

BOCI SECURITIES LIMITED
ROBO INVESTMENT ADVISORY SERVICE SUPPLEMENTAL TERMS

At any time you access the RIA Service, give an Instruction to us or otherwise engage in a Transaction with us via the RIA Service, these terms are deemed to apply to such access, Instruction or Transaction.

1. Applicability

- 1.1 By accessing, giving us an Instruction or otherwise engaging in a Transaction with us via the RIA Service, you agree to be bound by these RIA Terms and acknowledge that you have read and understood the risk disclosure statement contained in the Annex hereto.
- 1.2 These RIA Terms amend and are supplemental to, and are without prejudice to, the Customer Agreement and the Mobile Terms. In the event of any inconsistency between these RIA Terms and other sections of the Customer Agreement and/or the Mobile Terms, the provisions of these RIA Terms shall prevail.

2. Definitions

- 2.1 Capitalised terms used herein will have the meanings given below or otherwise in other sections of the Customer Agreement.

"BOCI Mobile App" means the mobile applications operated by us through which you may access the RIA Service and/or any of our websites through which information regarding the RIA Service is made available to you.

"Cash Reserve" has the meaning given in Clause 12.5.

"Customer Information" means the information contained in the Customer Profiling Form and such other information as we may request from you from time to time in order to provide you the RIA Service, including without limitation, your email and/or mobile phone number for the purpose of receiving notifications from us.

"Customer Profiling Form" means the form you are required to complete, read and sign to provide us with information including, without limitation, your knowledge and experience of investing, financial situation and investment objectives, prior to using the RIA Service.

"Execution Cut-off Time" means such time as we may specify at our absolute discretion from time to time via the BOCI Mobile App to which order execution via the RIA Service will be subject in accordance with Clause 8.

"Investment Product" means all Securities and any other investment products that may be offered by us to you via the RIA Service from time to time.

"Mobile Terms" means the terms of use of the BOCI Mobile App.

"NAV" has the meaning given in Clause 12.5.

"Portfolio" means the portfolio of Investment Products as may be recommended to you via the RIA Service from time to time based on Customer Information you have provided.

"Rebalancing Alert" means a written notification to be sent from us to you, by way of text message and/or email and/or made available to you via the RIA Service, notifying you that it would be advisable to rebalance the portfolio of Investment Products in your RIA Account

and realign the weightings of assets to maintain a suitable target asset allocation in your RIA Account in accordance with Clause 10.

"Regulatory Authority" means any governmental agency, regulatory authority, commission, self-regulatory organisation or other entity in Hong Kong or any other relevant jurisdiction that has authority to regulate any party, any of its Affiliates, the BOCI Mobile App, the RIA Service, any property, transaction, activity, event or other matter with respect to these RIA Terms, including, without limitation, the Securities and Futures Commission.

"Related Person" means any of our Affiliates, or any director, officer, employee or agent of us or our Affiliates.

"RIA Account" means a sub-account under your Account to be used exclusively for Transactions entered into via the RIA Service, which can be accessed and managed by you via the BOCI Mobile App by way of an ID and Password, to be allocated to you in accordance with the terms of the Customer Agreement.

"RIA Eligibility Requirements" means the eligibility requirements set out on the BOCI Mobile App that you are required to satisfy in order to use the RIA Service, as may be amended, supplemented, modified or varied from time to time.

"RIA Fees" means all fees, charges, levies, duties, commissions, brokerage or counterparty fees, tariffs, Exchange fees, market charges, stamp duty, bank charges, information license fees, transfer fees, account communication charges, account maintenance fees and other maintenance fees, interest, special rights administration fees, advisory service fees, corporate action charges including withdrawal fees, forced settlement costs, premiums, penalties, telegraphic transfer charges, nominee and custodial fees, settlement charges, account rotation charges, change of account fees, currency exchange costs, taxes, subscriptions, foreign exchange losses, legal expenses and all and any other costs or expenses, whether incidental or material, properly incurred or imposed by us in connection with your use of the RIA Service, and the opening and/or maintaining of the RIA Account, or entering into any Transaction for your RIA Account by us in such currency as we may determine from time to time .

"RIA Information" has the meaning given in Clause 18.6.

"RIA Service" means the robo-investment advisory service provided to you via the BOCI Mobile App based on a platform developed by Technology Service Provider, which uses algorithms and quantitative models to generate and recommend a suitable target asset allocation for you, and, through which Instructions given by you will be processed, and any related supporting services.

"RIA Service Technology" has the meaning given in Clause 18.1.

"RIA Terms" means these RIA Supplemental Terms, as may be amended, supplemented, modified or varied from time to time in accordance with Clause 18.4.

"Risk Tolerance Level" means your risk tolerance level as assessed by us from time to time.

"Tax Authority" means Hong Kong or foreign tax, revenue or monetary authorities.

"Tax Information" means documentation or information about your tax status.

"Taxes" means all retrospective, present or future taxes, duties, levies, imposts, charges, assessments, deductions, withholdings and related liabilities, including additions to tax,

penalties and interest imposed on or in respect of: (i) investment product(s) or cash; (ii) any Transaction effected under these RIA Terms; or (iii) you.

"Technology Service Provider" means the third party service provider which is responsible for developing, maintaining and providing the RIA Service Technology.

"Third Party Information" has the meaning given in Clause 18.6.

"You" and **"your"** means the person(s) (including any corporation, sole proprietor, or each partner of a partnership) to whom these RIA Terms are addressed and who uses the RIA Service and/or the RIA Account.

2.2 Unless otherwise stated:

- (a) "including" or "include" means including or includes without limitation;
- (b) references to the singular shall include the plural and vice versa;
- (c) words importing a gender shall include every gender;
- (d) references to Clause(s) mean the clause(s) of these RIA Terms.

3. Eligible Investors

3.1 You represent and undertake on a continuing basis, including, without limitation, on the first date that you agree to these RIA Terms and on each date that you use the RIA Service, that:

- (a) you maintain or are in the process of opening an RIA Account with us;
- (b) you have read, understood, completed, signed and returned to us (as necessary) all documents and forms as may be specified by us from time to time as a condition of use of the RIA Service;
- (c) you satisfy the RIA Eligibility Requirements;
- (d) neither you nor any beneficial owner of any investment product(s) traded or held by you and/or transacted through or in the RIA Account via the RIA Service is a US person (as such term is defined under Regulation S of the Securities Act);
- (e) if you are accessing and/or using the RIA Service from a jurisdiction outside of Hong Kong, you are solely responsible for ensuring that your trades in any Investment Products via the RIA Service and/or your holdings of Investment Products in your RIA Account is in compliance with the Applicable Laws and Regulations of your jurisdiction outside Hong Kong. You must immediately cease to access and/or use the RIA Service and the RIA Account if such access and/or use is prohibited and/or restricted in your jurisdiction outside Hong Kong in any way. The RIA Service is designed for and intended for use in Hong Kong and you therefore understand and acknowledge that the RIA Service may not be appropriate for use outside of Hong Kong.

4. Compliance with Applicable Laws and Regulations

4.1 Any Transactions made via the RIA Service will be subject to all Applicable Laws and Regulations.

- 4.2 These RIA Terms describe the services provided to you under the RIA Service, and the Annex highlights certain key risk factors to consider when you use the RIA Service. The risk disclosures in the Annex are for reference only, and we are not liable for any inaccuracies or misstatements in the information set out in the Annex. These RIA Terms do not purport to explain all Applicable Laws and Regulations. You shall be responsible for understanding and complying with all Applicable Laws and Regulations applicable to your use of the RIA Service and for any consequences of your trading using the RIA Service. We will not, and do not intend to, advise you on any Applicable Laws and Regulations in connection with your use of the RIA Service. For further information, please refer to information published from time to time by the Regulatory Authorities and other reliable sources regarding the Applicable Laws and Regulations.
- 4.3 We shall have the right to apply any procedures or requirements in respect of any Transactions to be entered into via the RIA Service which we determine in our absolute discretion to be reasonably necessary or desirable for the purpose of any Applicable Laws and Regulations or market practice. Neither we nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from such procedures or requirements.
- 4.4 In the event that we receive an enquiry from any Regulatory Authority in relation to your use of the RIA Service and/or any Transaction made via it, or when any Regulatory Authority is notified by any relevant Exchange, clearing house, governmental or regulatory body that there is cause to believe that you have failed to comply with or have breached any Applicable Laws and Regulations, you shall, upon our request provide such documents and/or information as we may reasonably request to enable us to assist the Regulatory Authority, the relevant Exchange, clearing house, governmental or regulatory body with the enquiry and to assess whether there is any non-compliance or breach of the Applicable Laws and Regulations and/or the extent of any non-compliance or breach.

5. Instructions

- 5.1 Notwithstanding any other provision in these RIA Terms, we may refuse to accept any Instruction given by you via the RIA Service upon such grounds as we deem fit. Any Transaction effected pursuant to an Instruction given to us via the RIA Service may be considered concluded only if we have confirmed (whether via the RIA Service, orally or in writing) to you. On receipt of such acceptable Instructions via the RIA Service, we shall, so far as reasonably practicable, enter into Transactions and/or otherwise deal in Investment Products in accordance with those Instructions, **provided always that we may at our absolute discretion (such discretion not to be exercised in an unreasonable manner) accept or reject any Instructions without having to give any reason.** Circumstances in which we may, in our absolute discretion, refuse to execute any Instruction given by you via the RIA Service, include, but are not limited to:
- (a) where we reasonably believe that such Instruction is not, or may not be, compliant with any Applicable Laws and Regulations;
 - (b) we are required by any Regulatory Authority not to accept such Instruction;
 - (c) in respect of any Instruction to purchase an Investment Product, we reasonably believe that you do not, or may not, have sufficient credit balance in the RIA Account to settle the payment obligation (as estimated by us in our absolute discretion) required to provide cash cover for the full value of the purchase together with all applicable RIA Fees applicable thereon or to meet the relevant settlement obligations when they fall due;
 - (d) if there is a suitability mismatch (as we may determine at our absolute discretion and such discretion not to be exercised in an unreasonable manner);

- (e) in our view the Customer Information and/or any other “know-your-client” information provided by you is not up to date or has expired at the time we receive your Instructions via the RIA Service;
 - (f) during RIA System disruption and/or RIA System upgrade;
 - (g) when the RIA Account is in dormant, suspended or terminated status;
 - (h) if there is any sudden unforeseen market changes or lack of liquidity of an Investment Product in the market beyond our reasonable control.
- 5.2 Neither we nor any Related Person shall be liable for any loss which may arise directly or indirectly from our refusal to accept any Instructions given by you via the RIA Service.
- 5.3 If we refuse to accept any Instruction given by you via the RIA Service, we will inform you in writing via the RIA Service, BOCI Mobile App, email, text message or by such other means as we consider appropriate.
- 5.4 For the avoidance of doubt, we will not execute any Transaction for the Portfolio for you unless you give us Instructions to do so via the RIA Service.

6. Risk Disclosures and Acknowledgement

- 6.1 Each time you access the RIA Service or give us an Instruction via the RIA Service, you shall be deemed to acknowledge and agree to the following:
- (a) that you have read and understood the risk disclosures and other information set out in the Annex hereto (including any amendment, variation, update or supplement which may be provided by us from time to time through the BOCI Mobile App or such other means which we consider appropriate) and that you understand your obligations as set out in these RIA Terms including any consequences if you are in breach of any Applicable Laws and Regulations as a result of your use of the RIA Service;
 - (b) that there is a risk of suspension of the provision of RIA Service or suspension of the RIA Account and that we may refuse to accept any Instruction given by you via the RIA Service upon such grounds as we deem fit;
 - (c) that neither we nor any Related Person shall be liable for any loss, liability or third party claim or demand that you may suffer directly or indirectly as a result of any action or inaction by us or any Related Person in connection with the provision of the RIA Service to you by us including, without limitation, the materialization of any of the risks described in the Annex hereto;
 - (d) that we may immediately terminate the RIA Service and/or the RIA Account without giving prior notice to or obtaining consent from you if you breach or fail to comply with any provision of these RIA Terms;
 - (e) the RIA Service is based on a platform developed by the Technology Service Provider and relies on the RIA Service Technology developed, maintained and provided by the Technology Service Provider:

- (i) there is no guarantee that such platform and technology provided by the Technology Service Provider is perfect and there is a risk that such platform and technology provided by the Technology Service Provider is defective, and that such defect is unavoidable by the technological level of the industry at the time;
 - (ii) although the Technology Service Provider will provide platform, technology and services availability and reliability support, the Technology Service Provider makes no commitment to the availability or reliability of such platform, technology or services, and their failure to do so may result in a suspension or termination of the RIA Service;
- (f) that if any Applicable Laws and Regulations are breached, or the disclosure and other obligations referred to therein are breached: (i) the relevant Regulatory Authorities have the power to carry out investigations, and may, through any governmental or regulatory body, require us or a Related Person to: (A) provide relevant information and materials relating to you including, without limitation, in relation to your identity, personal data and trading activity; and (B) to assist in a Regulatory Authority's investigation in relation to you and/or your trading activity; and (ii) you may be subject to regulatory investigations and legal and regulatory consequences if you are in breach of, or fail to comply with, any Applicable Laws and Regulations;
- (g) that you accept responsibility for paying the RIA Fees and all other fees, charges, expenses and levies which may be imposed in relation to the RIA Service from time to time and shall comply with any filing or registration obligations as may be required under any Applicable Laws and Regulations relating to any dealings via the RIA Service including, without limitation, any dividends or entitlements in respect of such dealings;
- (h) that we will be subject to record-keeping requirements under the Applicable Laws and Regulations and we may therefore retain records (including, but not limited to, telephone and electronic communications and account information) in relation to your activities using the RIA Service for such period of time as required under the Applicable Laws and Regulations;
- (i) that neither we nor any Related Person shall be responsible or held liable for any loss or damage directly or indirectly suffered by you arising from or in connection with: (i) any amendments to the Applicable Laws and Regulations; or (ii) any actions taken by a Regulatory Authority in accordance with Applicable Laws and Regulations; and
- (j) that your personal data may be transferred to third parties who provide services to us in connection with your access to and use of the RIA Service.

7. Representations and Undertakings

7.1 You represent and warrant to us on a continuing basis (such representations and warranties being deemed to be repeated every time a Transaction contemplated under these RIA Terms is entered into) that:

- (a) you are aware of and shall comply with all Applicable Laws and Regulations to which you may be subject;
- (b) the execution of any Instruction you give to us via the RIA Service shall not result in any breach of any Applicable Laws and Regulations;

- (c) you understand and have assessed the risks relating to the RIA Service and you are willing to undertake the risks relating to the same;
- (d) the Customer Information is true, complete, accurate and up-to-date in all respects, unless we receive written instructions regarding the change of such Customer Information from you; and
- (e) you fully understand that any Transaction effected by you through the use of the RIA Service shall be your own responsibility and solely upon exercise of your own judgment and at your own independent discretion notwithstanding any information, suggestion or documents that we and/or any Related Persons may have provided to you.

7.2 You undertake as an ongoing obligation to provide us with updates of your Customer Information (including but not limited to the information in the Customer Profiling Form) as soon as reasonably practicable. You acknowledge that any failure to provide true, complete, accurate and up-to-date Customer Information may have an impact on our ability to generate and recommend suitable Portfolios to you via the RIA Service to correspond with your investment objectives.

8. Order Handling

- 8.1 An Instruction you give via the RIA Service will only be processed on the same day if it is given before the Execution Cut-off Time on a day which is (a) a Business Day, and (b) on which the relevant Exchange is open for trading, and will be good for the day on which it is given. The Instruction will be automatically cancelled if not executed by the close of trading on that Exchange.
- 8.2 An Instruction you give via the RIA Service (a) on a Business Day but after the Execution Cut-off Time, (b) not on a Business Day, or (c) on a day on which the relevant Exchange is closed for trading, will not be processed on the day on which the Instruction is given and will be carried forward to the next Business Day on which the relevant Exchange is open for trading, and the Instruction will be automatically cancelled if not executed by the close of trading on that Exchange.
- 8.3 An Instruction you give via the RIA Service may require additional approvals by us before execution. If this is the case, the Instruction will be deemed to be given by you via the RIA Service at the time and on the day on which we approve the Instruction, and Clauses 8.1 to 8.2 will apply accordingly. We may at our absolute discretion refuse to approve any Instruction you give via the RIA Service without having to give any reason to you.
- 8.4 You may request to cancel or amend the Instructions you give via the RIA Service, but we may at our absolute discretion (such discretion not to be exercised in an unreasonable manner) refuse to accept such request. Instructions given via the RIA Service may be cancelled or amended only before execution. Cancellation of market Instructions are rarely possible as they may be subject to immediate execution. In the case of full or partial execution of your Instructions before cancellation or amendment has been accepted by us, you agree to accept full responsibility for the executed Transactions (and any costs and expenses related thereto) and we shall incur no liability in connection therewith. You also agree to accept full responsibility for any costs or expenses incurred as a result of any cancellation or amendment (whether or not the Instruction has been fully or partially executed).
- 8.5 Instructions you give via the RIA Service will normally be handled as limit orders. While we endeavor to execute the Instructions you give via the RIA Service on a best efforts basis,

we do not guarantee that your order will be fully filled. You should be aware that trading and settlement are subject to certain circumstances, including, but not limited to, sudden market changes, insufficient market liquidity, system failures or other events beyond our reasonable control. Acting in your best interests, we reserve the right in our absolute discretion to execute your order only partially and/or to split your order into smaller orders for execution, without consulting or notifying you in advance, and we shall incur no liability to you in connection therewith. If your order is not fully filled by the close of trading on the relevant Exchange, any unfilled part of your order will be automatically cancelled.

- 8.6 You acknowledge and agree that we and/or our Agents (as the case may be) may at any time without first consulting with or notifying you, prioritise the Instructions you give via the RIA Service for the best execution pricing.
- 8.7 You understand that orders from different customers will, generally speaking, be executed on a "First-In-First-Out" basis, and, accordingly, we do not guarantee that the Instructions you give via the RIA Service will be processed in accordance with Clauses 8.1 and 8.2 even though it may have been received.
- 8.8 By continuing to use the RIA Service you are deemed to have taken notice of and agree to be bound by the best execution arrangement as set out in our Disclosure on Best Execution document, a copy of which can be provided to you on request.
- 8.9 In the case of large orders, we reserve the right to use other methods to execute the orders, including without limitation finding a market maker for participation dealing.
- 8.10 You authorise us at any time and in our absolute discretion to consolidate and/or disaggregate your Instructions given via the RIA Service to deal with Investment Products on your behalf with instructions we receive from other customers via the RIA Service. We will ensure that such consolidation or disaggregation will not result in the execution of your Instructions given via the RIA Service at a price less favourable than what could have been achieved had your Instructions been executed individually. If insufficient Investment Products are available to satisfy purchase orders so consolidated, the number of Investment Products actually purchased shall be divided proportionately between the instructions (including your Instruction) which were consolidated.
- 8.11 Where an Instruction you give via the RIA Service for effecting Transactions in Investment Products of a specified quantity cannot be executed in full, it may be executed in any lesser amount or quantity. In such event, such portion executed shall be deemed accepted by and be binding on you.

9. Investment Methodology

- 9.1 The detailed product offering documents and relevant information of the investment are accessible via the RIA Service.
- 9.2 The Portfolio may consist of a series of buy and sell orders for Investment Products. You may either choose to accept or reject the whole Portfolio, but you may not accept or reject only part of the Portfolio.
- 9.3 If you decide to accept the whole Portfolio, you may give Instructions via the RIA Service to execute Transactions based on the Portfolio. If your Portfolio consists of both buy and sell orders, we will first execute the sell orders. We will only execute the buy orders after all the sell orders of the Portfolio have been fully filled.

10. Rebalancing of Investment Portfolio

- 10.1 We may send you Rebalancing Alerts from time to time in order to maintain the target asset allocation over time. Circumstances in which you may receive a Rebalancing Alert include but are not limited to:
- (a) due to market fluctuation the RIA Service determines that your investment portfolio in the RIA Account deviates from a suitable target asset allocation for you by a predefined range (as amended from time to time, and as disclosed on the BOCI Mobile App);
 - (b) you have deposited cash or received cash dividends in the RIA Account such that the cash amount in the RIA Account exceeds the rebalancing trigger (as amended from time to time, and as disclosed on the BOCI Mobile App);
 - (c) you have withdrawn cash from the RIA Account, or have liquidated all or part of the Investment Products held in your RIA Account;
 - (d) there are changes to your financial situation, investment experience, investment objectives and/or other personal circumstances as notified to us in the form of an updated or amended Customer Profiling Form or by such other means as agreed with us, which the RIA Service determines will result in a change to the target asset allocation for you;
 - (e) there is any change to the Securities and any other investment products that may be offered by us to you via the RIA Service from time to time; or
 - (f) there is a modification or amendment to the relevant algorithms or other technical aspects of the RIA Service or the RIA Service Technology by the Technology Service Provider or by us or any Related Persons.
- 10.2 In addition to the circumstances described in Clause 10.1 above, you may also receive a scheduled Rebalancing Alerts, which, generally speaking, will be on an approximately quarterly basis. We may amend the frequency of the scheduled Rebalancing Alerts from time to time.
- 10.3 We are not obliged to send you Rebalancing Alerts on a day which is not a Business Day or on a day which the relevant Exchange(s) are closed for trading, but we may do so in our absolute discretion without having to give any reason or prior notice.
- 10.4 If there is a suspension of portfolio rebalancing, we will inform you in writing via the BOCI Mobile App, email, text message or by such other means as we consider appropriate within reasonable time.
- 10.5 You may not manually request rebalancing advice via the RIA Service. Should you have any questions or concerns regarding portfolio rebalancing under the RIA Service, please contact us.

11. Distribution of Dividends

- 11.1 If we receive any dividends or other distributions or benefits in relation to any Investment Products held in your RIA Account, they will be credited to your RIA Account as and when these become available. Such dividends, distributions or benefits will, to the extent practicable, automatically be considered to be part of your investment portfolio in your RIA Account, and will be taken into consideration when you next receive a Rebalancing Alert.

12. Fees

- 12.1 Without prejudice to the terms of the Customer Agreement, you will pay the RIA Fees, and such other applicable fees, charges and expenses for the use of the RIA Service in accordance with our fees scale from time to time in force as published on the BOCI Mobile App. A contract note, certificate or any other document issued by us setting out the amount and nature of the RIA Fees is conclusive evidence of such RIA Fees binding on you in the absence of manifest error.
- 12.2 We have the right to change or vary the RIA Fees relating to the use of the RIA Service. We will give you prior notice of new RIA Fees or any variation of the RIA Fees. We may collect the RIA Fees from you in such manner and at such intervals as we may specify.
- 12.3 The RIA Fees will begin to accrue on the first day any Investment Product is deposited in the RIA Account upon execution of an Instruction given by you via the RIA Service.
- 12.4 The accrual of the RIA Fees will cease in the event that no Investment Products are held in the RIA Account or when the RIA Service is terminated, whichever is earlier.
- 12.5 You shall pay, either directly or indirectly from your Account(s) (including, without limitation, your RIA Account) the RIA Fees as we may from time to time require, and you hereby authorise us to withdraw the RIA Fees from your Account(s) (including, without limitation, the RIA Account) or to deduct the same prior to deposit in your Account(s) in accordance with Clause 12.6 below. You agree that the cash amounts held in your RIA Account will not be fully invested in the Portfolio because a prescribed percentage of the net asset value ("**NAV**") of your RIA Account may be held in cash at all times (the "**Cash Reserve**") and set aside for the purpose of your payment of the RIA Fees. Information about the prescribed percentage of the Cash Reserve will be disclosed on the BOCI Mobile App and may be amended from time to time with prior notice to you. You understand and acknowledge that the performance of your RIA Account may be reduced because of the Cash Reserve.
- 12.6 In the event that there are insufficient funds in the Account(s) (including, without limitation, the RIA Account) to pay the RIA Fees, we shall be entitled to deduct from the proceeds of any deposit of monies received for or on your Account(s) (including, without limitation, the RIA Account).

13. Indemnity

- 13.1 In addition and without prejudice to any of our rights under the Customer Agreement, you shall fully indemnify us and any Related Persons (together, the "**Indemnified Parties**") immediately on demand against any and all claims, demands, actions, proceedings, losses, penalties, fines, taxes, damages, costs, charges and expenses and all other liabilities (including legal costs on a full indemnity basis) of any nature whatsoever arising directly or indirectly from or in connection with us or any Related Persons providing any services to you in respect of your use of the RIA Service and trading or investment in any Investment Product via the RIA Service, including, without limitation, to:
- (a) any costs and Taxes resulting from any trading or holding of any Investment Products via the RIA Service and/or in the RIA Account;
 - (b) the materialisation of any risk referred to in the Annex hereto;
 - (c) any costs (including legal costs) which any of the Indemnified Parties may incur in connection with any Instruction given by you via the RIA Service, including our accepting and acting on any such Instruction, any cancellation or amendment of any such Instruction, any error or omission in such Instruction given by electronic or other means (regardless of whether such Instruction was given by you or an Authorized Person and/or properly authorised by you);

- (d) any fees, expenses and penalties payable to any clearance systems or any other third party arising from the trading or holding of any Investment Products via the RIA Service and/or in the RIA Account;
- (e) any costs incurred in connection with your access to or use of the RIA Service;
- (f) any breach by you of any of your obligations under these RIA Terms, including any cost reasonably incurred by us in collecting debts due to us from you or unpaid deficiency in the RIA Account and in enforcing our rights hereunder;
- (g) your violation of any third party right, including, without limitation, any intellectual property right, property, or privacy right;
- (h) any action or omission by us pursuant to these RIA Terms;
- (i) any information provided by you;
- (j) any investigation, litigation or proceeding by or involving any Regulatory Authority or market, Exchange, clearing system, any third party or other market participant with respect to the RIA Account and the trading in any Investment Product via the RIA Service; and
- (k) the closing of your RIA Account.

14. Taxation

- 14.1 You agree that we and the Related Persons do not provide tax or legal advice. You agree that you make your own decisions and judgments with respect to the Instructions you give via the RIA Service. You shall at all times remain responsible for payment of all Taxes due, for the making of any claim for exemption from withholding taxes, and you shall be required to comply with any filing or registration obligations, in each case as may be required under any Applicable Laws and Regulations relating to any Investment Products held in the RIA Account and any dividends or entitlements in respect of the same.
- 14.2 We may deduct or withhold all forms of Taxes (wherever in the world and whenever imposed) from any payment if obliged to do so under any Applicable Laws and Regulations. In accounting for Taxes or making deductions of withholding tax, we may estimate the amounts concerned. Any excess of such estimated amount over the final confirmed liability shall be credited or transferred to you as soon as reasonably practicable. We may withhold or deduct all Taxes from any amount due to you and you will remain liable for any shortfall.
- 14.3 We may at any time request you to provide us with your Tax Information. If you fail to supply us promptly with your Tax Information (and any accompanying statements, waivers or consents), as we may request from time to time, we shall be forthwith entitled in our absolute discretion, without further notice or demand to you, to make our own judgment with respect to your tax status, including whether you are reportable to a Tax Authority, and we may withhold or require other persons to withhold amounts as may be legally required by any Tax Authority and to pay such amounts to the appropriate Tax Authority. We shall also be entitled, without further notice or demand to you, to sell, realize or otherwise deal with, in such manner as we in our absolute discretion may determine, all or part of any property held in any of your Account(s) (including your RIA Account), and to apply the proceeds in reduction of all or part of your liability to any Tax Authority or to us.
- 14.4 We shall have no responsibility to verify the accuracy of the Tax Information provided by you and we are entitled to rely on such Tax Information to fulfil our obligations to any Tax Authority and under any Applicable Laws and Regulations.

14.5 We shall have no liability whatsoever for the lack of any tax relief, or any failure to obtain the benefit of any tax credit.

15. Limitation of Liability

15.1 Without prejudice to the Customer Agreement, except as set out in Clause 15.2, neither we nor any Related Person shall be responsible for or have any liability to you for any damage, liability, expense or loss (including loss of profit) which you may suffer arising from or in connection with the following (or any of them):

- (a) your use of the RIA Service or our providing the RIA Service to you, maintaining the RIA Account for you, or effecting any Transactions for you via the RIA Service;
- (b) our decision to reject any Instruction you give via the RIA Service or our delay or failure to act on an Instruction you give via the RIA Service in part or in full for any reason;
- (c) any fluctuation in the price of an Investment Product between the time we receive an Instruction via the RIA Service and the time we act on it;
- (d) any default by you in performing your obligations under these RIA Terms, the Customer Agreement, the Mobile Terms or the Applicable Laws and Regulations;
- (e) the preservation or enforcement of our rights or exercise of our powers in connection with the RIA Service and the RIA Account; and
- (f) your failure to promptly provide complete, accurate and up-to-date information requested by us in discharging our regulatory or legal duties (including, but not limited to, your Customer Profiling Form or Tax Information).

15.2 If it is proved in a case set out in Clause 15.1 that there was fraud, wilful default or gross negligence by us or any Related Persons, then we will be liable for any loss and damage you incur or suffer that is direct and reasonably foreseeable arising directly and solely from such fraud, wilful default or gross negligence.

15.3 We are not liable for any loss, cost or damage of any kind incurred or suffered by you as a result of any interruption, unavailability, delay, error or failure (whether total or partial) in providing the RIA Service to you or performing our duties and obligations in respect of the RIA Service to the extent that it is attributable to any cause or circumstance that is beyond our reasonable control or the reasonable control of any Related Persons.

15.4 You agree that we and any Related Persons shall not be liable for any delay or failure to perform any of its obligations under these RIA Terms due to the following circumstances, including but not limited to, governmental restrictions, Exchange or market rules, trading moratoriums, electronic or mechanical equipment malfunctions, telephone telex or other communications failure, unauthorised operation or trade, theft, war (whether declared war), bad weather, earthquakes and strikes.

15.5 In no circumstances will we be responsible to you for any loss of profit or interest, indirect or consequential loss arising from or in connection with our providing, or failure or delay in providing, the RIA Service.

16. Transfers

16.1 Apart from Investment Products executed via the RIA Service, no other investment products may be held in or transferred into the RIA Account.

16.2 You may transfer out all but not part of the Investment Products and/or cash held in your RIA Account to any other Account or any account held with any other financial institution, provided always that we may at our absolute discretion (such discretion not to be exercised in an unreasonable manner) accept or reject your transfer request without having to give any reason. You will be responsible for paying all costs, expenses and taxes (including, without limitation, the RIA Fees), in connection with such transfer.

17. Suspension, Termination and Liquidation

17.1 Without prejudice to the terms of the Customer Agreement, we may in our absolute discretion suspend the RIA Service immediately without prior notice to you, in the event that:

- (a) we elect at our absolute discretion to discontinue the RIA Service on a temporary basis;
- (b) there are issues or errors affecting the performance of the RIA Service;
- (c) there are issues with the algorithms, data inputs or the outputs used by or generated by the RIA Service Technology, or we reasonably believe that the RIA Service Technology is not operating effectively or as designed;
- (d) there are issues with the Technology Service Provider's provision of the RIA Service Technology to us;
- (e) the RIA Service Technology is generating advice which we believe may not be reasonable or suitable for you;
- (f) you fail to satisfy the RIA Eligibility Requirements;
- (g) you fail to provide true, complete and accurate information in the Customer Profiling Form;
- (h) you fail to promptly notify us in writing of any changes to the information in the Customer Profiling Form;
- (i) we reasonably believe that the Customer Information, Tax Information or any other "know-your-client" information provided by you is insufficient, not up to date or has expired;
- (j) we reasonably believe that the portfolio of Investment Products in your RIA Account is not reasonably suitable for you;
- (k) you fail to provide us with any information and/or documents we may reasonably request in connection with the RIA Service;
- (l) you do not accept any variation or amendment to these RIA Terms, the Customer Agreement, the Mobile Terms and/or other terms applicable to the RIA Service;
- (m) we are required by any Applicable Laws and Regulations to terminate or suspend the provision of the RIA Service;
- (n) there are events beyond our reasonable control which affect our provision of the RIA Service, including but not limited to, governmental restrictions, Exchange or market rules, trading moratoriums, electronic or mechanical equipment malfunctions, telephone telex or other communications failure, unauthorized

operation or trade, theft, war (whether declared war), bad weather, earthquakes and strikes; or

(o) you breach any of the provisions in these RIA Terms.

17.2 We and the Related Persons shall not be liable for any direct, indirect, incidental, special or consequential losses or damages that result from the suspension or termination of the RIA Account and/or the RIA Service.

17.3 During the period of time when the RIA Service is suspended:

(a) no Investment Products will be recommended to you via the RIA Service and no investment advice will be provided to you via the RIA Service;

(b) Rebalancing Alerts will be suspended;

(c) you cannot give Instructions via the RIA Service;

(d) you may liquidate all or part of the Investment Products in your RIA Account save for, if the liquidation value is less than an amount specified by us from time to time (as disclosed on the BOCI Mobile App), then you will be required to liquidate all (and not part only) of the Investment Products in your RIA Account, and liquidation will be subject to your satisfaction of our documentary and information requirements for liquidation of your Investment Products;

(e) you may transfer out all but not part of the Investment Products and/or cash held in your RIA Account to any other Account;

(f) RIA Fees will continue to accrue as applicable.

17.4 We may at our absolute discretion terminate the RIA Service and/or the RIA Account:

(a) forthwith without giving prior notice to or obtaining consent from you if you breach or fail to comply with any provision of the Customer Agreement, the Mobile Terms or these RIA Terms (including, but not limited to, your failure to pay the RIA Fees in full and on time);

(b) immediately without giving you prior notice or obtaining your consent where we are required by any Applicable Laws and Regulations (including any anticipated change to Applicable Laws and Regulations) to terminate the RIA Service and close the RIA Account;

(c) by giving you not less than three (3) Business Days' prior written notice;

(d) if we reasonably believe that continuing to provide you the RIA Service will result in a significant economic or technical burden or material security risk to us;

(e) where the RIA Service has been suspended for a period of three (3) Business Days or more;

(f) we elect at our absolute discretion to discontinue the RIA Service on a permanent basis; or

(g) the Technology Service Provider ceases to develop, maintain or provide us the RIA Service Technology which we require for the operation of the RIA Service, for any reason.

- 17.5 You may, subject to our satisfaction and the discharge of your indebtedness, liabilities or other obligations to us, terminate the RIA Service and close the RIA Account at any time by giving us not less than three (3) Business Days' prior written notice.
- 17.6 Notwithstanding suspension or termination of the RIA Service, each party shall continue to be bound by these RIA Terms to the extent that they relate to any obligations or liabilities which remain to be performed or discharged.
- 17.7 Upon termination of the RIA Service or closure of the RIA Account, all provisions of these RIA Terms which, in order to give effect to their meaning, need to survive termination, shall remain in full force and effect. For the avoidance of doubt, Clause 4 (Compliance with Applicable Laws and Regulations), Clause 6 (Risk Disclosures and Acknowledgement), Clause 13 (Indemnity), Clause 14 (Taxation) and Clause 15 (Limitation of Liability) shall survive termination of these RIA Terms.
- 17.8 On the termination of these RIA Terms for whatever reason:
- (a) you will cease to have access to the RIA Service and we shall cease to have any obligation to execute any Instruction received from you via the RIA Service;
 - (b) you will immediately repay to us all amounts due or owing to us;
 - (c) we may sell, realise, redeem, liquidate or otherwise dispose of all or part of the Investment Products in the RIA Account to satisfy all of your indebtedness to us and Clause 17.9 below shall apply to such sale;
 - (d) we shall be entitled to retain the cash amount in the RIA Account as we may in our absolute discretion determine until the RIA Fees are calculated and debited;
 - (e) we shall be entitled to retain such Investment Products as we may in our absolute discretion determine in order to complete any Transaction required to be settled on your behalf;
 - (f) we shall, subject to this Clause 17.8, deliver the balance of any Investment Products and cash held in the RIA Account in accordance with your instructions; and
 - (g) if you fail to give instructions on the treatment of any Investment Products and/or cash held in your RIA Account, we may in our absolute discretion:
 - (i) continue to hold any Investment Products and/or cash in the RIA Account for such fees as we may in our absolute discretion (such discretion not to be exercised in an unreasonable manner) determine; or
 - (ii) transfer out all Investment Products and/or cash held in the RIA Account to any of your other Accounts.
- 17.9 Any net cash proceeds received by us pursuant to a sale, realisation, redemption, liquidation or other disposal under this Clause 17 shall either be (a) if your other Account(s) have not been closed, credited to any of your other Account(s); or (b) returned to you, after first deducting or providing for all monies and sums due or owing and other liabilities accrued or accruing due to us and outstanding (whether actual or contingent, present or future or otherwise). All Investment Products in the RIA Account not realised or disposed of together with any relevant document of title in our possession should be delivered to you at your sole risk and expense.

- 17.10 You may at any time liquidate all or part of the Investment Products in your RIA Account, save for, if the liquidation value is less than an amount specified by us from time to time (as disclosed on the BOCI Mobile App) then you will be required to liquidate all (and not part only) of the Investment Products in your RIA Account, and liquidation will be subject to your satisfaction of our documentary and information requirements for liquidation of your Investment Products.
- 17.11 Each time you liquidate all or part of the Investment Products in your RIA Account, we shall be entitled to deduct the RIA Fees from the proceeds of the liquidation as applicable.

18. Miscellaneous

- 18.1 You acknowledge that the ownership of the underlying technology, algorithms and investment advisory platform for the RIA Service (the "**RIA Service Technology**") belongs to the Technology Service Provider. You agree that you will not damage, modify, deconstruct, reverse operate or alter the operation of the RIA Service Technology without authorisation. You acknowledge that if you fail to comply with this Clause, legal action may be taken against you. If you know of a third party conducting the aforementioned behaviours, you shall promptly notify us.
- 18.2 You will execute and/or provide us with any further documents, materials and/or information as we may reasonably request from time to time to enable us to perform our duties and obligations under these RIA Terms, including, without limitation, for the purpose of our compliance with any Applicable Laws and Regulations and our internal policies and procedures.
- 18.3 We reserve the right to modify, remove or add any one or more functions or the scope of the RIA Service at any time.
- 18.4 We reserve the right to vary any of the terms of these RIA Terms by written notice to you in accordance with the terms of the Customer Agreement.
- 18.5 Any notice, disclosures of relevant material information or other communication to be given hereunder, including, without limitation to, information relating to how the RIA Service operates, portfolio construction, rebalancing mechanism, information on Investment Products, risk disclosures, suspension of dealings in any particular Investment Product, any proposed merger or termination of any Investment Product or any material information provided by issuers of any Investment Product, will be made available in writing on the BOCI Mobile App and via the RIA Service from time to time.
- 18.6 While we endeavour to ensure the accuracy and reliability of the general financial and market information, news services, market analysis, Investment Product information and marketing materials prepared and/or issued by persons other than us which are accessible to you via the RIA Service (together, the "**Third Party Information**"), we do not guarantee the accuracy or reliability of the Third Party Information and accept no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omission. For information generated by the RIA Service Technology (the "**RIA Information**"), such information is being made available to you via the RIA Service in the ordinary course of our business. We and the Related Persons did not devise, select, add to, modify or otherwise exercise control over its contents, do not take responsibility for it nor do we endorse the accuracy of such information.
- 18.7 We shall take all reasonably practicable steps to secure the transmission of information and communication between you and us via the internet and wireless communications. However, you acknowledge and agree that complete security cannot be guaranteed and any transaction over the internet or wireless communications may be subject to interruption, security failure, transmission blackout, delayed transmission due to internet or

wireless communications traffic or incorrect data transmission given the open nature of the internet and wireless communications and such mode of transmission and communication is used at your own risk. You further acknowledge and agree that there may be a time lag in transmission of information, Instructions and communication via the internet or wireless communications and that you will bear all risks associated with it.

- 18.8 Portfolio performance, records of your Transactions and activities in your RIA Account, and other relevant information relating to the RIA Service will be provided to you via the BOCI Mobile App, email, or by such other means as agreed with you. You agree to periodically review any communication or notification provided to you via the BOCI Mobile App, email or other means. We will not be liable for any loss resulting from your failure, delay or neglect to inspect the above communication or notification sources or facilities.
- 18.9 We may receive monetary and/or non-monetary benefits for distributing Investment Products to you via the RIA Service and we will disclose these benefits to you in accordance with the Applicable Laws and Regulations.
- 18.10 If any provision in these RIA Terms shall be held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the parties.
- 18.11 No failure or delay by either party in exercising any right or remedy provided under these RIA Terms shall operate as a waiver of it, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise of it or the exercise of any other right or remedy. Any waiver of a breach of these RIA Terms shall not constitute a waiver of any subsequent breach.
- 18.12 Neither party shall assign or transfer all or any of its rights or obligations under these RIA Terms without the prior written consent of the other party.

19. Governing Law and Jurisdiction

- 19.1 These RIA Terms shall be governed by Hong Kong law.
- 19.2 The parties agree to submit to the exclusive jurisdiction of the Hong Kong courts in relation to any dispute arising under or in connection with these RIA Terms.

ANNEX: RISK DISCLOSURE STATEMENT

You must read this risk disclosure statement carefully. This risk disclosure statement forms an integral part of the terms and conditions governing your access, use and trading via the RIA Service. This risk disclosure statement supplements, and should be read together with the risk disclosure statements contained in the Customer Agreement and such other documents we may provide to you from time to time as applicable to the RIA Service and/or the Investment Products (together, the **Risk Disclosures**).

By using, accessing or trading via the RIA Service, you acknowledge that you have received and read the Risk Disclosures in a language of your choice (English or Chinese) and confirm that you understand the risks which may arise in connection with the access, use and trading via the RIA Service. **By proceeding to access, use or trade via the RIA Service, you agree to be held responsible for any risks involved. We do not guarantee that profits will be made from your access, use or trading via the RIA Service, and you may sustain a total loss in your investment.**

This statement describes some of the key risks and other information in relation to your access, use or trading via the RIA Service. This statement may not disclose all the risks and other information in relation to your access, use or trading via the RIA Service. You should ensure that you understand the nature and risks of accessing, using or trading via the RIA Service and you should carefully consider (and consult your own independent professional advisers where necessary) whether the RIA Service is suitable for you in light of your circumstances.

The decision to invest in any Investment Product via the RIA Service is yours, but you should not invest in any Investment Product unless you fully understand and are willing to assume the risks associated with the Investment Product and are able to comply with all Applicable Laws and Regulations. The Risk Disclosures may not disclose all the risks and information in relation to Investment Products. You must therefore read the relevant prospectus, circular or other documents (together the “**Offering Documents**”) in respect of each Investment Product in which you invest and carefully consider all other risk factors set out therein before deciding whether to invest. You are responsible for monitoring changes in the Applicable Laws and Regulations and complying with any new requirements which may affect the Investment Products.

We do not represent that the information set out in the Risk Disclosures is up to date, and do not undertake to update the information set out in the Risk Disclosures. In addition, we do not provide any warranty with respect to such information and no such information is to be construed as legal, financial or tax advice of any kind by us.

1. Risk of using of the RIA Service

Before using the RIA Service you should read carefully and understand fully the risk associated with the service, including, but not limited to the risks described below:

- (a) The investment recommendations by the RIA Service are time-sensitive and cannot represent or imply long-term effectiveness in any market environment.
- (b) The RIA Service is based on the RIA Service Technology developed, maintained and provided by the Technology Service Provider, which offers an innovative robo-advisory service model that assists you in developing a suitable Portfolio for you. The RIA Service is offered over the Internet via the BOCI Mobile App without involving human financial advisers. Regardless of whether you adopt the investment advice provided by the RIA Service or not, you should make independent decisions on your investment strategies and be solely held accountable to the risks involved with your decisions.

- (c) The investment advice provided by the RIA Service does not guarantee principal and interest. Investing in the Investment Products via the RIA Service has inherent loss probability. Historical statistics can neither guarantee future returns nor performance. It is important that you have a reasonable understanding and familiarity with the risks involved in the Investment Products by reading the Risk Disclosures and the Offering Documents, and seeking independent professional advice where necessary, before making a decision to invest.
- (d) The RIA Service relies on you and the information you provide to make prudent decisions on investment goals and amounts based on your actual financial status, investment experience and needs, sector and geographical preferences, as well as risk tolerance level. The RIA Service, using the RIA Service Technology, shall assess your risk profile based on the information provided by you, and proceed with providing you suitable investment recommendations for your Portfolio. You are responsible for the authenticity of the information you provide and you acknowledge that the information you provide will affect the investment recommendations made.
- (e) The investment recommendations provided by the RIA Service are dependent on the accuracy and performance of the RIA Service technology developed, maintained and provided by the Technology Service Provider. The investment recommendations provided, and other information that appears on the BOCI Mobile App, may be time sensitive, especially during times of significant market volatility and when there are time limits on the availability of a particular Investment Product. Therefore, the investment recommendations and other information may be subject to different interpretations as market conditions and other factors change.
- (f) The RIA Service Technology uses algorithms which involve assumptions and calculations based upon numerous variables that may be referenced from complex financial markets or instruments that they intend to replicate. Any one or all of these assumptions and calculations, whether or not supported by past experience, could prove over time to be incorrect, which could result in significant losses or even a total loss of your investment.
- (g) The actual trading price and volume of Investment Products may differ from the recommended theoretical trading price and volume. While we endeavour to comply with our Disclosure of Best Execution and our standard best execution practices in executing your Instructions given via the RIA Service, we cannot guarantee that all trades will be executed at the best possible market prices in all circumstances.
- (h) The RIA Service relies on public information, which may not always be reliable or accurate. You should take this into account when making investment decisions, as we and the Technology Service Provider are not responsible for ensuring the reliability and accuracy of public information.
- (i) When the Rebalancing Alert is triggered due to factors such as changes in market environment, you will be notified through an announcement on the BOCI Mobile App or email or through such other channel as agreed with you. Investment losses may result if you fail to check the notification in time, or if there is any transmission error or delay when sending the notification. We will not be held liable for such risks.
- (j) There may be changes made to the RIA Service Technology developed, maintained and provided by the Technology Service Provider (on which the RIA Service is based). While the Technology Service Provider may take steps to test and review the performance of these changes before they are introduced, there is

no guarantee that the Technology Service Provider will be able to identify defects or issues before such changes are rolled out. If there are defects or issues with the RIA Service Technology, this will affect the RIA Service provided to you.

- (k) The RIA Service Technology is developed and maintained by the Technology Service Provider, a third party provider. This is the proprietary information of the Technology Service Provider to which we do not have direct access or control over. While we may take certain steps to monitor the Technology Service Provider's performance, we cannot guarantee that the RIA Service Technology is perfect.
- (l) Whilst we (which shall include any of our relevant third party providers) endeavour to provide accurate and timely information, there may be inadvertent delays, omissions, technical or factual inaccuracies and typographical errors.
- (m) You may only access the RIA Service via the BOCI Mobile App. While we will take reasonable measures to ensure the continuous, uninterrupted and secure access to the BOCI Mobile App and the RIA Service, we do not represent or warrant that this will be the case. The risks associated with using the BOCI Mobile App to access the RIA Services, include, but are not limited to:
 - (i) the BOCI Mobile App and the RIA Service may be affected by unforeseeable events such as system downtime, interruption, or breakdown, and policy changes, and any Internet data transmission breakdown, interruption or delay may also result in interruptions, information transmission delay and/or data error;
 - (ii) Accounts and Passwords may be disclosed or identity may be fabricated due to your negligence;
 - (iii) incidents such as cyberattacks, network server breakdown or viral infection may cause the information transmitted to be wrong, delayed or the RIA Service to be disrupted;
 - (iv) the RIA Service may be disrupted due to the incompatibility of mobile devices or software system;
 - (v) the RIA Service may be disrupted due to your inappropriate use of the system;
 - (vi) the RIA Service may be disrupted due to communication network error that is not caused by us;
 - (vii) the RIA Service may be temporarily unavailable during system maintenance, upgrade, or when the relevant Exchange is closed; or
 - (viii) we will not be responsible for or have any liability to you for the use of mobile device and any damage, liability or loss (including loss of profit) for any of the above failures.

2. Risks of investing in ETFs

The Investment Products you may invest in via the RIA Service includes, but is not limited to, exchange traded funds ("ETFs"). Investment into ETFs involves risks, **including the total loss of your investment**. Investors are advised to consider their own investment objectives and circumstances in determining the suitability of an investment in the ETF. If you are in any doubt, you should seek professional advice.

Investors should refer to the Offering Documents for further details, including product features, risk factors and restrictions on owning and holding the ETF.

The risks associated with the trading of ETFs include, but are not limited to the following:

(a) **Market risk**

ETFs are typically designed to track the performance of certain indices, market sectors, or groups of assets such as stocks, bonds, or commodities. ETF managers may use different strategies to achieve this objective, but, in general ETF managers do not have the discretion to take defensive positions in declining markets. You must be prepared to bear the risk of loss and volatility associated with the underlying index/assets, and the ETF manager's replication strategy.

(b) **Tracking error**

Tracking error refer to the disparity in performance between an ETF and its underlying index/assets. Tracking errors can arise due to factors such as the impact of transaction fees and expenses incurred to the ETF, changes in composition of the underlying index/assets, and the ETF manager's replication strategy.

(c) **Trading at discount or premium**

An ETF may be traded at a discount or premium to its NAV. This price discrepancy is caused by supply and demand factors, and may be particularly likely to emerge during periods of high market volatility and uncertainty. This phenomenon may also be observed for ETFs tracking specific markets or sectors that are subject to direct investment restrictions. If an ETF was bought at a premium, you may still incur a loss even if the NAV of that ETF had increased at the time of sale. If an ETF ceases trading, you may not be able to recover the investment amount.

(d) **Foreign exchange risk**

An ETF with underlying assets not denominated in the same currency as the ETF is exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value and also the ETF price.

(e) **Counterparty risk**

ETFs using a synthetic replication strategy may use derivative instruments to synthetically replicate the economic benefit of the relevant benchmark. Derivative embedded ETFs are subject to counterparty risk of the derivative instruments' issuers and may suffer losses if such issuers defaulted or failed to honour their contractual commitments. Although some synthetic replication ETFs require counterparties to post collateral, this does not eliminate counterparty risk as it still depends on the collateral provider to fulfill his obligations.

(f) **Collateral risk**

There is a further risk that when the right against the collateral is exercised, the market value of the collateral could be substantially less than the price of the index tracked by the ETF.

(g) **Liquidity risk**

Securities market makers are exchange participants that provide liquidity to facilitate trading in ETFs. Although most ETFs are supported by one or more market makers, there is no assurance that active trading will be maintained. In the event that the market makers default or cease to fulfill their role, you may not be able to buy or sell the ETF, or find that the ETF is trading at a discount or premium to its NAV.

(h) **Additional expenses**

Brokerage commissions and ETF expenses will reduce returns. Frequent trading of ETFs could significantly increase commissions and other costs such that they may offset any savings from low fees or costs.

(i) **Termination risk**

An ETF may be terminated early under certain circumstances, for example, where the index is no longer available for benchmarking or if the size of the fund falls below a pre-determined NAV threshold as set out in the constitutive documents and offering documents. You may not be able to recover your investment and suffer a loss when the fund is terminated.

3. Risk of investing in international markets

Investment portfolios often involve investing in international markets. The RIA Service is based on the RIA Service Technology developed, maintained and provided by the Technology Service Provider and the effectiveness of the algorithms and the RIA Service Technology may be adversely affected by multiple market and international elements, and may lead to losses of all or any parts of your investment due to, among other reasons, adverse fluctuations in exchange rates, differences in generally accepted accounting principles or volatile economic or political situation in other countries. You must exercise independent judgment when placing trading orders.

4. Risk of investing in emerging markets

Investment portfolios sometimes may invest in emerging markets. Investment in emerging markets often involve special economic and political risks and considerations not typically associated with investing in developed markets. These risks include, but are not limited to, the possibility of nationalisation, expropriation, government control and intervention, restrictions on foreign investment, higher price volatility and less liquidity in the market, greater exchange rate fluctuations, uncertainty regarding taxes, etc. These risks may have an adverse impact on your investment. The accounting, auditing and financial reporting standards in some of these markets are normally less stringent than international requirements. Investment decisions may therefore be required to be made on less complete information than is customarily available.

5. Risk of investing in alternative investments

Investment portfolios may invest in ETFs that use a variety of alternative investment strategies. Apart from traditional techniques like portfolio planning and diversification, alternative investment strategy ETFs may also employ one or more of the following strategies, such as long / short, event driven, global macro, relative value, market neutral, etc. There is no guarantee that these strategies will succeed and their use may subject the ETF to much greater volatility and loss. Alternative investment strategies may involve investment in other asset classes (such as currency, interest rate, commodity, etc.) other than traditional equities, debt securities and money-market instruments. This involves risks in addition to those risks with direct investments in securities. The diversity of investment strategies and the use of complex financial instruments by the ETF mean that different

alternative investment strategy ETFs may vary enormously in terms of risks and returns. Fund managers may also utilize derivatives such as futures, contracts-for-difference, etc. to facilitate application of certain alternative investment strategies, hedging and efficient portfolio management. The use of derivatives may expose alternative investment ETFs to a very high degree of risk, including credit risk with regard to counterparties, liquidity risk, etc. Due to their complexity, alternative investment strategy ETFs are usually only suitable for those who are able to understand and bear the risks involved.