

**Terms and Conditions of Family Securities Account :**

- 1. Family Securities Account (this “Account”) is only applicable to the personal banking securities customers (including both sole-name and joint-name securities accounts) who maintain the securities accounts (“Master Securities Accounts”) with Bank of China (Hong Kong) Limited (the “Bank”). This service is not available for the private banking customers of the Bank.**
- 2. Customer can open up to 4 additional securities accounts (Family Securities Accounts) in addition to the Master Securities Account and Securities Margin account. Customers are required to provide the information of the family members under separate Family Securities Accounts from time to time as requested by the Bank. The names of the family members will be displayed in the monthly statement and notification letter for identifying relevant investment objectives and needs. The Bank will not or has no responsibility to verify the information of family members provided.**
- 3. Family Securities Accounts are not trust accounts. Any registered information of the family members only serve for identification of the relevant investment objectives and needs. Any person (including but not limited to whose particulars have been registered under the Family Securities Accounts) does not acquire any interests or rights of the relevant Family Securities Accounts or authorization to operate the relevant Family Securities Accounts. The Bank will not disclose any related account information to any registered family members. Customers should be and will be treated as, for all intents and purposes the holder and beneficiary of the Family Securities Accounts.**
- 4. Each Family Securities Account should be operated independently and shall be subject to terms and conditions of the securities account. Any one of the Saving or Current account(s) under the name of Master Securities Account Holder shall be used as the settlement account of Family Securities Accounts, and the Bank will calculate the securities transaction charges (including but not limited to services fee, brokerage fee and taxes) based on the existing fees and charges listed in the fees schedule of the Bank for each Family Securities Account. All securities transaction related to financing service (including but not limited to securities margin services, IPO financing and Secured Overdraft Facility) are not applicable to any Family Securities Accounts. The restriction on Family Securities Accounts will not be added to or affect any operation of the Master Securities Account.**
- 5. Customers can only use the Master Securities Account or any one of the Family Securities Accounts to subscribe for IPO shares. In addition, customers can only use the Master Securities Accounts to apply for IPO financing service.**
- 6. Customers should still maintain the Master Securities Account (under the same name during the entire period of this Services. In the event of the cancellation or termination of the Master Securities Account for any reasons, the Bank will have the right to cancel or terminate the Family Securities Accounts at any time without prior notice.**

7. **The Bank reserves the rights to amend, suspend or terminate this Services and to amend the relevant terms and conditions at any time at its sole discretion without prior notice.**
8. **In case of any dispute(s), the decision of the Bank shall be final.**
9. **In case of any discrepancy(ies) between the Chinese and English versions of these terms and conditions, the Chinese version shall prevail.**

### **Risk Disclosure of Securities Trading**

The following risk disclosure statements cannot disclose all the risks involved and does not take into account any personal circumstances unknown to BOCHK. You should undertake your own independent review and seek independent professional advice before you trade or invest especially if you are uncertain of or have not understood any aspect of the following risk disclosure statements or the nature and risks involved in trading or investment. You should carefully consider whether trading or investment is suitable in light of your own risk tolerance, financial situation, investment experience, investment objectives, investment horizon and investment knowledge.

#### **2. Risks of trading of listed RMB products:**

##### **Investment / Market Risk**

Like any investments, RMB equity products are subject to investment risk. The price of the RMB equity products in the secondary market may move up or down. Losses may incur as a result of investing in the products even if the RMB appreciates against HKD or other currencies.

##### **Currency Risk**

If you are a non-Mainland investor who holds a local currency other than RMB, you will be exposed to currency risk if you invest in RMB equity products. You will incur currency conversion costs, being the spread between buying and selling of RMB, at the time of conversion between your local currency and RMB for the purchase or sale of an RMB equity product. Even if the price of the RMB equity products you are holding remains unchanged, you may not receive the same amount of HKD when you sell the products due to the spread between buying and selling of RMB. RMB is a restricted currency and is subject to foreign exchange controls. Although the Central Government of the PRC has relaxed the restrictions by allowing banks in Hong Kong to conduct RMB business in a specified scope, RMB is still not freely convertible in Hong Kong. You may not be able to convert RMB at your preferred time and/or in your preferred amount or conversion cannot be made, which may lead to investment losses. The policies of the Central Government of the PRC on foreign exchange control are subject to change, and your investment may be adversely affected.

##### **Exchange Rate Risk**

RMB equity products that are traded and settled in RMB are exposed to exchange rate risk. The fluctuation in the exchange rate of RMB may result in losses in the event that the customer converts RMB into HKD or other foreign currencies. Moreover there is no guarantee that RMB will not depreciate. Any devaluation of RMB could adversely affect the value of your investment in the RMB equity products. RMB equity products are not an investment instrument for speculating on RMB/HKD exchange rate movements.

**Default Risk & Credit Risk**

In general, RMB equity products are exposed to the usual kind of default risks that might be associated with equity products denominated in other currencies. The performance of RMB equity products is affected by the underlying business performance and a variety of other factors in connection with the issuers, and is subject to the credit risks associated with the special profile or special business strategy that the issuers may have.

**Emerging Market Risk**

RMB equity products associating with the market of the Mainland of China are particularly subject to risks that may arise from the relevant market/industry/sector and other factors such as change in government policies, taxation and political development in the Mainland.

**RMB Conversion Limitation Risk**

RMB investments are subject to exchange rate fluctuations which may provide both opportunities and risks. The fluctuation in the exchange rate of RMB may result in losses in the event that the customer converts RMB into HKD or other foreign currencies. RMB is currently not fully freely convertible. Individual customers can be offered CNH rate to conduct conversion of RMB through bank accounts and may occasionally not be able to do so fully or immediately, for which it is subject to the RMB position of BOCHKs and their commercial decisions at that moment. Customers should consider and understand the possible impact on their liquidity of RMB funds in advance.

**3. Risk of trading A shares via Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect:****Not protected by Investor Compensation Fund**

Investors should note that any SH Northbound Trading or SZ Northbound Trading under Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. Also, China Securities Investor Protection Fund will not protect any SH Northbound Trading and SZ Northbound Trading as well.

**Quotas used up**

When the daily quota is used up, acceptance of the corresponding buy orders will also be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will be continued to be accepted.

**Trading day difference**

As mentioned above, Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect will only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland market but Hong Kong investors cannot carry out any A shares trading. Investors should take note of the days Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect is open for business and decide according to their own risk

tolerance capability whether or not to take on the risk of price fluctuations in A shares during the time when Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect is not trading.

**Restrictions on selling imposed by front-end monitoring**

For investors who usually keep their A-shares outside of their brokers, if they want to sell certain A-shares they hold, they must transfer those A-shares to the respective accounts of their brokers before the market opens on the day of selling (T day). If they fail to meet this deadline, they will not be able to sell those A-shares on T day.

**The recalling of eligible stocks**

When a stock is recalled from the scope of eligible stocks for trading via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect for above-mentioned reasons, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of investors. Investors should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by both Exchange.

**Risks of client assets received or held outside Hong Kong**

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

**Restrictions on trading Shenzhen ChiNext shares (Only eligible for Shenzhen-Hong Kong Stock Connect)**

Trading Shenzhen ChiNext shares limited to institutional professional investors.

You are reminded to consider whether you understand the relevant details, charges and important notes before investing in China A shares. For details, please refer to the “Important Notice of Trading China A Shares and A Shares Margin Trading via Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect” in “Hong Kong Investors Invest in A Shares” of Bank website [www.bochk.com](http://www.bochk.com) or contact BOCHK’s staff.