



Shanghai-Hong Kong / Shenzhen-Hong Kong Stock Connect Northbound Trading Risk Disclosure Letter

I/We/The Company (hereinafter referred to as “Client”) agree(s) to participate in Shanghai-Hong Kong Stock Connect (“SHKSC”) / Shenzhen-Hong Kong Stock Connect (“SZHKSC”) Northbound Trading through the securities service of KVB Kunlun Securities (HK) Limited (hereinafter referred to as “KVB Kunlun Securities”). Except that there exists great differences between China's stock exchange rules from Hong Kong's, before undertaking to buy and sell listed securities on the Shanghai Stock Exchange (“SSE”)/Shenzhen Stock Exchange (“SZSE”) (“Shanghai Stock/Shenzhen Stock”), the Client fully understand(s) the relevant risks as follows, and hereby acknowledge(s) and agree(s) to accept the following related terms in this letter (“Risk Disclosure Letter”) regarding buying and selling of Shanghai Stock/Shenzhen Stock through SHKSC/SZHKSC Northbound Trading (“Northbound Trading Stock (s)”):

1. The Client must understand and observe all applicable regulations, guidelines, rules and terms of SSE/SZSE and all other applicable laws and regulations of mainland China for Northbound Trading (including but not limited to the rules and regulations of China Securities Regulatory Commission) and laws and regulations of Hong Kong (including but not limited to rules and regulations of the Securities and Futures Commission (“SFC”) and relevant regulations and data published on the website of Hong Kong Exchanges & Clearing Ltd. (“HKEx”) (collectively referred to as the “Northbound Trading Rules”). KVB Kunlun Securities will not advise the Client with regard to the Northbound Trading Rules. The Client must query and learn about the Northbound Trading Rules, and consult professional advisers as needed.
2. The Client hereby acknowledges and agrees that the clearing and settlement services for Northbound Trading are provided by Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Company Limited that at the same time provide related services including registration and deposit as well as agent/nominee shareholder and so on; the Client must assume all and any potential risks related to the said clearing institutions (including but not limited to damages incurred due to default, negligence and system failure, etc), and KVB Kunlun Securities assumes no responsibility thereof.
3. The Client hereby agrees and authorizes KVB Kunlun Securities to take or not take any of the Client's activities relevant to Northbound Trading as it in its absolute discretion thinks fit, without prior agreement of the Client, so as to comply with all regulations of Northbound Trading or any guideline, instruction, notice or requirement of the competent authorities. KVB Kunlun Securities shall assume no responsibility for direct or indirect losses or damage to the Client incurred by KVB Kunlun Securities in doing or not doing such activities.
4. The Client hereby acknowledges and agrees that SHKSC/SZHKSC Northbound Trading is subject to the aggregate and daily quota for investment, and KVB Kunlun Securities does not guarantee any successful operation of all buy trades conducted in Northbound Trading; if KVB Kunlun Securities cannot execute any trading instruction of the Client due to the limitation of such aggregate and daily quota in effect for the time being and other restrictions of laws and regulations relevant to the specific operations and applications of such quota, it shall assume no responsibility thereof.
5. The Client shall strictly comply with the regulations of the Northbound Trading rules regarding disclosure of interests. KVB Kunlun Securities is not obligated to inform or procure the Client to perform such duties. All consequences caused by the Client for not

executing disclosure of interests in conformity with relevant regulations shall be borne solely by the Client, and KVB Kunlun Securities assumes no responsibility thereof.

6. In response to the implementation of pre-trade checks, if the Client intends to sell a security, the Client must transfer the security to be sold to the account of KVB Kunlun Securities in CCASS before opening of the trading day. Uncovered short sale and participation in any securities financing program in the Mainland are not allowed.
7. In response to the shareholding restriction on foreigners (including mandatory liquidation arrangement), KVB Kunlun Securities has the right to implement mandatory liquidation to the Client's securities on learning or having reasons to believe that the Client has violated or may have violated such shareholding restriction, or on receipt of mandatory notice of liquidation from the HKEx, and any consequence incurred thereof are borne solely by the Client, and KVB Kunlun Securities assumes no responsibility. When required by the SSE/SZSE, the HKEx may require KVB Kunlun Securities to refuse the Client's trading orders, and the SSE/SZSE may ask the HKEx to require KVB Kunlun Securities to send warning statements (written or verbal) to the Client and not to provide Northbound Trading services to the Client; the Client must make sure its proportion of share holding does not exceed the amount as limited by relevant regulations.
8. All trades must be conducted in the SSE/SZSE and over-the-counter or off market trading is not allowed, and same day turn around trading is prohibited. The Client shall be solely responsible for the market risk of any Northbound Trading Stock it encounters at anytime.
9. Northbound Trading prohibits all trades of uncovered short sales. If the Client needs to undertake covered short selling, it must strictly observe relevant regulations of Northbound Trading Rules. All consequences incurred due to violation of such regulations shall be borne solely by the Client, and KVB Kunlun Securities assumes no responsibility thereof.
10. In the case of any contingency, such as when a typhoon signal No. 8 or above is issued in Hong Kong and/or a Black Rainstorm Warning that results in suspension or delay of services, or the trading day and trading hour might be different between the Mainland and Hong Kong, KVB Kunlun Securities has the right to cancel the Client's trading orders in response to the above contingencies; if communication between the HKEx and the SSE/SZSE is interrupted or so on, that KVB Kunlun Securities fails to send the cancellation orders, in this case if the Client's trading orders has already started order matching and execution, then the Client must still be responsible for the liability of settlement.
11. SHKSC/SZHKSC only operates on a day when both the Mainland and Hong Kong markets are open for trading and settlement, neither party shall conduct trades in SHKSC/SZHKSC on non-trading days, and the Client shall assume risk of the stock price fluctuation in SHKSC/SZHKSC during non-trading period.
12. In the event that an eligible stock in SHKSC/SZHKSC, for various reasons, is excluded from the Northbound Trading Stock range, such stock can only be sold but not be bought. The SSE/SZSE and the HKEx will update the eligible stock name lists on a non-regular basis, and the Client is requested to pay close attention to such stock name lists. Buying will be suspended (while selling is allowed) in circumstances as included but not limited to the following: 1) such stock is no longer classified as relevant index constituent stock; 2) such stock has been imposed with risk warning; and 3) the corresponding H-shares of such stock is no longer listed and traded on the HKEx. The Client must also be aware that A-shares trading may be subject to price limit.
13. Hong Kong's investor compensation fund does not cover for any trade of Northbound Trading or Southbound Trading in SHKSC/SZHKSC. For Hong Kong investors who have participated in Northbound Trading, as Northbound Trading is executed through a local securities company in Hong Kong which is not operated in the Mainland, the investor protection fund in mainland China does not cover Northbound Trading in SHKSC/SZHKSC either.

14. KVB Kunlun Securities has the right to transfer the Client's identity and other data to the HKEx, and the HKEx may transfer the relevant data to the SSE/SZSE, for purposes of supervision and investigation. If any person violates the regulations of the SSE/SZSE, or the disclosure and other obligations required by the SSE/SZSE regulations or listing rules, the SSE/SZSE has the right to implement investigation, and require KVB Kunlun Securities through the HKEx to provide relevant materials and support in the investigation. When required by KVB Kunlun Securities, the SSE/SZSE or the HKEx, the Client must provide such data or support. The Client hereby waives its power granted by any applicable Secrecy Law and Personal Data Protection Law.
15. The Client must have sufficient RMB to place buy orders. If the Client's trading account has not enough amount of RMB (but has enough amount in other currencies equivalent to RMB), or does not submit any order for currency exchange to KVB Kunlun Securities before the end of a relevant trading day (closing time of the market), the Client agrees that KVB Kunlun Securities may make arrangement for exchange of the currencies held by the Client by way of its absolute discretion. KVB Kunlun Securities may determine in its sole discretion the currency and amount (the foreign currency amount equivalent to the required RMB) to be exchanged, and the applicable exchange rate and exchange time. For any foreign exchange loss due to currency exchange, KVB Kunlun Securities disclaims all liability for the above-said losses; if the Client needs to sell the Northbound Trading Stock, its settlement day will be the next working day after the Client has submitted a sell order, and if it is needed to transfer RMB out from the trading account, the Client acknowledges that the RMB's arriving time will be at least 1 working day after the Client has submitted the order for transfer of fund.
16. As trades conducted in Northbound Trading are calculated in RMB, and the Client shall acknowledge the following risks regarding investments in RMB denominated product:

Market risk: like all investment, RMB products cannot avoid investment risk, and protection of capital is not guaranteed. As prices of the relevant investment assets in the products may move up and down, thus the products may gain returns or incur losses. Therefore, even when RMB appreciates, the Client may still bear losses. **Currency risk:** generally speaking, if non-mainland (including Hong Kong) investors invest RMB product with their local currency other than RMB, then they may assume the exchange rate risk. As RMB is subject to foreign exchange control, when the Client plans to invest a RMB product, it may be requested to exchange its local currency to RMB. Whereas when the Client sells its investment, the Client may be requested to exchange the RMB to its local currency. During this process, the Client may engage in cost for currency exchange and at the same time assume exchange rate risk. In other words, even when the Client's selling and buying prices for such RMB product remain the same, during the currency exchange process, if RMB is devaluated, the Client will still incur losses. Like all currencies, the exchange rate of RMB may move up and down, while at the same time RMB is subject to currency conversion restriction and foreign exchange control.

Market volatility risk: The Mainland China stock market is relatively volatile as it is mostly made up of retail investors who tend to be speculative and susceptible to the central government policies and news. **Macro-economic risk:** There is a close relationship between the Chinese economy and stock market performance. The Chinese economic growth is still above the global average, but has already shown signs of slowdown. Moreover, there is growing concern over the country's government and corporate debts.

Depending on the characteristic and investment goals of such RMB product, the Client may have to assume other risks. Before making an investment decision, it is recommended that the risk factors in the relevant product files be read through. If needed, professional advice may be sought.

17. KVB Kunlun Securities is not obligated to collect, receive or take any other action for the Client for any payment or allocation of the Northbound Trading Stocks in the Client's account, nor inform the Client of any notice, notification, announcement or similar company activities regarding Northbound Trading Stocks.
18. The Client must be solely responsible for any of its investment carried out through Northbound Trading and all expenses, charges, levies and taxes for any income, dividends, profits and rights and interests from such investment, and the responsibility for register or

report of all inventories, tax report and so on required by relevant authorities.

19. KVB Kunlun Securities, the HKEx, the affiliated companies of the HKEx, the SSE/SZSE, the affiliated companies of the SSE/SZSE and their respective directors, employees and agents will assume no responsibility for any direct or indirect losses or damages of the Client or any other third party incurred due to its trades through Northbound Trading or the SHKSC/SZHKSC order routing system.
20. Where KVB Kunlun Securities disseminates or makes available any market data information to you, in consideration of the Stock Exchange of Hong Kong Limited (SEHK) allowing KVB Kunlun Securities to do so under the relevant standard terms and conditions for China Connect Open Gateways or such other relevant standard terms and conditions, you agree and undertake that:
- (i) The Client shall not disseminate the Market data information to any person or any entity;
 - (ii) The Client shall not use or permit the use of the Market data information for any illegal purpose;
 - (iii) The Client shall not use the Market data information for index computation and compilation and for deriving any tradable products;
 - (iv) Subject to 20.(iii) above, The Client shall only use the market data information for his/her own purposes, in the ordinary course of his/her own business (which shall not include the dissemination of market data information to any persons or third parties, whether on a for-profit basis or otherwise), or for the purpose of enabling its software system suppliers to develop, connect or apply relevant software solutions to facilitate their and its client's use of the market data information;
 - (v) The Client agrees and undertakes the following:
 - a) The Client shall only use the market data information as an end-user and shall not disseminate the market data information to any person or grant any person any access to the market data information, whether free of charge or otherwise;
 - b) The Client shall not use or permit the use of the market data information for any illegal purpose;
 - c) The Client shall not use the market data information for index computation and compilation and for deriving any tradable products;
 - d) Subject to 20.(v)(c) above, The Client shall only use the market data information for its own purposes, in the ordinary course of its own business (which shall not include the dissemination of market data information to any persons or third parties, whether on a for-profit basis or otherwise), or for the purpose of enabling its software system suppliers to develop, connect or apply relevant software solutions to facilitate its use of the market data information;
 - (vi) The Client acknowledges the disclaimers from SSE the SZSE as set out in Appendix I and Appendix II of this Risk Disclosure Letter respectively;
 - (vii) The Client shall monitor the use of the Market data information by its clients (including any use of the market data information by its clients or its clients' software system suppliers) and shall report any breach of 20.(v)(a) to (d) that they are aware of to KVB Kunlun Securities promptly;
 - (viii) The Client shall comply with all requirements, restrictions, directions and guidelines as SEHK may impose and/or issue to us or to the China Connect Exchange Participant from time to time concerning the dissemination or the use of the Information;
 - (ix) The Client shall obtain consent or authorization from KVB Kunlun Securities or the designated agent(s) of the China Connect Market Operator (as set out in the Appendix) if it uses or wishes to use any market data information outside the scope of 20.(i) to (iv) above;
 - (x) KVB Kunlun Securities has the power to terminate the Customer Service Agreement based on any unauthorized use or dissemination of the Information or any breach of these undertakings;
 - (xi) The Client acknowledges that all the proprietary rights and intellectual property rights in respect of:
 - a) the market data information are vested in KVB Kunlun Securities; and
 - b) the information other than the market data informationis vested only in SEHK or jointly in SEHK and KVB Kunlun Securities, as the case may be; and agrees not to infringe or affect such rights in any way, whether directly or indirectly; and
 - (xii) The Client further acknowledges that HKEX Information Services Limited is authorized to act for SEHK to deal with

matters in relation to the dissemination and use of the Information as described in these undertakings.

21. Pursuant to the HKEx requirement, the eligible investors for A shares listed on the ChiNext Market of SZSE are only those Hong Kong and international investors who are Institutional Professional Investors (as it is defined in the relevant Hong Kong rules and regulations). The Client acknowledges that only investors who are classified as Institutional Professional Investors are accepted to trade ChiNext (a side board of the Shenzhen exchange) shares.
22. The Client acknowledges that he/she/it has been invited to read this Risk Disclosure Letter, to ask questions and take independent advice if appropriate. This Risk Disclosure Letter is not exhaustive and does not purport to disclose all risks relating to trading in securities through SHKSC/SZHKSC Northbound Trading. The Client acknowledges that he/she/it understands and has assessed the risks relating to trading in securities through SHKSC/SZHKSC Northbound Trading including but not limited to those set out in this Risk Disclosure Letter and the Client agrees to accept those risks.
23. The Client acknowledges and agrees that this Risk Disclosure Letter may be amended or supplemented from time to time. However, KVB Kunlun Securities does not represent or warrant that the information set out in this Risk Disclosure Letter is up-to-date, accurate or complete, nor does it undertake to update it from time to time. For further information, the Client may refer to the information published from time to time on the websites of KVB Kunlun Securities, HKEx, SFC, China Securities Regulatory Commission (CSRC) and SSE/SZSE.

Client's Name: _____

Client's Signature: _____

Client Number: _____

Date of Signature: _____

APPENDIX I

China Connect Market Operator

Shanghai Stock Exchange

Designated agent of the China Connect Market Operator

China Investment Information Services Limited

Market data information

Tag ID*	Tag Description*	General Description of Information in respect of China Connect Securities[#]
2035B	SCTY-CODE	Stock Code (股票代碼)
99160	LATEST-TRADE-PRICE	Latest Price (最新成交價)
99649	OPENING-PRICE	Opening Price (今日開盤價)
99509	BEST-BID-PRICE	Current Bid Price (當前買入價)
99517	NUM-OF-SHARE-BID	Number of Shares at Current Bid (當前買入量)
99510	BEST-ASK-PRICE	Current Ask Price (當前賣出價)
99518	NUM-OF-SHARE-ASK	Number of Shares at Current Ask (當前賣出量)
99249	SHARE-TRADED	Shares Traded (成交數量)
99304	TURNOVER	Turnover (成交金額)
99090	HIGHEST-TRADE-PRICE	High Price (最高價)
99131	LOWEST-TRADE-PRICE	Low Price (最低價)
99213	PREV-CLOSING-PRICE	Previous Closing Price (昨日收盤價)
99560	SUSP-FLAG	Suspend Flag (停牌標示)

**Tag ID and Tag Description as per China Connect Open Gateway interface specification for BSS*

[#] China Connect Securities (as defined in Chapter 1 and Chapter 14A of the Rules)

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AND

“THE STOCK EXCHANGE OF HONG KONG LIMITED, ITS HOLDING COMPANY AND/OR ANY SUBSIDIARIES OF SUCH HOLDING COMPANY ENDEAVOUR TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED BUT DO NOT GUARANTEE ITS ACCURACY OR RELIABILITY AND ACCEPT NO LIABILITY (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS OR DAMAGE ARISING FROM ANY INACCURACIES OR OMISSIONS”

APPENDIX II

China Connect Market Operator

Shenzhen Stock Exchange

Designated agent of the China Connect Market Operator

Shenzhen Securities Information Co. Limited

Market data information

Tag ID*	Tag Description*	General Description of Information in respect of China Connect Securities[#]
2035B	SCTY-CODE	Stock Code (股票代碼)
99160	LATEST-TRADE-PRICE	Latest Price (最新成交價)
99649	OPENING-PRICE	Opening Price (今日開盤價)
99509	BEST-BID-PRICE	Current Bid Price (當前買入價)
99517	NUM-OF-SHARE-BID	Number of Shares at Current Bid (當前買入量)
99510	BEST-ASK-PRICE	Current Ask Price (當前賣出價)
99518	NUM-OF-SHARE-ASK	Number of Shares at Current Ask (當前賣出量)
99249	SHARE-TRADED	Shares Traded (成交數量)
99304	TURNOVER	Turnover (成交金額)
99090	HIGHEST-TRADE-PRICE	High Price (最高價)
99131	LOWEST-TRADE-PRICE	Low Price (最低價)
99213	PREV-CLOSING-PRICE	Previous Closing Price (昨日收盤價)
99560	SUSP-FLAG	Suspend Flag (停牌標示)

**Tag ID and Tag Description as per China Connect Open Gateway interface specification for BSS*

[#] China Connect Securities (as defined in Chapter 1 and Chapter 14B of the Rules)

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AND

“THE STOCK EXCHANGE OF HONG KONG LIMITED, ITS HOLDING COMPANY AND/OR ANY SUBSIDIARIES OF SUCH HOLDING COMPANY ENDEAVOUR TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED BUT DO NOT GUARANTEE ITS ACCURACY OR RELIABILITY AND ACCEPT NO LIABILITY (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS OR DAMAGE ARISING FROM ANY INACCURACIES OR OMISSIONS”