

Terms and Conditions of Electronic Trading System

Clients should undertake grey market trading of the new securities, set out by our Company on the electronic over-the-counter trading facility known as Electronic Trading System ("ETS") provided by the Company.

When browsing this website, Clients agree to comply with the following terms and conditions under any circumstance, and our Company has the final rights of addition, amendment or cancellation in relation to the following terms and conditions

Postponement, cancellation or alternation to the listing time of new securities

If anyone aforesaid circumstances occurs, and hence the relevant security subsequently fails to list on the Exchange on the next trading day, all orders placed or executed in ETS will be cancelled and void.

Suspension, breakdown, or disruption of the ETS

- (i) Orders placed by Clients and successfully recorded by ETS under these circumstances will be executed with no exception.
- (ii) When anyone aforesaid circumstances occurs, Clients should bear their own risks attached to pre-IPO trading. According our Terms and Conditions for Trading Account – Section V Electronic Trading Facilities, we will not be responsible for any matter caused by the fault, failure or malfunctioning of the ETS.
- (iii) When anyone aforesaid circumstances occurs, relevant announcements will be shown on the ETS and/or Company's website as soon as practicable. And we may exercise our sole discretion to cancel or void the placed or executed orders.

Adverse weather with tropical cyclone warning signal number 8 or above or "black" rainstorm signal or the Hong Kong government announced "extreme conditions"

When a black rainstorm warning or typhoon signal number 8 or above is issued by the Hong Kong Observatory or the Hong Kong government announced "extreme conditions", we may, in our sole and absolute discretion, determine whether the pre-IPO trading session will commence and end as usual, be varied, or be limited or suspended, and we will post the relevant announcements on the Company's website. We shall not, in any circumstances, be liable in any way to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out of (directly or indirectly) or in connection with such determination.

Failure of settlement

- (i) In the event that the Client in selling any Securities fails to deliver relevant Securities, the Company is entitled to purchase in the market and/or on ETS (at the prevailing market price) the relevant Securities required for delivery in respect of such sale effected for the Client in order to complete the settlement of the relevant transaction. The Client shall bear all losses arising out of or in connection with such transaction;
- (ii) In the event that (1) the Client buys Securities from a seller and such seller fails to deliver the relevant Securities and (2) the purchase of the relevant Securities cannot be effected or the Company in its absolute discretion determines not to purchase the relevant Securities pursuant to clause (i), the Client will not be entitled to obtain the relevant Securities at the matched price and shall only be entitled to receive the money paid for the purchase of the relevant Securities;
- (iii) In the event that the Client in buying any Securities fails to deposit the necessary settlement amount, the Company is entitled to sell any and all Securities or collateral held in its Account and use the sale proceeds after deducting all costs in settlement of the transaction. However, if the Client is the seller under such transaction and such transaction cannot be settled, the Client shall only be entitled to the relevant Securities but not the sale proceeds of the relevant Securities; and
- (iv) Without prejudice to the above, the Client shall bear its own losses or expenses and shall be responsible to the Company for any losses and expenses resulting from its and/or its counterparty's settlement failures.

The terms and conditions of this service have been translated into Chinese. If there is any inconsistency or ambiguity between the English version and the Chinese version, the English version shall prevail.

By visiting this page, Clients agrees to accept unconditionally the terms and conditions of this service and as they may be revised and/or amended from time to time by our Company without prior notice to clients. Please check this page regularly for any revisions and/or amendments which may be made.

Risk Disclosure of Electronic Trading System

Risk of Electronic trading

Trading on an electronic trading system ("ETS") may differ from trading on other electronic trading systems. If Clients undertake transactions on an electronic trading system, Clients will be exposed to risks associated

with the system including the failure of hardware and software. The result of any system failure may be that their orders are either not executed according to their instructions or are not executed at all.

Clients acknowledge and bear the risk that messages sending over the internet may be delayed due to internet traffic jam or other reasons. The licensed or registered person shall not be responsible for any consequences of these delays, including without limitation delays in the transmission of instructions/orders to the place of execution or the transmission of reports of execution to them due to any failure of communication facilities, or any other delays beyond the reasonable control of the licensed or registered person.

Communications over the internet may be subject to transmission blackout, interruption, interception, or incorrect data transmission due to the public nature of the internet or other reasons that are beyond the licensed or registered person's control. Messages sent over the internet cannot be guaranteed to be completely secure. Clients shall be aware of and bear the risk of any delay, loss, diversion, alteration, corruption or virus infection of any messages/instructions either sent to or received from the licensed or registered person's systems. The licensed or registered person shall not be responsible for any losses or damages incurred or suffered as a result thereof.

Risk of Over-the-counter trading

Clients should only undertake trading on the over-the-counter ("OTC") trading facilities known as "ETS" provided by the Company if Clients understand the nature of such trading and such trading facilities and the extent of their exposure to risks.

By trading on ETS, Clients are exposed to the credit, settlement and other risks of the counterparty to the relevant OTC transactions, including (but not limited to) transactions of Securities before their listing on the Exchange. Settlement of the relevant transactions is not guaranteed and Clients will be responsible for any losses or expenses resulting from their and/or their counterparty's settlement failures.

Trades executed on ETS may be cancelled and void if that particular Securities subsequently fails to list on the Exchange.

Furthermore, their orders may only be partially executed, or not at all, as a result of the lower liquidity in trading on ETS as compared to regular market hours of the Exchange. There may also be greater volatility in trading on ETS than in regular market hours of the Exchange. The lower liquidity and higher volatility in trading on ETS may then result in wider than normal spreads for a particular type of Securities.

The prices of Securities traded on ETS may differ significantly from their opening or traded prices transacted during the regular market hours upon the listing of the Securities on the Exchange. The prices displayed on ETS may not reflect the prices in other concurrently operating automated trading systems dealing in the same Securities.

News announcements made by the issuers may affect the price of their Securities after regular market hours. Similarly, important financial information is often announced outside regular market hours. In trading on ETS, these announcements may occur during trading and may cause an exaggerated and unsustainable effect on the price of a particular type of Securities.

In particular, OTC market is not regulated by the Exchange and will not be covered by the Investor Compensation Fund until the relevant transaction is properly recorded on the trading system of the Exchange upon the listing of the Securities on the Exchange.

Clients should therefore carefully consider whether such trading is appropriate for them in the light of their experience, risk profile and other relevant circumstances and seek independent professional advice if Clients are in doubt.

This Risk Disclosure Statement is revised or supplemented from time to time. Clients should refer to its latest version for reference.