Revenue Code of 1986, as amended modified and/or supplemented from time to time and any associated similar or analogous legislation, treaty, intergovernmental agreement, regulation, instruction, or other official guidance of any Authority in any jurisdiction whether within or outside of Hong Kong.
- "Person"** means an individual, corporation, company, partnership, joint venture, trust, estate, limited liability company, unincorporated organization or other entity.
- "Personal Information"** in respect of me/us any Controlling Person or Consenting Person (i) where I/we, and any Consenting Person is an individual, Personal Information include his/her full name, date and place of birth, residential address, mailing address, contact information (including telephone number), and any ID and passport numbers, taxpayer identification number(s), social security number, nationality(ies), citizenship(s), residency(ies) and tax residency(ies) or (if applicable) such information as Malahon and/or its affiliates may reasonably require regarding me/us and any Controlling Person or Consenting Person; (ii) where I/we and any Consenting Person is a corporate/entity, its date and place of incorporation or formation, registered address, mailing address, residency(ies), address of place of business, tax identification number, tax status, tax residency, registered address, address of place of business or (if applicable) such information as Malahon and/or its affiliates may reasonably require.
- "Tax Information"** in respect of me/us, any Controlling Person or Consenting Person, means: (i) any documentation or information (and accompanying statements, waivers and consents as Malahon and/or its affiliates may from time to time require or as I/we, any Controlling Person or Consenting Person from time to time give) relating, directly or indirectly, to the tax status of me/us, any Controlling Person or Consenting Person; (ii) Personal Information of me/us, any Controlling Person or Consenting Person; and (iii) Account Information.
- "OECD"** means The Organisation for Economic Co-operation and Development. The OECD has developed the rules to be used by all governments participating in the CRS and these can be found on the OECD's Automatic Exchange of Information (AEOI) website: www.oecd.org/tax/automatic-exchange/
- "Affiliate"** in relation to a specific party means, any legal entity at any time directly or indirectly controlling, controlled by or under common control with such specific party or any at such entities' directors, officers or employee.
- 8.1 I/We must provide Malahon and/or its affiliates with my/our Personal Information, and where reasonably required by Malahon and/or its affiliates, of any Controlling Person or Consenting Person, in such form and within such time, as Malahon and/or its affiliates may from time to time require.
- 8.2 When there is a change or addition to my/our Personal/Corporate Information, and, where applicable, of any Controlling Person or Consenting Person, I/we must update Malahon and/or its affiliates promptly (and in any event no later than 30 days from the date of the change or addition) of the change or addition.
- 8.3 I/We must, and, where applicable, procure such other Controlling Person or Consenting Person to, complete and sign such documents and do such things as Malahon and/or its affiliates may reasonably require from time to time for purposes of compliance with any Applicable Laws and Regulations.
- 8.4 I/We agree that Malahon and/or its affiliates may directly require any other Controlling Person or Consenting Person to provide or confirm accuracy of their Personal Information without involving me/us if Malahon and/or its affiliates reasonably consider it to be appropriate.

- 8.5 I/We agree that any Malahon Group Company may (i) collect and maintain information; (ii) report the Account or disclose Tax Information relating to myself/ourselves and any other Controlling Person or Consenting Person to any Authority in any jurisdiction for the purpose of ensuring compliance with Applicable Laws and Regulations on the part of Malahon, its Affiliates, or on the part of any Malahon Group Company.
- 8.6 I/We waive, and, where reasonably required by Malahon and/or its affiliates, agree to procure any other Controlling Person or Consenting Person to waive, any applicable restrictions which would otherwise hinder Malahon's, its affiliates', or any Malahon Group Company's ability to disclose Tax Information in the manner described in paragraph 5.
- 8.7 I/We agree that Malahon and/or its Affiliates may directly require any other Controlling Person or Consenting Person to agree to the reporting or disclosure described in Section 7 and/or waive any otherwise applicable restrictions on such disclosure, if Malahon and/or its Affiliates reasonably consider it to be appropriate.
- 8.8 I/We agree that Malahon and/or its Affiliates may take one or more of the following actions at any time if it considers necessary or desirable to comply with all Applicable Laws and Regulations:
- (a) deduct from or withhold part of any amounts payable to me/us under the Account;
 - (b) terminate the Account and discontinue entirely or in part Malahon relationship with me/us;
 - (c) report or provide (whether before or after the termination of the Account) the Tax Information relating to me/us and/or any of the Controlling Person or Consenting Persons to such Authority in any jurisdiction, as may be required for Malahon and/or its Affiliates to ensure compliance with any Applicable Laws and Regulations.
- 8.9 I/We confirm and agree that, without prejudice to any other provisions of the this Agreement:
- (a) I/We have read this Agreement, have received adequate explanation from Malahon (or my/our broker, lawyer, or tax advisor, as applicable), and understands the implications of this Agreement by which he irrevocably agrees to be bound;
 - (b) any agreement, waiver, confirmations given in, or to be given pursuant to, this Agreement are irrevocable;
 - (c) no Malahon Group Company, including Malahon nor its Affiliates, shall be liable for any costs or loss that I/we (or any other Controlling Person or Consenting Persons) may incur because of a Malahon Group Company taking any actions permitted by or exercising any powers under this Agreement;
 - (d) the amount (if any) payable by Malahon and/or its Affiliates where Malahon and/or its Affiliates exercises its right to terminate the Account under this Agreement may differ from the amount payable where I/we surrender or terminate the Account pursuant to other provisions of this Agreement;
 - (e) I/We must obtain or, as the case may be, have obtained the requisite consent from each Controlling Person and/or Consenting Person for the provision of his/her Tax Information to Malahon and/or its Affiliates and the disclosure of any of such Tax Information by Malahon and/or any Malahon Group Company under this Agreement;
 - (f) I/we must inform each Controlling Person and/or Consenting Person of Malahon's and/or its affiliates' powers under this Agreement;
 - (g) I/we agree and warrant that it will provide accurate and complete Personal Information and Tax Information including any declaration of tax residency(ies) to Malahon under this Agreement;
 - (h) I/we agree that my/our obligation under this Agreement, including without limitation the obligation to provide information and documentation to Malahon and to notify Malahon within 30 days of any change in the Personal Information and Tax information relating to his account, constitutes a continuing obligation under this Agreement; and
 - (i) Malahon and/or its Affiliates may report the Tax Information or disclose any and all information related to the Securities Account to any government or tax authority (whether within or outside Hong Kong) and whether before or after the exercise of a termination right under this Account by Malahon.

(9) General

- 9.1 Any notice (other than any instructions relating to Transaction) given under this Agreement shall be in writing and may be delivered personally or sent by registered post or fax addressed to the party to which it is addressed, in case Malahon Securities Limited, at the address set out above and in the case of me/us, at the address set out in the Account Information Form or in both cases, at such other address as may have been notified in writing to the other party hereto.
- 9.2 Time shall be of the essence in relation to all matters arising under this Agreement.
- 9.3 You may at your discretion amend, delete or substitute any of the terms herein or add new terms to this Agreement by sending to me/us a notice in writing setting out such amendment, deletion, substitution or addition which shall be deemed incorporated herein unless objected to in writing by me/us within 7 days from the date of such notice
- 9.4 No provision of this Agreement shall operate or remove, exclude or restrict any rights of me/us or obligations of you under the law.
- 9.5 The representations, warranties and undertakings in this Agreement shall be deemed to be repeated during the term of this agreement.
- 9.6 This Agreement and all Transactions shall constitute valid and legal binding obligations on me/us.
- 9.7 All rights of you pursuant to this Agreement shall also apply to any broker, agent, exchange and clearing house involved in the Transaction.
- 9.8 If any of the provisions of this Agreement shall be held to be invalid or unenforceable by any court of competent jurisdiction or by any regulatory authority agency or body, such invalidity or unenforceability shall attach only to such provisions and the validity of the remaining provisions shall not be affected and this Agreement shall be carried out as if any such invalid or unenforceable provisions were not contained here.
- 9.9 I/We shall not assign any of my/our rights and/or obligations under this Agreement to any other person except with your prior written consent.
- 9.10 All securities held for my/our Account shall be subject to a general lien in your favour, for the performance of my/our obligations to you arising in respect of dealing in securities for me/us.
- 9.11 If you fail to meet your obligations to me/us pursuant to this Agreement, I/we shall have a right to claim under the Investor Compensation Fund established under the Securities and Futures Ordinance, subject to the terms of the Investor Compensation Fund from time to time.
- 9.12 You will notify me/us of material changes in respect of your business which may affect the services you provide to me/us.

(10) Acknowledgement

- 10.1 I/We acknowledge and understand that though commercial or economic benefit may be gained from the Transactions, I/we will also bear the economic and/or commercial risks associated with such Transactions.
- 10.2 You may take the opposite position to my/our Transactions whether it is on your own account or on behalf of your other clients.

