



**中國銀河國際證券(香港)有限公司**  
CHINA GALAXY INTERNATIONAL SECURITIES (HONG KONG) CO., LTD



**中國銀河國際期貨(香港)有限公司**  
CHINA GALAXY INTERNATIONAL FUTURES (HONG KONG) CO., LIMITED

# **Terms and Conditions**

## **of Institutional Professional Investor Account**

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## Terms and Conditions of Institutional Professional Investor Account

### A. Definition and Interpretation

This section forms part of the Terms & Conditions of Institutional Professional Investor Account (“Terms and Conditions”) and throughout the Terms & Conditions of Institutional Professional Investor Account, the following terms shall bear the following meanings unless the context otherwise requires:

**Agreement** means these Terms & Conditions, the account application form, any appendix and other documents entered into between (i) Galaxy International Securities and/or Galaxy International Futures and (ii) you or issued by Galaxy International Securities and/or Galaxy International Futures regarding the opening, maintenance and operation of the account(s) as may be amended from time to time including any standing authority or written directions provided by you as may be amended from time to time

**Clearing House means** the clearing houses including the HKSCC, and any other relevant bodies, whether in Hong Kong or elsewhere which are recognized by the relevant Governing Rules to provide clearing and settlement services.

**Collective Investment Scheme** means a “collective investment scheme” as defined in section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap 571).

**HKEx** means the Hong Kong Exchanges and Clearing Limited.

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

**Hong Kong** means Hong Kong Special Administrative Region of the People’s Republic of China.

**Institutional Professional Investor** means a “professional investor” within the meaning of paragraph (a), (b), (c), (d), (e), (f), (g), (h) or (i) of the definition of “professional investor” in section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap 571).

**Instructions** means the instructions of the client (i) for dealing in securities, futures contracts or options contracts or other assets or property held in or on behalf of the account in Hong Kong or elsewhere, (ii) for the transfer, deposit or withdrawal of funds or securities or other assets or property into or out of the account including transferring into or from any other account of the client with the China Galaxy International, (iii) for the provision of financial accommodation, (iv) for close out any futures contracts or options contracts and/or (v) for any other act relating to the operation of the account.

**Main Board Listing Rules** means rules governing the listing of securities on the Hong Kong Exchange and Clearing Limited.

**Professional Investor** means a “professional investor” as defined in section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap 571) and the Securities and Futures (Professional Investor) Rules (Cap 571D).

## B. Compliance with Client Identity Rule

If you effect transactions for your own account or for the account of your clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching transactions as principal with your clients, you hereby agree that, in relation to a transaction where China Galaxy International Securities (Hong Kong) Co., Limited (“Galaxy International Securities”) and/or China Galaxy International Futures (Hong Kong) Co., Limited (“Galaxy International Futures”) (together, “China Galaxy”) has received an enquiry from Hong Kong Exchanges and Clearing Limited and/or the Securities and Futures Commission and/or any relevant authorities (collectively the “Regulators”) or request from a licensed or registered person or an intermediary in response to the enquiry from any of the Regulators, the following provisions shall apply:

- (a) You represent and warrant to China Galaxy that you shall, immediately upon request by China Galaxy (which request shall include the relevant contact details of the Regulators), inform the Regulators of the identity, address, occupation and contact details of the client for whose account the transaction was effected and (so far as known to you) of the person with the ultimate beneficial interest in the transaction. You shall also inform the Regulators of the identity, address, occupation and contact details of any third party (if different from the client/the ultimate beneficiary) who originated the transaction.
- (b)
  - (i) If you effect the transaction for a Collective Investment Scheme, discretionary account or discretionary trust, you shall, immediately upon request by China Galaxy (which request shall include the relevant contact details of the Regulators), inform the Regulators of the identity, address and contact details of the scheme, account or trust and, if applicable, the identity, address, occupation and contact details of the person who, on behalf of the scheme, account or trust, instructed you to effect the transaction.
  - (ii) If you effect the transaction for a Collective Investment Scheme, discretionary account or discretionary trust, you shall, as soon as practicable, inform China Galaxy when your discretion to invest on behalf of the scheme, account or trust has been overridden. In the case where your investment discretion has been overridden, you shall, immediately upon request by China Galaxy (which request shall include the relevant contact details of the Regulators), inform the Regulators of the identity, address, occupation and contact details of the person(s) who has or have given the instruction in relation to the transaction.
- (c) If you are aware that your client is acting as intermediary for its underlying client(s), and you do not know the identity, address, occupation and contact details of the underlying client for whom the transaction was effected, you confirm that:-
  - (i) you have arrangements in place with your client which entitle you to obtain such information from your client immediately upon request or endeavor that it be so obtained; and
  - (ii) you will, upon request from China Galaxy in relation to a transaction, promptly request such information from your client on whose instructions the transaction was effected, and provide the information to the Regulators as soon as you receive from your client or endeavor that it be so provided.

- (d) You confirm that you are not subject to any law which prohibits the performance by you of these Terms and Conditions. Where necessary, you have obtained all consents or waivers from your clients or other relevant persons, to release to the Regulators the information referred to above.
- (e) You hereby agree that it is reasonable and appropriate for China Galaxy or its subsidiaries/affiliates to collect the above information and you will provide the information timely upon request. You agree to the sharing of the above information, together with any other information collected by China Galaxy in respect of the account application form, with its subsidiaries/affiliates and also with the relevant government/tax authorities, based on the relevant legal/tax requirements and subject to all applicable laws and regulations. The above process together with the related data processes may involve a transfer of information outside the Hong Kong and may also involve the transfer of data through intermediaries, service providers, counterparties or government bodies/ authorities. If a payee or any third party information is involved in any of the transfer, you agree that you have obtained all necessary consent from all such relevant parties in providing the above.
- (f) You confirm that all the information and documents provided in connection with these Terms and Conditions and your application are true, correct, complete, and not misleading. You undertake to notify China Galaxy promptly (and within 30 days of such change) in writing with updated information and documents whenever there is any change in such information or documents.
- (g) If you fail to provide China Galaxy with any information requested or to take action as is specified by China Galaxy within the time period specified, China Galaxy shall be entitled to reach whatever conclusions the China Galaxy considers to be appropriate and China Galaxy reserves the right to close your account or classify you as "non-consenting" or "non-participating FFI" and/or execute applicable withholding and reporting under FATCA regulations.
- (h) The above terms shall continue in effect notwithstanding the cancellation or termination of the account with China Galaxy.

### **C. Compliance with Short Selling Orders**

You acknowledge and agree that until China Galaxy receives further notice from you, every order you, whether as principal or agent, place with China Galaxy to sell securities listed on The Stock Exchange of Hong Kong will be a "long" sale.

You undertake to inform China Galaxy when a sale order is in respect of securities which you do not own i.e. where it involves short selling (including where you have borrowed stock for the purposes of the sale).

You acknowledge that China Galaxy may be prohibited by applicable laws or regulations from executing such orders on your behalf.

#### **D. Compliance with Rule 525A of the Rules of the HKEx**

You acknowledge that debt securities listed on the HKEx under Chapter 37 of the HKEx Main Board Listing Rules (“Chapter 37 Debts”) are offered to Professional Investors only and not offered to the public in Hong Kong.

You undertake that:

- (a) unless you are an Institutional Professional Investor and such status has been confirmed by China Galaxy, you will not place any order or give any instruction to purchase Chapter 37 Debts;
- (b) in the case where you are acting as an intermediary on behalf of your client, you will not place any order or give any instruction to purchase Chapter 37 Debts on behalf of such client, unless you are reasonably satisfied that such client is a Professional Investor;
- (c) your investment in Chapter 37 Debts is in compliance with applicable laws and regulations, as may be amended from time to time.

#### **E. Authority to sell**

You authorise Galaxy International Securities to sell or arrange for the sale of any quantity of the Securities held on your behalf at such price and on such terms as Galaxy International Securities may determine in its absolute discretion if:

- (a) Galaxy International Securities receives any instruction from any regulators and/or government authorities, including but not limited to the Stock Exchange, the SFC, the Futures Exchange, the Clearing House, HKSCC, Hong Kong Exchanges and Clearing Limited and any other Regulators; or
- (b) Galaxy International Securities is of the view that you are in breach or may be in breach of any applicable laws and/or governing rules, including without limitation to, rules and regulations of the Stock Exchange, the SFC, the Futures Exchange, the Clearing House, HKSCC, any other Regulators, and the laws of Hong Kong as may be amended, supplemented, modified or varied from time to time.

#### **F. Assignment**

You may not assign or otherwise part with any of your rights, interests or obligations hereunder except with the prior written consent of China Galaxy.

Subject to the rules of the Regulators or other laws, rules, codes, guidelines, circulars and regulatory directions issued by the Regulators from time to time applicable to dealings in securities and/or commodities and/or futures contracts and/or options contracts or other instruments in respect of your accounts with China Galaxy and/or the operation of such accounts (“Governing Rules”), China Galaxy shall be entitled, without your prior consent, to assign, transfer, delegate or otherwise dispose of all or any of its rights, interests or obligations (or the performance thereof) in or under these Terms and Conditions to any person, firm or company as it thinks fit.

These Terms and Conditions shall be binding upon and ensure for the benefit of you and China Galaxy and their respective successors, permitted assigns and personal representatives (as the case may be).

## **G. Event of Default**

In addition to any event of default which may be applicable to a transaction on a product-by-product basis, the happening of any one of the following events shall constitute an event of default ("Event of Default"):

- (a) if, in respect of all transactions in securities executed or handled by China Galaxy on your behalf and for your account, you fail to:
  - (i) perform your obligations with respect to (a) the settlement of any securities when required to do so under such transaction or (b) with respect to any investment held in your account;
  - (ii) pay any purchase price or other payment when due;
  - (iii) deposit collateral (if any) as required by the terms of the transaction or fail to provide additional collateral as required;
  - (iv) obtain China Galaxy's consent prior to creating any lien, charge (or similar interest), mortgage, security interest over any of the collateral that has been deposited with China Galaxy;
- (b) you fail to notify China Galaxy of any material changes to your status, including, but not limited to, your Institutional Professional Investor status;
- (c) you consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of your assets to, or reorganise, reincorporate, or reconstitute into or as another entity and the resulting, surviving or transferee entity fails to assume all of your obligations under any transaction or any document;
- (d) you become or are declared insolvent or are subject to proceedings for winding up, liquidation, administration or the commencement of other similar proceedings, or the appointment of a receiver, in respect of you or any of your assets, whether in Hong Kong or in other jurisdiction;
- (e) in the reasonable opinion of China Galaxy, there appears to be a material adverse change in your business, assets or financial condition which might adversely effect on your ability to perform or comply with your obligations under this Agreement;
- (f) in China Galaxy's reasonable opinion, you appear to be or have been engaged in fraud, theft or other similar illegal activities;
- (g) any warrant or order of attachment or distress or equivalent order is issued against any account, or a judgment is levied, enforced or executed against any account held by you with China Galaxy or any of the affiliates of China Galaxy or a default, an event of default or a similar event occurs between you and an affiliate of China Galaxy;

- (h) any information provided, or representation or warranty made in or in any certificate, statement or other document delivered to China Galaxy being or becoming incorrect in any material respect;
- (i) any of the consents, authorizations, approvals, licences, or board resolutions required by you to open the account being wholly or partly revoked, withdrawn, suspended or terminated or expired and not being renewed or otherwise failing to remain in full force and effect;
- (j) you being in breach, voluntary or otherwise, of any constitution, rules, regulations by-laws, customs and usages of any relevant exchange and clearing house;
- (k) you exceed the trading limit to a material extent prescribed by China Galaxy from time to time;

If any Event of Default shall occur, China Galaxy shall be entitled, but not obliged to, take one or more of the following actions (without giving any prior notice to you):-

- a) cancel all outstanding orders or commitments made on your behalf (including any transaction which has yet to be settled on the day on which the event of default occurred);
- b) close or cancel all contracts between you and China Galaxy, cover all your positions or liquidate all your positions, whether these positions are long or short, open or otherwise, on the relevant exchanges or otherwise;
- c) decline to accept any further instruction from you;
- d) demand and receive immediate payment from you of all sums outstanding in the account;
- e) suspend and/or close the account; and
- f) take such other action as a reasonably prudent person would take in the circumstances to protect China Galaxy's interests.

## **H. Restriction on Trading**

You agree that Galaxy International Securities and/or Galaxy International Futures and/or any member of the China Galaxy International, may at its sole discretion and without giving you prior notice, prohibit or restrict your ability to conduct any transactions and/or to suspend and/or close your accounts for cause.

You agree that Galaxy International Securities and/or Galaxy International Futures and/or any member of the China Galaxy International is not liable for any losses and/or damages, actual or hypothetical, as a result of the aforesaid restrictive measures.

## **I. Electronic Operation**

In this Clause, the following words and expression shall have the following meanings:

“Electronic Means” includes the internet, electronic mail, mobile phone, personal digital assistant

or any other electronic means of communication and such other means as may be permitted by Galaxy International Securities and/or Galaxy International Futures from time to time;

“Electronic Operation” means, electronic securities trading operated via Electronic Means by you under the Account;

“Electronic Service” means, the electronic facility which enables you to give instructions and obtain information services provided by Galaxy International Securities and/or Galaxy International Futures by Electronic Means.

If Instructions are given via Electronic Operation, the following provisions shall apply:

- (a). You or such other persons authorized by you with Galaxy International Securities’ and/or Galaxy International Futures’ prior approval in writing shall be the only authorized users of the Electronic Service in respect of the Account.
- (b). You shall not attempt to tamper with, modify, decompile, reverse engineer and otherwise alter in any way, and shall not attempt to gain unauthorized access to, any part of the Electronic Service.
- (c). Under no circumstances shall Galaxy International Securities and/or Galaxy International Futures be responsible for any Electronic Operation for which it has not duly and properly received.
- (d). Galaxy International Securities and/or Galaxy International Futures shall have no liability to you for any damage, delay or loss which you may suffer as a result of transmission errors, technical faults, malfunctions, illegal intervention in network equipment, network overloads, malicious blocking of access by third parties, internet malfunctions, interruptions or other deficiencies on the part of the internet service providers. You acknowledge that access to the Electronic Service may be limited or unavailable due to such system errors, and the Galaxy International Securities and/or Galaxy International Futures reserves the right upon notice to suspend access to the Electronic Service for this reason.
- (e). All online quoted data and information provided by Galaxy International Securities and/or Galaxy International Futures or any other third party is for reference purpose only and Galaxy International Securities and/or Galaxy International Futures will not be liable for any inaccuracy thereof or any loss and damages whatsoever of you in reliance thereon.

#### **J. Anti-Bribery**

Each party hereby undertakes not to commit any form of bribery and corruption whether by itself, its directors, officers, employees or agents (if applicable) at all times in connection with and throughout the course of this Agreement and thereafter, whether in Hong Kong or elsewhere. Both party confirm and acknowledge that they must comply with the Prevention of Bribery Ordinance (POBO) of Hong Kong. They must not offer, promise, give, authorize, solicit or accept any undue pecuniary or other advantage of any kind (or implied that they will or might do any such thing in future) in any way connected with this Agreement and/or the services provided hereunder.

#### **K. Indemnity**

You shall indemnify Galaxy International Securities and its officers (including directors), employees or agents on demand against any losses, costs, expenses, damages, claims, liabilities, expenses or demands that Galaxy International Securities may suffer or incur arising out of or, by reason of, the performance of Galaxy International Securities’ obligations under this Agreement or due to any act



or breach of you in connection with the account and/or this Agreement, including costs reasonably incurred in collecting debts from you and in closing the account.

#### **L. Termination**

Your accounts may be terminated by written notice given by China Galaxy at any time and China Galaxy shall not be obliged to give any reason for such termination. You may terminate your accounts by written notice to China Galaxy provided that the accounts shall not be deemed terminated by you until China Galaxy accepts the your written notice of termination. Such termination shall not prejudice China Galaxy's rights against or remedies from you for any debit balance to your accounts and the interest accrued and to be accrued thereto. For the avoidance of doubt, you shall pay to China Galaxy all amounts due to China Galaxy (without any set-off or withholding) and China Galaxy may deduct the same from your accounts and refuse to deliver up any securities, assets or funds in the accounts unless and until the same has been duly satisfied.

#### **M. Governing Law**

These Terms and Conditions is governed by and construed according to the laws of Hong Kong and the parties submit to the non-exclusive jurisdiction of the Hong Kong courts. All transactions under your accounts with China Galaxy shall be effected in accordance with all Governing Rules including without limitation rules and regulations of the Regulators and the laws of Hong Kong, as may be amended from time to time. If a transaction is executed outside Hong Kong, such transaction may be subject to rules and laws of governing bodies of such other jurisdictions and you shall be solely responsible for ensuring compliance with the laws of such other jurisdictions.

#### **N. General**

To the extent permitted by law, China Galaxy may from time to time amend any of the terms and conditions of Institutional Professional Investor account without prior notice to or approval from you and such amendments shall come into effect immediately upon your deemed receipt of China Galaxy's notice. You acknowledge and agree that if you do not accept any amendments (including amendments to China Galaxy's commission's rates and fees) as notified by China Galaxy from time to time, you shall have the right to terminate your account in accordance with the relevant provisions under this Terms & Conditions. You further agree that any amendments shall be deemed to be accepted by you, should you continue to effect transactions in your account without expressly communicating its objections to such amendments prior to the transactions.

#### **O. Acknowledgements and Declaration**

You agree and acknowledge that by continuing the business relationship with China Galaxy, you are deemed to have read, fully understood and accepted the contents of the terms and conditions of Institutional Professional Investor account as stated above.

## NOTES RELATING TO PERSONAL DATA PRIVACY POLICY

1. From time to time, it may be necessary for you to supply Galaxy International Securities and/or Galaxy International Futures and/or any member of the controlling group of Galaxy International Securities and/or Galaxy International Futures including, its subsidiaries, its fellow subsidiaries, its direct and indirect controlling companies and the subsidiaries and associated companies of such controlling companies located in or outside Hong Kong (together, "China Galaxy International") with personal data ("Data") as defined in the Personal Data (Privacy) Ordinance (Cap. 486 of the laws of Hong Kong, "PDPO"), General Data Protection Regulation ("GDPR") of the European Union or any other applicable laws in connection with the opening or continuation of accounts and the establishment or continuation of credit facilities or provision of the relevant trading, nominee, investment advisory and other related services (collectively, the "Services"). For the avoidance of doubt, Data shall include client identification data ("CID") and Broker-to-Client Assigned Number ("BCAN") as defined in paragraph 5.6 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission. The Data is collected pursuant to PDPO, GDPR and other applicable laws, regulations, rules or codes binding on Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International. These notes applies to you and includes any borrowers, guarantors, third party security providers, depositors, directors, shareholders, officers and managers of any corporate applicants/customers or other similar data subjects. Nothing in these notes shall limit your rights under the PDPO. For any Data of other persons supplied by you, you represent and warrant that you have full authority and consent to provide such Data to Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International for purposes and uses as set out in these notes.
2. Failure to supply such Data may result in Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International being unable to provide related Services.
3. Data provided by you to Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International shall be true, correct and complete. You shall notify Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International immediately on changes to the Data. Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International are not liable for any violation of any applicable laws, regulations, rules or codes resulting from your failure to notify us timely of any changes.
4. It is also the case that Data may be collected from (i) you in the ordinary course of the continuation of providing related Services, (ii) a person acting on behalf of you whose data are provided, (iii) your use of websites and apps of China Galaxy International and (iv) other sources (for example, information obtained from credit reference agencies).
5. The purposes for which the Data relating to you may be used are as follows:-
  - (a) disclosing and transferring Data to SEHK and/or the SFC in accordance with the rules and requirements of SEHK and the SFC in effect from time to time;

- (b) allowing SEHK to: (i) collect, store, process and use Data for market surveillance and monitoring purposes and enforcement of the Rules of the Exchange of SEHK; and (ii) disclose and transfer such information to the relevant regulators and law enforcement agencies in Hong Kong (including, but not limited to, the SFC) so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets; and (iii) use such information for conducting analysis for the purposes of market oversight;
- (c) allowing the SFC to: (i) collect, store, process and use Data for the performance of its statutory functions including monitoring, surveillance and enforcement functions with respect to the Hong Kong financial markets; and (ii) disclose and transfer such information to relevant regulators and law enforcement agencies in Hong Kong in accordance with applicable laws or regulatory requirements;
- (d) allowing HKSCC to: (i) retrieve from SEHK (which is allowed to disclose and transfer to HKSCC), process and store your CID and/or BCAN(s) and transfer your CID and/or BCAN(s) to the issuer's share registrar to enable HKSCC and/ or the issuer's share registrar to verify that you have not made any duplicate applications for the relevant share subscription and to facilitate initial public offering ("IPO") balloting and IPO settlement; and (ii) process and store your CID and/or BCAN(s) and transfer your CID and/or BCAN(s) to the issuer, the issuer's share registrar, the SFC, SEHK and any other party involved in the IPO for the purposes of processing your application for the relevant share subscription or any other purpose set out in the IPO issuer's prospectus;
- (e) the daily operation of the related Services and credit facilities provided to you;
- (f) conducting credit checks;
- (g) assisting other financial institution (whether or not a member of China Galaxy International) to conduct credit checks;
- (h) ensuring on-going credit worthiness of you;
- (i) designing financial services or related products for your use;
- (j) advertising and marketing services, products and other subjects (please see further details in Paragraph (6) below);
- (k) determining the amount of indebtedness owed to or by you;
- (l) the enforcement of your obligations, including without limitation the collection of amounts outstanding from you and those providing security or guarantee for your obligations;
- (m) Meeting obligations, requirements or arrangements, whether compulsory or voluntary, for disclosing and using Data that apply to Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International or that it is expected to comply according to:
  - (i) Any applicable law, regulation, judgment, court order, voluntary code, sanctions regime, or any guidelines or guidance, including but not limited to that governing the group risk monitoring obligations, given or issued by any legal, regulatory, governmental, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations of financial services providers within or outside Hong Kong Special Administrative Region existing currently and in the future, and any international guidance, internal policies or procedures;
  - (ii) Any present or future contractual or other commitment with local or foreign legal, regulatory, judicial, administrative, public or law enforcement body, or governmental, tax, revenue, monetary, securities or futures exchange, court or other authorities, or self-regulatory or industry bodies or associations of financial services providers or any of their agents with jurisdiction over all or any part of China Galaxy International

(together the “Authorities” and each an “Authority”) that is assumed by, imposed on or applicable to the Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International;

- (iii) any agreement or treaty between Authorities;
  - (n) complying with any obligations, requirements, policies, procedures, measures or arrangements for sharing data and information within China Galaxy International and/or any other use of data and information in accordance with any programmes for compliance with sanctions or prevention or detection of money laundering, terrorist financing or other unlawful activities;
  - (o) conducting any action to meet obligations of Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International to comply with applicable laws or international guidance or regulatory requests relating to or in connection with the detection, investigation and prevention of money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions and/or any acts or attempts to circumvent or violate any applicable laws relating to these matters;
  - (p) meeting any obligations of Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International to comply with any demand or request from the Authorities;
  - (q) enabling an actual or proposed assignee of Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International, or participant or sub-participant of Galaxy International Securities’ and/or Galaxy International Futures’ rights in respect of you to evaluate the transaction intended to be the subject of the assignment, participation or sub-participation; and
  - (r) purposes ancillary or relating to any of the above.
6. Data held by Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International relating to you will be kept confidential but Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International may provide such information to the following parties (whether within or outside Hong Kong) for the purposes set out in Paragraph 5 above:-
- (a) any member of China Galaxy International.
  - (b) any agent, contractor or third party service provider who provides administrative, telecommunications, telemarketing, direct sales, data processing, information technology, legal, accounting, payment or securities clearing or other services to Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International in connection with the operation of its business;
  - (c) any person under a duty of confidentiality to Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International;
  - (d) any financial institution with which you have or propose to have dealings;
  - (e) Any persons acting on behalf of you whose data are provided, payment recipients, beneficiaries, authorized persons, intermediary, banks, clearing houses, clearing or settlement systems, market counterparties, swap or trade repositories, stock exchanges, companies in which you have an interest in securities (where such securities are held by Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International) or a person making any payment into your account;
  - (f) any actual or proposed assignee of Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International or participant or

- sub-participant or transferee of Galaxy International Securities' and/or Galaxy International Futures' rights in respect of you;
- (g) any person to whom Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International is compelled by law or by relevant regulatory authorities to make disclosure;
  - (h) any Authorities in order to satisfy any applicable law, regulation, rule or guideline existing currently and in the future, including but not limited to those related to CRS or FATCA;
  - (i) any person with your express or implied consent;
  - (j) any person where Galaxy International Securities' and/or Galaxy International Futures' and/or any member of China Galaxy International's interests require disclosure; and
  - (k) any person where the public interest requires disclosure.

Such information may be transferred to a place outside Hong Kong. Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International share your Data to the abovementioned parties only in accordance with strict internal security standards, confidentiality policies and applicable laws.

7. If you are subject to the rules under GDPR, you shall be aware of and agree to the transfer of the Data outside the European Economic Area ("EEA") as follows:
- (a) The Data that Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International collect from you may be transferred to, and stored at, a destination outside the EEA, including but not limited to being transferred to affiliates of Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International which are located outside the EEA.
  - (b) Data may also be processed by individuals operating outside of the EEA who work for affiliates of Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International or for one of suppliers of Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International.
  - (c) Where Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International transfer the Data outside the EEA, Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International will ensure that it is protected in a manner that is consistent with how the Data will be protected by Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International in the EEA. This can be done in a number of ways, for instance:
    - (i) the country that Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International send the Data to might be approved by the European Commission as offering a sufficient level of protection;
    - (ii) the recipient might have signed up to a contract based on "model contractual clauses" approved by the European Commission, obliging them to protect the Data; or
    - (iii) where the recipient is located in the US, it might be a certified member of the EU-US Privacy Shield scheme.
  - (d) In other circumstances the law may permit Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International to otherwise transfer the Data outside the EEA. In all cases, however, Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International will ensure that any transfer of the Data is compliant with applicable data protection law.

You can obtain more details about the protection given to the Data when it is transferred outside the EEA by contacting us in writing to the address provided in paragraph 16 below or contact the Responsible Officer at 3698-6836.

8. If you accept services in relation to Northbound Trading of China Connect Securities as defined in Appendix 1 of these Terms and Conditions, you shall be aware of and agree to the following provisions:
- (a) Galaxy International Securities and/or any member of China Galaxy International may need to use the Data for the following purpose:
    - (i) Tag each of the customers' orders submitted to the China Stock Connect System ("CSC"), as defined in the Rules of the Exchange, with a BCAN that is unique to each customer or the BCAN that is assigned to a joint account, as appropriate; and
    - (ii) Provide to appropriate regulatory authorities, including but not limited to the Hong Kong Exchanges and Clearing ("HKEX"), the Hong Kong Stock Exchange Limited ("SEHK") and any of their subsidiaries from time to time (the "SEHK Subsidiaries"), the customers' assigned BCAN and CID as HKEX, SEHK or any SEHK Subsidiaries may from time to time request under any applicable laws or regulatory rules and requirements.
  - (b) Without limitation to any notifications Galaxy International Securities and/or any member of China Galaxy International have given to you or consent which Galaxy International Securities and/or any member of China Galaxy International have obtained from you, Galaxy International Securities and/or any member of China Galaxy International may collect, store, use, disclose and transfer personal data relating to you as follows (defined terms shall have the meaning under the Rules of the Exchange, unless otherwise indicated):
    - (i) To disclose and transfer your BCAN and CID to HKEX, SEHK or any SEHK Subsidiaries from time to time, including by indicating your BCAN when inputting a China Connect order into the CSC, which will be further routed to the relevant China Connect Market Operator on a real-time basis;
    - (ii) To allow each of HKEX, SEHK or the SEHK Subsidiaries to : (1) collect, use and store your BCAN, CID and any consolidated, validated and mapped BCANs and CID information provided by the relevant China Connect Clearing House (in the case of storage, by any of them or via HKEX) for market surveillance and monitoring purposes and enforcement of the Rules of the Exchange; (2) transfer such information to the relevant China Connect Market Operator (directly or through the relevant China Connect Clearing House) from time to time for the purposes set out in paragraphs (iii) and (iv) below; and (3) disclose such information to the relevant regulators and law enforcement agencies in Hong Kong so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets;
    - (iii) To allow the relevant China Connect Clearing House to: (1) collect, use and store your BCAN and CID to facilitate the consolidation and validation of BCANs and CID and the mapping of BCANs and CID with its investor identification database, and provide such consolidated, validated and mapped BCANs and CID information to the relevant China Connect Market Operator, HKEX, SEHK and any SEHK Subsidiary; (2) use your BCAN and CID for the performance of its regulatory functions of securities account management; and (3) disclose such information to the People's Republic of China regulatory authorities and law enforcement agencies having jurisdiction so as to

facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the People's Republic of China financial markets;

- (iv) To allow the relevant China Connect Market Operator to: (1) collect, use and store your BCAN and CID to facilitate their surveillance and monitoring of securities trading on the relevant China Connect Market through the use of the China Connect Service and enforcement of the rules of the relevant China Connect market Operator; and (2) disclose such information to the People's Republic of China regulatory authorities and law enforcement agencies so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the People's Republic of China financial markets.
- (c) By instructing Galaxy International Securities and/or any member of China Galaxy International in respect of any transaction relating to China Connect Securities (as defined in the Rules of the Exchange), you acknowledge and agree that Galaxy International Securities and/or any member of China Galaxy International may use your personal data for the purposes of complying with the requirements of HKEX, SEHK or any SEHK Subsidiaries and their rules as in force from time to time in connection with Stock Connect Northbound Trading.

#### 9. Use of Data in Direct Marketing

Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International intends to use your data in direct marketing and Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International requires your consent (which includes an indication of no objection) for that purpose. In this regard, please note that:

- (a) Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International may use the following categories of data for its direct marketing purposes:
  - (i) the name, contact details, products and services portfolio information, transaction pattern and behavior, transaction location, financial background and statistics held by the Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International from time to time; and
  - (ii) information relating to your use of China Galaxy International's websites, apps from time to time, whether through cookies or otherwise;
- (b) the following classes of services, products and subjects may be marketed:
  - (i) financial services and products;
  - (ii) investment related services and products (including but not limited to Capital Investment Entrant Scheme and investment consultancy services); and
  - (iii) reward, loyalty or privileges programmes and related services and products;
- (c) the above services, products and marketing subjects maybe provided or solicited by Galaxy International Securities and/or Galaxy International Futures and/or:
  - (i) any member of the China Galaxy International;
  - (ii) third party financial institutions, insurers, securities and investment services providers; and
  - (iii) third party reward, loyalty or privileges programme providers or merchants;
- (d) in addition to marketing the above services, products and subjects itself, the Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International also intends to provide the data described in Paragraph 9(a) above to all or any of the persons described in Paragraph 9(c) above for use by them in marketing

those services, products and subjects, and Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International requires your written consent (which includes an indication of no objection) for that purpose;

- (e) Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International may receive money or other property in return for providing the Data to the other persons in Paragraph 9(d) above and, when requesting your consent or no objection as described in Paragraph 9(d) above, Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International will inform you if it will receive any money or other property in return for providing the Data to the other person.
  - (f) **if you do not wish Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International to use or provide to other persons your Data for use in direct marketing as described above, you may, at any time, request Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International to cease using your Data for direct marketing purpose by writing to Responsible Officer at the address provided in Paragraph 16 without any charges;**
  - (g) you understand that if you so request, Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International is required to cease to use the Data for such purpose. In addition, to comply with all relevant laws, regulations, guidelines or guidance, Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International, while retaining such Data, shall cease from using such Data for direct marketing.
10. In the course of performing Galaxy International Securities' and/or Galaxy International Futures' and/or any member of China Galaxy International's duties, Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International may as permitted by law, (1) match, compare, transfer or exchange any personal Data provided by you with Data held, or hereafter obtained, for these or any other purposes by Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International, government bodies, other regulatory authorities, corporations, organisations or individuals in Hong Kong or overseas for the purpose of verifying those Data; and (2) transfer such Data (and other information) to any place outside Hong Kong (whether for the processing, holding or use of such Data (and other information) outside Hong Kong).
11. Under and in accordance with the terms of the PDPO you:-
- (a) have the right to check whether Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International holds Data about you, obtain information regarding the processing of the Data and the right of access to such Data;
  - (b) have the right to require Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International to correct any Data relating to you which is inaccurate; and
  - (c) have the right to ascertain Galaxy International Securities' and/or Galaxy International Futures' and/or any member of China Galaxy International's policies and practices in relation to Data and to be informed of the kind of personal Data held by Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International.



12. Where GDPR is applicable, under and in accordance with the terms of the GDPR, in addition to the rights stipulated under paragraph 11 above, you:-
  - (a) have the right to obtain information regarding the processing of the Data except where (1) you already have the information; (2) involving disproportionate effort; (3) disclosure as permitted by law and measures are taken to protect your legitimate interests; (4) secrecy obligation;
  - (b) have the right to the followings save that Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International may still be entitled to process/retain the Data if Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International have other legitimate reason for doing so:-
    - (i) withdraw the consent to processing of the Data at any time;
    - (ii) erase the Data under specified circumstances, including (1) where the Data is no longer necessary in relation to the purposes for which it is collected; (2) where you withdraw the consent; (3) where there is no overriding legitimate interest; or (4) the Data collected is about children in relation to an information society service;
    - (iii) object to, and the right to request that Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International restrict, the processing of the Data under certain circumstances as stipulated in the GDPR.
  - (c) have the right to receive Data provided by you to Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International in a structured, commonly used and machine-readable format and/or request that Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International transmit those data to a third party where this is technically feasible.
  - (d) have the right to lodge a complaint with the data protection regulator if you believe that any of your data privacy rights have been infringed by Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International.
13. In accordance with the terms of the PDPO, Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International has the right to charge a reasonable fee for the processing of any Data access request.
14. The retention period of Data may vary and shall be kept as long as:-
  - (a) necessary for serving the purpose(s) for which Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International are processing; and
  - (b) required by any applicable laws, guidelines or regulations.
15. You acknowledge that despite any subsequent purported withdrawal of consent by you, your Data (which was provided before such withdrawal) may continue to be stored, used, disclosed, transferred and otherwise processed for the above purposes, whether before or after such purported withdrawal of consent. Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International will not, or no longer be able to, as the case may be, carry out your trading instructions or provide you with the securities related services including Stock Connect Northbound Trading service if you fail to provide Galaxy International Securities and/or Galaxy International Futures and/or any member of China Galaxy International with your personal data or consent as described above.

16. Nothing in these notes shall limit the rights of yours under the PDPO, GDPR or applicable laws.
17. The person to whom requests for access to Data or correction of Data or for information regarding policies and practices and kinds of Data held are to be addressed is as follows:-

**Responsible Officer**

**China Galaxy International Securities (Hong Kong) Co., Limited and  
China Galaxy International Futures (Hong Kong) Co.,  
Limited 20th Floor, Wing On Centre, 111 Connaught Road  
Central, Sheung Wan, Hong Kong  
Phone: (852) 3698 6836  
Email: [Enquiry@chinastock.com.hk](mailto:Enquiry@chinastock.com.hk)**

## Appendix 1

### Stock Connect Supplement to Terms and Conditions

#### 1. Definition and Interpretation

- 1.1. Unless otherwise defined below, terms defined in the Terms and Conditions of Institutional Professional Investor Account (“Terms and Conditions”) shall have the same meaning in this Supplement.
- 1.2. In this Supplement, unless the context otherwise requires, the following expressions shall have the following meanings:

**Applicable Requirements** means the relevant laws, rules, regulations, policies, interpretations, guidelines, requirements and other regulatory documents promulgated by relevant governmental or regulatory bodies of Hong Kong and Mainland China from time to time including the Stock Connect Rules and any other relevant requirements and/or restrictions of any governmental or regulatory body, exchange or clearing house as may be published and/or amended from time to time.

**BCAN** means the Broker-to-Client Assigned Number which is a unique and confidential number assigned by Galaxy International Securities to a client in respect of Northbound Trading.

**BCAN-CID Submission Deadline** means the deadline for Galaxy International Securities to submit the BCAN and Client Identification Data mapping files to the SEHK as notified by the SEHK or other Stock Connect Authorities from time to time.

**Cash** means all cash or cash equivalents in Offshore RMB received and held by Galaxy International Securities based on the terms of this Supplement.

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

**CCASS Rules** means the general rules of CCASS as amended, supplemented, modified and/or varied from time to time.

**ChinaClear** means China Securities Depository and Clearing Corporation Limited.

**China Connect Market** means SSE or SZSE as applicable.

**China Connect Market Operator** means SSE or SZSE as applicable

**China Connect Securities** means any securities listed on a China Connect Market which are from time to time accepted as eligible stocks for trading in Hong Kong and overseas investors under Stock Connect. Unless the context requires otherwise, “China Connect Securities” includes “Special China Connect Securities”.

**ChiNext Shares** means any securities accepted for listing and admitted to trading on the

ChiNext market operated by SZSE from time to time.

**Circuit Breaker** means any measures that may be imposed or activated by a China Connect Market Operator on the relevant China Connect Market in accordance with the Circuit Breaker Provisions.

**Circuit Breaker Provisions** means the relevant provisions in the Operator Rules under which Circuit Breaker may be imposed for the purpose of, among others, minimising or averting substantial upward or downward price movements of securities traded on the relevant China Connect market including all related provisions on the application and lifting of the Circuit Breaker.

**Client Identification Data (“CID”)** includes the following information:

- (a) With respect to an individual client, the client’s full name on the identity document, the issuing country or jurisdiction of the individual’s identity document, the type of identity document (i.e. ID Card, passport or any other official identity document), the number on the identity document and such other information as requested by SEHK and other Stock Connect Authorities from time to time; and
- (b) With respect to an institutional or corporate client, the entity’s name as shown on the certificate of incorporation or Legal Entity Identifier (“LEI”), place of incorporation, certificate of incorporation or LEI, certificate number or LEI, and such other information as requested by SEHK and other Stock Connect Authorities from time to time.

**Costs** includes costs, charges and expenses, including those in connection with the provision of legal advice.

**CSRC** means the China Securities Regulatory Commission of Mainland China.

**Investor ID Model Effective Date** means the date that the Northbound Trading investor identification (Investor ID) model launches as notified by the SEHK or other Stock Connect Authorities on the HKEx website or the SFC website.

**Loss** includes any loss, damage, demand, claims, liabilities and Costs of any kind.

**Mainland China** means, for the purposes of this Supplement, the People's Republic of China other than Hong Kong, Macau and Taiwan.

**Northbound Trading** means the trading of China Connect Securities by Hong Kong and overseas investors through Stock Connect.

**Offshore RMB** means RMB available for general exchange market transactions outside Mainland China.

**Operator China Connect Rules** means the SSE China Connect Rules or the SZSE China Connect Rules as applicable.

**Operator Listing Rules** means the SSE Listing Rules or the SZSE Listing Rules as applicable.

**Operator Rules** means the SSE Rules or the SZSE Rules as applicable.

**RMB** means Renminbi, the lawful currency of the People's Republic of China.

**SAFE** means the State Administration of Foreign Exchange of Mainland China.

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

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

**Short Selling** means the sale of China Connect Securities, which are from time to time included in the list of eligible China Connect Market securities for short selling published by the SEHK from time to time, in respect of which the client has a presently exercisable and unconditional right to vest such securities in the purchaser by virtue of having borrowed such securities under a Stock Borrowing and Lending Arrangement.

**Special China Connect Securities** means any securities listed on a stock market in Mainland China acceptable to SEHK which are from time to time accepted as eligible stocks for sale only but not for purchase by Hong Kong and overseas investors under Stock Connect.

**Special Segregated Account** has the meaning set out in CCASS Rules.

**SPSA Order** means Stock Connect sale order for the sale of China Connect Securities held in a Special Segregated Account.

**SSE** means the Shanghai Stock Exchange.

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

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

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

**STAR shares** means any securities accepted for listing and admitted to trading on the STAR market operated by SSE from time to time.

**SZSE** means the Shenzhen Stock Exchange.

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

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

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

**Stock Borrowing and Lending Arrangement** has the meaning as set out in the Stock Connect Rules.

**Stock Connect** means Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, or such other securities trading and clearing links programme developed or to be developed between SEHK and a trading platform in Mainland China as applicable.

**Stock Connect Authorities** means the exchanges, clearing systems and regulators which provide services and/or regulate Stock Connect and activities relating to Stock Connect, including the Hong Kong Monetary Authority, SFC, SEHK (and its relevant subsidiary), HKSCC, the People's Bank of China, CSRC, SAFE, China Connect Market Operators, ChinaClear and any other regulator, agency or authority with jurisdiction or responsibility in respect of Stock Connect.

**Stock Connect Rules** means, in the context of Stock Connect, any laws, rules, regulations, policies, interpretations, guidelines, requirements or other regulatory documents promulgated, published or applied by any Stock Connect Authority in relation to the relevant market from time to time in respect of Stock Connect or any activities arising from Stock Connect.

**Supplement** means this Stock Connect Supplement to the Terms and Conditions.

**Taxes** means any present or future taxes, levies, imports, duties, fees, assessments or other charges of whatever nature, imposed by any government department, taxing authority, regulatory body, agency and/or other political subdivision in Hong Kong and/or any place in the world, and all interest, penalties, fines, expenses or similar liabilities with respect thereto.

**Trading Day** means a day on which trading is conducted through the system for receiving and routing Northbound Trading orders on SEHK.

**Uptick Long Sale** means:

- (a) the client places a sell order with Galaxy International Securities for China Connect Securities which is not a Short Selling order;
- (b) the client has borrowed other shares of that China Connect Security pursuant to a Stock Borrowing and Lending Arrangement and such shares are not subject to the sell order referred to in (a);
- (c) the client has not returned all of the shares that the client has borrowed under the Stock Borrowing and Lending Arrangement; and
- (d) the price requirements set out in the Stock Connect Rules relating to Short Selling apply

to the sell order.

## **2. Application**

This Supplement is supplemental to, and without prejudice to, the Terms and Conditions and any applicable terms agreed between you and Galaxy International Securities. This Supplement applies at any time that you trade China Connect Securities under Stock Connect through Galaxy International Securities. In the event of any inconsistency between this Supplement and the Terms and Conditions, this Supplement prevails in relation to the trading of China Connect Securities through China Connect.

## **3. Eligible Investors**

You acknowledge that Northbound Trading is available only to Hong Kong and overseas investors and represents and undertakes on a continuing basis, including without limitation on each date that you place an order or give an instruction in respect of China Connect Securities under this Supplement, that:

- (a) unless you are an Institutional Professional Investor and such status has been confirmed by Galaxy International Securities, you will not place any order or give any Instruction to buy or sell ChiNext Shares or STAR shares under Stock Connect (other than Special China Connect Securities which are eligible for sell orders only);
- (b) in the case where you are acting as agent on behalf of its/his/her client, you will not place any order or give any Instruction to buy or sell ChiNext Shares or STAR shares under Stock Connect on behalf of such client (other than Special China Connect Securities which are eligible for sell orders only), unless you are reasonably satisfied that such client is an Institutional Professional Investor; and
- (c) your investment in China Connect Securities is in compliance with laws and regulations of Hong Kong and Mainland China in respect of China Connect or any activities arising from China Connect and laws and regulations of Mainland China, including those in relation to foreign exchange control and reporting, as may be amended from time to time.

## **4. Compliance with Applicable Requirements**

- 4.1. Trading in any China Connect Securities is subject to the Applicable Requirements.
- 4.2. Galaxy International Securities is not obliged to act until it has received all necessary Instructions, funds, property and documents, but Galaxy International Securities may do so. If Galaxy International Securities does so, it has the right to apply any procedures or requirements in respect of any trading of China Connect Securities through Stock Connect which it determines in its discretion to be necessary or desirable for the purpose of complying with any Applicable Requirements, its policies and/or market practice. Galaxy International Securities' rights will not be affected if Galaxy International Securities does not do so or as a consequence of anything done or omitted to be done by it acting in good faith.
- 4.3. Galaxy International Securities may, in its discretion, refuse to execute any Instruction provided by you, if such Instruction is not, or Galaxy International Securities reasonably believes it may

not be, in compliance with any Applicable Requirements or its policies. Galaxy International Securities is not liable for any Loss incurred by you which may result directly or indirectly from such refusal.

## **5. Placing Orders**

- 5.1. Galaxy International Securities only accepts orders for Northbound Trading that comply with the Applicable Requirements. Galaxy International Securities is not liable for any Loss that you may suffer as a result of any attempt by you to place an order for Northbound Trading that does not comply with any Applicable Requirements.
- 5.2. Galaxy International Securities will not accept any Short Selling orders or Uptick Long Sale orders in respect of China Connect Securities. You represent and undertake on a continuing basis on each date that any order that you place with Galaxy International Securities in relation to China Connect Securities is not, and will not be, a Short Selling order or an Uptick Long Sale order which is subject to the Stock Connect Rules in relation to Short Selling.
- 5.3. Galaxy International Securities will not accept any Northbound buy order for ChiNext Shares or STAR Shares unless it determines in its absolute discretion that you are an Institutional Professional Investor.

## **6. Enhanced Pre-Trade Checking**

- 6.1. To the extent that you instruct Galaxy International Securities to execute an SPSA Order on behalf of you, the provisions set out in this Clause 6 apply.
- 6.2. Prior to instructing Galaxy International Securities to execute any SPSA Order, you will provide to Galaxy International Securities all information or document in the manner as may be required by Galaxy International Securities from time to time in order for Galaxy International Securities to place an SPSA Order on behalf of you.
- 6.3. You authorise, and you have appropriate arrangements in place to authorise, the reproduction, replication and transmission of the stock holding records of the Special Segregated Account at any time for the purpose of enabling SEHK and its subsidiaries to carry out their pre-trade checking procedures.
- 6.4. In the event that:
  - (a) you instruct Galaxy International Securities to execute an SPSA Order on behalf of you and an investor identification number other than your investor identification number is used to execute such order, you acknowledge and confirm that Galaxy International Securities may settle such SPSA Order using China Connect Securities from the Special Segregated Account pursuant to your original Instructions; or
  - (b) your investor identification number is used by Galaxy International Securities to execute an SPSA order on behalf of another client of Galaxy International Securities, you acknowledge and confirm that Galaxy International Securities may settle such SPSA order using China Connect Securities from the Special Segregated Account of such client pursuant to that client's original Instructions.



6.5. You represent and undertake on a continuing basis, including at each time that you place an SPSA Order, or otherwise give an Instruction, in respect of the China Connect Securities held in a Special Segregated Account, that in respect of any SPSA Order which you instruct Galaxy International Securities to execute, at all relevant times:

(a) You have been designated such Special Segregated Account and CCASS has assigned the investor identification number to such Special Segregated Account that you have provided to Galaxy International Securities in respect to any such SPSA Order, in each case in accordance with the CCASS Rules and any applicable Stock Connect Rules;

(b) you unconditionally authorises Galaxy International Securities to execute the sale of the relevant China Connect Securities in the specified Special Segregated Account on behalf of you;

(c) (A) there are, and will be, sufficient China Connect Securities in the Special Segregated Account for you to settle the delivery obligations in respect of such SPSA Order on the settlement day as required under the Stock Connect Rules; and

(B) you will ensure that the China Connect Securities that are the subject of the SPSA Order will be delivered to Galaxy International Securities or to the account specified by Galaxy International Securities no later than the cut-off time for delivery as may be specified by Galaxy International Securities from time to time or, if earlier, as may be specified by any relevant Stock Connect Authority, on the settlement day specified by Galaxy International Securities and in compliance with any other requirements for settlement which may be specified by Galaxy International Securities to you or your agent for settlement from time to time;

(d) the total number of China Connect Securities subject to SPSA Orders, in respect of China Connect Securities in that Special Segregated Account on any relevant Trading Day will not exceed the total stock holding position in respect of the same China Connect Security as shown against the investor identification number for the relevant Special Segregated Account (A) immediately before the commencement of operation of Stock Connect on that Trading Day or (B) as at such other time as may be specified by Galaxy International Securities or any relevant Stock Connect Authority from time to time;

(e) to the extent that (i) you are a fund manager and (ii) you aggregate SPSA Orders across more than one Special Segregated Account (whether they are maintained with one or more custodian participant registered pursuant to the CCASS Rules),

(A) you have authority from all relevant parties (including the relevant funds or sub-funds) so to aggregate such SPSA Orders and allocate China Connect Securities across such Special Segregated Accounts at your discretion; and

(B) any such actions taken or to be taken comply with all Applicable Requirements and do not involve any misappropriation of client assets;

(f) the relevant number of China Connect Securities recorded in the relevant Special Segregated Account will be used by you for stock settlement of such SPSA Order in accordance with the CCASS Rules and any other relevant Stock Connect Rules; and

- (g) to the extent that an SPSA order is a Short Selling order, the borrowed Short Selling Securities are held in the relevant Special Segregated Account and the order is in compliance with (i) the China Connect Rules applicable to any SPSA order and (ii) the obligations set out herein. For the avoidance of doubt, Galaxy International Securities does not accept any Short Selling orders.
- 6.6. You must immediately inform Galaxy International Securities if any of the representations set out above in clause 6.5 are no longer correct or have become misleading or you have not complied, or will not comply, with any of the obligations under this Supplement or under the Stock Connect Rules in a way which may affect the ability of Galaxy International Securities to execute an SPSA Order in compliance with the Stock Connect Rules.
- 6.7. In the event that there is a breach of any of the terms of Clause 6 which results in a failure by Galaxy International Securities to deliver any China Connect Securities held in the relevant Special Segregated Account to CCASS in respect of any SPSA Order as required by the Stock Connect Rules:
- (a) you acknowledge that Galaxy International Securities is entitled to inform HKSCC that the failure to deliver was the result of the failure to deliver from a Special Segregated Account and, as a consequence, any overdue short stock position quantities will be deducted from the sellable balances of the relevant Special Segregated Account; and
  - (b) you agree to provide any information or any other assistance as may be required by Galaxy International Securities to ensure that SEHK and/or HKSCC is satisfied that the overdue short stock position was a result of a failure to deliver the China Connect Securities from a Special Segregated Account.

## **7. Settlement, currency conversion and instructions**

- 7.1. Northbound Trading is traded and settled in RMB. If you do not have sufficient Offshore RMB in the Account(s) for any purchase order of China Connect Securities through Northbound Trading or other payment obligation in connection with Stock Connect, you authorise Galaxy International Securities to convert any funds in another currency in any Account(s) into Offshore RMB for the purposes of settlement in connection with Stock Connect. However, if there are no such funds (or all or any part of such funds cannot be converted into sufficient Offshore RMB) before any such settlement, settlement may be delayed and/or fail and you may not be able to purchase or transfer the relevant China Connect Securities.
- 7.2. Notwithstanding any other provision in the Terms and Conditions, where it is necessary to convert one currency to another pursuant to, in relation to or arising from this Supplement, such currency conversion may be carried out automatically by Galaxy International Securities in good faith at a rate Galaxy International Securities reasonably considers appropriate without prior notice to you. You indemnify Galaxy International Securities for any shortfall arising from any such conversion.
- 7.3. You waive any of its/his/her right in any jurisdiction to pay any amount other than in the currency in which it is due. If Galaxy International Securities receives an amount in a currency other than that in which it is due:

- (a) Galaxy International Securities may convert the amount into the due currency on the date and at rates Galaxy International Securities reasonably considers appropriate without prior notice to you. Galaxy International Securities may deduct its Costs incurred in the conversion; and
  - (b) you satisfy your obligations to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the Costs of the conversion.
- 7.4. You must comply with all applicable exchange control laws and requirements in connection with this Supplement and Northbound Trading.
- 7.5. Galaxy International Securities may in its discretion reject your sell order if Galaxy International Securities considers that you do not have sufficient available China Connect Securities in the Account(s) by the applicable cut-off time (as notified to you by Galaxy International Securities from time to time) or if for any other reason Galaxy International Securities considers that there is or may be non-compliance with any Applicable Requirement. You indemnify Galaxy International Securities for any Loss incurred in connection with any non-compliance or potential non-compliance with pre-trade checking and/or any Applicable Requirement.
- 7.6. Galaxy International Securities may reject your purchase order or sell order upon a request from SEHK, a China Connect Market Operator, or other Stock Connect Authorities. Galaxy International Securities is not liable for any Loss incurred by you in connection with any such request from SEHK, the China Connect Market Operator, or other Stock Connect Authorities.
- 7.7. If Galaxy International Securities is unable to effect an order cancellation request received from you due to the occurrence of a contingency (such as a breakdown or failure of all communication links between SEHK and a China Connect Market Operator), you shall remain liable for its/his/her settlement obligations if the relevant order has already been matched and executed.
- 7.8. Galaxy International Securities is not liable for any Loss incurred by you in connection with any trading based on your Instructions. Galaxy International Securities is not able to unwind any trade, and you should also take note of the settlement arrangements in respect of China Connect Securities under Stock Connect, the pre-trade checking requirement and the restriction on day (turnaround) trading which may affect your ability to mitigate the consequences of its/his/her own error trades.

## **8. Authority to sell**

- 8.1. You authorise Galaxy International Securities to sell or arrange for the sale of any quantity of China Connect Securities held on your behalf at such price and on such terms as Galaxy International Securities may determine in its absolute discretion if:
- (c) Galaxy International Securities receives an instruction directly or indirectly from a China Connect Market Operator or other Stock Connect Authority requiring you to sell and liquidate any specified China Connect Securities; or
  - (d) Galaxy International Securities is of the view that you are in breach or may be in breach of any Applicable Requirements; or

- (e) Galaxy International Securities has held on your behalf such China Connect Securities for a period longer than Galaxy International Securities' prescribed period as notified to you from time to time.

## **9. Limitation of liability and indemnity**

- 9.1. Unless an Applicable Requirement prohibits Galaxy International Securities from excluding or limiting its liability or where the Loss is directly caused by Galaxy International Securities' gross negligence, fraud or wilful misconduct, Galaxy International Securities is not liable for any Loss incurred in connection with this Supplement or any Northbound Trading (including in connection with the provision, unavailability or improper functioning of any Stock Connect related services, delay or error in the transmission of any electronic payment transfer, failure or delay in the execution of any Instruction, breakdown or failure of any communications system, delay in providing funds to you, or any other thing Galaxy International Securities does or does not do). This applies where the Loss arises for any reason and even if the Loss was reasonably foreseeable or Galaxy International Securities had been advised of the possibility of the Loss.
- 9.2. To the maximum extent permitted by the Applicable Requirements, you indemnify Galaxy International Securities against, and must pay Galaxy International Securities on demand for, any Loss Galaxy International Securities reasonably incurs in connection with all proceedings and/or Taxes howsoever arising, directly or indirectly, out of or resulting from your trading of China Connect Securities pursuant to Stock Connect.
- 9.3. For the avoidance of doubt, this Clause 9 is in addition to Clause k (Indemnity) of the Terms and Conditions and any other exclusions or limitations of Galaxy International Securities' liability and indemnities set out in this Supplement, the Terms and Conditions, or otherwise.

## **10. Miscellaneous**

- 10.1. You agree to execute any further documents and provide any materials and/or information as Galaxy International Securities may reasonably request to enable Galaxy International Securities to perform its duties and obligations under this Supplement which may become necessary as and when the Stock Connect Rules are updated, amended and/or replaced from time to time. Your failure to comply with this provision may result in a suspension of Stock Connect services to you.
- 10.2. Without prejudice to the Terms and Conditions, you acknowledge that Galaxy International Securities may use any such materials and/or information received from you for compliance with the Applicable Requirements and may retain any such materials and/or information received from you for such period as it deems appropriate pursuant to the Applicable Requirements.
- 10.3. Galaxy International Securities reserves the right to vary any of the terms of this Supplement by written notice to you in accordance with Clause L (Termination) of the Terms and Conditions.
- 10.4. Save for Clause 9 above, this Supplement automatically terminates upon the termination of the Terms and Conditions.

10.5. This Supplement and all transactions in relation to Stock Connect with you are, unless otherwise agreed, governed by the laws of Hong Kong. You agree to submit to the non-exclusive jurisdiction of the Hong Kong courts.

## **11. Risk disclosures and acknowledgement**

11.1. You acknowledge that you have read and understand the risk disclosures and other information set out in Appendix 2 and that you understand your obligations set out in this Supplement and Appendix 2.

11.2. You acknowledge that you understand and have assessed the risks relating to Stock Connect (including but not limited to those as set out in Appendix 2) and you are willing to undertake those risks.

11.3. You acknowledge that Galaxy International Securities is not liable for any Loss you may suffer as a result of the materialization of any of the risks described in Appendix 2 or other risks relating to trading under Stock Connect.

11.4. You acknowledge and accepts that Galaxy International Securities does not provide any Short Selling or Stock Borrowing and Lending services in respect of the China Connect Securities and as a result, relevant clauses in the Terms and Conditions (including but not limited to clause 6.5 (g) of this Supplement) do not apply.

11.5. You acknowledge that it/he/she must comply with all Applicable Requirements applicable to its/his/her trading of China Connect Securities through Stock Connect. In particular, you acknowledge that among other things, the following in respect of Northbound Trading:

- (a) no day trading is allowed (i.e. China Connect Securities purchased on a Trading Day shall not be sold on the same day);
- (b) unless an SPSA Order arrangement is in place, pre-trade checking is in place so that you must have its/his/her China Connect Securities transferred to Galaxy International Securities' corresponding CCASS account before trading commences on a Trading Day if it/he/she intends to sell those China Connect Securities during that Trading Day;
- (c) all trading must be conducted on a China Connect Market, i.e. no over-the-counter or manual trades are allowed;
- (d) naked short selling is not allowed;
- (e) foreign ownership limits (including the individual shareholding limit (currently at 10%) and the aggregate shareholding limit (currently at 30%) which are applicable to foreign investors and the forced-sale arrangement) are in place, and Galaxy International Securities shall have the right to sell your shares upon receiving any forced-sale notification from HKEx. You shall not in any event claim against Galaxy International Securities for any losses or damages incurred by you arising from or in connection with such foreign ownership limits;
- (f) you should understand fully the Applicable Requirements in relation to "short swing profits"

and its/his/her disclosure obligations (including, but not limited to, the shareholding disclosure requirement (currently at 5%) applicable to persons who invest in A shares under the applicable laws of Mainland China), and it/he/she should follow such rules and regulations accordingly;

- (g) Galaxy International Securities shall have the right to cancel your orders in case of contingency, such as when a Typhoon Signal No. 8 or above is hoisted in Hong Kong. You shall not in any event claim against Galaxy International Securities for any losses or damages incurred by it/him/her arising from or in connection with such cancellation;
- (h) Galaxy International Securities may not be able to send in a client's request to cancel an order in case of contingency, such as when HKEx loses all its communication lines with a China Connect Market Operator, and you should still be liable for the settlement obligations if the orders are matched and executed;
- (i) you must comply with the Operator Rules and other applicable laws of Mainland China relating to Northbound Trading;
- (j) Galaxy International Securities is entitled to provide information regarding your identity or such other information (including client's personal data and trading activities) to SEHK or its subsidiary which may disclose, transfer and provide such information to a Stock Connect Authority for the purposes of assisting in any surveillance and investigation by a Stock Connect Authority;
- (k) if the Operator Rules are breached, or the disclosure and other obligations referred to in the Operator Listing Rules or Operator Rules are breached, the relevant China Connect Market Operator may have the power to carry out an investigation, and the relevant China Connect Market Operator may, through HKEx or its subsidiaries, require Galaxy International Securities to provide relevant information and materials and to assist in its investigation. You shall authorise and fully cooperate with Galaxy International Securities to provide such information and materials;
- (l) HKEx or its subsidiary may upon a China Connect Market Operator's request, require Galaxy International Securities to reject orders from you and you shall not in any event claim against Galaxy International Securities for any losses or damages incurred by you arising from or in connection with such rejection;
- (m) you need to accept all the risks relating to Northbound Trading, including, but not limited to, the risks disclosed in Appendix 2;
- (n) a China Connect Market Operator may request HKEx or its subsidiaries to require Galaxy International Securities to issue warning statements (verbally or in writing) to you, and not to extend Northbound Trading services to you. You shall not in any event claim against Galaxy International Securities for any losses or damages incurred by you arising from or in connection with such non-extension;
- (o) HKEx and its subsidiaries, the China Connect Market Operators and their subsidiaries, and any Stock Connect Authorities and their respective directors, employees and agents shall not be responsible or held liable for any losses or damages directly or indirectly incurred

by you or any third parties arising from or in connection with Northbound Trading, or arising from or in connection with the China Connect Market Operator making, amending or enforcing the relevant Operator Rules, or any action taken by it in the discharge of its supervisory functions or regulatory obligations; and

- (p) the imposition of a Circuit Breaker by a China Connect Market Operator on any trading day of the relevant China Connect Market will result in suspension of trade execution on the relevant China Connect Market.

**11.6. You acknowledge and accept that:**

- (a) this Supplement does not purport to disclose all the risks or other material considerations in connection with Northbound Trading or securities transactions in general;
- (b) this Supplement does not modify any Applicable Requirements (except to the extent set out in this Supplement and permitted under the Applicable Requirements);
- (c) SEHK has the power not to extend any service relating to trading China Connect Securities through Stock Connect to you and the power to require Galaxy International Securities not to accept Instructions from you if it is found that you, Galaxy International Securities and/or any of Galaxy International Securities' clients has or may have committed any abnormal trading conduct set out in the Stock Connect Rules or failed to comply with any Stock Connect Rules;
- (d) the relevant China Connect Market Operator has the power to carry out investigations, and may, through SEHK (or any other governmental or regulatory body), require Galaxy International Securities and/or China Galaxy International to provide relevant information and materials relating to you including, without limitation, in relation to the identity, personal data, and trading activity of you; and assist in a Stock Connect Authority's investigation in relation to you and/or your trading activity;
- (e) where a Stock Connect Authority considers that there is a serious breach of the Applicable Requirements, Galaxy International Securities and/or China Galaxy International may be required by a Stock Connect Authority to (a) issue warning statements (verbally or in writing) to you; and (b) cease providing you with any service relating to trading China Connect Securities through Stock Connect;
- (f) this Supplement does not constitute any business, legal, tax or accounting advice and that you should seek independent professional advice and undertake its/his/her own research and assessment before entering into any transaction through Stock Connect; and
- (g) you should refrain from entering into any transaction through Stock Connect unless it/he/she has fully understood the terms and risks of the relevant transaction, including the extent of its/his/her potential risk of loss.

**12. Investor ID model for Northbound Trading**

12.1. This Clause 12 applies at any time that you trade China Connect Securities under Stock Connect through Galaxy International Securities from the Investor ID Model Effective Date.

- 12.2. You agree to provide the updated Client Identification Data to Galaxy International Securities. If there are any changes to the CID after its provision, you shall inform Galaxy International Securities as soon as possible.
- 12.3. You acknowledge that a BCAN will be assigned to it to map its CID by Galaxy International Securities. If you hold any joint account with any other client of Galaxy International Securities, you acknowledge that Galaxy International Securities will assign a separate BCAN to such joint account, and the CID of both you and the joint holder(s) should be provided under the BCAN for such joint account.
- 12.4. You represent and undertake on a continuing basis, including at each time that you place an order, or otherwise give an Instruction, in respect of the China Connect Securities, that the CID provided to Galaxy International Securities is accurate and up-to-date.
- 12.5. You authorise and consent, and you have appropriate arrangements in place to authorise and consent,
- (a) Galaxy International Securities to collect, store, use, disclose and transfer its CID and/or BCAN(s) to SEHK or other Stock Connect Authorities, and to tag its BCAN(s) in the Northbound Trading orders submitted or routed to SEHK or other Stock Connect Authorities;
  - (b) the SEHK to collect, store, use, disclose and transfer such Client Identification Data and/or BCAN to China Connect Market Operators (directly or through ChinaClear) or other Stock Connect Authorities . for Northbound Trading, and to disclose to the relevant regulators and law enforcement agencies in Hong Kong; and
  - (c) the ChinaClear and the China Connect Market Operators to collect, store, use, disclose and transfer such Client Identification Data and/or BCAN to other Stock Connect Authorities, and to disclose to the relevant regulators and law enforcement agencies in Mainland China.
- 12.6. You acknowledge that:
- (a) You cannot place a trade order until the completion of account opening and/or successful update of its CID from Galaxy International Securities;
  - (b) Notwithstanding that you have submitted its updated CID, a trade order of you may still be rejected if the CID provided by client and BCAN have not yet been submitted to and/or approved by SEHK, the China Connect Market Operator or other Stock Connect Authorities at the time of such trade order, and Galaxy International Securities shall not be liable to you for any failure or delay in submitting such CID and BCAN to SEHK, the China Connect Market Operator or other Stock Connect Authorities;
  - (c) If the CID and BCAN mapping information fails to pass the relevant validation check by SEHK, the China Connect Market Operator or other Stock Connect Authorities, all the trade orders of you will be rejected;
  - (d) If you are an individual, and does not provide the necessary consents and authorizations (both written and prescribed) in relation to the collection, storage, use, disclosure and



transfer of his or her CID and/or BCAN, or your BCAN or BCAN-CID mapping are otherwise invalid or deficient, Galaxy International Securities may, in its own discretion, place Northbound Trading sell orders on behalf of you in relation to such BCAN, but no Northbound Trading buy order is allowed in relation to such BCAN;

- (e) If you are an individual, and does not provide the necessary consents and authorizations (both written and prescribed) in relation to the collection, storage, use, disclosure and transfer of his or her CID and/or BCAN, Galaxy International Securities may,
  - (A) request you to confirm that he/she has not otherwise provided such consent to other brokers for Northbound Trading;
  - (B) conduct appropriate due diligence on you to ensure that he/she is not abusing the Northbound Trading sell order exception in paragraph (d) above, and you agree to cooperate with any due diligence; or
  - (C) refuse to place any further Northbound Trading orders for you until you provide the necessary consents or authorizations; and
- (f) If abnormal trading activities are identified in respect of you by the China Connect Market Operators (via CID and BCAN), the China Connect Market Operators may in its discretion suspend trading by you or take such other actions as permitted by Stock Connect Rules, any applicable regulations and laws against you.

12.7. In connection with clauses 12.5 and 12.6 above, you agree and acknowledge that:

- (a) If the CID and BCAN mapping information fails to pass the relevant validation check by SEHK, the China Connect Market Operator or other Stock Connect Authorities, or SEHK, the China Connect Market Operator or other Stock Connect Authorities rejects your Northbound Trading orders due to such failure or any other reason:
  - (A) Galaxy International Securities has no obligation, liability or whatsoever, to provide any explanation or reason for such failure or rejection to you; and
  - (B) subject to the Applicable Requirements or notification from the SEHK, the China Connect Market Operator or other Stock Connect Authorities, Galaxy International Securities may deliver the failure or rejection message to you or follow up with you in relation to such failure or rejection in such manner and at such time as it deems appropriate;
- (b) Galaxy International Securities is not liable for any Loss incurred by you in connection with any such actions taken by SEHK, the China Connect Market Operator, or other Stock Connect Authorities;
- (c) Galaxy International Securities is not liable for any Loss incurred in connection with this Supplement or any Northbound Trading with respect to any force majeure, the provision, unavailability, technical error or improper functioning of any Stock Connect related services, delay or error in the transmission of any information (including the BCAN and/or CID), failure or delay in the execution of any Instruction, breakdown or failure of any

communications system or payment system; and

- (d) You indemnifies Galaxy International Securities for any Loss incurred in connection with any non-compliance or potential non-compliance with any Applicable Requirements.

12.8. If you are an exchange participant of the SEHK conducting the Northbound Trading through Galaxy International Securities, you agree and acknowledge that:

- (a) You shall follow the rules and requirements and implement adequate policies and procedures in connection with the BCAN and CID, including but not limited to, assigning a BCAN to its clients within the BCAN range designated by Galaxy International Securities (“Designated Range”);
- (b) With respect to any Northbound Trading orders from you, (i) in the case where you are placing Northbound Trading orders for its client, you shall provide Galaxy International Securities with the BCAN assigned by you to its client (which should be within the Designated Range) (the “Indirect Client BCAN”), and Galaxy International Securities will tag such Northbound Trading order with the Indirect Client BCAN, or (ii) in the case where you are placing Northbound Trading orders for itself, Galaxy International Securities will tag such Northbound Trading orders with your BCAN assigned by Galaxy International Securities; and
- (c) You shall include related or similar acknowledgements and statements contained herein into its Stock Connect business terms with its clients, in particular, in regard of paragraph (b) above, you shall obtain the relevant authorizations and consents from its clients, including but not limited to, the authorizations and consents set out in Clause 12.5 and 12.6 above.

## Appendix 2

### Stock Connect Risk Disclosure and other information

Unless otherwise defined below, terms defined in the Terms and Conditions of Institutional Professional Investor Account (“Terms and Conditions”) and Appendix 1 shall have the same meaning in this Appendix.

This Appendix describes some of the key risk factors concerning Stock Connect based on Galaxy International Securities’ current understanding of the Applicable Requirements and the Mainland China stock market. Galaxy International Securities has not verified the accuracy of the Mainland China stock market requirements or rules. This Appendix is not exhaustive and does not disclose all the risks and other significant aspects of Northbound Trading. You should ensure that it/he/she understands the nature of Stock Connect and it/he/she should consider carefully (and consult its/his/her own advisers where necessary) whether trading in China Connect Securities is suitable for you in light of its/his/her circumstances. It is your decision to trade in China Connect Securities, but you should not trade in China Connect Securities unless it/he/she fully understands and is willing to assume the risks associated with Stock Connect.

Galaxy International Securities does not represent that the information set out in this Appendix is up-to-date or complete, nor does Galaxy International Securities undertake to update it from time to time. For further information, please refer to the materials published on the HKEx website, the SFC website, the SSE website and/or the SZSE website applicable to Stock Connect from time to time and other relevant sources. If in doubt, you should seek professional advice.

#### 1. Pre-trade checking and enhanced pre-trade checking

Under the Mainland China law, a China Connect Market Operator may reject a sell order if an investor does not have sufficient available China Connect Securities in its account. In respect of a sell order of China Connect Securities that is not an SPSA order, SEHK will apply similar checking on all sell orders of Northbound Trading at the exchange participant level to ensure there is no overselling by any individual exchange participant (“Pre-Trade Checking”). Enhanced pre-trade checking applies in respect of an SPSA order (“Enhanced Pre-Trade Checking”).

Accordingly, you may be unable to execute Northbound sell orders due to Pre-Trade Checking (in respect of sell order that is not an SPSA order) or Enhanced Pre-Trade Checking (in respect of sell order that is an SPSA order) related requirements.

You may be unable to execute a sell order of China Connect Securities if:

- (a) (in respect of a sell order that is not an SPSA order) there has been a delay or failure for whatever reason in the transfer of the relevant China Connect Securities to Galaxy International Securities’ designated clearing account(s); or
- (b) (in respect of sell order that is an SPSA order) Galaxy International Securities considers that you do not (by the commencement of trading on the Trading Day on which you wish to execute a sell order or any other cut-off time specified by Galaxy International

Securities from time to time) hold sufficient available China Connect Securities in a relevant Special Segregated Account to cover a proposed SPSA order; and/or the required number of China Connect Securities will not be delivered from the Special Segregated Account as required by Galaxy International Securities on a settlement day to fulfil an SPSA order; or

- (c) if for any other reason Galaxy International Securities considers that there is or may be non-compliance with any Applicable Requirements.

Any risk, loss or cost resulting from non-compliance or potential non-compliance with Pre-Trade Checking (in respect of sell order that is not an SPSA order) or Enhanced Pre-Trade Checking (in respect of sell order that is an SPSA order), and/or the relevant Applicable Requirements shall be borne by you.

## **2. SPSA Orders – delivery versus payment**

Notwithstanding that a delivery versus payment mechanism may be offered by SEHK or CCASS for SPSA orders, unless Galaxy International Securities agrees to pre-fund, freely transferable funds may only be credited by the relevant clearing bank to your account with the custodian or settlement agent, as applicable, in accordance with the CCASS operations and procedures after the settlement day upon which the delivery obligations in respect of such SPSA orders are required to be settled. Any risk, liability, loss, cost or expense resulting from this delay shall be borne by you.

## **3. Settlement arrangements**

Northbound Trading follows the settlement cycle of A shares listed on the relevant China Connect Market. For settlement of China Connect Securities trades, ChinaClear will debit or credit the securities accounts of its participants (including HKSCC as clearing participant) on the Trading Day on which the order is made (“T day”) free of payment. Galaxy International Securities may have settlement arrangements in place that are different from the ChinaClear settlement arrangements. Unless Galaxy International Securities agrees to pre-fund, settlement of funds relating to such trading will be effected on the Trading Day following T day (“T+1 day”).

## **4. Quota on Northbound Trading**

Relevant governmental or regulatory bodies may impose quotas on the trading of China Connect Securities from time to time depending on market conditions and readiness, the level of cross-boundary fund flows, stability of the markets and other factors and considerations. You should read the relevant details on such quota restrictions, including the quota limit, level of quota utilisation, balance of available quota and the applicable restrictions and arrangements published on the SEHK website from time to time to ensure it/he/she has the most updated information. Purchases of China Connect Securities through Stock Connect are currently subject to certain quota controls as detailed below. SEHK has absolute discretion to take all such actions, steps or measures as it considers necessary or appropriate to ensure or facilitate compliance with the relevant quota requirements or restrictions including, without limitation, the following:

- (a) restricting or rejecting buy orders for Northbound Trading;
- (b) suspending or restricting the access to or the use of all or any part of the trading services for Northbound Trading; and
- (c) amending the operational hours and related arrangements of Northbound Trading.

As a result, there is no assurance that a buy order for Northbound Trading can be successfully placed through Stock Connect. The daily quota caps the net buy value of cross-boundary trades under Stock Connect on each Trading Day ("Daily Quota"). The Daily Quota may change from time to time without prior notice and you should refer to the HKEx website and other information published by HKEx for up-to-date information.

Under the Stock Connect Rules, investors may sell their China Connect Securities regardless of whether there is a breach of the Daily Quota. If there is a suspension of buying China Connect Securities through Northbound Trading as a result of a breach of the Daily Quota, Galaxy International Securities will be unable to carry out any buy orders and any Instruction to buy submitted but not yet executed will be rejected. Please note that buy orders already accepted will not be affected by the Daily Quota being used up and will remain on the order book of the relevant China Connect Market Operator unless otherwise cancelled by the relevant exchange participants.

## **5. Restriction on day trading**

Unless the SEHK otherwise determines, day (turnaround) trading is not permitted on the A share market in Mainland China. If you buy China Connect Securities on T day, it/he/she may only be able to sell such shares on or after T+1 day and as a result, you will be exposed to the market risk of holding such shares from T day to T+1 day. Due to the Pre-Trade Checking requirements, if you send to Galaxy International Securities Instructions to sell the China Connect Securities you bought on T day, Galaxy International Securities can only accept such Instructions on or after the applicable cut-off time (as notified to you by Galaxy International Securities from time to time) on T+1 day.

## **6. Trading methods and insider trading implications**

Trading in China Connect Securities in Mainland China currently involves the use of fax machines for placing orders and orders must be transmitted by 7.30am (Mainland China time) on the morning of the desired trade. Information about your trade may be accessed and utilized by persons privy to the information to trade for their own benefit. Further, the trading arrangements may not be supported by technological checks and balances, resulting in a risk of human error and/or malfeasance.

## **7. Client errors**

Neither Galaxy International Securities nor China Galaxy International shall be liable for any loss, damage or expense or consequential loss, damage or expense suffered by you as a result of any trading based on your Instructions. Galaxy International Securities will not be able to unwind any trade, and you should take note of the settlement arrangements in respect of China Connect Securities under Stock Connect, including but not limited to quota restrictions

which may affect the ability to mitigate the consequences of any error trades.

There is a general prohibition on off-exchange trading or transfers under the Stock Connect Rules, subject to certain exceptions (such as transfers effected to rectify error trades between an exchange participant and its clients in limited circumstances). Currently, there are no detailed rules or guidelines on permissible off-exchange transfers. In addition, SEHK may also suspend the right of a particular exchange participant to conduct non-trade transfers for error trade rectification if SEHK has reasonable cause to suspect or to believe that the exchange participant may abuse or may have abused such rectification arrangements or may have used such rectification arrangements to circumvent the prohibition against off-exchange trades or transfers. Galaxy International Securities is not obliged to effect any off-exchange transfer for rectification of error trades but has absolute discretion to determine whether to conduct such off-exchange transfer. Neither Galaxy International Securities nor China Galaxy International is liable for any losses which may result directly or indirectly from any error trade or any refusal to conduct a transfer to rectify an error trade.

#### **8. Disclosure of interests**

Under Mainland Chinese requirements, if you hold or control shares in a Mainland Chinese company which is listed on a Mainland Chinese stock exchange (a "Mainland Chinese Listco") up to a certain threshold as may be specified from time to time by a relevant Stock Connect Authority, you must disclose such interest within the period specified by the relevant Stock Connect Authority, and you must not buy or sell any such shares within the period specified by the relevant Stock Connect Authority. You must also disclose any substantial change in its/his/her holding as required by the relevant Stock Connect Authority. It is your responsibility to comply with any disclosure of interest rules from time to time imposed by the relevant Stock Connect Authorities and arrange for any relevant filings.

#### **9. Short swing profit rule**

Under Mainland Chinese requirements, the "short swing profit rule" requires a person to give up or return any profits made from purchases and sales in respect of China Connect Securities of a Mainland Chinese Listco if: (a) such person's shareholding in the Mainland Chinese Listco exceeds the threshold prescribed by the relevant Stock Connect Authority from time to time; and (b) the corresponding sale transaction occurs within the six months after a purchase transaction, or vice versa. You (and you alone) are responsible for complying with the Mainland Chinese's rules applicable to the "short swing profit rule".

#### **10. Foreign ownership limits**

Under Mainland Chinese requirements, there is a limit as to how many shares a single foreign investor is permitted to hold in a single Mainland Chinese Listco, and also a limit as to the maximum combined holdings of all foreign investors in a single Mainland Chinese Listco. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same listed company, whether the relevant holdings are through Northbound Trading, qualified foreign institutional investor/RMB qualified foreign institutional investor regime or other investment channels). Where the aggregated foreign ownership of a single Mainland Chinese Listco reaches a designated percentage, HKEx (or its

relevant subsidiary) will suspend accepting any purchase order of the relevant China Connect Securities through Stock Connect until the percentage of foreign ownership of such Listco is reduced to a certain level.

It is your responsibility to comply with all foreign ownership limits from time to time imposed by Applicable Requirements. You may also be required to report to the relevant authorities when a designated percentage of ownership is reached. If Galaxy International Securities becomes aware that you have breached (or reasonably believe that you may breach upon execution of further buy orders) any foreign ownership limits, or if Galaxy International Securities is so required by any Stock Connect Authority (including without limitation to, as a result of a forced-sale notice issued by a China Connect Market Operator), you authorise Galaxy International Securities to sell any China Connect Securities in order to ensure compliance with all Applicable Requirements. However, Galaxy International Securities is not obliged to do so and you should not rely on such action by Galaxy International Securities to ensure your compliance with any Applicable Requirements.

#### **11. China Connect Securities eligible for Northbound Trading**

SEHK will include and exclude securities as China Connect Securities based on the prescribed criteria under the Stock Connect Rules. You will only be allowed to sell a China Connect Security and be restricted from further buying, if (i) the China Connect Security subsequently ceases to be a constituent stock of the relevant indices, and/or (ii) the China Connect Security subsequently moves to the risk alert board, and/or (iii) the corresponding H share of the China Connect Security subsequently ceases to be traded on SEHK, and/or (iv) other criteria prescribed in SSE China Connect Rules and SZSE China Connect Rules.

According to the Operator Listing Rules, if any China Connect Market-listed company is in the delisting process, or its operation is unstable due to financial or other reasons such that there is a risk of being delisted or exposing investors' interest to undue damage, the China Connect Market-listed company will be earmarked and traded on the risk alert board. Any change to the risk alert board may occur without prior notice. For details concerning the risk alert board, please refer to the Operator Listing Rules and the provisional trading arrangement on the risk alert board of China Connect Market Operator.

#### **12. No off-exchange transfers**

Galaxy International Securities and China Galaxy International may not provide any off-exchange services relating to the transfer in any China Connect Securities otherwise than through the Stock Connect, unless otherwise provided by a Stock Connect Authority (such as post-trade allocation of shares by a fund manager across the funds and/or sub-funds it manages, stock borrowing and lending of China Connect Securities which are eligible for covered short selling and with a tenor of no more than one month and any other situations specified by the China Connect Market Operator and ChinaClear).

#### **13. Offshore RMB exchange rate risks**

Similar to other foreign currencies, the exchange rate of Offshore RMB may rise or fall. There is no guarantee that RMB will not depreciate. The exchange rate of Offshore RMB will be affected by, amongst other things, foreign exchange control imposed by the Mainland Chinese

central government from time to time (for example, there are currently restrictions on the conversion of RMB into other currencies). The exchange rate of Offshore RMB may fluctuate as a result of market conditions and economic factors.

In addition, RMB is currently subject to foreign exchange control and restrictions by the Mainland China central government. There is currently a limited pool of RMB outside Mainland China. Should the Mainland China central government tighten its foreign exchange control over the cross-border movements between onshore RMB and Offshore RMB, the liquidity in RMB is likely to be adversely affected.

If RMB is not your home currency, you may have to convert its/his/her home currency into RMB when investing in China Connect Securities and vice versa for any payments in RMB from transactions under the China Connect Securities. You will be incurring currency conversion costs (being the spread between buying and selling of Offshore RMB) and subject to exchange rate fluctuation risks in any such currency conversion, which may adversely affect the market value of China Connect Securities.

#### **14. Placing orders**

Galaxy International Securities only accepts orders for Northbound Trading that comply with the Applicable Requirements. Currently, only limit orders with a specified price are allowed for China Connect Securities pursuant to the Applicable Requirements, whereby buy orders may be executed at or lower than the specified price and sell orders may be executed at or higher than the specified price. Market orders will not be accepted.

#### **15. Price limits for China Connect Securities**

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

#### **16. Dynamic price check**

To prevent mischievous behaviour towards the use of the Daily Quota, SEHK has put in place a dynamic price checking for buy orders. Buy orders with input prices lower than the current best bid (or the last traded price in the absence of current best bid, or the previous closing price in the absence of both current best bid and last traded price) beyond a prescribed percentage will be rejected.

During the opening call auction session, the current bid (or the previous closing price in the absence of the current bid) will be used for checking. During the closing call auction of SZSE, the current bid (or last traded price in the absence of the current bid) will be used for checking. Dynamic price checking will be applied throughout each Trading Day, from the 5-minute input period before the start of an opening call auction session until market close of the China Connect Market. SEHK has set the dynamic price checking at 3% during the initial phase of Stock Connect. Such price checking percentage may be adjusted from time to time subject to market conditions.



## **17. Restrictions on selling China Connect Securities**

Investors are prohibited from using China Connect Securities purchased through Stock Connect to settle any sell orders placed through channels other than Stock Connect. Accordingly, there may be a limited market and/or lower liquidity for China Connect Securities purchased through Stock Connect (as compared to the same shares purchased through other channels).

In addition, there are restrictions on any entitlement security received by you in respect of China Connect Securities. If such entitlement securities are in the form of Special China Connect Securities, they are only eligible for sale through Stock Connect (i.e. they cannot be purchased by other parties through Stock Connect). If such entitlement securities are not in the form of Special China Connect Securities, they are not eligible for trading through Stock Connect (i.e. they are only available for trading in the relevant stock market in Mainland China). Accordingly, there is a risk of low (or no) liquidity for such shares received by way of entitlement.

If China Connect Securities involve odd lots, they cannot be purchased through Stock Connect. A sale of China Connect Securities involving odd lots is allowed if the sale order of such China Connect securities relates to the sale of all, but not part, of the odd lots held in respect of such China Connect Securities. It is common that a board lot buy order may be matched with different odd lot sell orders, resulting in odd lot trades. Accordingly, there may be a limited market and/or lower liquidity for China Connect Securities involving odd lots purchased through Stock Connect.

## **18. Taxation**

China Connect Securities traded under Stock Connect currently enjoy a temporary exemption from Mainland Chinese capital gain tax and Mainland Chinese business tax. It is uncertain when such exemptions will expire and whether other Mainland Chinese Taxes will be applicable to trading of China Connect Securities under Stock Connect. Dividends derived from China Connect Securities are subject to Mainland Chinese withholding tax. Mainland Chinese stamp duty is also payable for transactions in China Connect Securities under Stock Connect. You are fully responsible for any Taxes in respect of China Connect Securities, and agrees to indemnify Galaxy International Securities on demand from and against all Taxes which Galaxy International Securities may incur or be subject to in connection with any China Connect Securities which you hold, trade or otherwise deal in. Neither Galaxy International Securities nor China Galaxy International assumes any responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with Stock Connect, and neither Galaxy International Securities nor China Galaxy International will provide any service or assistance in this regard. Prior to investing in China Connect Securities, you are strongly urged to consult its/his/her own tax advisers with respect to the possible tax consequences to it/him/her of such investment since such tax consequences may differ in respect of different investors.

## **19. Hong Kong Client Securities Rules**

As a general rule, investors participating in Northbound Trading do not enjoy the full protection afforded under the Securities and Futures Ordinance and its related subsidiary

legislation. In particular, as the China Connect Securities traded through Stock Connect are not listed or traded on SEHK, you will not have protection under the Securities and Futures (Client Securities) Rules made by the SFC under section 148 of the SFO as amended from time to time, unless otherwise specified by the SFC or any other relevant Stock Connect Authority.

## **20. Investor Compensation Fund**

Trading in China Connect Securities does not enjoy the protections afforded by the Investor Compensation Fund established under the Securities and Futures Ordinance. Accordingly, unlike the trading of SEHK-listed securities, you will not be covered by the Investor Compensation Fund in respect of any loss it/he/she may sustain by reason of a default by any SFC licensed or registered person.

## **21. Ownership of China Connect Securities**

China Connect Securities are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of China Connect Securities are not available under the Northbound Trading.

Under current Mainland China regulations, China Connect Securities will be recorded in a nominee account opened by HKSCC with ChinaClear and your title or interests in, and entitlements to, China Connect Securities (whether legal, equitable or otherwise) will be subject to Applicable Requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. This is a complicated area of law and you should seek independent professional advice.

## **22. Disclosure of information and publication of trade information**

The SEHK may require Galaxy International Securities to provide information on your profile, and the type and value of its/his/her orders in relation to Northbound Trading of China Connect Securities and the trades which Galaxy International Securities executed for it/him/her, at such intervals and in such form as SEHK may specify from time to time for purposes of the publication, dissemination or public distribution of aggregated information in respect of China Connect Securities trades under Stock Connect, trading volumes, investor profiles and other related data.

## **23. No manual trade or block trade**

There is no manual trade facility or block trade facility for Northbound Trading.

## **24. Amendment of orders and loss of priority**

Consistent with the current practice in Mainland China, if an investor engaged in Northbound Trading wishes to amend an order, the investor must first cancel the original order and then input a new one. Accordingly, order priority will be lost and, subject to the restrictions on the balance of the Daily Quota, any subsequent order may not be filled on the same Trading Day.

## **25. Difference in Trading Day**

Stock Connect is open for trading only when (a) each of HKEx and the relevant China Connect Market is open for trading; and (b) banking services are available in both Hong Kong and Mainland China on the corresponding money settlement days. If any of the exchanges is not open or if the banks in either Hong Kong or Mainland China are not open for money settlement business, you will not be able to conduct any Northbound Trading. You should take note of the days on which the Stock Connect operates and decide according to its/his/her own risk tolerance capability whether or not to take on the risk of price fluctuations in China Connect Securities during the time when the Stock Connect is not available for Northbound Trading.

## **26. Operational hours**

SEHK has absolute discretion to determine from time to time the operational hours of the Stock Connect, and will have absolute discretion to change the operational hours and arrangements of the Stock Connect at any time and without advance notice whether on a temporary basis or otherwise. Neither Galaxy International Securities nor China Galaxy International shall be under any obligation to inform you of any such determinations by SEHK as to the operational hours of the Stock Connect. You should be aware of the risk of price fluctuations in China Connect Securities during the time when the Stock Connect is not available for Northbound Trading.

## **27. Risk of ChinaClear default**

ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. Pursuant to the General Rules of CCASS, if ChinaClear (as the host central counterparty) defaults, HKSCC may, in good faith, seek recovery of the outstanding China Connect Securities and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable. HKSCC will in turn distribute the China Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connect Authorities. Galaxy International Securities in turn will be distributing China Connect Securities and/or monies only to the extent recovered directly or indirectly from HKSCC. Although the likelihood of a default by ChinaClear is considered to be remote, you should be aware of this arrangement and of this potential exposure before engaging in Northbound Trading.

## **28. Risk of HKSCC default**

Galaxy International Securities' ability to provide the services under this Supplement is subject to the due performance by HKSCC of its obligations. Any action or inaction of the HKSCC or a failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of China Connect Securities and/or monies in connection with them and you may suffer losses as a result. Neither Galaxy International Securities nor China Galaxy International is responsible or liable for any such losses.

## **29. Company announcements on corporate actions**

Any corporate action in respect of China Connect Securities is announced by the relevant issuer through the relevant China Connect Market Operator's website and certain officially appointed newspapers. HKSCC also records all corporate actions relating to China Connect Securities in CCASS and informs its clearing participants of the details via the CCASS terminals

as soon as practicable on the announcement date. Investors engaged in Northbound Trading may refer to the relevant China Connect Market Operator's website and the relevant newspapers for the latest listed company announcements or, alternatively, the HKEx website's China Stock Markets Web (or such other replacement or successor web-page from time to time) for corporate actions in respect of China Connect Securities issued on the previous Trading Day. You should note that SSE-listed issuers or SZSE-listed issuers publish corporate documents in Chinese only, without any official English translation.

In addition, pursuant to the General Rules of CCASS, HKSCC endeavours to collect and distribute cash dividends relating to China Connect Securities to clearing participants in a timely manner. Upon receipt of the dividend amount, HKSCC will arrange to distribute it to the relevant clearing participants on the same day, to the extent practicable.

Following existing market practice in Mainland China, investors engaged in Northbound Trading are not entitled to attend shareholder meetings by proxy or in person, unlike the current practice in Hong Kong in respect of SEHK-listed shares.

Galaxy International Securities does not verify or warrant the accuracy, reliability or timeliness of any company announcements of corporate actions, and neither Galaxy International Securities nor China Galaxy International accepts any liability (whether in tort or contract or otherwise) for any Loss arising from any errors, inaccuracies, delays or omissions or any actions taken in reliance thereon. Galaxy International Securities expressly disclaims all warranties, expressed or implied, as to the accuracy of any company announcement or as to the fitness of the information for any purpose.

### **30. Rights issuance**

Where you receive shares or other types of securities from an issuer of a China Connect Security as entitlements, you should note that you may not be able to buy or sell such entitlement security through the Stock Connect in certain circumstances (for example, if such entitlement security is listed on a China Connect Market but is not traded in RMB or if such entitlement security is not listed on a China Connect Market).

### **31. General market risks associated with investing in China Connect Securities**

Investing in China Connect Securities involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal framework, economic, and social and political instability of the stock market in Mainland China. You should also note that the China Connect Market Operator's trading rules, listing rules, and other applicable laws and regulations may be published in Chinese only, without any official English translation.

### **32. Risks associated with trading of ChiNext Shares and STAR Shares**

The trading of ChiNext Shares and STAR Shares is subject to the risks associated with the SZSE ChiNext market and the SSE STAR market, including but not limited to such risks arising from the following: (a) volatility and overvaluation of the share prices; (b) the less stringent requirements on profitability and share capital of the ChiNext market and the STAR market (compared to the main board markets in Mainland China); (c) given the technological focus of

the companies listed on the ChiNext market and the STAR market, such companies are more susceptible to technical failures in their respective business areas; and (d) conventional valuation methods may not be entirely applicable to companies listed on the ChiNext market and the STAR market due to the high-risk nature of the relevant industries.

Only Institutional Professional Investors are allowed to place orders with Galaxy International Securities to buy or sell ChiNext Shares and STAR Shares which are accepted as China Connect Securities (other than Special China Connect Securities which are eligible for sell orders only) through the use of Stock Connect.

### **33. Warning statements and termination of service**

Galaxy International Securities may be required by SEHK and/or a China Connect Market Operator to issue to you, either verbally or in writing, a warning statement and terminate the provision of Northbound Trading services to you for a period which SEHK and/or the China Connect Market Operator may prescribe.

### **34. Novelty of Stock Connect**

Stock Connect is an unprecedented scheme launched jointly between the China Connect Market Operators and HKEx to facilitate cross-border trading of China Connect Securities through HKEx. Trading in China Connect Securities under Northbound Trading is subject to all Applicable Requirements. Any change in the Applicable Requirements may have an adverse impact on the trading of China Connect Securities. Such impact may adversely affect your investment in China Connect Securities. In the worst case scenario, you may lose a substantial part of its/his/her investments in China Connect Securities under Stock Connect.

Galaxy International Securities provides trading services based on the Stock Connect market system which is operated by the relevant China Connect Market Operator. Galaxy International Securities is not responsible for any delay or failure caused by the Stock Connect market system and investors accept all risks arising from trading China Connect Securities through the Stock Connect market system. Neither Galaxy International Securities nor China Galaxy International shall be responsible or held liable for any loss or damage directly or indirectly suffered by you arising from or in connection with the Stock Connect or the China stock connect system for receiving and routing Stock Connect orders to a Stock Connect market system for automatic matching and execution, through Northbound Trading.

### **35. Margin trading**

Subject to certain conditions prescribed by the Stock Connect Authorities, Hong Kong and overseas investors may conduct margin trading in China Connect Securities determined by the relevant Stock Connect Authorities to be eligible for margin trading ("Eligible Margin Trading Securities"). HKEx will from time to time publish a list of Eligible Margin Trading Securities. Each of the China Connect Market Operators may suspend margin trading activities in any specific A Share if the volume of margin trading activities in such A Share exceeds a threshold determined by such China Connect Market Operator and resume margin trading activities when the volume of margin trading activities drops below a prescribed threshold. Where SEHK is notified by a China Connect Market Operator that a suspension or resumption involves a security on the list of Eligible Margin Trading Securities, HKEx will disclose such information

on its website. In such circumstances, any margin trading in the relevant China Connect Security shall be suspended and/or resumed accordingly. Each of the China Connect Market Operators has reserved the right to require margin trading orders to be flagged as margin trading orders when routed to Stock Connect. Neither Galaxy International Securities nor China Galaxy International shall have any obligation to update you in respect of the list of Eligible Margin Trading Securities or any restrictions or suspensions in respect of margin trading from time to time.

### **36. Limits on Short Selling**

Hong Kong and overseas investors are currently prohibited from naked Short Selling China Connect Securities.

Covered Short Selling of China Connect Securities is permitted subject to certain requirements in the Stock Connect Rules. However, Galaxy International Securities will not facilitate covered Short Selling of China Connect Securities and/or any Uptick Long Sale. You shall be fully responsible for understanding and complying with the Short Selling requirements in effect from time to time and for any consequences of non-compliance.

### **37. Stock Borrowing and Lending**

Stock borrowing and lending are permitted for the eligible China Connect Securities as specified by the China Connect Market Operators for the purposes of (a) covered short selling, (b) satisfying the Pre-Trade Checking requirement and (c) in any other circumstances as SEHK or the China Connect Market Operators may specify from time to time. The China Connect Market Operators will determine a list of eligible China Connect Securities for stock borrowing and lending. Stock borrowing and lending of eligible China Connect Securities will be subject to restrictions set by SEHK and the China Connect Market Operators, including but not limited to the following:

- (a) stock borrowing and lending agreements for the purpose of covered short selling shall have a duration of not more than one month;
- (b) stock borrowing and lending agreements for the purpose of satisfying the Pre-Trade Checking requirement shall have a duration of not more than one day (and roll-over is not permitted);
- (c) stock lending will be restricted to certain types of persons to be determined by the China Connect Market Operators; and
- (d) stock borrowing and lending activities will be required to be reported to SEHK.

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

Galaxy International Securities will be required to file a monthly report to SEHK providing details of its stock borrowing and lending activities with respect to China Connect Securities. This may include (amongst others) details of the borrower, lender, amount of shares borrowed/lent, amount of shares outstanding and date of borrowing/returning.

You should refer to the relevant provisions from time to time governing stock borrowing and lending of China Connect Securities under the Applicable Requirements. Neither Galaxy International Securities nor China Galaxy International shall have any obligation to update you in respect of any change to the relevant Applicable Requirements.

### **38. Risks associated with the Circuit Breaker mechanism**

The execution of trades in China Connect Securities is subject to the Stock Connect Rules including the Circuit Breaker Provisions. Imposition of a Circuit Breaker on any China Connect Market Trading Day will result in the suspension of the execution of trades through the China Connect Market system for such period or periods as set out in the Circuit Breaker Provisions. Further, the lifting of a Circuit Breaker during a continuous auction session of any China Connect Market Trading Day may result in trades being executed through call auction.

Unless otherwise determined by the SEHK, where the Circuit Breaker Provisions allow orders in respect of China Connect Securities to be cancelled during the period when a Circuit Breaker is in effect, Galaxy International Securities may input order cancellation requests through the Stock Connect during such period as usual.

Notwithstanding this, no Stock Connect order is regarded as cancelled unless and until a cancellation confirmation has been issued by the relevant China Connect Market system, and neither the SEHK nor its subsidiaries shall have any liability in the event that a Stock Connect order which Galaxy International Securities has required to be cancelled is not cancelled for any reason whatsoever.

### **39. Provision of Client Identification Data**

For Northbound Trading, from the Investor ID Model Effective Date, you are required to provide Client Identification Data and keep such information updated for the Stock Connect Authorities to collect the Northbound Trading investors identification information and to track their trade orders on a real-time basis. It is your obligation to keep your Identification Data accurate and up-to-date.

You cannot place a trade order until the completion of account opening and/or successful update of its CID from Galaxy International Securities. Notwithstanding that you have submitted its CID, a trade order of you may still be rejected if the CID provided by client and BCAN have not yet been submitted to and/or approved by SEHK, the China Connect Market Operator or other Stock Connect Authorities at the time of such trade order, and Galaxy International Securities shall not be liable to you for any failure or delay in submitting such CID and BCAN to SEHK, the China Connect Market Operator or other Stock Connect Authorities. If you are an individual client, and does not provide the necessary consents and authorizations (both written and prescribed) in relation to the collection, storage, use, disclosure and transfer of his or her CID and/or BCAN, or your BCAN or BCAN-CID mapping are otherwise invalid or deficient, Galaxy International Securities may, in its own discretion, place Northbound Trading sell orders in relation to such BCAN, but no Northbound Trading buy order is allowed in relation to such BCAN. If abnormal trading activities are identified in respect of you by the China Connect Market Operators, the China Connect Market Operators may in its discretion suspend trading with you or take such other actions as permitted by Stock Connect Rules, any

applicable regulations and laws against you. You are liable for any Loss incurred in connection with any such actions taken by SEHK, the China Connect Market Operator, or other Stock Connect Authorities.

#### **40. Acknowledgement**

You acknowledges and accepts that since Galaxy International Securities does not provide any Short Selling or Stock Borrowing and Lending services in respect of the China Connect Securities, relevant clauses in the Terms and Conditions (including but not limited to clauses 36 and 37 of this Supplement) do not apply.



## Appendix 3

### ADDITIONAL TERMS FOR SECURITIES CASH ACCOUNT OPENED WITH GALAXY INTERNATIONAL SECURITIES

#### 1. Introduction

This Part is supplemental to the Terms and Conditions of Institutional Professional Investor Account and applies to Securities Cash Account opened with Galaxy International Securities

#### 2. Custody Over Securities

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

Securities in respect of the Securities Cash Account which are not Securities listed nor traded on the Stock Exchange nor are interests in a collective investment scheme authorised by the SFC shall be dealt with according to the applicable Governing Rules.

Galaxy International Securities will credit any dividends or other amounts received by or for you or arising from the Securities received on behalf of you to the Securities Cash Account after deduction of any fees and/or handling charges determined by Galaxy International Securities from time to time.

If Galaxy International Securities is required at any time to make delivery or return any Securities to you, it shall be sufficient if Galaxy International Securities delivers or returns Securities of the same class and relevant nominal amount (subject to any capital reorganization of the company to which the Securities relate).

Galaxy International Securities has the right to hold all Securities and assets or other property in the Securities Cash Account as a continuing security for the payment and/or discharge of the Obligations of the client arising from any transaction. Galaxy International Securities further has the right to appropriate or dispose of all or part of the Securities or assets or other property held under the Securities Cash Account for the settlement of any Obligations.

Galaxy International Securities or its nominee may, but is not obliged to, exercise the voting rights attached to the Securities in accordance with the client's Instructions.

**TERMS AND CONDITIONS FOR SECURITIES MARGIN ACCOUNT OPENED WITH GALAXY  
INTERNATIONAL SECURITIES  
(Institutional Professional Investor)**

**1. Definitions and Interpretation**

- 1.1. This part is supplemental to the Terms and Conditions of Institutional Professional Investor Account and applies to Securities Margin Account opened with Galaxy International Securities. By effecting transactions in your account, you shall be deemed to have accepted this terms and conditions and you shall be bound by them.
- 1.2. You acknowledge that Galaxy International Securities has certain rights when any amount in the Securities Margin Account becomes due and payable by you including with respect to enforcing the Collateral as set out in Clause 5 of this terms and conditions below.
- 1.3. Unless otherwise defined below, terms defined in the Terms and Conditions for Securities Margin Account Opened with Galaxy International Securities shall have the same meaning in the Terms and Conditions of Institutional Professional Investor Account.
- 1.4. In this terms and conditions, the following words and expression shall have the following meaning:

**Collateral** means all securities and other assets acceptable to Galaxy International Securities which shall be maintained at or delivered to Galaxy International Securities by you as collateral under the Securities Margin Account.

**Financial Accommodation** has the meaning given to that term in the Securities and Futures Ordinance.

**Margin Facility** means any Financial Accommodation provided by Galaxy International Securities to you for the Securities Margin Account.

**Securities** has the meaning given to “securities” in the Securities and Futures Ordinance and may also include such other instruments, interests, rights, assets or property as Galaxy International Securities may determine from time to time.

**Securities Margin Account** means the securities trading account opened by you with Galaxy International Securities through Offline Operation or Electronic Operation or by any other means in respect of which Galaxy International Securities has agreed to provide the Margin Facility to you in accordance with this Agreement.

**Securities Margin Financing** has the meaning given to that term in the Securities and Futures Ordinance.

**2. Activities Under The Securities Margin Account**

- 2.1. Galaxy International Securities will only provide Financial Accommodation to you for the purpose of the acquisition or the continued holding of Securities and you may not withdraw funds under such facility for any other purposes.
- 2.2. You agree that Galaxy International Securities is under no obligation at any time to provide or continue to provide any Financial Accommodation or to make any advances. For the avoidance of doubt, if a debit balance arises on your Securities Margin Account or any other margin account held with any member of the China Galaxy International, Galaxy International Securities shall not be, nor shall it be deemed to be, obliged to make, provide or continue to

provide Financial Accommodation. For instance, but without limitation, the fact that Galaxy International Securities permits a debit balance to arise in any margin account shall not imply any obligation on the part of Galaxy International Securities to advance monies or incur any obligation on your behalf on any subsequent occasion, but without prejudice to your Obligations in respect of any debit balance which Galaxy International Securities has permitted to arise.

### **3. Authorization To Galaxy International Securities**

- 3.1. You authorize Galaxy International Securities to do the following acts and things relating to the Securities Margin Account at the sole discretion of Galaxy International Securities:- (a) to deposit into or transfer payment to and from the Securities Margin Account whether to settle any outstanding payments or to effect any set off; (b) to draw on any credit balance in the Securities Margin Account, including the disposal of any Collateral or other Securities or other assets held for or on your behalf for the settlement of any Obligations owed by you to Galaxy International Securities, a member of the China Galaxy International or any third party; (c) to ask for and receive from any member of the China Galaxy International all information relating to the status of any account maintained with such member of the China Galaxy International.
- 3.2. Galaxy International Securities shall have the right in its sole discretion to do any of the following provided standing authority is obtained from you: (a) to withdraw or take possession of the Collateral and to pledge, charge, dispose of and realise all or part of the Collateral; (b) to deposit any Collateral with or lend any Collateral to an authorized institution or a licensed dealer or such other party permitted by the Governing Rules as collateral for Financial Accommodation provided to Galaxy International Securities or for the discharge or satisfaction of Galaxy International Securities' settlement obligations and liabilities; and (c) to apply any Securities or Collateral pursuant to a securities borrowing and lending agreement in accordance with the Securities and Futures (Client Securities) Rules.
- 3.3. The term of your authorization contained in Clause 3 shall continue to be valid until revoked by you serving a written notice at least fourteen (14) days prior to the actual date of revocation.

### **4. Custody Over Securities And Securities Collateral**

- 4.1. You agree to pay Galaxy International Securities and/or deposit at all times sufficient Collateral in such form and of such amounts as required by Galaxy International Securities from time to time for the procurement of the Margin Facility.
- 4.2. You warrant and represent that the Collateral shall be free from all encumbrances other than that constituted under the Securities Margin Account and that you are lawfully entitled to create security over them in favour of Galaxy International Securities.
- 4.3. Securities in respect of the account which are Securities listed or traded on the Stock Exchange or interests in a collective investment scheme authorised by the SFC and not deposited with Galaxy International Securities as Collateral shall be deposited in safe custody in a segregated account which is designated as a trust account or client account maintained in Hong Kong by Galaxy International Securities or an Associated Entity of Galaxy International Securities with an authorised financial institution, a custodian approved by the SFC for providing custodian facilities or another intermediary licensed for dealing in securities or registered in the name of you or in the name of the Associated Entity of Galaxy International Securities.

- 4.4. Securities in respect of the Account which are deposited as Collateral and are Securities listed or traded on the Stock Exchange or are interests in a collective investment scheme shall be deposited in safe custody in a segregated account which is designated as a trust account or client account maintained in Hong Kong by Galaxy International Securities or an Associated Entity of Galaxy International Securities with an authorised financial institution, a custodian approved by the SFC for providing custodian facilities or another intermediary licensed for dealing in securities or registered in the name of you, the name of Galaxy International Securities or the name of an Associated Entity of Galaxy International Securities.
- 4.5. Securities in respect of the Account, including Securities deposited as Collateral with Galaxy International Securities which are not listed nor traded on the Stock Exchange nor are interests in a collective investment scheme shall be dealt with according to the applicable Governing Rules.
- 4.6. Galaxy International Securities will credit any dividends or other amounts received by or for you or arising from the Collateral and other Securities received on behalf of you to the Securities Margin Account after deduction of any fees and/or handling charges determined by Galaxy International Securities from time to time. Dividends or other amounts derived from Collateral may, at Galaxy International Securities' discretion, be considered as Collateral.
- 4.7. Galaxy International Securities or its nominee may, but is not obliged to, exercise the voting rights attached to the Securities (including Collateral) in accordance with Client's Instructions.
- 4.8. If Galaxy International Securities is required at any time to make delivery of or return any Securities, including any Collateral to you, it shall be sufficient if Galaxy International Securities delivers or returns Securities or property of the same class and relevant nominal amount.
- 4.9. Subject to Clause 4.10 in this terms and conditions below, (i) Galaxy International Securities has the right to hold all Collateral and any Securities, assets or other property in the Securities Margin Account as a continuing security for the payment and/or discharge of the Obligations of you arising from any transaction or any matter relating to the Account or any amounts owing to Galaxy International Securities or any member of the China Galaxy International, and (ii) Galaxy International Securities further has the right to appropriate or dispose of all or part of the Collateral, Securities, assets or other property held under the Securities Margin Account for the settlement of any Obligations.
- 4.10. Where any Securities or Collateral is applied to a securities borrowing and lending agreement, Galaxy International Securities' right to (i) continuing security over all Collateral and Securities in the Securities Margin Account, and (ii) appropriate or dispose of all or part of Collateral or Securities held under the Securities Margin Account set out in Clause 4.9 to this terms and conditions above shall cease immediately prior to such Securities or Collateral being applied to the securities borrowing and lending agreement.

## **5. Enforcement Of Collateral**

- 5.1. Galaxy International Securities has the right without prior notice or consent from you, to dispose of or otherwise deal with any part of the Collateral in its absolute discretion when any amount in the Securities Margin Account has become due and payable. In the event of any deficiency after disposal of the Collateral, you shall make good and pay on demand to Galaxy International Securities such deficiency.
- 5.2. Cash in the Securities Margin Account and any proceeds from the disposal of Collateral shall be applied in the following order: (a) in payment of all costs, charges, legal and other fees and

expenses including stamp duty, commission and brokerage properly incurred in transferring or perfecting title of any part of the Collateral; (b) in payment of the interest for the time being accrued and due; (c) towards the payment of the amount due (other than the interest) under the Securities Margin Account; (d) towards the payment of all or part of the amount due by you to any member of the China Galaxy International; and (e) the residue, if any, shall be paid to you or his order.

- 5.3. Galaxy International Securities may resort to other means of obtaining payment or securing performance as it thinks fit without affecting the security created herein.
- 5.4. You shall pay or reimburse Galaxy International Securities immediately upon demand all costs, charges and expenses incurred by Galaxy International Securities in connection with the enforcement of or the preservation of any of the rights of Galaxy International Securities under the Securities Margin Account including but not limited to the legal fees and collection expenses incurred by Galaxy International Securities on a full indemnity basis.

## **6. Interest**

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

## **7. Risk Disclosure Statement**

The financial markets present many different risks of which you should be aware prior to investing. This risk disclosure statement is not exhaustive and may be amended or supplemented by additional risk disclosures from time to time.

### **Risk of Margin Trading**

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

### **Risk of Providing an Authority to Repledge Securities Collateral**

- 7.2. There is risk if you provides Galaxy International Securities with an authority that allows it to

apply your Securities or Collateral pursuant to any securities borrowing and lending agreement, repledge the Collateral for financial accommodation or deposit your securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities.

- 7.3. If your Securities or Collateral are received or held by Galaxy International Securities in Hong Kong, the above arrangement is allowed only if you consents in writing.
- 7.4. You are not required by any law to sign these authorities. But an authority may be required by Galaxy International Securities. Although Galaxy International Securities is responsible to you for Securities or Collateral lent or deposited under the authority, any default by it could result in the loss of your Securities or Collateral. A cash account not involving securities borrowing and lending is available from most dealers including Galaxy International Securities. If you do not require margin facilities or do not wish Securities to be lent or pledged, you should not provide the above authorities and should ask to open this type of cash account.

**TERMS AND CONDITIONS FOR FUTURES ACCOUNT OPENED WITH GALAXY INTERNATIONAL FUTURES  
(Institutional Professional Investor)**

**1. Definitions and Interpretation**

1.1 This terms and conditions is supplemental to the Terms and Conditions of Institutional Professional Investor Account and applies to Futures Account opened with Galaxy International Futures. By effecting transactions in your account, you shall be deemed to have accepted this terms and conditions and you shall be bound by them.

1.2 Unless otherwise defined below, terms defined in the Terms and Conditions for Futures Account Opened with Galaxy International Securities shall have the same meaning in the Terms and Conditions of Institutional Professional Investor Account.

1.3 In this terms and conditions, the following words and expression shall have the following meaning:

**Closing Out** means any contract, the entering into of another contract of the same specification and for the same amount but of an opposite position in order to cancel the former contract and/or to crystallize the profit or loss on such former contract, and the term "Close Out" shall be construed accordingly.

**F.O. Business** means the business of dealing in Futures Contracts and/ or options contracts traded on the Futures Exchange and/or any other Exchange, market or association of dealers in any part of the world.

**Futures Account** means the futures trading account opened by the client with Galaxy International Futures through any means for the purpose of trading Futures Contracts and options contracts on the Futures Exchange and/or any other Exchange, market or association of dealers in any part of the world.

**Futures Contract** means without prejudice to the meaning given to that term in the Securities and Futures Ordinance, it means a contract executed on any Exchange, the effect of which is that (a) one party agrees to deliver to the other party at an agreed future time an agreed Commodity or quantity of a Commodity at an agreed price; or (b) the parties will make an adjustment between them at an agreed future time according to whether the agreed Commodity is worth more or less or, as the case may be, stands higher or lower at that time than a level agreed at the time of making the contract, the difference being determined in accordance with the rules of the relevant Exchange in which that contract is made.

**Futures Exchange** means the Hong Kong Futures Exchange Limited and any successors or assigns.

**Open Contract** means a Futures Contract or an options contract which has not been closed out.

**2. Orders And Instructions**

2.1 The client hereby authorizes Galaxy International Futures to sell and/or purchase Futures Contracts and/ or options contracts traded on the Futures Exchange and/or the Exchange for and on behalf of the client pursuant to his Instructions given in accordance with clause 2.2 of this terms and conditions.

2.2 The client may give Instructions to effect transactions or for transfer or withdrawal of funds in the Futures Account orally, in writing (including but not limited to telex, fax or electronic mail) or through any Electronic Means as approved by Galaxy International Futures from time to time and must quote the Futures Account's name, number or other forms of identification as Galaxy International Futures may designate. The client's Instructions shall be irrevocable unless Galaxy International Futures expressly agrees otherwise and shall only be effective upon actual receipt by Galaxy International Futures. Unless otherwise disclosed herein or to the client in writing,

Galaxy International Futures is acting solely as broker to any transactions made with Galaxy International Futures by the client and does not trade on its own discount. Save as aforesaid, Galaxy International Futures shall have the right (at the absolute discretion of Galaxy International Futures, and without assigning any reason thereof) to refuse to act for the client in any particular transaction and shall not in any circumstances whatsoever be liable in any way for any loss of profit or gain, damage, liability, cost or expense suffered or incurred by the client arising out of or in connection with Galaxy International Futures declining to act on such Instruction.

- 2.3 The client also agrees not to exceed the position limits set by any regulators as well as limits established by the Futures Exchange, other Exchanges and boards of trade for the client's account, acting alone or in concert with others, and to promptly advise Galaxy International Futures if the client is required to file reports of the client's positions with the Securities and Futures Commission, the Futures Exchange, the Clearing House or other similar regulatory authority.
- 2.4 The client acknowledges the right of Galaxy International Futures to limit the number of open positions the client may maintain or acquire through Galaxy International Futures at any time.
- 2.5 The client acknowledges that Galaxy International Futures is bound by Rules 630 and 632 of the Futures Exchange which permits the Chief Executive of the Futures Exchange to take steps to limit positions or require the Closing Out of Exchange Contracts on behalf of such clients who in the opinion of the Chief Executive (as defined in the Rules of the Futures Exchange) are accumulating positions which are or may be detrimental to any particular market or markets or which are or may be capable of adversely affecting the fair and orderly operation of any market or markets as the case may be.
- 2.6 The client may from time to time instruct Galaxy International Futures to enter into any Futures Contract and/ or options contract traded on the Futures Exchange and/or the Exchange on behalf of the client and Galaxy International Futures shall be entitled in its absolute discretion but not bound to accept such Instruction. Any such Instruction shall be transmitted at the risk of the client. Where following the sale of any securities, commodities or other properties by Galaxy International Futures at the direction of the client (including any short sale effected for the client) Galaxy International Futures shall be unable to deliver the same to the purchaser by reason of the client's failure to supply Galaxy International Futures therewith the client authorizes Galaxy International Futures to borrow and/or do anything necessary to make delivery of any securities, commodities or other properties and the client hereby agrees to guarantee, indemnify and hold Galaxy International Futures harmless against any loss which Galaxy International Futures may sustain thereby including any costs associated with borrowing and/or doing anything necessary to make delivery of any such securities, commodities or other properties, any premiums which Galaxy International Futures may be required to pay, or for any loss which Galaxy International Futures may sustain where Galaxy International Futures is unable to deliver the securities, commodities or other properties sold.
- 2.7 The client acknowledges that subject to the provisions of the Securities and Futures Ordinance, and any applicable law, Galaxy International Futures may take the opposite position to the client's order in relation to any Futures Contract and/ or options contract traded on the Futures Exchange and/or the Exchange, whether for Galaxy International Futures' own account, for the



account of any member of the China Galaxy International or for the account of other clients of Galaxy International Futures, provided that such trade is executed competitively on or through the facilities of the Futures Exchange and/or the Exchange in accordance with the rules and regulations and procedures of the Futures Exchange and/or the Exchange or the facilities of any other commodity, futures or options exchange in accordance with the rules and regulation of such other exchange.

- 2.8 If Galaxy International Futures or its agent (as the case may be) shall for any reason whatsoever and howsoever fail to receive payment of all or any part of any amount or delivery of all or any part of any amount of any Commodity (whether from the relevant Exchange and/or Clearing House and/or any other person) due to be paid or delivered to the client in respect of any Futures Contract or options contract traded on the Futures Exchange and/or the Exchange entered into by Galaxy International Futures on behalf of the client on the due date for payment or delivery thereof in accordance with the rules and regulations of the relevant Exchange and/ or Clearing House and/ or any applicable laws, Galaxy International Futures' obligations to make payment or to deliver any Commodity to the client in respect of such Futures Contract or options contract traded on the Futures Exchange and/or the Exchange shall thereupon and by virtue of such failure become obligations to make payment of such amount or delivery of such amount of such commodity as is equal to such payment or such amount as is actually received by Galaxy International Futures in respect hereof.
- 2.9 Galaxy International Futures shall be entitled, in its absolute discretion, but shall not be bound to act on any Instruction from the client to take any action whatsoever or howsoever against any Exchange and/or Clearing House and/or any other person in respect of any failure by such Exchange and/or Clearing House and/or other person to make any payment or to deliver any amount of any Commodity in respect of any Futures Contract or options contract traded on the Futures Exchange and/or the Exchange entered into by Galaxy International Futures on behalf of the client as provided in clause 2.8 of this terms and conditions provided that if any such action is taken by Galaxy International Futures, the client shall indemnify Galaxy International Futures, its directors, officers, employees and agents in respect of all costs, claims, demands, damages and expenses arising out of or in connection with the taking of such action.
- 2.10 If Galaxy International Futures or its agent is not able to enter into the number of Futures Contracts or options contracts traded on the Futures Exchange and/or the Exchange which are specified in any such Instruction, Galaxy International Futures or its agent may enter into any lesser number of such Futures Contracts or options contracts traded on the Futures Exchange and/or the Exchange as it may in its absolute discretion determine and the client shall be bound by such Futures Contracts or options contracts traded on the Futures Exchange and/or the Exchange so entered into provided that Galaxy International Futures or its agent (as the case may be) shall not have any obligation or liability whatsoever and howsoever in respect of any Futures Contract or options contract traded on the Futures Exchange and/or the Exchange specified in such Instruction which have not been entered into.
- 2.11 Galaxy International Futures may, for the purpose of carrying out any Instruction given by the client, contract with or otherwise deal with or through any other agent, including any person or party associated in any manner with Galaxy International Futures or any member of the China Galaxy International on such terms and conditions as Galaxy International Futures may in its absolute discretion determine. Galaxy International Futures or any member of the China Galaxy

International may be the counterparty to any transaction effected by Galaxy International Futures on the client's behalf.

- 2.12 The client shall, forthwith upon request by Galaxy International Futures, supply to Galaxy International Futures in relation to any Futures Contract or options contract traded on the Futures Exchange and/or the Exchange entered into by Galaxy International Futures on its behalf such information in relation to the delivery and/or settlement and/or (in the case of an options contract traded on the Futures Exchange) exercise of any such Futures Contract or options contract traded on the Futures Exchange and/or the Exchange which has not been Closed Out or, as the case may be exercised, as Galaxy International Futures may request.
- 2.13 Any statement or confirmation issued by Galaxy International Futures stating the price or value at which any Futures Contract or options contract traded on the Futures Exchange and/or the Exchange is entered into or Closed Out, or the exchange rate applicable in any currency conversion, or the amount owing by the client to Galaxy International Futures at any given time, shall (in the absence of manifest error) be binding on the client as to the particulars stated.
- 2.14 Every Futures Contract entered into by Galaxy International Futures on behalf of the client is made on the understanding that both Galaxy International Futures and the client contemplate actual performance thereof and, as between Galaxy International Futures and the client, shall be deemed to contain obligations on the client and Galaxy International Futures to make settlement of such contract and/or delivery of the Commodity the subject matter of such contract, as the case may be. In respect of Open Contracts maturing in a current futures month, the client shall at least one (1) business day before the cut-off date for the tender of exercise instructions prescribed by the writer of the Futures Contract and/or options contract or the relevant Exchange, Clearing House, or other person(s) (whichever prescribes the earliest cut-off date), either give instructions to Galaxy International Futures to close out the same or deliver to Galaxy International Futures all monies or commodities deliverable by the client under such contracts in order to enable due settlement of such contracts by Galaxy International Futures in accordance with the rules of the applicable Exchange or Clearing House. If the client fails to provide Galaxy International Futures with such instructions, monies or Commodities on or before the aforesaid deadline, Galaxy International Futures may without notice either close out the relevant contracts or make or receive delivery on behalf of the client upon such terms and by such methods as Galaxy International Futures may in its absolute discretion determine. The client shall keep Galaxy International Futures indemnified in respect of all costs, losses, claims, penalties, fines, taxes, damages and expenses incurred by Galaxy International Futures as a result of action taken by Galaxy International Futures in connection with any delivery, exercise or settlement effected pursuant to the terms of this clause 2.14, save as the same may arise as a consequence of the gross negligence, willful default or fraud of Galaxy International Futures.
- 2.15 The client authorises Galaxy International Futures to instruct overseas brokers and dealers to execute transactions in overseas securities and/or commodities and/or Future Contracts and/or options contracts in such terms and at such times as in Galaxy International Futures' discretion deems fit and acknowledges that the terms of business of such overseas brokers and dealers shall apply to such transactions and the client agrees to be bound by such terms.

### **3. Lien And Power Of Sale**

- 3.1 Without prejudice and in addition to any powers, authorities, rights, remedies, general lien, right of set off or similar right to which Galaxy International Futures may be entitled by law or otherwise, any funds, securities, commodities, Futures Contracts, options contract, or other properties held by Galaxy International Futures for any purpose for the client or carried by Galaxy International Futures in the client's Account (either solely or jointly with others) or which may be in the possession or control of Galaxy International Futures, or in the possession or control of any member of the China Galaxy International in Hong Kong or in other parts of the world, at any time and for any purpose, including but not limited to safe-keeping, for the client and/or in the client's name (hereinafter collectively called "client's Property") shall be subject to a general lien in favour of Galaxy International Futures and are to be held by Galaxy International Futures as security for the payment of any liability of the client to Galaxy International Futures. Galaxy International Futures shall also have the right to exercise any or all of the powers more particularly set out in clauses 3.5 and 3.6 of this terms and conditions hereof in respect of the client's Property regardless of whether any other person is interested in the client's Property or Galaxy International Futures has made advances in connection with the client's Property and irrespective of the number of the client's Account.
- 3.2 The client agrees that the client shall be liable for all debit balance owing in the client's account whether or not the client's account is liquidated including all debts and/or deficiencies resulting from a liquidation of the client's account.
- 3.3 Debit balance in the client's account shall be charged with interest thereon at a rate to be determined by Galaxy International Futures from time to time with or without notice to the client and the client shall promptly settle, upon demand, all liabilities outstanding to Galaxy International Futures, together with all fees, costs, commissions, brokerage, levies, and other charges and expenses which Galaxy International Futures may charge against the client in accordance with this Terms and conditions and all costs, charges and expenses (including all legal fees and expenses on full indemnity basis) which Galaxy International Futures may incur in enforcing or obtaining payment from the client or in attempting to do so.
- 3.4 The client agrees to pay immediately on demand any amount owing to Galaxy International Futures with respect to any of the client's account.
- 3.5 If any of the following events occurs:
- (a) (if applicable) a petition is presented or an order is made or an effective resolution is passed or analogous proceedings are taken for the winding up of the client save for the purposes of an amalgamation, merger or reconstruction the terms whereof have previously been approved by Galaxy International Futures;
  - (b) the client fails to pay or admits his inability to pay his debts as and when they fall due or the client convenes a meeting for the purpose of making, or proposes and/or enters into any arrangement or composition for the benefit of the client's creditors;
  - (c) (if applicable) the client shall become bankrupt, or otherwise become insolvent or make any arrangement or composition with the client's creditors;
  - (d) an encumbrancer takes possession or a receiver or similar officer is appointed of the whole or any part of the assets or the undertaking (if applicable) of the client or a distress or execution is levied or enforced upon or sued out against the property or the client's Account and is not discharged within seven days of being levied;
  - (e) in the event of the death or judicial declaration of incompetence of the client;

- (f) whenever Galaxy International Futures at its sole discretion shall consider it necessary for the protection of Galaxy International Futures, because of margin requirements or otherwise;
- (g) determines in its absolute discretion that Galaxy International Futures is under an obligation to comply with any requirement imposed by any relevant Exchange and/or Clearing House and/or broker or any applicable laws, rules and regulations;
- (h) the client violates or fails to perform on a timely basis any term, covenant or condition on its part to be performed under the Terms and conditions;
- (i) any third party asserts a claim in respect of any monies in the account;
- (j) any information supplied by the client to Galaxy International Futures or any warranty made by the client is incorrect or misleading in any material respect;
- (k) it shall become unlawful for the client to maintain the account or to perform any of the client's obligations under these additional terms, or any authorization, consent, approval or licence necessary for the client to continue the Account or to perform any of his obligations under these additional terms shall be revoked or otherwise cease to be in full effect; or
- (l) there occurs a material adverse change in the business, assets or general condition of the client which, in the absolute opinion of Galaxy International Futures, may adversely affect the due performance by the client of his Obligations under these additional terms.

Galaxy International Futures shall have the right, without notice and in its absolute discretion and sole judgment, to take such action as it may consider necessary or desirable to comply with or to perform, cancel or satisfy any obligation of Galaxy International Futures to a client or any obligations of the client and/or Galaxy International Futures to a relevant Exchange and/or Clearing House and/or broker, as the case may be, in respect of any Open Contract and such action includes to:

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

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

transactions are to be applied in such manner as Galaxy International Futures may, in its discretion, determine, including but not limited to reduce the indebtedness owing to Galaxy International Futures, if any.

- 3.7 On the exercise of Galaxy International Futures' right under clause 3.5 of this terms and conditions, all accounts owing to Galaxy International Futures hereunder shall become immediately payable and Galaxy International Futures shall not be obliged to deliver to the client any amount of the underlying Commodity or any money due to the client in respect of any Futures Contract or options contract until all sums due from and liabilities of the client to Galaxy International Futures in respect of any such contract or otherwise howsoever in accordance with the terms of this Terms and conditions are satisfied or discharged to the satisfaction of Galaxy International Futures.
- 3.8 Notwithstanding anything contained in this Terms and conditions or in any other terms and conditions between Galaxy International Futures or any member of China Galaxy International and the client or any client of China Galaxy International, the client irrevocably directs Galaxy International Futures to set-off and withhold from and apply (subject to applicable laws and regulations) all of the client's interest in any funds, Futures Contract and/or options contract and property held by Galaxy International Futures or any member of China Galaxy International at any time for any purpose, including (without limitation) safe-keeping, for full or partial discharge of all of the client's obligations and liabilities to Galaxy International Futures in respect of the account or in respect of margin or additional margin or otherwise whatsoever or howsoever in accordance with the terms of this Terms and conditions, and Galaxy International Futures may without notice combine and/or consolidate all or any of the accounts comprised in the accounts and set off or transfer any money or other property interchangeably between any of the accounts in such manner as Galaxy International Futures may in its absolute discretion determine.

#### **4. Client's account**

- 4.1 All monies, approved securities, approved debt securities or other properties received by Galaxy International Futures from the client or from any other person, including the Clearing House for the client's account shall be held by Galaxy International Futures as trustee, segregated from Galaxy International Futures' own assets and paid into a segregated bank account, a segregated securities account or a segregated debt securities account (as appropriate) (collectively "Segregated Account(s)") in the manner specified in paragraphs 7 to 12 of Schedule 4 to the Code and that all money or other property so held by Galaxy International Futures shall not form part of the assets of Galaxy International Futures for insolvency or winding up purposes but shall be returned to the client promptly upon the appointment of a provisional liquidator or similar officer over all or any part of Galaxy International Futures' business or assets.
- 4.2 Any monies, approved debt securities or approved securities received by Galaxy International Futures from the client or from any other person (including the Clearing House) are held in the manner specified in paragraphs 7 to 12 of Schedule 4 to the Code, the client hereby authorises Galaxy International Futures to apply such monies, approved debt securities or approved securities in the segregated bank account, segregated debt securities or segregated securities account respectively in the manner specified in paragraphs 14 to 15 of Schedule 4 to the Code in order to:  
meet the obligations of Galaxy International Futures to the Clearing House or an executing agent arising in connection with F.O. Business transacted by Galaxy International Futures on the

Instructions of the client provided that no withdrawal from the Segregated Account(s) may be made which would have the effect that the Clearing House margin, variation adjustment requirements or other trading related liabilities in respect of F.O. Business conducted on behalf of any client are thereby financed by other client's money, approved debt securities or approved securities;

- (a) meet commission, brokerage, levies and/or other proper charges directly relating to F.O. Business transacted by Galaxy International Futures on the Instructions of client (whether or not payable to Galaxy International Futures);
- (b) transfer to another Segregated Account;
- (c) make payments/ returned to or in accordance with the directions of the client, but in such a case notwithstanding the client's directions, no money may be paid/ no approved debt securities or approved debt may be deposited into another account of Galaxy International Futures unless that account is a segregated bank account, segregated debt securities account or segregated securities account respectively; and
- (d) in particular, the client acknowledges that Galaxy International Futures may apply such monies, approved debt securities or approved securities in or towards meeting Galaxy International Futures' obligations to any party insofar as such obligations arise in connection with or incidental to F.O. Business transacted on the client's behalf. The client agrees that Galaxy International Futures may retain interest on the client's money and withdraw such interest from the segregated bank account.

## **5. Clearing House Account**

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

## **6. Margin Requirements**

- 6.1 Except for the purpose of Closing Out the client's open positions or as the Futures Exchange may from time to time prescribe, generally or otherwise, the client agrees that Galaxy International Futures shall not transact F.O. Business for the client until and unless Galaxy International Futures has received from the client Collateral adequate to cover the client's expected trading liabilities, minimum margins and variation adjustments.
- 6.2 The original margin and variation adjustment, the rates of which to be determined from time to time by Galaxy International Futures in its sole discretion shall be settled and maintained by the client in the client's Account. Any margin call and/or demand for variation adjustment shall be met within the period specified by Galaxy International Futures from time to time failing which Galaxy International Futures may Close Out the client's open positions with or without notice to the client. If Galaxy International Futures determines that additional margin is required, the client agrees to deposit with Galaxy International Futures such additional margin forthwith upon demand, provided, however, that notwithstanding any demand for additional margin, Galaxy International Futures may at any time proceed in accordance with clause 3.5 of this terms and

conditions. Galaxy International Futures may require more margin or variation adjustment than that specified by the Futures Exchange and/or the Clearing House and/or other Exchanges. Galaxy International Futures may at any time and in its sole discretion change margin requirements. No previous margin shall establish any precedent. Any new margin requirements once established shall, in the absence of any contrary provisions by Galaxy International Futures at the sole discretion of Galaxy International Futures, apply to the client's existing positions as well as to the new positions in Futures Contracts. Margin requirements may be met by a deposit of cash or Securities or any other form acceptable by Galaxy International Futures and in accordance with the Governing Rules including the rules and regulations of the Futures Exchange or the rule of other Exchanges governing the relevant markets. Margin requirements in the form of assets other than cash will only be accepted by Galaxy International Futures in its absolute discretion. Where Securities and/or other valuables are deposited as margin, Galaxy International Futures shall have an absolute discretion to assign a notional value (which need not correspond to the market value) to the asset for margin and/or variation adjustment purpose, which value may change from time to time as determined by Galaxy International Futures in the light of the prevailing market value of the asset or otherwise.

- 6.3 Without prejudice and in addition to any other rights and remedies of Galaxy International Futures hereunder, the client irrevocably authorises Galaxy International Futures, without prior notice to the client, to apply all or any part of any cash deposit or other property held for the account of the client by Galaxy International Futures or any member of the China Galaxy International on any account whatsoever and whether or not relating to trading in Futures Contracts and/or options contracts, notwithstanding that any such application may result in the client being required by Galaxy International Futures to provide additional margin:
- (a) in or towards the provision of any margin or additional margin demanded by Galaxy International Futures pursuant to clause 6.1 of this terms and conditions;
  - (b) in payment to any Exchange, Clearing House or broker in or towards satisfaction of any liability to provide margin demanded or required by such Exchange, Clearing House or broker in respect of any Futures Contract and/or option contracts entered into by Galaxy International Futures on behalf of the client, or towards provision of security (whether in the form of mortgage, deposit, charge, pledge or otherwise) in favour or to the order of any Exchange, Clearing House or broker, without prior notice to the client and free of any beneficial interest of the client or of any other person in the margin, as security for Galaxy International Futures' obligations to (and upon terms specified by) the Exchange, Clearing House or broker in respect of any Futures Contract and/or options contract entered into by Galaxy International Futures on behalf of the client, with power to such Exchange, Clearing House or broker to enforce the security in satisfaction of any obligations of Galaxy International Futures, provided that the client's deposit or property shall not be applied to finance or act as security for any Clearing House margin requirements or trading liabilities in respect of Futures Contract and/or option contracts entered into by Galaxy International Futures on behalf of any other client (and in either event, such deposit or property will be dealt with according to the rules and regulations of the relevant Exchange, or Clearing House, or the terms of trading of the broker);
  - (c) in satisfaction of any other obligations of Galaxy International Futures to any party insofar as such obligations arise in connection with or incidental to any Futures Contract and/or options contract entered into by Galaxy International Futures on behalf of the client; and/or,

- (d) in or towards payment of money properly required to meet commissions, brokerage, levies or other proper charges relating to any Futures Contract and/or options contract entered into by Galaxy International Futures on behalf of the client;

## **7. Margin Call**

- 7.1 Margin calls must be met on demand of Galaxy International Futures (or such other time limit as may be specified by Galaxy International Futures from time to time, however, never later than the time the relevant Exchange requires client margin to be met). Without prejudice to the provisions of clause 3.5 of this terms and conditions, client's failure to meet such calls may result in Galaxy International Futures being entitled or obliged by the rules or regulations of the relevant Exchange and/or Clearing House to close out the Open Contracts held on behalf of the client in respect of which calls have not been met, and/or to notify the relevant Exchange, Clearing House or broker particulars of such Open Contracts. The client acknowledges that Galaxy International Futures will report to the Futures Exchange and the SFC particulars of all open positions in respect of which two successive margin calls and demands for variation adjustment are not met within the period specified by Galaxy International Futures and Galaxy International Futures may require more margin or variation adjustments than that specified by the Futures Exchange and/ or Clearing House and may close out open positions in respect of which any margin calls and demands for variation adjustments are not met within the period specified by Galaxy International Futures or at the time of making such call(s) or demands(s).
- 7.2 Unless specifically instructed by the client, Futures Contract and/or options contract held in the account which the Exchange allows to be set off for margin purpose will automatically be set off for the determination of Margin without reference to the client, but these Futures Contract and/or options contract will not be closed out or treated as netted off for any other purpose.
- 7.3 If the client maintains a cash account with Galaxy International Futures for options contracts, only long options contract positions can be carried in the account. The client shall pay Galaxy International Futures the full cash value of the premium of the options contract on the date of the client's instruction to Galaxy International Futures to purchase the options contract.

## **8. Transactions In Foreign Currencies**

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

## **9. Levies And Commission**

- 9.1 Every Exchange Contract shall be subject to the charge of an Investor Compensation Fund levy and a levy pursuant to the Securities and Futures Ordinance, the cost of both of which shall be borne by the client.



- 9.2 Where an Exchange Contract is executed in a market that is subject to the charge of a special levy pursuant to the Exchanges (Special Levy) Ordinance, the client will bear the cost of any such changes.
- 9.3 In respect of contracts executed in markets other than those organized by the Futures Exchange, any charges levied on such contracts by the relevant markets shall be borne by the client.
- 9.4 The client agrees to pay commission, brokerage, levies, and interest on the client's Account (where applicable) and/or fees and charges or any other charges which Galaxy International Futures may think fit at a rate to be determined by Galaxy International Futures or any charges pursuant to the laws of Hong Kong or the Rules of the Futures Exchange or the rules of other Exchanges governing the relevant markets.
- 9.5 In the event that the client suffers pecuniary loss by reason of default committed by Galaxy International Futures, the liability of the Compensation Fund will be restricted to valid claims as provided for in the Ordinance 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 the client by reason of such a default will necessarily be recouped from the Compensation Fund in full, in part or at all.

## **10. Rules And Laws**

- 10.1 All transactions shall be subject to the consultation, rules, regulations, customs, usages, rulings and interpretations, from time to time extant or in force of the Exchange or other markets (and of their respective clearing house, if any), where the transactions are executed by Galaxy International Futures or the agents of Galaxy International Futures.
- 10.2 Transactions related to Exchange Contracts shall be subject to the Governing Rules and the procedures of the Futures Exchange. Such rules contain provisions requiring Galaxy International Futures in certain circumstances to disclose name, beneficial Identity and such other information concerning the client as the Futures Exchange may require and the client agrees to provide such information concerning the client as Galaxy International Futures may require in order for Galaxy International Futures to comply with the Governing Rules and the procedures and that in the event Galaxy International Futures fails to comply with the disclosure requirement under Rule 606(a) or 613(a) of the Futures Exchange, the Chief Executive of the Futures Exchange may require the Closing Out of positions on behalf of the client or the imposition of a margin surcharge on the positions of the client.
- 10.3 In respect of transactions related to the F.O. Business executed in markets other than those organized by the Futures Exchange, the client acknowledges such transactions shall be subject to the rules and regulations of those markets and not those of the Futures Exchange, with the result that the client may have a markedly different level and type of protection in relation to those transactions as compared to the level and type of protection afforded by the Rules of the Futures Exchange.
- 10.4 Galaxy International Futures and any of its officers, directors, employees or agents may trade on its/their own account or on the account of any member of the China Galaxy International.

- 10.5 The client agrees to appoint the Chief Executive (as defined in the Rules of the Futures Exchange) of the Futures Exchange (or such other persons as the Board of the Futures Exchange may appoint) and/or Clearing House as the joint and several attorney of the client to do all things necessary to transfer any Open Contracts held by Galaxy International Futures on behalf of the client and any money and security standing to the credit of the client's account with Galaxy International Futures to another Exchange Participant (as defined in the HKFE Rules) of the Futures Exchange in the event the rights of Galaxy International Futures as an Exchange Participant of the Futures Exchange are suspended or revoked;
- 10.6 Galaxy International Futures shall provide to the client upon request product specifications and any prospectus or other offering documents covering derivative products, including futures contracts or options;
- 10.7 The client agrees that Galaxy International Futures may withdraw from a segregated debt securities account:
- (a) approved debt securities required to meet obligations of Galaxy International Futures to the Clearing House or an executing agent arising in connection with the business of dealing in Futures Contract and/or options contracts transacted by Galaxy International Futures on the instructions of one or more clients provided that no withdrawal may be made which would have the effect that Clearing House margin, variation adjustment or other trading related liabilities in respect of the business of dealing in Futures Contract and/or options contracts conducted on behalf of any client are thereby financed by other clients' approved debt securities;
  - (b) approved debt securities which are transferred to another segregated debt securities account; and
  - (c) approved debt securities returned to or in accordance with the directions of the client, but in such a case notwithstanding the client's directions, no approved debt securities may be deposited into another account of Galaxy International Futures unless that account is a segregated debt securities account.
- 10.8 Subject to Galaxy International Futures having obtained such other consent(s) as may be required under applicable laws, rules and regulations, the client agrees and gives specific authority to Galaxy International Futures that the following may be withdrawn from a segregated securities account:
- (a) approved securities required to meet the obligations of Galaxy International Futures to the Clearing House or an executing agent arising in connection with the business of dealing in Futures Contract and/or options contracts transacted by Galaxy International Futures on the instructions of one or more clients provided that no withdrawal may be made which would have the effect that Clearing House margin, variation adjustment or other trading related liabilities in respect of the business of dealing in Futures Contract and/or options contracts conducted on behalf of any client are thereby financed by other clients' approved securities;
  - (b) approved securities which are transferred to another segregated securities account; and
  - (c) approved securities returned to or in accordance with the directions of the client, but in such a case notwithstanding the client's directions, no approved securities may be deposited into another account of Galaxy International Futures unless that account is a segregated securities account.
- 10.9 The construction validity and/or performance of this terms and conditions shall be subject to and governed by the laws from time to time in force in Hong Kong. This provisions herein shall be continuing and shall cover individually and collectively all the client's Accounts which the client

may open or re-open with Galaxy International Futures and shall inure to the benefit of, and bind Galaxy International Futures, Galaxy International Futures' successors and assigns, whether by merger, consolidation or otherwise, as well as the heirs, executors, administrators, legatees, successors, personal representatives and assigns of the client.

- 10.10 No act or omission to act or forbearance by Galaxy International Futures shall be or be deemed to be a waiver by Galaxy International Futures of any rights against the client. Any consent or waiver given by Galaxy International Futures shall operate as a consent or waiver only in relation to the particular matter it relates and shall in no way be considered as a consent waiver or release of any of the provisions hereof nor shall it be construed as dispensing with the necessity of obtaining the specific written consent of Galaxy International Futures in future unless expressly so provided in writing and duly signed by and on behalf of Galaxy International Futures.
- 10.11 Time shall in all respects be of the essence for the performance of the client's obligations under or in relation to this Terms and conditions.
- 10.12 The client shall immediately on demand supply to Galaxy International Futures such financial and other information relating to the client (or, where applicable, the Beneficial Identity of the client) as Galaxy International Futures may, in its absolute discretion and without giving any reason therefore require.

## ADDENDUM FOR OMNIBUS CLIENT

### 1. Definitions and Interpretation

1.5. This Addendum shall apply to all transactions which China Galaxy International Securities (Hong Kong) Co., Limited (“Galaxy International Securities”) and/or China Galaxy International Futures (Hong Kong) Co., Limited (“Galaxy International Futures”) (together, “China Galaxy”) conducts on the Omnibus Client’s behalf. The terms and conditions under this Addendum are supplemental to, and without prejudice to, the Terms and Conditions of Institutional Professional Investor Account and/or other relevant agreements between the Omnibus Client and China Galaxy (collectively the “Terms and Conditions”). This Addendum shall prevail in the event of conflicts or inconsistency with any other agreements between the Omnibus Client and China Galaxy.

1.6. Unless otherwise defined below, terms defined in this Addendum shall have the same meaning in the Terms and Conditions.

1.7. In this terms and conditions, the following words and expression shall have the following meaning:

**AMLO** means Anti-Money Laundering and Counter-Terrorist Financing Ordinance, Cap. 615 of the Laws of Hong Kong.

**Applicable Requirements** means the relevant laws, rules, regulations, policies, interpretations, guidelines, requirements and other regulatory documents promulgated by relevant governmental or regulatory bodies from time to time and any other relevant requirements and/or restrictions of any governmental or regulatory body, exchange or clearing house as may be published and/or amended from time to time.

**Code of Conduct** means the Code of Conduct for Persons Licensed by or Registered with the SFC as may be amended from time to time.

**Omnibus Account** means an account opened by any securities intermediary properly registered or licensed as a stock broker, dealer or bank or exempted from such registration or licensing in any jurisdiction and operated on behalf of his clients as indicated in the Account Application Form.

**Omnibus Client** means a customer of China Galaxy which has maintained an Omnibus Account at China Galaxy.

**Other Person** means, where the Omnibus Client is acting for the benefits or account or on behalf of another person, such as the Omnibus Client being an intermediary acting for its underlying clients or Other Persons, for whom the transaction is affected, any of such underlying clients or such Other Persons.

**Relevant Persons** means China Galaxy and its affiliates and their respective directors, shareholders, officers, employees, representatives or agents.

**Standard Settlement Instruction** means the set of instructions provided by the Omnibus Client to facilitate the settlement of a transaction.

**SPAC** means a special purpose acquisition company. A SPAC is a type of shell company that raises funds through its listing for the purpose of acquiring a business (a De-SPAC target) at a later stage (a De-SPAC transaction) within a pre-defined time period after listing.

**SPAC Eligible Investor** means Professional Investor as defined in section 1 of Part 1 of Schedule 1 to the SFO or other types of investors that are permitted or approved by the SEHK and/or the SFC for trading the SPAC shares and/or SPAC warrants.

- 1.8. The Omnibus Client agrees and acknowledges that this Addendum shall constitute a legally binding contract. By conducting any transactions through China Galaxy, the Omnibus Client shall be deemed to have accepted the terms and conditions of this Addendum and the Omnibus Client shall be bound by them.

## **2. Account Opening and General Terms**

- 2.1. The Omnibus Client represents and confirms that it is not (i) a U.S. Person; (ii) a foreign person controlled by a U.S. Person; nor (iii) a foreign person acting on behalf of or in conjunction with a U.S. Person. For the purpose of this clause, "U.S. Person" shall be as defined under the United States Securities Act of 1933.
- 2.2. The Omnibus Client shall fulfil all on-boarding and periodic review requirements and provide information in such form and time and procure the completion and signing of such documents as China Galaxy may require from time to time, failing which China Galaxy will be unable to provide services in the relevant market. The Omnibus Client shall also ensure that the information provided by it to China Galaxy is accurate and true.
- 2.3. The Omnibus Client is responsible for seeking its own professional tax advice in connection with the tax implications on the transactions to be conducted through China Galaxy, where appropriate.
- 2.4. As a customer, the Omnibus Client shall be bound by the Terms and Conditions and the Agreement, once it opens a securities account, gives instructions to China Galaxy or places an order with China Galaxy and/or makes use of any trading facilities of China Galaxy.
- 2.5. When making use of any trading facilities of China Galaxy or conducting any Transactions through China Galaxy, the Omnibus Client shall comply with all Applicable Requirements. Where there is any conflict between the Terms and Conditions and the Applicable Requirements, the latter will prevail.
- 2.6. Nothing in the Terms and Conditions shall exclude or restrict any obligations that the Omnibus Client may have to China Galaxy under the Applicable Requirements. China Galaxy may take any action it considers necessary to ensure compliance with the Applicable Requirements, and whatever China Galaxy does or fails to do in order to comply with them will be binding on the Omnibus Client. Any actions that China Galaxy takes or fails to take for the purpose of compliance with the Applicable Requirements shall not render China Galaxy, its affiliates or its relevant persons liable.
- 2.7. Where the relevant exchange(s) may have additional rules and regulations governing the use of an electronic trading system and/orders, the Omnibus Client shall comply with such rules and regulations (including but not limited to having adequate internal control, monitoring system and internal policies and procedures in place).
- 2.8. The Omnibus Client shall be bound by any additional terms and conditions of China Galaxy on the use of electronic trading services and shall be responsible for all acts or omissions of its underlying clients and other persons using such services through China Galaxy.

## **3. Trading**

- 3.1. China Galaxy may in its sole and absolute discretion determine the market(s) available for online trading by the Omnibus Client.
- 3.2. The Omnibus Client shall use the version of trading protocols proposed by China Galaxy (unless as otherwise agreed) and comply with all Applicable Requirements.
- 3.3. The Omnibus Client acknowledges that the network connection method to China Galaxy is via

internet virtual private network and that such connection method may not be secure, timely or reliable.

- 3.4. Where China Galaxy has agreed with the Omnibus Client that it may provide its underlying clients with access to China Galaxy's Electronic Service, the Omnibus Client represents and warrants to China Galaxy on a continuing basis that: (i) it has the appropriate licences, approvals and regulatory consents in order to provide its end-clients with access to China Galaxy's Electronic Service; and (ii) it has entered into an agreement with its underlying clients which sets out the terms of their access through it to China Galaxy's services and imposes restrictions on its underlying clients' use of China Galaxy's Electronic Service which are equivalent to those to which it is subject under this Addendum or other agreement entered into by it with China Galaxy from time to time.
- 3.5. The Omnibus Client understands and agrees that any orders placed by its underlying clients will flow through China Galaxy's system and be subject to China Galaxy's appropriate risk management and supervisory controls.
- 3.6. The Omnibus Client shall on demand indemnify, protect and hold China Galaxy harmless from and against all Losses (including legal costs on a full indemnity basis) resulting from or arising out of its use of Electronic Service.
- 3.7. China Galaxy may from time to time delegate the provision of its services to sub-custodians, nominees, agents, depositories, clearing houses and clearing system inside or outside of Hong Kong, which may include China Galaxy's affiliates (collectively, the "Third Parties"). China Galaxy will not be liable for any losses, damages, costs or expenses arising from the appointment or use of Third Parties other than those arising as a direct result of the gross negligence, wilful default or bad faith of China Galaxy. The Omnibus Client agrees to be bound by any additional terms and conditions that China Galaxy is subject to with Third Parties. In addition, China Galaxy is not responsible for monitoring the affairs and financial positions of Third Parties and will not be liable for the acts or omissions, or the insolvency of any Third Parties. Consequently, if any of the Third Parties becomes insolvent, the Omnibus Client may not be able to recover its assets that are under the custody of such Third Party. The Omnibus Client shall familiarize itself with the protections afforded to monies or other properties which it deposited with China Galaxy for both local and foreign transactions.

#### **4. Stock Connect**

- 4.1. If the Omnibus Client trades ChiNext Shares under Stock Connect, it shall have imposed proper controls and systems in place to prevent ineligible investors from trading ChiNext Shares if they use China Galaxy's services.
- 4.2. The Omnibus Client agrees to the disclosure of Client Identification Data ("CID") in accordance with the Terms and Conditions. The Omnibus Client understands that it may withdraw its consent for disclosure of such CID at any time, but that in such event, China Galaxy may not be able to execute its trading instructions or may be required to restrict execution of its trading instructions to sell-orders only in compliance with the Exchange's requirements.
- 4.3. The Omnibus Client, on its own behalf and on behalf of each of Other Persons, agrees to and makes the same representations, warranties and undertakings to China Galaxy, on a continuing basis as set out in Terms and Conditions all the time. Where the Omnibus Client is an intermediary, it represents and undertakes to examine and verify the identity of the Other Person, and it has already adopted control arrangements to ensure only orders from those who are eligible are accepted.

## **5. Hong Kong Investor Identification Regime and Over-the-counter Securities Transactions Reporting Regime (the “IDR and OTCR”)**

- 5.1. Where the Omnibus Client is a “relevant licensed or registered person” as defined under paragraph 5.6 of the Code of Conduct and (i) carries out proprietary trading, and/or (ii) acts as an agent for the Customer’s “client”, as the case maybe, and gives a trading order or makes a transaction falling under the scope of IDR and OTCR, the Omnibus Client agrees and represents, warrants and undertakes to China Galaxy, on a continuing basis that the Omnibus Client has complied with and will comply with the regulatory requirements of the IDR and OTCR all the time; and
- 5.2. In addition to any consents given under the Privacy Policy Statement, the Terms and Conditions and the Agreement in respect of the processing of the Data of the Omnibus Client (including Data provided by the Omnibus Client of any natural person (“data subject”)) in connection with the Omnibus Client’s account(s) with China Galaxy and services to the Omnibus Client by China Galaxy as required by applicable laws and regulations, the Omnibus Client agrees and consents to China Galaxy that China Galaxy and/or its affiliates may collect, store, process, use, disclose and transfer data relating to the Omnibus Client and/or data subject (including but not limited to the Omnibus Client and/or data subject’s CID and BCAN(s)) as required for China Galaxy to provide securities trading and related services falling under the scope of IDR and OTCR, to be implemented by SFC, the Exchange and/or HKEX and to comply with the rules and requirements of HKEX and/or SFC in effect from time to time (including but not limited to the Code of Conduct), and to provide services for the subscription or purchase of securities in a public offer in respect of a new listing on the Exchange on behalf of the Omnibus Client.

## **6. Traction related to Special Purpose Acquisition Company**

- 6.1. Where the Omnibus Client is acting for the benefits or account or on behalf of an Other Person, such as the Omnibus Client being an intermediary acting for its underlying clients, for whom the transaction is effected, the Omnibus Client confirms each of the Omnibus Client and such Other Person is a SPAC Eligible Investor as required under the Governing Rules; in particular, where the Omnibus Client is an intermediary, it represents and undertakes to examine, verify and ensure its underlying clients are SPAC Eligible Investor, and it has already adopted control arrangements to ensure only orders from those who are eligible are accepted.

## **7. Traction related to debt securities listed on the HKEX under Chapter 37 of the Rules Governing the Listing of Securities on the HKEX (“Chapter 37 Bond Transactions”)**

- 7.1. With respect to Chapter 37 Bond Transactions, where the Omnibus Client is acting for the benefits or account or on behalf of an Other Person, such as the Omnibus Client being an intermediary acting for its underlying clients, for whom the transaction is effected, the Omnibus Client confirms each of the Omnibus Client and such Other Person is a professional investor as defined in section 1 of Part 1 of Schedule 1 to the SFO; in particular, where the Omnibus Client is an intermediary, it represents and undertakes to examine, verify and ensure its underlying clients are professional investors, and it has already adopted control arrangements to ensure only orders from those who are eligible are accepted.

## **8. Omnibus Account**

- 8.1. If the Omnibus Client maintains an Omnibus Account with China Galaxy consisting of a master account and a number of sub-accounts for its undisclosed customers, the Omnibus Client agrees, acknowledges and covenants (as the case may be) that:
- i) China Galaxy may at all times treat the Omnibus Client itself, and not any of its underlying clients carried in the Omnibus Account, as China Galaxy's client and any obligations that China Galaxy may have under the Agreement are to the Omnibus Client only and not to the Omnibus Client's underlying clients. Accordingly, China Galaxy will have no obligations or any duties of whatever nature to the Omnibus Client's underlying clients whether in contract or tort and whether or not their identities are known to China Galaxy.
  - ii) China Galaxy may treat the Omnibus Client's master account and any sub-accounts as a single account for margining purposes. Further, and without limitation to any rights China Galaxy may have under the Agreement, China Galaxy may set-off any positive cash margin owed by China Galaxy to the Omnibus Client on any sub-account with any cash margin owed by it to China Galaxy on any other sub-account.
  - iii) China Galaxy usually only accept payments from and make payments to the bank account set out in the Omnibus Client's Standard Settlement Instructions to China Galaxy. Accordingly, China Galaxy may refuse to accept payments from or make any payments to any third party including to/from the Omnibus Client's underlying clients, unless China Galaxy has reviewed and approved the same in accordance with its internal policies.
  - iv) Without prejudice to the Agreement, China Galaxy may accept instructions for any subaccount from anyone on the list of authorized traders provided by the Omnibus Client to China Galaxy.
  - v) China Galaxy's obligation to carry out due diligence checks (including Know Your Customer and Anti-Money Laundering checks) are limited to carrying out appropriate checks on the Omnibus Client itself. The Omnibus Client shall carry out any appropriate due diligence checks on each of its underlying clients.
  - vi) The Omnibus Client shall be responsible for due diligence investigation, obtaining and maintaining adequate information on the Other Persons as required under the laws of the country with jurisdiction over the Omnibus Client, which includes but not be limited to, verifying the identity of the Other Persons, performing background and credit checks of the Other Persons, assuring that the Other Persons are not prohibited under relevant anti-money laundering law. The Omnibus Client shall be exclusively responsible for suitability of any transaction for the Other Persons.
  - vii) If applicable, the Omnibus Client shall disclose the detail of any commission sharing agreements between it and China Galaxy to its underlying clients.
  - viii) It shall comply with all relevant regulatory requirements, including but not limited to the following:
    - (a) General Principle 1 of the Code of Conduct, requiring intermediaries to act honestly, fairly, and in the best interests of their clients and the integrity of the market;
    - (b) General Principle 2 of the Code of Conduct, requiring intermediaries to act with due skill, care and diligence, in the best interests of their clients and the integrity of the market;



- (c) Paragraph 5.1 of the Code of Conduct, requiring intermediaries to take all reasonable steps to establish the true and full identity of each of their clients, and of each client’s financial situation, investment experience, and investment objectives;
  - (d) Paragraph 5.4 of the Code of Conduct, requiring intermediaries to be satisfied on reasonable grounds about (i) the identity, address and contact details of (a) the person or entity ultimately responsible for originating the instruction in relation to a transaction; and (b) the person or entity that stands to gain the commercial or economic benefit of the transaction and / or bear its commercial or economic risk; and (ii) the instruction given by the person or entity referred to in (i). The intermediary should keep in Hong Kong a record of the details referred to above and give the SFC access to that record upon request;
  - (e) Section 5(1) of Schedule 2 to the AMLO, requiring financial institutions to continuously monitor their business relationship with customers by conducting appropriate scrutiny of transactions (cash and non-cash transactions) carried out for the customers;
  - (f) Paragraph 5.1 of the Guideline published by the SFC under section 7 of the AMLO and section 399 of the SFO (the “AML Guideline”), requiring financial institutions to identify transactions that are complex, large or unusual or patterns of transactions that have no apparent economic or lawful purpose and which may indicate money laundering or terrorist financing; and
  - (g) Paragraph 4.3.3 of the AML Guideline, requiring financial institutions to make appropriate enquiries about customers who are individuals, where there are indications that the customer is not acting on his own behalf.
- ix) Upon China Galaxy’s request, the Omnibus Client shall duly complete and return to China Galaxy any AML attestation form and/or questionnaire or equivalent documents to agree and perform the client due diligence measures. The Omnibus Client shall provide copies of all necessary and relevant underlying clients/investors information and documentation obtained at request of any competent authority, statutory requirements and/or legitimate internal compliance process and such other document as stipulated by between China Galaxy and us from time to time.
- x) The Omnibus Client shall be wary of potential red flags of market misconduct including but not limited to market manipulation activities and critically review and enhance its systems and controls for the purpose of knowing its clients, monitoring their trading activities and complying with the Applicable Requirements.

If the Omnibus Client is operating on Omnibus Account with China Galaxy while it is not an exchange participant of the Futures Exchange, the Omnibus Client warrant and undertake that:

- xi) the Omnibus Client shall, in respect of its dealings with each of the persons from whom you receive instructions with respect to your Omnibus Account, comply with and enforce the margin and variation adjustment requirements and procedures as stipulated in the rules of the HKFE as if you were an exchange participant and as though each person for whose account or benefit such instructions are given were a client;
- xii) the Omnibus Client shall enter into exchange contracts in fulfilment of instructions relating to your Omnibus Account, so that there shall in no circumstances be any dealing with the instructions in a manner which constitutes unlawful dealing in differences in market quotations of commodities under the laws of Hong Kong or any

- other applicable jurisdiction or in a manner which constitutes or involves betting, wagering, gaming or gambling with respect to such items in contravention of Hong Kong laws or any other applicable laws; and
- xiii) the Omnibus Client shall ensure that each person from whom you receive instructions in relation to your Omnibus Account complies with the margin and variation adjustment requirements and procedures as stipulated in the rules of Futures Exchange and you shall ensure that such requirements and procedures are complied with by all persons through whom instructions pass with respect to the Omnibus Account as if each in turn is the client for whom the Omnibus Account is operated.

## **9. Other Requirements:**

- 9.1. In performing of its duties hereunder and under the Agreement, the Omnibus Client shall:
- (i) refrain from committing any act or omission that could subject it or China Galaxy to any liability under the Prevention of Bribery Ordinance (Cap. 201), the U. S. Foreign Corrupt Practices Act or similar anti-bribery laws or legislation of other jurisdictions (collectively, “Anti-Bribery Laws);
  - (ii) maintain policies and procedures designed to promote and achieve compliance with such Anti-Bribery Laws and procure its directors, officers, employees, representatives and agents to comply with such policies and procedures; and
  - (iii) notify China Galaxy immediately of any breach of such Anti-Bribery Laws.
- 9.2. The Omnibus Client acknowledges that the regulations based on the Organisation for Economic Co-operation and Development (OECD) Common Reporting Standard (“CRS”) and FATCA Intergovernmental Agreements (“IGA”) implementing the FATCA provisions require China Galaxy to collect and report certain information about an account holder’s tax residency. If the Omnibus Client’s tax residence is located outside Hong Kong or is otherwise reportable, it shall complete the self-certification form(s) posted on China Galaxy’s web-site and submit the same to China Galaxy. The Omnibus Client acknowledges that China Galaxy may be legally obliged to pass on the information in this form and other financial information with respect to the Omnibus Client’s accounts to Hong Kong governmental authorities (“Authorities”) including the Inland Revenue Department of Hong Kong and such authorities may exchange this information with tax authorities of another jurisdiction or jurisdictions pursuant to intergovernmental agreements to exchange financial account information. The Omnibus Client authorizes China Galaxy to make disclosure to fulfil all relevant reporting requirements stipulated by the Authorities from time to time. The Omnibus Client understands that China Galaxy does not provide any form of tax advice and shall contact its own tax adviser if any tax related advice is required.
- 9.3. The Omnibus Client shall ensure that true, accurate and complete information is provided in its self-certification and shall provide supporting documents to China Galaxy for verification of the information contained in its self-certification. The Omnibus Client shall provide an updated self-certification within 30 days of any change in circumstance which may affect its tax residency status and shall notify China Galaxy immediately if any information in its self-certification becomes untrue, inaccurate or misleading.
- 9.4. Save to the extent that the Losses are finally and judicially determined by a court of competent jurisdiction to have resulted directly from the fraud or wilful default of China Galaxy, the Omnibus Client shall indemnify and hold China Galaxy, its affiliates and the Relevant Persons (each an “Indemnified Party”) harmless from and against all Losses and cost and expenses incurred or suffered by any Indemnified Party(ies) for or in connection with this Addendum

including but not limited to: (a) its use of China Galaxy's services including the use of Electronic Service by its underlying clients; (b) its breach of any terms or conditions of this Addendum; (c) any errors or omissions in any self-certification forms provided to China Galaxy; and (d) any non-compliance of the Anti-Bribery Laws, CRS or FATCA reporting requirements or any other Applicable Requirements. For the purposes of this clause, "cost and expenses" shall include legal costs and disbursements (calculated on a full indemnity basis) incurred by China Galaxy in defending itself successfully against any claims and proceedings and in enforcing its rights under this Addendum and/or the Agreement.

- 9.5. If the HKEX, the SFC or relevant regulator takes any disciplinary action(s) against China Galaxy due to the Omnibus Client's and/or Other Person's failure to comply with the relevant investor eligibility specified in the rules, breach of the rules or other misconducts (the "Breach"), China Galaxy reserves the right to pursue any and all available legal and equitable remedies against the Omnibus Client in connection with the Breach. For the purpose of this clause, "disciplinary action(s)" means any of the penalties set out in Disciplinary Procedures under the rules and other penalties as prescribed by the HKEX, the SFC or relevant regulator from time to time.
- 9.6. The Omnibus Client agrees to fully indemnify and hold harmless each of China Galaxy, its affiliates and the Relevant Persons from and against all claims, actions, liabilities, proceedings against any of China Galaxy, its affiliates and the Relevant Persons and all Loss (including legal fees) which they may suffer resulting from or arising out of or in connection with the Breach.
- 9.7. The Omnibus Client shall be responsible to maintain and provide to China Galaxy, where it's legal and permissible to do so, all data and information related to the Omnibus Client and Other Persons required by the applicable laws and regulations or at the request of regulators or required by China Galaxy.

## 10. Force Majeure

- 10.1. **Force Majeure Event** means any event occurring in Hong Kong or elsewhere, giving rise to a failure or delay in the performance of any duties or obligations under this Addendum or the Agreement, which arises from a cause beyond the control of the relevant party and which is not due, or substantially attributable, to any failure of that party to exercise due diligence to prevent such failure or delay, including, without limitation, any Act of God, calamity, war, civil war or strife, rebellion, revolution, insurrection, invasion, acts of a foreign enemy, hostilities (whether war has been declared or not), terrorism, fire, explosion, earthquake, tsunami, flooding, lightning or other adverse weather condition, strikes, industrial actions, government restrictions, exchange or market rulings, suspension of trading, computer breakdown, failure or malfunction of computer network, trading system, clearing system or communication system, malfunction of equipment, power failure, hacking, sabotage, restrictions on convertibility or transferability, requisitions, unavailability of Securities Account records or Securities Account, an actual or threatened debt moratorium (whether private or public), prohibition by new law or regulatory requirements, exchange controls, capital controls, break-up of currency or other restrictions occurring regionally, internationally or in its country of residence or in the country of any of the exchanges.
- 10.2. If either party is affected by a Force Majeure Event, the party affected shall promptly notify the other party of the nature and extent of the circumstances in question.
- 10.3. Notwithstanding any other provision of the Agreement: (i) China Galaxy may suspend any transactions and all the Omnibus Client's rights and powers thereunder in whole or in part; (ii) neither party shall be deemed to be in breach of this Addendum or the Agreement (as the case may be) or otherwise be liable to the other party for any delay in performance or the

nonperformance of any obligations to the extent that the delay or non-performance is due to a Force Majeure Event of which it has notified the other party; and (iii) if China Galaxy in its sole and absolute discretion deems fit, the time of performance shall be extended by a period equivalent to the period during which performance of the relevant obligation has been delayed or failed to be performed.

## **11. Governing Laws and Jurisdiction**

11.1. This Addendum is governed by and construed in accordance with the laws of Hong Kong. The jurisdiction clause in the Terms and Conditions shall also apply to this Addendum.

## **12. Miscellaneous**

12.1. If any provision of this Addendum is deemed void, illegal or unenforceable by any law to which it is subject, it shall not affect the remaining provisions of this Addendum.

12.2. Notwithstanding anything contained in this Addendum or the Agreement, Clauses 3.6, 4.3, 9.4, 9.6 and 9.7 above shall survive the termination of this Addendum and the Agreement.