

Terms and Conditions for Mox Invest (Mox Invest Schedule to the General Terms and Conditions) (also referred to as Schedule 4 to the General Terms and Conditions)

(Applicable to all customers to whom we provide Mox Invest)

We will make changes to this Schedule from time to time. We will give you notice of the changes if you have Mox Invest. We need not notify any customer who does not have Mox Invest of any changes to this Schedule.

PART A: General Terms and Conditions applicable to Mox Invest

1. Definitions

Capitalised or otherwise defined terms have the meanings given in the General Terms and Conditions (including the other schedules thereto) unless the context requires otherwise. In addition:

- (a) **“Broker”** means any one or more person(s) appointed by us to accept, execute, clear and/or settle Securities Trading Mox Invest Transactions and provide services related or incidental to such brokerage services. A Broker appointed by us may also provide nominee and/or custodian services.
- (b) **“Charged Securities”** means all Securities which are in or will come into the possession, custody or control of Mox, a Broker or any nominee, on your behalf from time to time and for any purpose, and includes any distributions, rights or claims arising from or relating to such Securities.
- (c) **“HKEX”** means the Hong Kong Exchanges and Clearing Limited.
- (d) **“HKMA”** means the Hong Kong Monetary Authority.
- (e) **“Mox”, “we”, “us”, “our”** means Mox Bank Limited (CE number: BNO808), having its registered office and principal place of business at 39/F, Oxford House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong. Mox is registered with the SFC to carry on certain regulated activity under the SFO.
- (f) **“Mox Invest”** means the service provided by Mox to you of purchasing, selling or otherwise dealing in Securities (collectively, **“Securities Trading”**) on your behalf on instructions given by you, and all related or incidental services, in accordance with this Schedule.
- (g) **“Mox Invest Account”** means the account opened and maintained by Mox for you comprising of:
 - (i) a deposit account designated for holding funds intended for the settlement of your Mox Invest Transactions, receiving income, dividends and other payments in relation to any Securities, and payment of any fees and charges incurred in connection with your Mox Invest Transactions and use of Mox Invest, and

- (ii) an account for recording any Securities that are held on your behalf.
- (h) **“Mox Invest Transaction”** means any Securities Trading transaction entered into using Mox Invest in accordance with this Schedule.
- (i) **“order”** means instructions to purchase or sell Securities.
- (j) **“non-U.S. Person”** means a person that is not a U.S. Person.
- (k) **“Relevant Overseas Market”** means any relevant stock exchange, trading centre or organised market outside of Hong Kong on which Securities available for Securities Trading using Mox Invest are listed or traded.
- (l) **“Securities”** has the meaning given in Part 1 of Schedule 1 to the SFO and includes Securities listed or traded on SEHK or any Relevant Overseas Market such as a U.S. Exchange, and mutual funds, unit trusts or other collective investment schemes (or individual share classes or units therein) which in each case have been authorised by the SFC that are available on the Mox app from time to time (**“Funds”**).
- (m) **“SEHK”** means The Stock Exchange of Hong Kong Limited.
- (n) **“SEHK Rules”** means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and/or the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (as applicable).
- (o) **“SFC”** means the Hong Kong Securities and Futures Commission.
- (p) **“SFO”** means the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong).
- (q) **“Takeovers Code”** means the Codes on Takeovers and Mergers and Share Repurchases issued by the SFC (as may be amended from time to time).
- (r) **“Trading Day”** means a day on which the relevant market(s) is open for trading, including SEHK or Relevant Overseas Market, as the context requires.
- (s) **“U.S.”** means the United States of America, its states, territories and possessions and the District of Columbia.
- (t) **“USD”** means United States dollars.
- (u) **“U.S. Exchange”** means a U.S. stock exchange, trading centre or organised market on which U.S. Securities available for Securities Trading using Mox Invest are listed or traded, including but not limited to, NASDAQ, New York Stock Exchange (NYSE), NYSE American (AMEX), NYSE ARCA and BATS Global Exchange.
- (v) **“U.S. Person”** means any one or more of the following (unless, in the case of (i) to (iii), applicable laws, rules and regulations provide that such person is not subject to the federal income taxation of U.S. on his worldwide income):
 - (i)
 - (ii)
 - (iii)

- (i) a citizen of U.S.;
- (ii) a person who is not a citizen or national of U.S. and who meets either the “green card” test or the “substantial presence” test under the Internal Revenue Code of 1986, as amended, and/or any other applicable laws, rules and regulations for the calendar year;
- (iii) a person electing to be treated as a tax resident of U.S.; and
- (iv) any other person that is subject to the federal income taxation of U.S. on his worldwide income regardless of its source.

We reserve the right to amend this definition of “U.S. Person” as may be necessary to conform to applicable law and authoritative interpretation of this term.

- (w) **“U.S. Securities”** means Securities that are listed for quotation or quoted only on a Relevant Overseas Market that is a U.S. Exchange that are available on the Mox app from time to time.
- (x) **“U.S. Securities Trading”** means Securities Trading in U.S. Securities using Mox Invest.
- (y) **“VA”** or **“virtual asset”** has the meaning given in the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the laws of Hong Kong).
- (z) **“VA-related products”** means products which:
 - (i) have a principal investment objective or strategy to invest in virtual assets;
 - (ii) derive their value principally from the value and characteristics of virtual assets; or
 - (iii) track or replicate the investment results or returns which closely match or correspond to virtual assets.

2. Mox Invest terms

- (a) You may apply to use Mox Invest for Securities Trading. We may allow you to use Mox Invest (or any part of it) in our absolute discretion.
- (b) As well as our General Terms and Conditions and all the schedules thereto, you agree that you are also bound by this Schedule when you apply to use Mox Invest and each time you use Mox Invest, and that you have read and understood the Risk Disclosure Statements in clauses 51, 52, 58 and 67 below and accept the risks associated with Securities Trading and using Mox Invest. For the purposes of Mox Invest, the terms in this Schedule will take priority in the event of any inconsistency with any terms in the General Terms and Conditions or its other schedules.
- (c) In addition to the terms in clause 3 of the General Terms and Conditions, you agree that we act as your agent in relation to Mox Invest and your Mox Invest Transactions. We do not act as a fiduciary.

3. Your Mox Invest Account

- (a) Once we approve your application for Mox Invest, we will notify you and open a Mox Invest Account in your name in the Mox app. Subject to any conditions that we may impose to comply with any applicable laws and regulations or otherwise at our sole discretion from time to time, you may then use the Mox app to transfer funds from your Mox Account or any Goal account or other account(s) with Mox (as we permit) to your Mox Invest Account (and vice versa) and where applicable, start Securities Trading using Mox Invest. Your Mox Invest Account can only be used in connection with Mox Invest.
- (b) Clause 1 of the Accounts and Cards Schedule applies to the operation of your Mox Invest Account. Deposits in your Mox Invest Account will earn interest in accordance with clause 6 of the Accounts and Cards Schedule. You can exchange funds in your Mox Invest Account in accordance with clause 7 of the Accounts and Cards Schedule).
- (c) If your Mox Invest Account becomes overdrawn, you owe us the overdrawn amount and you need to immediately deposit funds into your Mox Invest Account so that your Mox Invest Account is no longer overdrawn. If you don't do this, we may take funds out of your other Mox accounts to settle the overdrawn amount. You are responsible for paying us any overdrawn amount even if your Mox Invest Account is closed. We may also charge you fees and/or interest while your Mox Invest Account remains overdrawn. You can see details of such fees and interest in the Mox app and/or our website.
- (d) You are responsible for protecting your Mox Invest Account, including in accordance with the 'Terms and Conditions for Use of the Mox app' and 'PART C: Terms for One-Time Password for Online Payments' of Accounts and Cards Schedule). You will immediately notify us of any unauthorised access or use of your Mox Invest Account. You remain responsible for all Mox Invest Transactions entered into using your Mox Invest Account. We are not liable for any losses incurred or suffered by you as a result of any third party accessing or using your Mox Invest Account, unless caused by our fraud, wilful default or negligence.

4. Suitability

- (a) If we solicit the sale of or recommend any financial product to you, the financial product must be reasonably suitable for you having regard to your financial situation, investment experience and investment objectives. No other provision of these terms or any other document we may ask you to sign and no statement we may ask you to make derogates from this clause 4.
- (b) Other than as expressly set out in these terms, you agree that we are not obliged to give you any advice on Securities selection. Nor will we provide discretionary management services to you under these terms. You acknowledge that Mox personnel are not authorised to solicit orders or provide trading, investment, tax or other advice in connection with your use of Mox Invest, and we therefore do not assume any related duty of care or obligation other than as set out in clause 4(a) above.

- (c) Merely providing market insights, marketing or promotional materials or factual information relating to Mox Invest for general information purposes on the Mox app, our website or otherwise does not constitute an offer, recommendation or solicitation to purchase or sell Securities and should not be interpreted as such. In this respect, you understand and acknowledge that our presentation of Securities available for investment and any categorisation of investment themes and/or sectors on the Mox app, our website or otherwise is not intended to be and does not constitute a solicitation or recommendation of any such Securities and we make no assurance that any such Securities (whether taken alone, in any combination or all collectively) are suitable for your needs.

5. Your instructions

- (a) You have instructed us and authorise us to:
- (i) purchase and sell Securities for you and otherwise deal with Securities, any amount received in connection with Securities and the funds held in your Mox Invest Account on your behalf in accordance with instructions given by you in accordance with this Schedule;
 - (ii) act as your agent in connection with the purchase, sale, registration, withdrawal or collection of Securities or distributions from Securities, and the exercise of any rights or claims arising from or relating to Securities, including dividends, rights issues or other corporate actions;
 - (iii) instruct a Broker, any nominee or other agent appointed by us in accordance with clause 6 below to make suitable arrangements for execution and completion of any Mox Invest Transaction and the holding and transfer of Securities; and
 - (iv) provide you with information you request from time to time on the prices of or other information relating to Securities available for Securities Trading using Mox Invest, including Market Data (see clause 22 below). We are not obliged to translate such information or ensure that it is true and accurate where it is independently prepared by a third party.
- (b) You may give us instructions in relation to Mox Invest via the Mox app or by any other means we may specify. We may rely on such instructions and are not required to verify the identity or authority of any person who gives us instructions by such means. For the avoidance of doubt, you acknowledge that clause 4 of the General Terms and Conditions also applies to any instructions given by you in relation to Mox Invest and we have absolute discretion to determine whether to accept and act on any instruction given by you. **We are not liable for the consequences of any refusal to accept, or delay in acting on, any instruction given by you unless caused by our fraud, wilful default or negligence.**
- (c) We, the Broker, any nominee or other agent are authorised and entitled (but not bound) to act on or take such steps (including the execution of documents and to make representations and confirmations as may be required) as we may in good faith consider appropriate in connection with or in reliance on any instructions given by you in accordance with these terms, regardless of any delay, error,

interruption or suspension. You will be bound by any Mox Invest Transaction, dealing or other act or omission taken by us, the Broker, any nominee or other agent in connection with your Mox Invest Account in reliance on instructions given by you. Neither we, the Broker nor any nominee or other agent are liable for any loss incurred or suffered by you in connection with us acting upon such instructions.

- (d) Prior to giving instructions to sell any Securities, you will notify us of any legal restriction on the transfer of such Securities, including under the Securities Act of 1933 (U.S.), and will provide the necessary documents to satisfy legal transfer requirements. You are responsible for any delay, expense and loss associated with the compliance or failure to comply with any transfer restrictions.
- (e) You agree that instructions to purchase or sell Securities (orders) may be partially executed if they cannot be fully executed. If your instructions cannot be executed or executed in full, we are under no obligation to notify you immediately.
- (f) Where we require a response from you, you acknowledge that your failure to respond within any timeframe specified by us may result in us being unable to act upon your instructions.
- (g) You agree that we may record all telephone conversations with you in order to verify your instructions. We may also maintain records of instructions received from you via the Mox app or any other means that we may specify. In case of a dispute, you agree to accept the contents of any such telephone recording or Mox app or other record as final and conclusive evidence of your instructions.
- (h) You agree that where instructions are given via the Mox app in connection with your use of Mox Invest, we have no responsibility for, and are not liable for any loss incurred or suffered as a result of, any delay, failure, error, interruption or suspension in the transmission or communication of any such instructions or any information on prices, or the mistaken receipt of any such instructions by any other party, unless caused by our fraud, wilful default or negligence.
- (i) You agree to indemnify Mox and its officers and employees, the Broker, and any nominee or other agent, against any loss or liability that any of them may incur or suffer as a result of any of them acting on, or any delay or failure by any of them to act on, any instruction given by you, unless caused by their fraud, wilful default or negligence.

6. Securities Trading other than Funds

- (a) Where we permit, you may give us an instruction to purchase Securities via the Mox app:
 - (i) on a one-off basis; and/or
 - (ii) on a periodic basis. This requires you to give us a standing instruction on the Mox app.

Clauses 6(b) to 6(h) of these terms shall apply to Securities other than Funds and/or a portfolio of Funds. For standing instructions to purchase Funds and/or a portfolio of Funds, the terms in Parts B and C shall apply.

- (b) We will let you know the list of Securities that is available for you to select and purchase on a periodic basis via the Mox app. We have the right and sole discretion to vary the Securities in the list without prior notice, even if you have given us instructions to purchase those Securities. We may take any action which we, in our sole and absolute discretion, consider appropriate in connection with such variation. If we remove any Securities that you have selected from the list, we will cancel your standing instruction to purchase those Securities.
- (c) You understand and accept that the list of Securities, any information and materials in connection with such list (including the availability of placing standing instructions for any Securities) do not constitute a solicitation, recommendation or the giving of investment advice of any nature by us. You must make your own decision as to the suitability of investing in such Securities, and you will seek advice from your own independent adviser if you are in doubt.
- (d) We may (but are not obliged to) specify minimum and/or maximum dollar contributions or Security quantities that apply in respect of each Security available for periodic purchase (and we may vary the same). We may also impose other conditions on the standing instruction (for example, the number of days over which the standing instruction is to be repeated during a given period). If the minimum and/or maximum contributions or quantities for the Securities that you have given us instructions to purchase is changed, resulting in out-of-range contributions or quantities, you are required to give us instructions to adjust your contribution or quantities accordingly. If we receive no instruction from you, we reserve the right to cancel your instruction to purchase those Securities at our sole discretion without prior notice.
- (e) Your standing instructions:
 - (i) must specify such details as we require, such as the relevant Securities, the dollar contributions (or quantities) for the recurring purchase of the Securities and the dates on which the standing instruction is to be effected during a given period;
 - (ii) are executed by us on a periodic basis;
 - (iii) where we permit, may be amended or cancelled by you via the Mox app in accordance with clause 6(g) of these terms. Although we will do our best to amend or cancel the relevant standing instruction as soon as possible after we receive your request, we may not do so with immediate effect and/or before its next execution date. We will not be liable for any resulting loss or damage you may suffer or for any lost profit or lost or missed opportunity; and
 - (iv) may be cancelled by us in the circumstances that we may specify from time to time (for example, if any of the Securities are suspended from trading and/or no longer available).

- (f) You must ensure that you have sufficient funds in your Mox Invest Account (or your other accounts with Mox, where applicable), at the relevant times and (unless we agree otherwise) in the relevant currencies, to pay the actual settlement amount, otherwise we will reject that standing instruction. The actual settlement amount includes the consideration for the purchased Securities and all applicable taxes, fees disbursements, commissions, charges and expenses payable by you.
- (g) Where we permit, you may amend or cancel any of your standing instructions via the Mox app subject to any conditions that we may impose from time to time (for example, certain cut-off times as we may designate). If your amendment or cancellation request is received by us after a relevant cut-off time applicable to that instruction, the amendment or cancellation will usually be deferred, unless we determine otherwise. We have the absolute right and discretion to accept or reject your request to amend or cancel your standing instructions.
- (h) You understand and agree that:
 - (i) we are not required to act on any instruction in respect of Securities at any time which occurs outside the relevant cut-off time applicable to that instruction as displayed in the Mox app (in the usual course, any such instruction placed will be deferred);
 - (ii) while we will use reasonable efforts to act on your standing instruction, your standing instruction may not be effected in full due to certain circumstances, including but not limited to unavailability of certain fractional shares or market liquidity. If we have placed your order with the Broker(s) but the order has not been executed at the end of the Trading Day of the relevant market, unless we specify otherwise, such order will lapse and will not be carried forward to the next Trading Day and we will cancel your instruction to purchase such Securities for that Trading Day;
 - (iii) if we are not able to act on your standing instruction (for example, when any Securities selected by you are suspended from trading at the relevant time), we will cancel your standing instruction to purchase such Securities;
 - (iv) the number of Securities to be purchased with a given contribution amount will be adjusted (including for fees and charges) such that the actual settlement amount may be less than or equal to the contribution amount;
 - (v) the actual transaction date in respect of your standing instruction may not be the same as the date designated in your standing instruction. The actual transaction date depends on a number of factors, including the Trading Days of the relevant market of the Securities. For example, if the date to effect your standing instruction falls on a non-Trading Day for the relevant market, the instruction will be carried forward to the next Trading Day;
 - (vi) the execution price of the same Securities may differ amongst customers of Mox. We will do our best to route customers' orders to the Broker(s) in the order of the time we receive the standing instructions. As a result,

transactions in the same Securities may be executed at different prices for different customers; and

- (vii) you will pay trading commissions and other fees and charges for and in connection with the standing instructions. You can see details of fees and charges in the Mox app and/or on our website.

7. Appointment of Brokers, nominees and other agents

- (a) We may use the services of Brokers, nominees and other agents, including custodians, correspondents, networks, stock exchanges, markets, clearing houses and other market infrastructure to perform any services in relation to Mox Invest, including brokerage, nominee and custodian services. Such Brokers, nominees and other agents may be an affiliate of Mox or other third party and may be acting as agent or principal. Such Brokers may use another broker, dealer or an affiliate to execute orders.
- (b) In addition to the terms in clause 17 of the General Terms and Conditions, you authorise us to negotiate and agree for and on your behalf the appointment of such Brokers, nominees and other agents, all arrangements in respect of such services, and to terminate and replace any such appointments and arrangements at our absolute discretion.
- (c) We will use reasonable care in the selection and appointment of such Brokers, nominees and other agents, but to the extent permitted by any law or regulation, we are not responsible or liable for their acts, omissions or insolvency. You acknowledge and accept the risk of loss or failure in completion of Mox Invest Transactions in the event of the default or failure of such Brokers, nominees or other agents in fulfilling their roles, or their winding up or cessation of business.
- (d) Neither Mox nor its affiliates, nor such Brokers, nominees or other agents, are obliged to account to you for any commissions, rebates, fees, price improvement, payments, goods, services or other benefits, including soft dollars, obtained in connection with the arrangements referred to in this clause 7. You agree to pay their fees, charges and commission and indemnify Mox and its officers and employees against their claims.
- (e) You acknowledge and agree that to the maximum extent permitted by applicable law, you are jointly and severally liable with us to such Brokers, nominees and other agents for all obligations to be performed by us in respect of any Mox Invest Transaction conducted by us as agent for and on your behalf.

8. Funding of purchases

- (a) You authorise us to take out of your Mox Invest Account at any time (including ahead of settlement of a Mox Invest Transaction), without further instructions from you:
 - (i) the relevant amount, including the purchase price, to be paid by you in relation to your Mox Invest Transactions; and

- (ii) all taxes, fees, disbursements, commission, charges and expenses payable by you under this Schedule or in respect of your Mox Invest Transactions or the holding or transfer of Securities.
- (b) You undertake and warrant that:
 - (i) unless we have otherwise agreed, there will be sufficient funds available in the relevant currency in your Mox Invest Account at all times to satisfy all payments due in respect of any instructions given by you; and
 - (ii) that your depositing and use of the funds in your Mox Invest Account complies with all applicable laws and regulations (including exchange control laws and regulations).

Where we permit, the funds from an unsettled Securities Trading Mox Invest Transaction that is a sell transaction can be used to fund any new Securities purchase order in real time, except in the case of a Mox Invest Transaction that is a sell transaction of a Fund (for which only settled funds can be used to fund any new Securities purchase). At any time after we receive instructions to purchase Securities, we may place a hold on the amount of funds in your Mox Invest Account estimated by us to be required to satisfy all amounts payable by you. Our rights are not affected if we do not do so.

- (c) Regardless of any term of any other agreement between you and Mox, we are authorised:
 - (i) to delay and/or refuse to honour any payment debited against your Mox Invest Account during any period between the time we receive instructions from you to purchase Securities, and the payment of funds in respect of such purchase; and
 - (ii) to apply funds in your Mox Invest Account in settlement of any amounts payable in respect of a purchase of Securities in priority to any other proposed application of such funds.
- (d) We will credit to your Mox Invest Account all funds received by us on your account from the sale of Securities held on your behalf, less any amount that remains payable by you in connection with the sale or the Securities. You agree that if we fail to receive payment for all or any part of any amount due to be paid to you for any sale of Securities on the due date for payment, we will only be obliged to pay you the amount actually received by us and that we have no duty to ascertain, and are not responsible for, the adequacy of the amount you receive. You agree that we are only obliged to deliver any Securities purchased by you if we actually receive them from the other party.
- (e) We may take any Securities or funds out of your Mox Invest Account that were wrongly put in your Mox Invest Account and otherwise adjust your Mox Invest Account to correct any error.

9. Default in funding

- (a) Unless otherwise agreed between you and Mox, you agree that if in our reasonable opinion there are or will be insufficient funds in the required currency, or insufficient Securities, available in your Mox Invest Account to settle a Securities Trading Mox Invest Transaction, we are authorised (but not obliged):
- (i) in the case of a Mox Invest Transaction involving:
- (A) a purchase of Securities, to transfer or sell such purchased Securities, convert funds (at our prevailing exchange rate at the time of the exchange) held in any other currency in your Mox Invest Account and/or transfer funds from any of your other Mox accounts (and, if necessary, convert such funds (at our prevailing exchange rate at the time of the exchange) held in any other currency), without further instructions to satisfy your liabilities and obligations to us, and we are not liable for any loss or cost suffered or incurred by you, and you agree to indemnify us in respect of any loss we reasonably incur, as a result of us doing so;
- (B) a sale of Securities, to borrow and/or purchase such sold Securities on your behalf without further Instructions to satisfy your liabilities and obligations to us, and we are not liable for any loss or cost suffered or incurred by you, and you agree to indemnify us in respect of any loss we reasonably incur, as a result of us doing so; and
- (ii) in either case, not to act on the relevant instruction and we need not notify you of this.
- (b) You authorise us and the Broker to part with possession and/or control of Securities for the exercise of any lien or charge under this Schedule or the General Terms and Conditions, or in relation to any sale of Securities permitted by this Schedule, including any sale to realise funds to make any payment due to us under this Schedule. You agree to indemnify us against any loss or liability that we may incur or suffer as a result of your failure to meet your obligations by the settlement dates for your Securities Trading Mox Invest Transactions as required.

10. No margin or credit facilities

Your Mox Invest Account is for cash Securities Trading only. Nothing in these terms obliges us or any Broker to grant or maintain any margin or credit facilities for you.

11. Registration and safekeeping of Securities

- (a) We will register Securities acquired for you in the name of Mox or a nominee (such nominee may include the Broker or any other nominee providing nominee and/or custodian services), or we (or the Broker) may deposit such Securities with, or hold such Securities in (as relevant):
- (i) the Central Clearing and Settlement System (“**CCASS**”), subject to and in accordance with the ‘General Rules of HKSCC’;

- (ii) a custodian or any other Securities depository on such terms as it customarily operates;
 - (iii) a designated account with an authorised institution or other institution approved by the SFC where such Securities will be deposited for safe custody at your own cost; or
 - (iv) accounts maintained with Fund managers.
- (b) The Broker or a nominee will hold Securities registered in its name as the nominee of Mox. The Broker/nominee will designate all such Securities as held by it to the order of Mox and we will identify such Securities as being held by the Broker/nominee for our customers who are the beneficial owners. We will record in your Mox Invest Account the Securities held on your behalf. We may reject any Securities for safe custody and may at any time require any Securities to be withdrawn from custody.
- (c) Any obligation on Mox or the Broker to deliver, or to hold in safe custody, Securities purchased or acquired on your behalf will be satisfied by the delivery, or the holding, of Securities that are identical to such Securities in terms of number, class, denomination, nominal amount and rights attached (subject to any capital reorganisation which may have occurred in the meantime affecting such Securities).
- (d) Securities held for safekeeping in accordance with this clause 11 are held at your sole risk and may be held outside of Hong Kong. Neither Mox nor the Broker nor any nominee is responsible for or liable in respect of any loss incurred or suffered by you in relation to such safekeeping, unless caused by their fraud, wilful default or negligence.

12. Withdrawals

- (a) As soon as reasonably practicable after you have given us an instruction to withdraw Securities (where withdrawal of Securities is available) and/or funds, we will:
- (i) procure the registration of the Securities specified in your instructions in your name or your nominee's name. Such Securities will cease to form part of your Mox Invest Account upon such registration; and/or
 - (ii) transfer such cash amount as specified in your instructions from your Mox Invest Account to your other account(s) with Mox. Such transfer will discharge our obligation to make payment to you.
- (b) Our obligations in clause 12(a) above are subject to the other provisions of these terms and in particular clause 27 below and to our right to require that prior to any withdrawal you discharge in full all sums or actual or contingent liabilities owed by you to us. We may, without your instructions or notice to you, discharge any such liabilities out of any credit balance in your Mox Invest Account, your Mox Account or any Goal or other account, or require payment to be made by you, prior to implementing any registration or transfer.

- (c) Fractional shares are not transferable to another broker and will need to be liquidated before transfer, which may have tax consequences and will result in commission charges.

13. Securities deposits

- (a) You may request that we accept delivery or a transfer of Securities. We will not be obliged to accept any such request but, if we do, the Securities delivered or transferred will be held as part of your Mox Invest Account subject to these terms as if they were acquired by us on your behalf. You will execute such instruments of transfer and/or other documents as may be required to transfer the Securities to your Mox Invest Account and register them in our name or the name of a nominee (such nominee may include the Broker or any other nominee providing nominee and/or custodian services), or to deposit and hold them in CCASS or any other Securities depository, or to deposit and hold them in a designated account with an authorised institution or other institution approved by the SFC where such Securities will be deposited for safe custody at your own cost.
- (b) Any Securities delivered by you or your transfer agent to us will be free from any lien, charge, claim or other encumbrance or restriction other than a lien imposed on all Securities by the applicable clearing house or Securities depository. These restrictions may include:
 - (i) the volume limitations and manner of sale limitations set out in Rule 144 of the Securities Act of 1933 (as may be amended from time to time);
 - (ii) any requirement to obtain consent from any person or entity for a sale, assignment or other transfer of such Securities;
 - (iii) any limitation on the type or status of any purchaser, assignee or transferee of such Securities;
 - (iv) any requirement to deliver any opinion of counsel, notice or other documentation to the issuer, registrar or any other person prior to a sale, assignment or other transfer; and
 - (v) any registration or qualification requirement or prospectus delivery requirement pursuant to applicable Securities laws.

14. Trading limits

We may set and amend limits and parameters to control your ability to use Mox Invest in our absolute discretion. Such limits and parameters may include controls over maximum order amounts, maximum order sizes, our total exposure to you, the price at which orders may be submitted, the origin of your orders and any other limits, parameters or controls which we may be required to implement under any applicable law or regulation. You undertake to comply with such limits and parameters. Orders will be accumulated over the Trading Day and we will check all orders received by whatever means of communication against the trading limits set by us from time to time.

15. Mox Invest availability

- (a) The availability and proper functioning of Mox Invest depends on many variable circumstances, including the availability and proper functioning of the internet, SEHK, any Relevant Overseas Market, the Mox app, the Broker's order-routing system and other computer-based systems that may be involved. You acknowledge and accept the inherent risks in Mox Invest being provided via the Mox app over the internet or electronic networks and the use of computer-based systems, including for the order routing, execution, matching, registration and clearing of Mox Invest Transactions.
- (b) In particular, you acknowledge and accept the risks set out under 'Risk of system and component disruption or failure' in the Risk Disclosure Statement in clause 51 below and that:
- (i) access to Mox Invest may be limited or unavailable during periods of peak demand, market volatility, systems upgrades or maintenance or for other reasons;
 - (ii) your instructions may be subject to interruption, transmission blackout, delayed transmission due to internet traffic or incorrect data transmission due to the public nature of the internet;
 - (iii) there may be a time lag in data transmission and your instructions may not be executed or may be executed at prices different from those prevailing at the time your instructions were given;
 - (iv) communications and your information may be accessed by unauthorised third parties; and
 - (v) in the event of any system disruption or failure, it is possible that, for a certain time period, you may not be able to give us new instructions, and we may not be able to execute existing instructions or modify or cancel instructions that were previously given to us. Such disruption or failure may also result in loss of orders or order priority.
- (c) You acknowledge and accept that the computer-based systems used by Mox Invest, the Broker and any trading platform (including SEHK and any Relevant Overseas Market) to which your order may be routed for execution, and the services provided by the Broker and any trading platform, may be provided on an "as is" and "as available" basis. You agree to and accept such limitations. You agree to maintain alternative trading arrangements in addition to Mox Invest in case Mox Invest or the Broker's systems or any associated systems are unavailable for any reason.
- (d) We may in our absolute discretion and without giving you prior notice, or any reason, prohibit or restrict your ability to use your Mox Invest Account and enter into Mox Invest Transactions. Without limiting the foregoing, we may determine you are (or have become) ineligible for certain Mox Invest services, or to trade certain Securities and/or to give us certain types of instructions (for example, purchase orders), for example, as a result of new information we receive or a change of information you provide us. We are not liable for the consequences of us taking any such action unless caused by our fraud, wilful default or negligence.

- (e) You agree that Mox and the Broker are not liable for any loss incurred or suffered by you by reason of any delays, errors or inaccuracies in the transmission or communication of instructions, or interruptions of service or failures of performance of Mox Invest, any system (including those used by the Broker), any trading platform (including SEHK and any Relevant Overseas Market), or the services provided by the Broker and any trading platform, or any other cause or causes beyond our reasonable control, including government restrictions or suspension of Securities Trading, unless caused by our fraud, wilful default or negligence.

16. Execution of Securities Trading Mox Invest Transactions

- (a) You are responsible for trading in accordance with any rules or policies applicable to your order (e.g. trading hours, order types etc) and any cut-off times applicable to a Mox Invest Transaction as displayed in the Mox app. You acknowledge and accept the risks associated with after-hours trading and order placement, including those set out in the Risk Disclosure Statements in clauses 51, 52, 58 and 67 below. We are not responsible for ensuring the execution of orders at limit prices if the order's transmission is delayed or is otherwise affected by data communication failure.
- (b) We may transfer to you Securities owned or held by us or any of our affiliates when you purchase Securities or acquire or purchase your Securities for our own account or for account of an affiliate when executing any sale for you. We will act as principal in such circumstances and as an agent (in the capacity of a broker) and not as principal thereafter.
- (c) We may aggregate your Securities Trading order with other orders of similar nature, including our own orders and orders for other customers, provided this will not result in your order being executed at a less favourable price than if it had been executed individually. We will ensure that aggregated orders are allocated fairly. To the extent permitted by applicable law, Mox and the Broker may reasonably determine the priority of execution of your orders, and you have no claim of priority to any other customer of Mox or the Broker.
- (d) Paragraphs (d), (e) and (f) of this clause apply only in respect of those Securities listed or traded on SEHK or any Relevant Overseas Market (such as a U.S. Exchange) which are offered by Mox for Securities Trading from time to time ("**Listed Securities**"). Orders are submitted to the Broker's high-speed best execution order routing system, which is designed to optimise execution price, speed and total cost of execution for stocks. The Broker constantly changes and enhances its order routing system to adapt to changes in markets, new exchanges, new trading rules, etc. It is Mox's policy to require the Broker to source the best terms available at the time of the order (taking into account price, transaction cost, speed and likelihood of execution, size and nature of the order and any other relevant considerations) and seek to immediately execute the order electronically in order to achieve optimal execution, so as to enable Mox to satisfy its best execution obligations under applicable law. For Securities traded on multiple markets, the Broker's order routing system continually scans competing market centers and automatically seeks to route orders to the best market, taking into account one or more of the following factors when placing your order:

- (i) quote price;
 - (ii) sequence in which the Broker receives orders;
 - (iii) speed of execution and/or settlement;
 - (iv) likelihood of execution and/or settlement;
 - (v) quote size;
 - (vi) nature of your order;
 - (vii) transaction fees;
 - (viii) rebates;
 - (ix) opportunity for price improvement (price improvement occurs when an order is executed at a price more favourable than the displayed national best bid and offer); and
 - (x) other relevant considerations.
- (e) The Broker's order routing system continually re-evaluates market conditions and prices for pending orders and dynamically re-routes orders as necessary. Unless otherwise directed, you agree that the Broker will route your orders to the market or dealer or institutions which it selects, or against one or more professional liquidity providers who send orders to the Broker.
- (f) You acknowledge that the Broker may receive commission for the execution of your orders and generally passes the amount (or approximate amount) of the benefit to Mox. Mox may also receive a fixed per-share rebate, add-liquidity rebate and certain other rebate payments (where available) from the Broker. You agree that Mox and the Broker are not obliged to account to you for any such commissions or rebates.
- (g) You acknowledge that all orders will be executed at the then current market price and Mox and the Broker do not represent to you that we will be able to execute your order in full, in part or at all, or at the prices quoted at any specific time by way of an automated quotation system or otherwise, "at best" or "at market". You accept and acknowledge that:
- (i) Mox and the Broker may not have access to every market at which a particular Security may trade;
 - (ii) prices of Securities fluctuate and market centres may fail or refuse to honour their quoted or posted prices;
 - (iii) your order may be re-routed out of automated execution systems for manual handling, in which case execution of your order may be substantially delayed;

- (iv) other orders placed by other market participants at another market may trade ahead of your order; and
- (v) applicable rules, laws, regulations, market policies, policies, procedures, decisions or system delays or failures may prevent or delay execution of your order.
- (h) You agree in any event to be bound by any Mox Invest Transactions executed on your behalf, and that we are not liable for any loss arising from our failing, or being unable to comply, in full, in part or at all with any terms of an order unless caused by our fraud, wilful default or negligence.
- (i) You acknowledge that we may not be able to cancel or modify an order upon your request (and in such cases we are not obliged to give you a reason for this). You are responsible for and agree to be bound by any Mox Invest Transactions executed on your behalf regardless of any request by you to cancel or modify an order.
- (j) We reserve the right to cancel, reject or adjust any order or Mox Invest Transaction, or to take any other action that we determine necessary, acting reasonably, in response to potentially fraudulent or illegal activity in relation to your Mox Invest Account. We are not liable for the consequences of exercising this right unless caused by our fraud, wilful default or negligence.
- (k) Good-til-Cancel Orders and Good-til-Date Orders (where available) will remain valid until they are executed, expired or cancelled (either automatically or voluntarily). Day Orders will lapse at the end of the official Trading Day of SEHK or any Relevant Overseas Market on which the Securities are listed or traded if not executed by that time. Any order received after the close of trading on SEHK or the Relevant Overseas Market (as applicable) will be carried forward to the next Trading Day of SEHK or the Relevant Overseas Market (as applicable).
- (l) In the event orders are confirmed by the Broker as executed, and they are later cancelled by SEHK or any Relevant Overseas Market, trading network or regulatory authority, the Broker confirmed order will also be deemed cancelled.
- (m) In respect of Listed Securities, upon your request, we will obtain from the Broker and share with you the information regarding the identity of the market center to which your orders were routed in the six months prior to the request and the time of the transaction, if any, that resulted from such order. U.S. Securities and Exchange Commission rules require the Broker to make publicly available quarterly reports describing its order routing practices. We can provide you with such reports upon your request.

17. New issues of Securities

In the event you give instructions to us to apply for Securities in a new issue of Securities for listing on SEHK or any Relevant Overseas Market, and we accept such instructions, you:

- (a) authorise us to make such application on your behalf;

- (b) warrant that such application is solely for your benefit;
- (c) warrant that the application for Securities to be made by us is, and will be, the only application made or intended to be made for your benefit and no other application will be made by you, and you authorise us to represent, warrant and disclose the same to SEHK or the Relevant Overseas Market (as applicable);
- (d) acknowledge that the representations, warranties and disclosure referred to above will be relied upon by us in making the application and by the issuer of the Securities in deciding whether or not to allot Securities to us on your behalf; and
- (e) agree to indemnify and hold harmless Mox and its officers, employees and agents in full against any and all reasonable losses, damages, claims, liabilities, costs or expenses arising out of or in connection with any breach of the warranties given in this clause 17 or any authorisation being incorrectly given.

18. Short Sales

You agree that all your sell orders will be “long” sale orders, i.e. you represent that you own the Securities and have forwarded them to us. You will inform us immediately if that is not the case. You acknowledge that we will not accept an instruction to sell Securities which you do not own i.e. an order that is a “short” sale. We will not be responsible to you for identifying whether an instruction is to sell short.

19. Contract notes and statements

- (a) We will provide you with contract notes or statements relating to your Mox Invest Transactions and account statements of your Mox Invest Account in accordance with clause 5 of the General Terms and Conditions, the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules, the SEHK Rules or the rules of any Relevant Overseas Market, unless we are not required by such rules to provide such contract notes or statements.
- (b) In addition to the terms in clause 5 of the General Terms and Conditions, you agree and undertake to examine such contract notes and statements. If you think there is an error, you must notify us with details of the error within 90 days from the date of the contract note or statement. If you do not notify us, then unless the error arises from our fraud, wilful default or negligence:
 - (i) the contract note and statement will be regarded as correct, conclusive and binding on you, including as to the price at which any particular order has been executed; and
 - (ii) you will have waived any right to raise any objection or pursue any remedies against us in relation to that contract note or statement and the Mox Invest Transactions referred to in therein.

20. Confirmations

- (a) We will not be deemed to have accepted or executed your instructions until you have received an acknowledgement or confirmation (whether through the Mox

app, the Internet, by text message, in writing or by telephone). You acknowledge that we will endeavour to confirm promptly with you the essential features of your Mox Invest Transactions, but we give no warranty as to the timeliness or the reliability of such acknowledgement or confirmation. We may from time to time modify the form and/or contents of the acknowledgement or confirmation with or without notice.

- (b) You agree that confirmations of executions or cancellations of Mox Invest Transactions may be delayed or erroneous (e.g. due to computer system issues or inaccurate reporting), or may be cancelled or adjusted by Mox, the Broker, SEHK, or any Relevant Overseas Market or dealer. You agree that you will notify us immediately, but in any event within no more than one business day, if:
 - (i) you fail to receive an accurate confirmation of an execution or cancellation;
 - (ii) you receive a confirmation that is different to your order; or
 - (iii) you receive a confirmation for an order that you did not place.
- (c) If you fail to notify us in accordance with clause 2019(b), we reserve the right to either remove the Mox Invest Transaction from your Mox Invest Account or require you to accept it, in our absolute discretion, and we will not incur any liability for the handling, or any mishandling or loss of any order or other instructions, unless caused by our fraud, wilful default or negligence.

21. Electronic communications

- (a) In addition to the terms in clause 14 of the General Terms and Conditions, you agree that to the extent permitted by applicable law, we may provide you with any contract notes, other confirmations, account statements, tax information, proxy materials and other customer records and communications (“**Electronic Communications**”) in electronic form.
- (b) You agree and consent to receiving Electronic Communications through electronic means, including through the Mox app, or by telephone, email, text message or push notification. You are responsible for ensuring that you can receive Electronic Communications through such electronic means. Your consent under this clause 21(b) will apply on an ongoing basis and for every tax year while you have a Mox Invest Account. Any Electronic Communications sent by such electronic means shall be deemed to be a valid and effective notice to you.
- (c) We are not liable for any delay or failure to send, transmit, receive, confirm or acknowledge any Electronic Communications or any error or incompleteness of any Electronic Communications, unless caused by our fraud, wilful default or negligence.

22. Market data

- (a) You acknowledge that any quotes on the price of Securities and any other information relating to Securities and Securities markets, including (but not limited to) news reports, analysts’ reports and research (“**Market Data**”) provided via the

Mox app (or such other means as we may specify) are provided by one or more independent third parties.

- (b) Market Data made available by Nasdaq, Inc. is subject to the following disclaimer:

*“© 2023 Nasdaq, Inc. All Rights Reserved. The information, data, analysis and Information contained herein (i) include the proprietary information of Nasdaq, Inc. and applicable Nasdaq Market, (ii) are subject to applicable Nasdaq Requirements (http://nasdaqtrader.com/Trader.aspx?id=GDP_Ops); (iii) may not be copied or further disseminated except as specifically authorized by Nasdaq, (iv) do not constitute investment advice, (v) are provided solely for informational purposes and (vi) Nasdaq makes no warranties including that the information is complete, accurate or timely. **Nasdaq and Nasdaq Market bear no liability with respect to the data, analysis and Information.**”*

- (c) You warrant and represent that you are a **“Non-Professional Subscriber”**, meaning that (unless we have otherwise agreed with you in writing):

- (i) you are not registered or qualified in any capacity with the United States Securities and Exchange Commission, Commodities Futures Trading Commission, any state securities agency, any securities exchange or association or any commodities or futures contract market or association, or with any international securities agency or self-regulatory body;
- (ii) you are not engaged as an “investment advisor” as that term is defined in Section 202(a)(11) of the United States Investment Advisors Act of 1940 (whether or not registered or qualified under that Act);
- (iii) you are not employed by a bank or other organisation exempt from registration under United States federal or state securities laws to perform functions that would require registration or qualification if such functions were performed for an organization not so exempt;
- (iv) you maintain your Mox Invest Account in your capacity as a natural person, and will only use your account and Market Data for personal use and not in any other capacity, such as for business, professional or other commercial purposes or as an employee, subcontractor or independent contractor of any business or firm; and
- (v) you otherwise qualify as a “Non-Professional Subscriber” as defined in the Nasdaq US Equities and Options Data Policies (as amended from time to time) (<https://www.nasdaqtrader.com/content/AdministrationSupport/Policy/USEquitiesandOptionsDataPolicies.pdf>).

- (d) Market Data made available by HKEX Information Services Limited is subject to the following disclaimer:

“HKEX, its holding companies and/or any subsidiaries of such holding companies, endeavour to ensure the accuracy and reliability of the information provided but

does not guarantee its accuracy and accepts no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions”.

- (e) Market Data made available by Refinitiv Limited is subject to the following disclaimer:

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- (f) You agree to comply with any other conditions imposed by the relevant independent third party in relation to the provision and use of Market Data. In particular, you agree that:

- (i) you must not disseminate the Market Data to any other person;
- (ii) any Market Data provided to you is for your individual use only;
- (iii) you may not use any Market Data to establish, maintain or provide or to assist in establishing, maintaining, or providing a trading floor or dealing service where trading in Securities listed on SEHK or of a type capable of being so listed, or any other related Securities, is being undertaken otherwise than through the SEHK; and
- (iv) you must not use or permit the use of any Market Data for any illegal purpose.

- (g) Any reliance on Market Data is at your own risk. We have no independent basis to verify such Market Data and are not obliged to translate such Market Data. You agree that none of Mox, SEHK, any Relevant Overseas Market or any other independent third party supplying the Market Data guarantees or warrants the accuracy, timeliness, sequence, reliability or completeness of the Market Data. Price quotations provided to you may not be real-time quotes for the relevant Securities due to market volatility and delay in transmission. None of Mox, SEHK, any Relevant Overseas Market or any other independent third party supplying the Market Data will be liable in any way (whether in tort, contract or otherwise) for any loss or damage you may incur in connection with the provision of any Market Data to you.

23. Expenses and fees

- (a) In addition to the terms in clause 6 of the General Terms and Conditions, we are authorised to take funds out of your Mox Invest Account (or such other account(s) as we may designate) to pay on your behalf:
- (i) all fees, charges and commissions payable by you to us in connection with your Mox Invest Account, your Mox Invest Transactions, any other dealings in Securities on instructions given by you or the holding of Securities on your behalf under these terms. You can see details of these fees and charges in the Mox app and/or on our website;
 - (ii) all commissions, stamp duties, taxes, bank charges, transfer fees, registration fees, levies (including all transaction levies imposed by SEHK and any Relevant Overseas Market), interest and other expenses incurred or to be incurred in connection with your Mox Invest Account, your Mox Invest Transactions, any dealings in Securities on instructions given by you or the holding of Securities on your behalf under these terms, payable to the Broker, any nominee or other agent as they may direct or to any other payee entitled to such payment.
- (b) You acknowledge that Mox or the Broker may pay CCASS, or other Securities depositories, settlement fees on a consolidated basis and are entitled to retain any rounding differences as a result of the payment of such fees on such basis.

24. Dividends, distributions and Unsupported Securities

- (a) All dividends and other distributions in cash derived from Securities held by us on your behalf, including in connection with any corporate action (see clause 25 below), will be credited to your Mox Invest Account. Where the original currency of any such dividends and other distributions is not supported by your Mox Invest Account, you authorise us to convert the cash (at our prevailing exchange rate at the time of the exchange) to any other currency that is supported by your Mox Invest Account. You agree that we may withhold or deduct tax or other amounts from such dividends and other distributions when required to comply with legal or regulatory requirements. If you are eligible to reclaim any such withholdings or deductions that is your responsibility.
- (b) If a distribution derived from Securities held by us on your behalf, including in relation to any corporate action (see clause 25 below), requires the allocation of:
- (i) an odd lot (the number of shares of a corporation which is less than one board lot as shown on SEHK's website or less than a marketable parcel of shares in the case of shares listed on a Relevant Overseas Market);
 - (ii) a fractional share (fractions of shares rather than whole shares); or
 - (iii) Securities that are listed on an exchange that is not supported by Mox Invest or Securities which themselves are otherwise not supported by Mox Invest ("**Unsupported Securities**"),

or, where Securities held by us on your behalf otherwise become Unsupported Securities (including whether due to Securities delisting from SEHK or any Relevant Overseas Market, or otherwise), you authorise us (though we are not compelled) to liquidate the relevant share(s) or Securities and credit to your Mox Invest Account an amount in cash which we calculate at our absolute discretion to be the value of the odd lot or fractional share or Unsupported Securities (as applicable), net of tax and other amounts as required to comply with legal or regulatory requirements, instead of allocating to you (or holding on your behalf) the odd lot or fractional share or Unsupported Securities.

25. Corporate actions

- (a) You acknowledge that you are responsible for knowing the rights and terms of any Securities in your Mox Invest Account, obtaining information about such Securities and the issuer and taking appropriate action in relation to such Securities. We do not and cannot ensure the accuracy, reliability or timeliness of any announcements of corporate actions and we accept no liability (whether in tort or contract or otherwise) for any loss or damage arising from any errors, inaccuracies, delays or omissions or any actions taken in reliance thereon. We expressly disclaim all warranties in these terms, expressed or implied, as to the accuracy of any announcement or as to the fitness of the information for any purpose.
- (b) We are not obliged to notify you of any matter, deadlines or required actions or dates of meetings in respect of such Securities, including in relation to any corporate action (e.g. tender offer, reorganisation, stock split, receivership, insolvency proceedings, etc). You agree that we are not obliged to take any action on your behalf, including exercising any votes or other rights (including fulfilling any subscription or over-subscription) attaching to such Securities or attending meetings of holders of such Securities.
- (c) You authorise Mox and the Broker or any nominee to comply with the provisions of any law, regulation or order which purports to impose on a holder of any of the Securities in your Mox Invest Account a duty to take or refrain from taking any action in connection with such Securities or payments or distributions or monies payable in respect of such Securities.
- (d) We are not liable for any losses incurred or suffered by you as a result of us taking or not taking any action under this clause 25 in respect of any Securities in your Mox Invest Account, unless caused by our fraud, wilful default or negligence.

26. Conflict of interest

- (a) You acknowledge that when we deal in Securities for you, we (including our affiliates) may have a material interest, arrangement or relationship in relation to the Securities or Mox Invest Transaction concerned. Such interests will not necessarily be separately disclosed to you prior to or at the time of any Mox Invest Transaction or at any other time.
- (b) The following interests of Mox may affect you (without limitation):

- (i) we may have a holding or dealing position or may otherwise be trading or dealing in the Securities or assets of any kind underlying, derived from or otherwise directly or indirectly related to such Securities;
 - (ii) we may have received or may be receiving rebates, payments or other benefits for giving business to the Broker; and
 - (iii) we may have been or may be an affiliate of an issuer (or any of its affiliated companies) of the Securities.
- (c) Nothing in these terms shall be deemed to prevent us from:
- (i) instructing or otherwise procuring the purchase for you of Securities held by us for our own account or held by any affiliate or any of our other customers; and
 - (ii) acting in any capacity for any other person or from purchasing, selling, holding or dealing in any Securities for our own account or that of an affiliate or any of our other customers even though instructions may have been received from you for the purchase, sale or holding of or other dealing in the same or similar Securities.
- (d) You acknowledge and agree that we may so act, purchase, sell, hold, deal, or instruct provided that any such dealing is not less favourable to you than it would have been had the Mox Invest Transaction been entered into with a party other than us, an affiliate or one of our customers. We shall not be under any duty to disclose to you any fact or thing which comes to our knowledge or notice in the course of acting in any capacity for any other person or in our own capacity.

27. Dealings with your Mox Invest Account, set-off, lien and security

- (a) You agree not to assign, grant an interest over or otherwise deal in any way with, nor (without our prior written consent) create or allow to subsist a charge, pledge or other encumbrance over:
 - (i) your Mox Invest Account or any Securities, receivables or funds held in or for your Mox Invest Account; or
 - (ii) all or any part of the funds from time to time standing to the credit of your Mox Invest Account.
- (b) In addition to the terms in clause 10 of the General Terms and Conditions, you grant Mox a charge over the Charged Securities as continuing security for the payment and satisfaction of any obligations and liabilities owed to us under this Schedule, including any costs, charges and expenses incurred by us in respect of enforcing this Schedule and the charge contained in this clause.
- (c) Upon the occurrence of an Event of Default set out in clause 36 below and without notice to you or your consent, we may set off, sell or transfer any Charged Securities towards satisfaction of any of the obligations and liabilities owed by you to us in whatever capacity, whether actual or contingent, primary or collateral, or

several or joint. We will notify you as soon as practicable after exercising our rights under this clause. You hereby irrevocably instruct us to take all necessary action and effect all necessary sales and transfers under this clause 27. You agree that we may in our absolute discretion determine which Charged Securities are to be sold or transferred under this clause 27 and on what terms. Mox and the Broker will be under no duty to you as to the price obtained in respect of any sale or disposal of Charged Securities to satisfy any obligations and liabilities owed by you to us.

- (d) We are not liable for any loss incurred or suffered by you as a result of any action under this clause 27, unless it is caused by our fraud, wilful default or negligence. We are not liable to account to you for any commissions, rebates, fees, price improvement, profits, payments, goods, services or any other benefits earned by Mox or the Broker in respect of any action under this clause 27.
- (e) Our rights set out in clause 10 of the General Terms and Conditions and this clause 27 are without prejudice and in addition to any right of set-off, lien or other right to which we are at any time otherwise entitled (whether by operation of law, contract or in any other manner). The charge contained in this clause 27 shall not be prejudiced by any amendment or variation to these terms or by your bankruptcy.

28. Accuracy of information

In addition to clauses 14 and 21 of the General Terms and Conditions, you will notify us of any material change in any information provided by you from time to time in connection with the establishment and operation of your Mox Invest Account, including information provided in your Application Documents for Mox Invest.

29. Making changes to this Schedule

We may make changes to this Schedule from time to time. We undertake to notify you of any material change to:

- (a) the information on Mox (name, address, registration status and CE number) provided in this Schedule;
- (b) the description of the nature of the Mox Invest services; and
- (c) the description of the remuneration payable to Mox and the basis for such payment.

30. Further assurance

You agree and undertake to Mox to do such acts and things and/or to execute any act, deed, document or thing, which we consider necessary or desirable to ratify or confirm anything done by us in the proper exercise of any right or power conferred by this Schedule or any other agreement entered into under this Schedule or relating to your Mox Invest Account or your instructions, or which we require you to do in connection with the implementation, execution and enforcement of this Schedule, including the rights and charge referred to in clause 27. You appoint Mox as your lawful attorney to do or execute

all such acts, deeds, documents or things on your behalf as we consider necessary or desirable in connection with such implementation, execution and enforcement.

31. Consent to Personal Information Collection Concerning Mox Invest

- (a) In this clause 31:
- (i) “**BCAN**” means a “Broker-to-Client Assigned Number”, being a unique identification code in the format prescribed by SEHK, generated by a relevant licensed or registered person in accordance with SEHK’s requirements; and
 - (ii) “**CID**” or “**Client Identification Data**” means the following client identification data in relation to you:
 - (A) your full name as shown in your identity document (“**Identity Document**”);
 - (B) the issuing country or jurisdiction of the Identity Document;
 - (C) the Identity Document type; and
 - (D) the Identity Document number.
- (b) In addition to the terms in clause 20 of the General Terms and Conditions, you acknowledge and agree that we may collect, store, process, use, disclose and transfer your information to the HKMA, the SFC, SEHK, any Relevant Overseas Market, any relevant clearing house or any other regulatory or governmental body (including without limitation the United States Securities and Exchange Commission), in the event that such disclosure is required by any of them, whether or not the requirement has the force of law.
- (c) You acknowledge and agree that in Mox, the Broker and any nominees and other agents (collectively “**we**” or “**us**” in clauses 31(c) to 31(h)) providing services to you in relation to Securities listed or traded on SEHK (referred to as the “**Services**” in clauses 31(c) to 31(h)) and for complying with the rules and requirements of the SEHK (including the SEHK Rules) and the SFC in effect from time to time, we will be required to:
- (i) tag each of your orders submitted or arranged to be submitted to the trading system of SEHK with a BCAN assigned that is unique to your Mox Invest Account; and
 - (ii) provide to the SEHK and/or the SFC your assigned BCAN(s) and such CID of you.
- (d) You acknowledge and agree that we may collect, store, process, use, disclose and transfer personal data relating to you (including your CID and BCAN(s)) as required for us to provide the Services to you in relation to Securities listed or traded on SEHK and for complying with the rules and requirements of SEHK (including the SEHK Rules) and the SFC in effect from time to time. Without limiting the foregoing, and without limitation to any notification we have given to you and/or

consent we have obtained from you in respect of the processing of your personal data in connection with your account(s) and our services to you, this includes:

- (i) disclosing and transferring your personal data (including CID and BCAN(s)) to SEHK and/or the SFC in accordance with the rules and requirements of SEHK and the SFC in effect from time to time;
- (ii) allowing SEHK to:
 - (A) collect, store, process and use your personal data (including CID and BCAN(s)) for market surveillance and monitoring purposes and enforcement of the SEHK Rules;
 - (B) disclose and transfer such information to the relevant regulators and law enforcement agencies in Hong Kong (including but not limited to the SFC) so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets; and
 - (C) use such information for conducting analysis for the purposes of market oversight; and
- (iii) allowing the SFC to:
 - (A) collect, store, process and use your personal data (including CID and BCAN(s)) for the performance of its statutory functions including monitoring, surveillance and enforcement functions with respect to the Hong Kong financial markets; and
 - (B) disclose and transfer such information to relevant regulators and law enforcement agencies in Hong Kong in accordance with applicable laws or regulatory requirements.
- (e) If you do not wish to consent to the collection, storage, processing, use, disclosure and transfer of your personal data as set out in clause 31(d), you should not request permission to trade Securities listed or traded on the SEHK. If you have previously given such consent and wish to withdraw it, you should request for your permission to trade Securities listed or traded on the SEHK to be removed.
- (f) By instructing us in respect of any transaction relating to Securities listed or traded on SEHK, you acknowledge and agree that we may use your personal data for the purposes of complying with the rules and requirements of SEHK (including the SEHK Rules) and the SFC in force from time to time in connection with the Services. You also agree that despite any subsequent purported withdrawal of consent by you, your personal data may continue to be stored, processed, used, disclosed or transferred for the above purposes after such purported withdrawal of consent.
- (g) You also agree and acknowledge that:
 - (i) according to the requirements of SEHK and/or the SFC, Mox should ensure that the following information has been collected as Client

Identification Data from you as an individual client, and ensure that up-to date Client Identification Data is submitted to the central data repository to be maintained by SEHK in respect of a relevant order for securities listed or traded on SEHK:

- (A) full name as shown on your Identity Document;
 - (B) Identity Document's issuing country or jurisdiction;
 - (C) Identity Document type (order of priority ("**Order of Priority**"): (1) Hong Kong Identity ("**HKID**") card; (2) national identification document; (3) passport; and
 - (D) Identity Document number on the Identity Document;
- (ii) in respect of the Identity Document type, your Client Identification Data should be collected from the Identity Document that is first mentioned in the Order of Priority (i.e. HKID card) save that where you do not hold such document, the next mentioned document (i.e. national identification document) should be used and so forth (i.e. if you do not hold a HKID card nor a national identification document, then passport);
 - (iii) you should also update Mox promptly on any change of your Client Identification Data and Identity Document (including but not limited to your up-to-date passport, if passport is your Identity Document according to the Order of Priority), ensure your Identity Document type with Mox is provided according to the Order of Priority and the Client Identification Data with Mox is up-to-date and accurate, and provide the most updated Client Identification Data and Identity Document to Mox or as required by Mox from time to time; and
 - (iv) despite any subsequent purported withdrawal of consent by you, your personal data may continue to be stored, processed, used, disclosed or transferred for the above purposes, whether before or after such purported withdrawal of consent, where that is required to meet any regulatory obligations.
- (h) Failure to provide us with your personal data or consent as described above may mean that we will not, or will no longer be able to, as the case may be, carry out your Securities Trading instructions or provide you with Securities related services (other than to sell or transfer out your existing holdings of Securities, if any).
 - (i) You authorise us to disclose your personal data and information to the Broker, any nominee and any Fund or its agents, including your balances in your Mox Invest Account, any information provided in your Application Documents and changes notified by you, and such other information as we, the Broker, the nominee or the Fund or its agents may deem necessary from time to time for the purposes of compliance with laws (including as described in clauses 2(o) and (p) of our Personal Information Collection Statement), Mox Invest, your Mox Invest Transactions or the transmission, verification or execution of your instructions or any other related purpose. Where the Broker uses another broker, dealer or an

affiliate to facilitate execution of your Mox Invest Transactions, you agree that the Broker may disclose your information to such persons for such purpose. In addition, a Fund or its agents, to whom your information is disclosed for such purpose, may be required to share your information with government authorities in other countries for the purposes of compliance with laws (i.e. for a similar purpose as described in clauses 2(o) and (p) of our Personal Information Collection Statement). You also acknowledge and agree that U.S. Exchanges may disclose your information (including any personal data) without Mox's prior approval to U.S. Exchanges' affiliates and relevant regulatory authorities, including but without limitation for surveillance or investigation purposes.

- (j) Mox, the Broker or its affiliates may share anonymized account information or anonymized delayed order information of Mox customers who trade U.S. Securities with third parties (and/or share such information among its affiliates) for the purpose of analysis, research, market data compilation, product creation, establishing order routing and execution relationships, or for any other lawful purpose.
- (k) By accepting these terms and using Mox Invest, you consent to the use of your information in accordance with this clause 31 and clause 20 of the General Terms and Conditions. You acknowledge that your information may be provided to a location which does not have the legal protection of information equivalent to Hong Kong.

32. Representations by you

By applying to use Mox Invest, and each time you use Mox Invest, you represent and warrant that in addition to the confirmations, undertakings, representations and warranties in clause 21 of the General Terms and Conditions:

- (a) all information provided by you from time to time in connection with the establishment and operation of your Mox Invest Account, including information provided in your Application Documents for Mox Invest, are true, accurate, complete and up-to-date;
- (b) you are not and do not anticipate or expect to be a U.S. Person or a tax resident of the United States;
- (c) the gains from your Mox Invest Transactions are not effectively connected or related to any U.S. Person or any U.S. trade or business which you are engaged in or plan to engage in during the calendar year;
- (d) you will not acquire or hold Securities beneficially by or for any other person, or in violation of any applicable law, and you will be the beneficial owner of all Securities held in your Mox Invest Account;
- (e) you are the person ultimately responsible for originating your Mox Invest Transactions and no other person stands to gain the commercial or economic benefit or bear the commercial or economic risk thereof;

- (f) you are fully aware of, and fully understand the market and the Securities being traded in accordance with your instructions;
- (g) you are fully aware of the SEHK Rules and the rules of any Relevant Overseas Market, and are familiar with and understand all applicable laws, rules and regulations relating to your Securities Trading, including those relating to insider dealing and other criminal offences;
- (h) without limiting anything else in these terms, the representations and warranties made by you in clause 22(c) (which relate to your status as a Non-Professional Subscriber) remain true and accurate at all times;
- (i) you will familiarise yourself with and comply with all guidelines posted on SEHK's website (as amended from time to time);
- (j) you acknowledge and fully understand and accept the risks (including the risk of loss) described in the Risk Disclosure Statements set out in these terms;
- (k) it is your decision to enter into any Mox Invest Transactions and you fully understand the risks and consequences of doing so and agree to bear all consequences of your Mox Invest Transactions;
- (l) you acknowledge that Mox may require further information from you or a third party on your financial standing and investment objectives or to verify the same and you agree to provide the same on request;
- (m) you do not have any observable disabilities (e.g. incapacitation or visual or hearing impairments) nor lack of technology literacy which may affect your ability to make investment decisions; and
- (n) all the representations and warranties made by you remain true and accurate at all times.

33. Applicable rules and regulations

- (a) Every Securities Trading Mox Invest Transaction concluded through and recognised by SEHK or any Relevant Overseas Market is subject to, and you will be bound by, the relevant provisions of the constitutions, rules, regulations, by-laws, customs and usages of SEHK (including the SEHK Rules), the Relevant Overseas Market, Hong Kong Securities Clearing Company, the relevant overseas clearing agency and of the laws of Hong Kong and the jurisdiction in which the Relevant Overseas Market is located (as applicable). Mox and the Broker are not liable for any action or decision of SEHK, or any Relevant Overseas Market, dealer, clearing house or regulator.
- (b) You acknowledge that, where required by any regulatory authority (including but not limited to the HKMA and the SFC), SEHK, any Relevant Overseas Market, or any clearing house, we will provide all relevant information concerning your orders transmitted and/or executed by whatever means through Mox Invest. You acknowledge and agree that you will co-operate fully and promptly with all requests by us for the provision of any information in your possession, custody or control

which we may be required to produce to any regulatory authority (including but not limited to the HKMA and the SFC), SEHK, any Relevant Overseas Market, or any clearing house.

34. Compliance with laws, etc.

- (a) You will not instruct us to do anything in relation to Mox Invest or your Mox Invest Account which may breach the SFO, the SEHK Rules, the rules of any Relevant Overseas Market, the Takeovers Code or any other applicable laws, rules or regulations in Hong Kong or elsewhere. You undertake to us that you will not engage or attempt to engage in any activity which may constitute market misconduct under the SFO or any other applicable law in Hong Kong or elsewhere.
- (b) You acknowledge that you are solely responsible for compliance with all applicable obligations of disclosure under the relevant provisions of Part XV of the SFO, the Takeovers Code, and any other applicable laws, rules or regulations relating to disclosure of interests in Securities in Hong Kong or elsewhere. We have no duty to advise you of any applicable regulatory or reporting requirement, foreign ownership or foreign exchange control restrictions in respect of the holding of any Securities.
- (c) You acknowledge and agree that we may take any action which we, in our sole and absolute discretion, consider appropriate for compliance with all anti-money laundering and counter-terrorist financing laws, regulations and guidelines, including requiring additional identification documentation or other information from you, suspending or closing your Mox Invest Account, rejecting any instructions, and disclosing or investigating any instructions or other information provided by you. You undertake to provide us promptly with any information or documentation so requested.
- (d) If we, in our absolute discretion, believe that your Mox Invest Account has been involved in any fraud, crime or violation of any laws or regulations, or has been accessed unlawfully, or is otherwise involved in any suspicious activity (whether as victim or perpetrator or otherwise), we may suspend or freeze your Mox Invest Account or any privileges of your Mox Invest Account, or freeze or liquidate funds or Securities, or utilise any of the remedies in these terms for an Event of Default.
- (e) You acknowledge and agree that nothing in these terms and conditions should be construed as a distribution, an offer to sell, or a solicitation to buy any Security in any jurisdiction where such activities would be unlawful pursuant to the laws of such jurisdiction. If you are outside of Hong Kong, we may not be authorised to offer or provide you with certain or any products and services in the country or region you are located or resident in.
- (f) You waive any claim for loss incurred or suffered against Mox arising out of or related to Mox exercising any of its rights under this clause 34.

35. Investor Compensation Fund for Securities Trading

If you sustain loss in relation to Securities Trading as a result of a “default” (as defined in the Securities and Futures (Investor Compensation—Claims) Rules (“Investor

Compensation Rules”)) by Mox or an “associated person” (as defined in the Investor Compensation Rules) of Mox, you may be entitled under the Investor Compensation Rules to make a claim for compensation against the Investor Compensation Fund established under the SFO. You acknowledge there is no guarantee that any loss sustained because of such default will be recouped from the Investor Compensation Fund in full, in part or at all. This clause 35 does not apply to Securities traded on any Relevant Overseas Market, including U.S. Securities.

36. Event of Default

- (a) Any one of the following events shall constitute an event of default (“**Event of Default**”):
- (i) any liabilities become overdue;
 - (ii) you fail to pay any purchase price of Securities or other payments under these terms when due;
 - (iii) the filing of a petition in bankruptcy, or the commencement of other analogous proceedings against you;
 - (iv) any attachment, execution or similar process to paragraph (iii) above is levied against your Mox Invest Account;
 - (v) default by you in the due performance or observance of any of this Schedule;
 - (vi) any representation or warranty made by you in this Schedule or in any document delivered to us pursuant to this Schedule being or becoming incorrect;
 - (vii) any consent or authorisation required by you to open a Mox Invest Account in accordance with these terms being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;
 - (viii) the closure or suspension of your Mox Account; or
 - (ix) the occurrence of any event which, in our sole opinion, might jeopardise any of our rights under this Schedule.
- (b) If an Event of Default occurs in our reasonable judgment, we may take any of the following actions in our absolute discretion and without demand for funds or additional funds, notice of sale or purchase, or other notice or advertisement (each of which is expressly waived by you):
- (i) cancel any or all outstanding orders or any other commitments made on your behalf;
 - (ii) cover any short position with us through the purchase of Securities, or liquidate any long position with us through the sale of Securities, in each case on SEHK or a Relevant Overseas Market, or on or through any other relevant market or intermediary;

- (iii) call upon any Charged Securities which may have been issued in favour of us as continuing security for your obligations in respect of your Mox Invest Account;
 - (iv) exercise any right of set-off or combination of accounts conferred by these terms or otherwise;
 - (v) immediately suspend your use of Mox Invest; and/or
 - (vi) immediately terminate your use of Mox Invest and close your Mox Invest Account.
- (c) Any prior demand, notice or advertisement does not waive our right to take any of the actions referred to above without further demand, notice or advertisement. You undertake to notify us immediately in writing of the occurrence of any event which may constitute an Event of Default, although such notice or any failure to notify us will not prevent an Event of Default from having occurred.

37. Termination and suspension

- (a) Upon termination of these terms or your use of Mox Invest, we will close your Mox Invest Account in accordance with clause 9 of the General Terms and Conditions and our standard procedures as maybe adopted by us from time to time. Unless we specify otherwise, you will be required to liquidate and/or transfer all your holdings in Securities within 30 days of us notifying you that your Mox Invest Account will be closed (or within any other period as we determine).
- (b) In addition to the terms in clause 9 of the General Terms and Conditions, any closure of your Mox Invest Account or termination of these terms will not affect any right or liability in respect of your Mox Invest Account, any Mox Invest Transaction already effected by us for you, or any instruction given by you under this Schedule. These terms will continue to apply until all Securities have been liquidated and/or transferred from your Mox Invest Account, and all sums due to you and all of your obligations and liabilities to us have been fulfilled.

38. Notices

Any communication from you to us shall be irrevocable and shall not be effective until actually received by us at our designated address and/or in the designated manner.

39. Miscellaneous

- (a) We may, in our absolute discretion, extend Mox Invest to cover Securities listed or traded on any other stock exchange or market outside of Hong Kong or U.S., in which case, we may supplement these terms in accordance with clause 22 of the General Terms and Conditions.
- (b) We may at any time, in our absolute discretion and without giving notice to you or any reason, restrict or vary Mox Invest, the Securities that may be traded, held, deposited or withdrawn using Mox Invest, and access to SEHK, any U.S. Exchange and any other stock exchange or market using Mox Invest. In such

cases we may exercise any right or power conferred by this Schedule as if it were based on your instruction to us, including without limitation, to liquidate Securities and credit to your Mox Invest Account an amount in cash which we calculate at our absolute discretion to be the value of the relevant Securities, where applicable, net of tax and other amounts as required to comply with legal or regulatory requirements.

40. U.S. Persons

- (a) Where you are or become a U.S. Person, we have the right to suspend or terminate your use of Mox Invest. We are not liable for any losses, costs, fees or expenses of any kind you may incur or suffer in connection with any such suspension or termination.
- (b) If you become a U.S. Person, you agree to notify us in writing promptly. You understand that in such case we may be obliged to close your Mox Invest Account and/or orders, and sell your Securities, and you authorise us to do so without further instructions from you. You should liquidate and/or transfer all your holdings in Securities within 30 days of becoming a U.S. Person (or within any other period as we determine).

41. Additional terms and conditions for U.S. Securities Trading

- (a) We may allow you, in our absolute discretion, to use Mox Invest for U.S. Securities Trading.
- (b) Clauses 42 to 49 of this Schedule set out your additional rights and obligations in connection with your use of Mox Invest for U.S. Securities Trading. For the purposes of U.S. Securities Trading, clauses 41 to 49 of this Schedule will take priority in the event of any inconsistency with the remaining clauses of this Schedule.

42. Additional risks of U.S. Securities Trading

- (a) You acknowledge and accept that U.S. Securities Trading is subject to the laws and regulations of the U.S.
- (b) You acknowledge and accept there are material risks in U.S. Securities Trading, including but not limited to the risks set out under 'Risks of U.S. Securities Trading' in the Risk Disclosure Statement in clause 51 below, and you confirm that you accept all risks in U.S. Securities Trading.

43. U.S. broker, settlement and custodian arrangements

For U.S. Securities Trading, the Broker appointed by Mox will act as the execution broker, settlement agent and custodian. You acknowledge and agree that the Broker may perform such services through its U.S. affiliate.

44. Brokerage fee and market charges

You must pay the applicable brokerage fee, market charges and any costs, fees or expenses incurred due to U.S. Securities Trading or the holding of U.S. Securities.

45. Trading hours

- (a) U.S. Securities trading hours are from 9:30 a.m. to 4:00 p.m. Eastern Standard Time (“EST”), Monday to Friday. i.e. from 9:30 p.m. to 4:00 a.m. Hong Kong Time (“HKT”) (summer trading hours) / 10:30 p.m. to 5:00 a.m. HKT (winter trading hours) of the following day. All “Day Orders” that have not been executed will be void on the same day after closing at 4:00 pm EST. Mox Invest does not currently support pre-and post-market sessions trading for U.S. Securities Trading. U.S. Securities Trading may be suspended due to special holidays or individual corporate activities without further notice to you.
- (b) Mox Invest provides delayed and real-time U.S. Securities quotes.

46. Trade settlement and settlement instructions

- (a) Before placing an order to purchase U.S. Securities, you are required to ensure you have sufficient USD in your Mox Invest Account to deliver to us upon settlement of your Mox Invest Transaction. Before placing an order to sell U.S. Securities, you are required to ensure you have sufficient U.S. Securities to deliver to us upon settlement.
- (b) You acknowledge and accept that the settlement day for U.S. Securities is affected by the Relevant Overseas Market arrangement and may exceed the specified date due to time zone differences, required settlement times or business or transaction suspension. We will credit the sales proceeds from your Mox Invest Transactions involving the sale of U.S. Securities to your Mox Invest Account following receipt of the sales proceeds from the Broker.
- (c) The funds from an unsettled Mox Invest Transaction can be used to fund any new U.S. Securities Trading purchase order in real time.

47. Trading restrictions

- (a) You agree to fully comply with and be bound by any trading restrictions in connection with U.S. Securities, including but not limited to any trading restrictions imposed by U.S. Exchanges, Mox or the Broker from time to time.
- (b) You acknowledge and accept that U.S. suspension of or restrictions on trading, market conditions and/or the operation of the rules of certain U.S. Exchanges may make it difficult or impossible to effect certain transactions or liquidate positions. In such cases, you may face a higher risk of loss.

48. U.S. tax

- (a) You must complete the Form W-8BEN and renew it every three years as required by the U.S. Internal Revenue Service. If you fail to complete or renew the Form W-8BEN you will not be able to use Mox Invest for U.S. Securities Trading, including

submitting any purchase order or transferring-in any Securities listed on any Relevant Overseas Markets in the U.S.

- (b) The U.S. tax system applies to every person holding investment products originating in the U.S. (e.g. U.S. Securities, mutual funds or bonds, etc.), regardless of whether they are a U.S. Person or not. This means that all investors who hold these investment products in their own name must pay the applicable U.S. tax. You should seek professional tax advice where appropriate.
- (c) You accept that all the income, interest, proceeds and distributions arising from your U.S. Securities will be subject to the maximum withholding tax rate (or any other withholding tax rate as we determine). In particular, you acknowledge and accept that the Broker must withhold up to 30% of such U.S. sourced income, interest, proceeds and distributions paid to non-U.S. Persons.
- (d) Mox and the Broker do not offer tax relief service, i.e. tax treaty withholding tax rates are not offered, nor do Mox and the Broker represent or assist customers in applying for a waiver or exemption from withholding tax from the U.S. Taxation Office or any request for a refund due to any tax being over-withheld. You should seek professional tax advice, where appropriate.

49. Corporate actions – U.S. Securities

- (a) Investors engaged in the trading of U.S. Securities will not be able to attend meetings by proxy or in person.
- (b) Unless otherwise specified, the distribution rate specified in any correspondence issued by us for corporate action events is after tax deduction.
- (c) Any corporate action in respect of U.S. Securities will be announced by the relevant issuer through the U.S. Exchange's website and the channel as officially approved by the relevant regulatory authority. Issuers that are listed on the U.S. Exchanges may publish such corporate action documents in English only, and documents in Chinese may not be available. We have no responsibility to produce translations of such documents.

50. FDRS process

- (a) In respect of “**eligible disputes**” (as defined in the ‘Terms of Reference for the Financial Dispute Resolution Centre (FDRC) in relation to the Financial Dispute Resolution Scheme (FDRS)’ arising out of the selling process or processing of a Mox Invest Transaction, Mox will enter a FDRS process with you.
- (b) However, please note that any dispute over the contractual terms of the Security should be resolved directly between you and the third-party product issuer.

51. Risk Disclosure Statement

- (a) This Risk Disclosure Statement provides a brief summary of some (but not all) of the features and risks of Securities Trading using Mox Invest and Mox Invest Transactions. You should carefully consider whether the Mox Invest Transactions

you propose to enter into are suitable for you having regard to your investment experience, investment objectives, financial situation and risk tolerance.

- (b) If you are in any doubt about the risks involved in Securities Trading using Mox Invest, you should seek independent financial, investment, tax, legal or other professional advice.
- (c) The contents of this Risk Disclosure Statement have not been reviewed by any regulatory authority.

51.1 Risks of Securities Trading

The prices of Securities fluctuate, sometimes dramatically. The price of a Security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of Securities Trading.

51.2 Transaction costs

Please obtain advice with respect to, and consider, all fees, charges, commissions, taxes (such as estate duty and dividend withholding tax) before entering into any Mox Invest Transaction – you will be liable for these and they will affect your net returns on a Mox Invest Transaction.

51.3 Risks of trading GEM stocks

- (a) GEM stocks involve a high investment risk. In particular, companies may list on the GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid.
- (b) You should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.
- (c) Current information on GEM stocks may only be found on the website operated by SEHK. GEM companies are usually not required to issue paid announcements in gazetted newspapers.
- (d) You should seek independent professional advice if you are uncertain of or have not understood any aspect of this Risk Disclosure Statement or the nature and risks involved in trading GEM stocks.

51.4 Risks of trading Nasdaq-Amex Securities at SEHK

- (a) The Securities under the Nasdaq-Amex Pilot Program (“**NAPP**”) are aimed at sophisticated investors. You should consult your dealer and become familiarised with the NAPP before trading in the NAPP Securities.
- (b) You should be aware that the NAPP Securities are not regulated as a primary or secondary listing on the Main Board or the GEM of SEHK.

51.5 Risks of trading exchange traded derivative products

- (a) Some (but not all) of the risks of trading exchange traded derivative products include:
- (i) **Issuer default risk:** In the event that an exchange traded derivative product issuer becomes insolvent and defaults on its listed securities, investors will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. Investors should pay close attention to the financial strength and credit worthiness of exchange traded derivative product issuers.
 - (ii) **Uncollateralised product risk:** Uncollateralised exchange traded derivative products are not asset backed. In the event that an uncollateralised exchange traded derivative product issuer becomes bankrupt, investors can lose their entire investment. Investors should read the listing documents to determine if a product is uncollateralised.
 - (iii) **Gearing risk:** Exchange traded derivative products such as derivative warrants and callable bull/bear contracts (CBBC) are leveraged and can change in value quickly according to the gearing ratio relative to the underlying assets. Investors should be aware that the value of an exchange traded derivative product may fall to zero, resulting in a total loss of the initial investment.
 - (iv) **Expiration risk:** Most exchange traded derivative products have an expiry date after which the issue may become worthless. Investors should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy.
 - (v) **Extraordinary price movement risk:** The price of an exchange traded derivative product may not match its theoretical price due to outside influences such as market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price.
 - (vi) **Foreign exchange risk:** Investors trading exchange traded derivative products with underlying assets not denominated in Hong Kong dollars (“HKD”) are exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the exchange traded derivative product price.
 - (vii) **Liquidity risk:** Exchanges such as SEHK require exchange traded derivative product issuers to appoint a liquidity provider for each individual issue. The role of liquidity providers is to provide two-way quotes to facilitate trading of their products. In the event that a liquidity provider defaults or ceases to fulfil its role, investors may not be able to buy or sell the exchange traded derivative product until a new liquidity provider has been appointed.
- (b) Risks of trading derivative warrants
- (i) Derivative warrants are an instrument that gives an investor the right to “buy” or “sell” an underlying asset at a pre-set price before a specified

expiry date. At expiry, settlement is usually made in cash rather than a purchase or sale of the underlying asset.

- (ii) Derivative warrants can be issued over a range of assets, including stocks, stock indices, currencies, commodities, or a basket of securities. They are generally two types of derivative warrants: calls and puts. Holders of call warrants have the right, but not obligation, to purchase from the issuer a given amount of the underlying asset at a predetermined price (also known as the exercise price) within a certain time period. Whereas holders of put derivative warrants have the right, but not the obligation, to sell to the issuer a given amount of the underlying asset at a predetermined price within a certain time period.
 - (iii) There is a risk that the value of a derivative warrant will decay over time as it approaches its expiry date. Derivative warrants should therefore not be viewed as long term investments.
 - (iv) Prices of derivative warrants can increase or decrease in line with the implied volatility of the underlying asset price. Investors should be aware of the underlying asset volatility.
- (c) Risks of trading inline warrants
- (i) **Pre-determined fixed payment at expiry:** An inline warrant is an instrument that entitles its holder to receive a pre-determined fixed payment which depends on whether the spot price or level of an underlying asset is at or falls within (“**in-the-range**”) or outside (“**out-of-the-range**”) the upper and lower strike prices or levels at expiry. At expiry, settlement is made in cash only. There are only two possible scenarios at expiry: if the inline warrant expires in-the-range, investor will receive HKD1 per inline warrant held. Due to the pre-determined fixed maximum payment at expiry of HKD1, an inline warrant should not be traded above HKD1. Investors will suffer a loss by buying an inline warrant above HKD1; if the inline warrant expires out-of-the-range, investor will receive HKD0.25 per inline warrant held.
 - (ii) **Price movement:** Due to the nature of inline warrants, you should be aware that inline warrant prices will react differently to movements in underlying price or level, time to maturity, implied volatility as compared to derivative warrants. Movement of inline warrant prices may move in the same direction or the inverse of the underlying price or level movement during the life of the product, depending on where the underlying price or level is compared to the upper and lower strike prices or levels.
 - (iii) **Gearing risk:** The level of effective gearing embedded in an inline warrant depends on a variety of factors, including but not limited to time-to-expiry and spot price or level of the underlying asset compared to the lower and upper strike prices or levels. An inline warrant will be expected to have a high effective gearing when trading close to its lower strike price or level or its upper strike price or level, and a relatively low effective gearing in

other cases. These differences in effective gearing are amplified when inline warrants are close to expiry.

- (iv) **Time value:** Generally, when the underlying asset is within or at the upper and lower strike prices or levels and their likelihood of falling in-the range at expiry increases over time; thus, in such cases, the value of inline warrants increases over time because investors receive the time value of inline warrants. When the underlying asset is outside the upper and lower strike prices or levels and their likelihood of falling in-the-range at expiry decreases over time; thus, in such cases, the value of inline warrants decreases over time because investors pay time value of inline warrants.
- (d) Risks of trading CBBC
- (i) CBBC are a type of exchange traded derivative product that tracks the performance of an underlying asset without requiring investors to pay the full price required to own the actual asset. CBBC are issued either as Bull or Bear contracts with a fixed expiry date, allowing investors to take bullish or bearish positions on the underlying asset. CBBC are issued by a third party, usually an investment bank, independent of SEHK and the underlying asset.
 - (ii) CBBC are issued with the condition that during their lifespan they will be called by the issuers when the price of the underlying asset reaches a level (known as the “**Call price**”) specified in the listing document. If the Call Price is reached before the expiry date, the CBBC will expire early and the trading of that CBBC will be terminated immediately. The specified expiry date set out in the listing document will no longer be valid.
 - (iii) Investors trading CBBC should be aware of the intraday “knockout” or mandatory call feature. A CBBC will cease trading when the underlying asset value equals the mandatory call price/level as stated in the listing documents. Investors will only be entitled to the residual value of the terminated CBBC as calculated by the product issuer in accordance with the listing documents. Investors should also note that the residual value can be zero.
 - (iv) The issue price of a CBBC includes funding costs. Funding costs are gradually reduced over time as the CBBC moves towards its expiry date. The longer the duration of the CBBC, the higher the total funding costs. In the event that a CBBC is called, investors will lose the funding costs for the entire lifespan of the CBBC. The formula for calculating the funding costs is set out in the listing documents.

51.6 Risks of trading exchange traded funds (“ETFs”)

- (a) ETFs are passively managed and open-ended funds. All listed ETFs on SEHK are authorised by the SFC as collective investment schemes. ETFs are designed to track the performance of their underlying benchmarks (e.g. an index, a commodity such as gold, etc).

- (b) ETFs can be broadly grouped into two types: physical ETFs (i.e. traditional or in-specie ETFs) and synthetic ETFs. Many of these ETFs directly buy all the assets needed to replicate the composition and weighting of their benchmark (e.g. constituents of a stock index). Some physical ETFs with underlying equity-based indices may also invest partially in futures and options contracts. Synthetic ETFs do not buy the assets in their benchmark. Instead, they typically invest in financial derivative instruments to replicate the benchmark's performance. Investors should read the ETF prospectus carefully to ensure they understand how the ETF operates.
- (c) Some (but not all) of the risks of trading ETFs include:
- (i) **Market risk:** Investors are exposed to the political, economic, currency, legal and other risks related to the underlying asset pool/index/market that the ETF tracks. ETF managers do not have the discretion to adapt to market changes due to the inherent investment nature of the ETF (e.g. ETF managers do not have the discretion to take defensive positions in declining markets). Investors must be prepared to bear the risk of loss and volatility associated with the underlying asset pool/index/market.
 - (ii) **Tracking error risk:** Tracking error is the difference between the performance of an ETF and its underlying benchmark. Tracking error can arise due to factors such as the impact of the Total Expense Ratio (“**TER**”), changes in the composition of the underlying benchmark and type of ETF (physical vs synthetic). The TER of an ETF may include management fees and other fees and costs (e.g. transaction costs, stamp duties, costs for preparing financial reports and other prescribed documentation, legal and auditing fees, insurance costs, fees for custody services, etc) – there is no universal definition. An ETF’s estimated TER is stated in the prospectus. The estimated TER of an ETF does not necessarily represent the fund’s tracking error because the fund’s net asset value (“**NAV**”) may be affected by other factors, e.g. dividends and other income from the portfolio, and in the case of a synthetic ETF, the indirect costs borne by the fund may only be reflected in the market value of the derivatives it holds.
 - (iii) **Risk in trading at a discount or premium:** The market price of an ETF is driven by market factors such as demand and supply. Therefore, the ETF may trade at a premium or discount to the fund’s NAV. This price discrepancy is caused by supply and demand factors and may be more likely to emerge during periods of high market volatility and uncertainty. This phenomenon may also be observed in ETFs tracking specific markets or sectors that are subject to direct investment restrictions. As a result, investors who buy an ETF at a premium may suffer losses even if the NAV is higher when they sell and they may not fully recover their investment in the event of termination of the ETF.
 - (iv) **Liquidity risk:** Although ETFs usually have at least one market maker to help provide liquidity, there is no guarantee that any market making activity will be effective and active trading will be maintained at all times. In the event that a market maker defaults or ceases to fulfil its role, investors may

not be able to buy or sell the ETF or may find the market price of the ETF is at a discount or premium to its NAV.

- (v) **Counterparty risk:** Synthetic ETFs are subject to counterparty risk associated with the derivatives issuers and may suffer losses if the derivatives issuers default or fail to honour their contractual commitments. Further, potential contagion and concentration risks of the derivative issuers should be taken into account (e.g. since derivative issuers are predominantly international financial institutions, the failure of one derivative counterparty of a synthetic ETF may have a “knock-on” effect on the other derivative counterparties of the synthetic ETF). Although synthetic ETFs are fully collateralised from their counterparties, this may not completely remove the counterparty risk. For instance, when the right against the collateral is exercised, the market value of the collateral could be substantially less than the amount secured, resulting in significant losses to the ETF.

51.7 Risks of trading leveraged and inverse products (“L&I Products”)

- (a) L&I Products, structured as ETFs, seek to achieve short term investment results that correspond to the daily magnified or daily inverse performance of their underlying benchmarks on a daily basis.
- (b) Some (but not all) of the risks of trading L&I Products include:
 - (i) **Investment risk:** L&I Products are derivatives. Trading L&I Products involves investment risk and there is no guarantee of repaying the principal amount.
 - (ii) **Volatility risk:** Prices of L&I Products may be more volatile than conventional ETFs because of using leverage and the rebalancing activities.
 - (iii) **Unlike conventional ETFs:** L&I Products are different from conventional ETFs. They do not share the same characteristics and risks as conventional ETFs.
 - (iv) **Long-term holding risk:** L&I Products are not intended for holding longer than the rebalancing interval, which is typically one day. Daily rebalancing and the compounding effect will make the L&I Product’s performance over a period longer than one day deviate in amount and possibly direction from the leveraged/inverse performance of the underlying index over the same period. The deviation becomes more pronounced in a volatile market. As a result of daily rebalancing, the underlying index’s volatility and the effects of compounding of each day’s return over time, it is possible that the leveraged product will lose money over time while the underlying index increases or is flat. Likewise, it is possible that the inverse product will lose money over time while the underlying index decreases or is flat.
 - (v) **Risk of rebalancing activities:** There is no assurance that L&I Products can rebalance their portfolios on a daily basis to achieve their investment

objectives. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the rebalancing activities.

- (vi) **Liquidity risk:** Rebalancing typically takes place near the end of a Trading Day (shortly before the close of the underlying market) to minimize tracking difference. The short interval of rebalancing may expose L&I Products more to market volatility and higher liquidity risk.
- (vii) **Intraday investment risk:** Leverage factor of L&I Products may change during a Trading Day when the market moves but it will not be rebalanced until day end. The L&I Product's return during a Trading Day may be greater or less than the leveraged/opposite return of the underlying index.
- (viii) **Portfolio turnover risk:** Daily rebalancing causes a higher level of portfolio transaction when compared to conventional ETFs, and thus increases brokerage and other transaction costs.
- (ix) **Correlation risk:** Fees, expenses, and transactions cost as well as costs of using financial derivatives may reduce the correlation between the performance of the L&I Product and the leveraged/inverse performance of the underlying index on a daily basis.
- (x) **Termination risk:** L&I Products must be terminated when all the market makers resign. Termination of the L&I Product should take place at about the same time when the resignation of the last market maker becomes effective.
- (xi) **Leverage risk (for leveraged products only):** The use of leverage will magnify both gains and losses of leveraged products.
- (xii) **Unconventional return pattern (for inverse products only):** Inverse products aim to deliver the opposite of the daily return of the underlying index. If the value of the underlying index increases for extended periods, inverse products can lose most or all of their value.
- (xiii) **Inverse products vs short selling (for inverse products only):** Investing in inverse products is different from taking a short position. Because of rebalancing, the performance of inverse products may deviate from a short position in particular in a volatile market with frequent directional swings.

51.8 Risks of rights issue

- (a) A rights issue is a one-time offering of shares in a company to existing shareholders, allowing them an opportunity to maintain their proportional ownership without being diluted by buying additional new shares at a discounted price on a stated future date.
- (b) Until the date at which the new shares can be purchased, investors may trade the rights to the market the same way they would trade ordinary shares. If the investors do not exercise their rights within the specified period of time, the rights will expire.

If the investors do not intend to exercise their rights, they can sell them on the open market. Once exercised, the rights cannot be used again.

- (c) It is easy to be enticed by shares offered at a discount, but you should not assume that you are getting a bargain. An informed decision should be made by looking at the rationale behind the fund-raising exercise. A company may use a rights issue to cover debt, especially when the company is unable to borrow money from other sources. You should be concerned with whether or not the company management is addressing the underlying problems.
- (d) If you decide not to take up the rights, your overall shareholdings in the company will be diluted as a result of the increased number of shares in issue. If you do not participate in the rights issue within the specified timeframe your nil-paid rights will lapse. The company will sell these entitlements and may distribute any net proceeds after deduction of the offer price and costs. The amount of lapsed proceeds, if any, will not be known until the offer has closed. Lapsed proceeds are not guaranteed.
- (e) Investments and income arising from them can fall in value and you may get back less than you originally invested.

51.9 Risks of trading outside the Hong Kong market

- (a) Mox Invest Transactions on Relevant Overseas Markets, including markets formally linked to a domestic market, may expose you to additional risk. Such Mox Invest Transactions and Relevant Overseas Markets will be subject to the applicable laws, or rules and regulations, of the overseas jurisdiction, which may be different to the jurisdiction of Hong Kong and may offer different or diminished investor protection compared to the protection afforded by the laws of Hong Kong.
- (b) Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or Relevant Overseas Markets in other jurisdictions where your Mox Invest Transactions have been effected. It is your responsibility to obtain details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start Securities Trading.
- (c) You should only consider Securities Trading on a Relevant Overseas Market if you fully understand the nature of the Relevant Overseas Market and the extent of your exposure to the relevant risks. You should carefully consider whether such Securities Trading is appropriate for you having regard to your investment experience, investment objectives, financial situation and risk tolerance, and seek independent professional advice when you are in doubt.
- (d) Before you trade on a Relevant Overseas Market, you should enquire about any rules relevant to your proposed Mox Invest Transactions. In particular, you should familiarise yourself with the rules and regulations in relation to shareholding restrictions and disclosure obligations and comply with such rules and regulations.
- (e) You must accept that where the Broker arranges for the execution of orders on Relevant Overseas Markets, such Mox Invest Transactions will be cleared and

settled by the relevant market participant or its nominated clearing agent, which may be an affiliate of the Broker.

- (f) Every Mox Invest Transaction executed on a Relevant Overseas Market will be subject to a transaction levy or other levies from time to time as imposed by the Relevant Overseas Market. The Broker is authorised to collect the appropriate transaction levy or other levies from you in accordance with the rules of the Relevant Overseas Market.
- (g) The Broker will determine the amounts required to meet your obligations (including without limitation for settlement) and any amounts to which you may be entitled in the relevant foreign currencies. You should closely monitor your positions, as in some unforeseeable market conditions we may be unable to contact you and forced liquidation may be necessary.

51.10 Risks of trading U.S. Securities

- (a) In addition to the risks outlined in the previous section, the following is a summary of some (not all) of the risks of trading in U.S. Securities:
 - (i) **Differences in regulatory regimes:** U.S. markets may be subject to different regulations and may operate differently from SEHK. For example, there may be different rules providing for the safekeeping of U.S. Securities held by custodian banks or depositories. This may affect the level of safeguards in place to ensure proper segregation and safekeeping of your U.S. Securities held overseas. U.S. markets may also have different periods for clearing and settling transactions. These may affect the information available to you regarding transaction prices and the time you have to settle your trade. U.S. Securities may not be subject to the same disclosure standards that apply to investment products listed for quotation or quoted on SEHK. Where disclosure is made, differences in accounting, auditing and financial reporting standards may also affect the quality and comparability of information provided. It may also be more difficult to locate up-to-date information.
 - (ii) **Differences in legal systems:** The laws of U.S. may prohibit or restrict the repatriation of funds from U.S., including capital, divestment proceeds, profits, dividends and interest arising from investments in U.S. Securities. There is no guarantee that the funds you have invested and the funds arising from your investment will be capable of being remitted. U.S. may also restrict the amount or type of investment products that foreign investors may purchase. This can affect the liquidity and prices of the U.S. Securities that you invest in.
 - (iii) **Different costs involved:** You may have to pay additional costs such as fees and any Broker's commissions for transactions in U.S. Securities. You may also have to pay a premium to trade certain U.S. Securities. Before you begin to trade U.S. Securities, you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

- (iv) **Tax implications:** There are tax implications in investing in U.S. Securities. For example, sale proceeds or the receipt of any dividends and other income may be subject to tax levies, duties or charges in U.S., in Hong Kong, or in both countries. The U.S. tax regime covers everyone holding U.S. based investments in his/her own name, regardless of whether the person is a U.S. citizen or permanent resident. In other words, all investors holding U.S. Securities of any form are required to pay a withholding tax on dividends gained. Any U.S. source income received by you through Mox Invest, including interests or dividends, is subject to the U.S. withholding tax. The Broker is required to withhold a tax of up to 30% of any payment of the said income to a foreign person. Mox does not offer tax relief service, i.e. tax treaty withholding tax rates are not offered, nor will Mox represent or assist you for any application filed with the U.S. Inland Revenue Service for reduction or exemption of the U.S. withholding tax or any request for a refund due to any tax being over-withheld.
 - (v) **Counterparty and correspondent broker risks:** Transactions on U.S. markets are generally effected by the Broker through the use of foreign brokers who have trading and/or clearing rights on those markets. All transactions that are executed upon your instructions with such counterparties and correspondent brokers are dependent on their respective due performance of their obligations. The insolvency or default of such counterparties and correspondent brokers may lead to positions being liquidated or closed out without your consent and/or may result in difficulties in recovering your U.S. Securities held overseas.
 - (vi) **Political, economic and social developments:** U.S. markets are influenced by the political, economic and social developments in U.S., which may be uncertain and may increase the risk of investing in U.S. Securities.
 - (vii) **Not protected by Investor Compensation Fund, SFO and related subsidiary legislation:** Mox Invest Transactions executed on Relevant Overseas Markets and U.S. Securities will NOT be subject to a right to claim under the Investor Compensation Fund established under the SFO. There is a risk of your U.S. Securities not being protected if the custodian has credit problems or fails.
- (b) You should only trade in U.S. Securities if you understand and are comfortable with the extent of your exposure to the relevant risks. You should carefully consider whether such trading is suitable for you having regard to your investment experience, investment objectives, financial situation and risk tolerance. If you are in any doubt about the risks involved, you should seek independent professional advice.

51.11 Risks of trading U.S. Fractional Shares

- (a) You may be exposed to the credit risk of the Broker when trading fractions of certain U.S. stocks and ETFs (“**U.S. Fractional Shares**”) (where available) rather than whole shares as the Broker or its affiliate will act as a counterparty and execute any U.S. Fractional Share component of any purchase or sale transaction

as principal or riskless principal. For orders that contain both whole and U.S. Fractional Shares, the Broker will act as agent for the whole share component and as principal (or riskless principal) for the U.S. Fractional Share component of the order. Orders for whole shares will continue to be handled in an agency capacity. You will always be the beneficial owner of any U.S. Fractional Shares in your Mox Invest Account and all U.S. Fractional Shares owned by you are segregated in our books and records in the same manner and to the same extent as whole shares owned by you.

- (b) U.S. Fractional Shares are not transferable to another broker and will need to be liquidated before transfer, which may have tax consequences and will result in commission charges. To effect a request for transfer, the Broker will purchase the U.S. Fractional Shares from your Mox Invest Account using the pricing mechanism referred to in paragraph (a) above and charge commissions on these closing trades, then transfer the remaining whole share quantities.
- (c) You will not have voting rights and will not be able to make voluntary elections on any corporate action (including, without limitation, any tender offers or rights offerings) with respect to U.S. Fractional Shares, and we cannot provide you with any shareholder documentation for any holdings of less than one share. You will, however, receive payments of dividends, or in some cases in connection with stock dividends, either dividend shares or value commensurate to the dividend shares, and will otherwise participate normally in any stock splits, mergers or other mandatory corporate actions.
- (d) The Broker may only accept certain types of orders for U.S. Fractional Shares, e.g. market orders, limit orders etc. In the event you choose to place an unmarketable limit order with a U.S. Fractional Share component, the fractional component may not execute until the order becomes marketable (and therefore may not execute at all), even if the order might have executed earlier if submitted for a whole share quantity.
- (e) The market price displayed for U.S. Fractional Shares may not be the executed price for market orders. Even when you submit an order by inputting the total cash value of the order (e.g. USD100 worth of shares), the order is submitted in number of shares (e.g. 0.45 of a share). As such, the final executed price may be different from the inputted cash amount.
- (f) The Broker records the quantity of U.S. Fractional Shares traded or otherwise held for a customer down to four decimal places.

51.12 Risks of client assets received or held outside Hong Kong

Client assets received or held outside Hong Kong, including U.S. Securities, are subject to the applicable laws and regulations of the relevant overseas jurisdiction, which may be different to the SFO 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.

51.13 Risks of Securities in custody

- (a) In leaving Securities in the custody of another person, you may be exposed to the credit risk of that person.
- (b) Mox will not be responsible for:
 - (i) any damage or loss arising in connection with such safe custody, save where due to Mox's fraud, wilful default or negligence; and
 - (ii) any damage or loss arising in connection with any act, wilful default or negligence of the Broker, any nominee or other agent, or the Broker's or any agent's nominee, and you accept that any Securities placed with the Broker, or any nominee or other agent, or the Broker's or any agent's nominee are at your own risk, provided that Mox shall have exercised reasonable care in selecting the Broker, nominee or other agent.

51.14 Risks associated with order placement

- (a) **Market orders:** A market order is an instruction to execute your order at any price available in the market. A market order is not guaranteed a specific execution price and may execute at an undesirable price. If you would like greater control over the execution prices you receive, please submit your order using a limit order, which is an instruction to execute your order at or better than the specified limit price.
- (b) **Limit order:** A limit order is an order to buy or sell Securities at a specified price or better. The limit order ensures that if the order fills, it will not fill at a price less favourable than your limit price, but it does not guarantee a fill.
- (c) **Order conversion and designation:** The Broker may convert certain order types or apply conditions to certain Mox Invest customer orders in order to facilitate an execution. For example, the Broker may simulate certain order types using "order designations". Simulated order types may be used in cases where an exchange does not offer an order type or in cases where the Broker does not offer access to the "native" form of certain order types offered by an exchange. In addition, orders may be sent "Immediate or Cancel", "Fill-Or-Kill", "All-Or-None", etc., in order to facilitate an immediate, automatic execution, consistent with the objectives of the client order. To protect client orders from significant and rapidly changing prices, the Broker may simulate market orders on exchanges by establishing a price ceiling for a buy order or a price floor for a sell order at a percentage beyond the inside bid/ask. While this cap or floor is set at a level intended to balance the objectives of execution certainty and minimized price risk, there exists a possibility that an execution will be delayed or may not take place.
- (d) **Filters:** The Broker is required by exchanges and regulators to maintain "filters" in its systems that prevent executions at prices that might be deemed to be disruptive to an orderly market (or exchanges may have such filters in their systems). These filters may cause an otherwise marketable order not to be executed or to be delayed in execution, even if the client might want the order to be executed immediately at a certain price. In accordance with its regulatory obligations as a broker, the Broker may also reject orders exceeding certain size thresholds, based upon factors including the normal volume in the product, the type of order, the

marketability of the order, and other factors which may affect the likelihood that the order could result in market disruption.

- (e) **Potential effects of high volumes and market volatility:** High volumes of trading and price volatility may lead to wider market volatility and extreme market conditions. It is important that you understand the potential risks this presents, including:
 - (i) **Delay and price issues:** High volumes of trading, either around the market open, market close or other times of day, may cause delays in execution (or associated reporting) and/or executions at prices significantly different than the market price quoted or displayed at the time of order entry; and
 - (ii) **Changes to order handling and restrictions on order acceptance:** Volatile or extreme market conditions may necessitate changes to the Broker's order handling procedures and/or restrictions on the types of orders the Broker will accept. Mox and the Broker are not required to receive or accept orders from customers, particularly in circumstances where we believe that the associated compliance, legal, financial, credit or other risks are not acceptable. We may determine that it is necessary to change order handling procedures, or restrict or prohibit trading, to limit our and/or our customers' exposure to extraordinary market, financial or other risks. We may make these changes in our absolute discretion, without notice.

51.15 Risk of after-hours trading and order sent near opening of trading

- (a) You are responsible for familiarising yourself with the hours of the relevant markets on which you wish to trade, the risks associated with after-hours trading and for determining when to place orders, how you direct those orders and what type of orders to use. If after-hours trading is offered, this does not constitute a recommendation or conclusion that after-hours trading will be successful or appropriate for all trades.
- (b) Some of the risks associated with after-hours trading compared to regular market hours trading include lower liquidity, higher volatility, changing prices, unlinked markets, news announcements that affect the price of a Security and wider spreads. As a result, your order may only be partially executed, or not at all, and you may receive an inferior price.
- (c) Markets can be especially volatile near the opening of a trading session, with prices and available volume often changing rapidly and with data feeds from various markets potentially being slow or temporarily unavailable. We cannot guarantee that orders sent at or near the opening of trading necessarily will receive the best posted price. You may want to consider the use of limit orders at the open, although market orders should be used if certainty of getting a fill is of greater concern to you than fill price.

51.16 Risk of system and component disruption or failure

- (a) Securities Trading through Mox Invest and the use by Mox Invest and the Broker of computer-based component systems for the order routing, execution, matching, registration or clearing of trades exposes you to risks associated with system and component disruption or failure. For example, Securities Trading can be affected when Mox Invest or the Broker's order-routing systems, or SEHK or any Relevant Overseas Markets' systems, are experiencing technical difficulties. Risks include possible delays or failures in, or in relation to:
- (i) availability of your connection to Mox Invest, and of Mox Invest to the Broker, and of the Broker to SEHK or the Relevant Overseas Market, including any authentication protocols and internet connectivity issues;
 - (ii) the operation of databases and internal transfers of data;
 - (iii) the provision of data feeds (accuracy of data and stability of data connections);
 - (iv) possible hardware failures;
 - (v) usage loads, bandwidth limitations, and other bottlenecks inherent in computerized and networked architectures;
 - (vi) issues, disputes, or failures of third party vendors and other dependencies; and
 - (vii) other general risks inherent in computer-based operations.
- (b) There is no guarantee that Mox Invest or the Broker's computer-based system or any associated system will be available at all times. Any of the above, and other technical difficulties, could lead to delays or failures in order execution, incorrect order execution or other problems. In the event of such disruption or failure, it is possible that, for a certain time period, you may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. Such disruption or failure may also result in loss of orders or order priority. You should maintain alternative trading arrangements in addition to your Mox Invest Account in case Mox Invest or the Broker's systems or any associated systems are unavailable for any reason.

52. VAs and VA-related Products Risk Disclosure Statement

- (a) VAs and VA-related products are highly complex products that carry a significant level of risk and may not be suitable for all investors. The novelty of such products makes investments in VA-related products potentially riskier than investments in traditional financial products. Before investing in VA-related products, you should be satisfied that you fully understand the nature of VA-related products, how they work, the extent of your exposure to risks and the potential losses you may incur.
- (b) Please note that this VAs and VA-related Products Risk Disclosure Statement explains some principal risks of VAs and VA-related products but is not an exhaustive list of all possible risks associated with investments in VA-related products. You should fully understand the characteristics and assess the risks

associated with VAs and VA-related products before making any decision to invest in VA-related products. If you do not have a complete understanding of VAs or VA-related products or are unable to bear the potential losses, you should refrain from investing in VA-related products. You should only invest with funds that you can afford to lose.

- (c) You should also carefully consider whether any investment in VA-related products is suitable for you in light of your personal circumstances, including your financial resources, investment experience, investment objectives, ability to assume risks and bear financial losses and other relevant factors. You should consult professional advisers, such as legal, tax, financial and accounting advisers, as appropriate. By entering into any transaction in VA-related products, you agree that you assume all the risk of your transaction and that we will not be responsible for any losses you may thereby suffer.
- (d) The contents of this VAs and VA-related Products Risk Disclosure Statement have not been reviewed by any regulatory authority.

52.1 General Risks related to VAs and VA Products

By investing in VA-related products you may be exposed to the following risks:

(a) New asset class and new innovation risk

VAs are a relatively new innovation based on emerging technology and part of a rapidly changing industry. The novelty of VAs and VA-related products makes such investments potentially riskier than investing in traditional assets. Therefore, the market for VAs and VA-related products may be subject to substantial speculative interest, rapid price swings and uncertainty. Continued and further development of VAs and VA networks, and the use and acceptance of VAs are subject to a variety of factors that are difficult to evaluate. Some VAs or VA-related products may claim to be a means of payment, confer a right to present or future earnings or enable a VA holder to access certain products or services, or a combination of these functions. However, there is inadequate regulation on VA and VA-related product issuers in many jurisdictions and the ability of investors to enforce such rights attach to VAs or VA-related products remain uncertain. The slowing, stopping or reversing of the development of a VA may adversely affect the VA's price.

(b) Valuation, price volatility and loss of investment

- (i) VAs generally do not have any intrinsic value and are not backed by any government, bank or physical assets to support their value or purchasing power. There are currently no generally accepted valuation principles governing VAs or VA-related products. Their prices mainly rely on investor confidence and market demand and supply.
- (ii) The prices and trading volume of VAs and VA-related products may fluctuate substantially with high volatility. Factors such as the discovery of misconduct, market manipulation on trading platforms, changes in the nature of VAs, governmental or regulatory actions, legislative changes, suspension or withdrawal of support from exchanges or service providers,

public sentiment and other factors beyond our control can cause a decrease in value or complete loss of value for any VA or VA-related product. VAs and VA-related products may become worthless and investors may lose all of their investments. Trading virtual assets carries high risk, and investors should exercise caution when engaging in such transactions.

(c) Market and liquidity risk

- (i) VA trading venues are typically not subject to the same robust regulation and investor protection rules applicable to traditional financial markets. Therefore, VA trading platforms may be more prone to market failure due to increased risks of theft, fraud, security breaches or technological failure. Some VA trading venues have collapsed due to such failures in the past.
- (ii) There can be no assurance that a trading market for a particular VA or VA-related product will develop or continue to exist, or that merchants accepting certain VAs as a form of payment today will continue to do so in the future.
- (iii) There may be a lack of active market participants for the VAs or VA-related products you invest in, resulting in wide bid/offer spreads and limited transactions. You may be unable to unwind or liquidate your investment position promptly or at expected prices, if at all.
- (iv) In addition, VA prices on the secondary market are driven by supply and demand and are short-term and volatile by nature. The volatility faced by investors may be further magnified where liquidity pools for VAs are small and fragmented. This means that investors may not always be able to liquidate a position.

(d) Market manipulation risk

- (i) Given that VA trading platforms operate with limited or no regulation, there may be insufficient or no investor protection measures, causing investors to suffer from issues such as market manipulation, insider trading and a lack of price transparency. Unlike established and regulated exchanges for securities, derivatives and traditional assets, VA trading platforms may lack the same level of safeguards. If such issues arise, investors who trade in VA markets or through VA intermediaries may have little or no recourse and suffer significant losses as a result.
- (ii) Certain VAs may be concentrated in the hands of a small number of holders who can manipulate the price of such VAs. Practices like pump and dump manipulation, which artificially inflate prices, and the influence of large investors known as "Whales" who can potentially manipulate prices, also pose additional risks.
- (iii) Participants in the VA trading market may also engage in complex transaction strategies which may be adverse to your position or cause you to suffer as loss.

(e) Risk of fraud

Certain VAs or VA-related products may be used as a scheme to defraud investors. VA trading platforms may not have conducted sufficient product due diligence before allowing a VA or VA-related product to be listed on their platforms, or investing in a VA or VA-related product for their portfolios. As a result, investors may become victims of fraudulent schemes and lose all or a part of their investments.

(f) Regulatory and legal uncertainty risk

VAs are generally regarded as a virtual commodity and do not constitute legal tender in many jurisdictions, including Hong Kong. VAs may not confer the same kind of legal and ownership rights associated with traditional assets. There is legal uncertainty over whether or to what extent VAs may constitute “property” under Hong Kong law or under the laws of other jurisdictions. This may have an impact on claims over the ownership of VAs, for example, on whether VAs can be vested upon bankruptcy or insolvency, can be held on trust or devolve by will.

(g) Regulatory uncertainty and counterparty risk

(i) The laws and regulations governing VAs and VA-related products are unsettled and evolving. These changes can have a negative impact on the value of VA-related products. For example, regulatory changes may materially alter the nature of an investment in a VA, restrict the use and exchange of the VA, or restrict the operations of the blockchain network or venues on which the VA trades. Market disruptions and resulting governmental interventions are unpredictable, and may make a certain VA illegal.

(ii) The service providers involved in VAs and VA-related products, such as custodians, fund administrators, VA trading platform operators and index providers may be private companies which are unregulated or only subject to light-touch regulations. Consequently, they may not be subject to the same robust regulations and transparent rules as service providers or products in traditional financial markets, posing additional counterparty risks for VAs and VA-related products. Legal and regulatory changes beyond the control of VA service providers can impact or restrict the trade of VAs and VA-related products.

(iii) There is also a risk of losing funds due to exchange hacks, where unauthorized access can lead to theft of VAs. Any vulnerabilities or failures in third-party technologies can expose custody VAs to risks. Other counterparty risks to consider include, without limitation, the risk of investing in fraudulent projects and the risk of default by a trading partner or counterparty.

(h) Risk relating to lack of statutory protection

VAs and VA-related products may not be covered by any statutory investor compensation, customer asset protection, deposit protection schemes or other

similar schemes. Consequently, VAs and VA-related products transactions and holdings may have a lower level or type of protection compared to other investment products and asset classes governed by Hong Kong laws.

(i) Conflict of interest risk

VA trading platform operators may serve as agents for clients and also act as principals. They can facilitate the initial distribution of VAs and VA-related products, such as initial coin offerings, and facilitate secondary market trading, similar to traditional exchanges, alternative trading systems or securities brokers. If these operators are unregulated, it may be difficult to detect, monitor and manage conflicts of interest.

(j) Loss of private keys risk

Wallets for VAs require the storage of private keys for accessing and transacting with VAs. If private keys are compromised or stolen, it can lead to unauthorised access and loss of assets. Losing, misplacing or forgetting the private key required to access and manage cryptocurrency holdings will result in the permanent and irreversible loss of access to the VAs stored. Once this occurs, investors will not be able to retrieve or transfer their VAs to realize any value or utility that the VAs may hold now or in future.

(k) Scalability and performance risk

Some VAs face scalability issues, struggling to handle a high volume of transactions efficiently. This can lead to delays, higher transaction fees, limitations on the network's performance or even network outages.

(l) Money-laundering risk

VAs are typically transacted or held in an anonymous manner. This anonymity, particularly on VA trading platforms that enable exchanges between VAs and fiat currencies, increases the inherent risk of money laundering and terrorist financing. As a consequence of criminal activities, VA investments may become the target of law enforcement actions and investors may face difficulties in recovering their investments.

(m) Accounting and auditing risk

At present, there is a lack of agreed standards and practices for auditors to conduct assurance procedures and gather adequate audit evidence regarding the existence, ownership and reasonable valuation of VAs and VA-related products.

(n) Unknown risk

VAs and VA-related products are relatively new asset classes, and there may be additional risks associated with them that have not yet been identified.

(o) Risk relating to assets received or held outside of Hong Kong

VAs or VA-related products may be received or held by entities outside Hong Kong, which may or may not be licensed or registered in accordance with applicable laws of relevant jurisdictions. Consequently, such assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

52.2 Hacking and technology-related risks

(a) Hacking and risk relating to custody of assets

VAs and their underlying blockchain technology are susceptible to security breaches. Hackers can exploit vulnerabilities in wallets, exchanges or smart contracts to gain unauthorized access and steal digital assets. Service providers for VAs and VA-related products (e.g. VA trading platform operators, portfolio managers and custodians) may store clients' assets in hot wallets, which are online environments connected to the internet. Hot wallets are prone to cybersecurity attacks and hacking. Cybersecurity attacks and hacking of VA trading platforms resulting in theft of VAs are common. In the event of such incidents, investors may have difficulty in recovering their losses from hackers or trading platform operators, or not be able to recover any of their VAs.

(b) Cybersecurity risk

VAs and VA trading platforms may be vulnerable to cybersecurity attack. Hackers may target a VA's underlying network, the entities that hold VAs or VA trading platforms. In particular, malicious actors may exploit flaws in a VA's underlying network and utilise techniques such as phishing, social engineering, hacking, smurfing or malware attacks to steal VAs, control the VA blockchain or issue significant amounts of the VA in contravention of network protocols. Cybersecurity breaches and incidents are likely to have an adverse impact on the public confidence in a VA, which may result in a decline in the VA's value and liquidity.

(c) Risk that VA transactions are irreversible

Once executed, VA transactions will be recorded on a blockchain which makes them irrevocable and irreversible. Lost or stolen VAs may be irretrievable. Under these scenarios, investors may suffer a total loss of the principal amount of their investment.

(d) Forks and network consensus risk

Due to the decentralized and open-source nature of VAs and their underlying technology, it is possible that sudden and unexpected changes (commonly known as "Forks") can be made to any VA that may change the usability, functions, compatibility, value or name of a given VA. VAs can experience forks which result in the creation of separate chains with diverging rules and multiple versions of the same VA running in parallel. This could lead to dominance of one or more versions of a VA, and the partial or total abandonment or loss of value of any other versions of such VA. Forks and similar events may impact demand for the VAs and adversely impact the VAs' prices.

(e) Air drop risk

Occasionally, VA developers may send out free VAs to holders of a VA as a marketing initiative, commonly known as an “air drop”. A substantial giveaway of VAs or frequent air drops may result in significant and unexpected decline in the value of such VA.

(f) Blockchain network and internet unavailability risk

(i) Blockchain networks may become unavailable and go offline as a result of bugs, Forks or other unforeseeable circumstances. Unlike securities prices on traditional exchanges which are subject to trading hours, VAs trade and the prices of VAs fluctuate continuously with no timing limitations. Outages occur from time to time and investors may not be able to execute VA trades or liquidate positions when a blockchain network outage occurs.

(ii) Given that VA trading is especially reliant on the internet and other technologies (including distributed ledger technology), risks associated with internet use and availability are elevated. Internet connectivity issues, bandwidth issues and hardware failures may result in delays or failures in executing trade instructions for VA investments. Instructions may also be incorrectly executed. In the event of any disruption or failure, investors may be unable to carry out VA transactions for at their desired timing or price.

(g) Evolving technology risk

As cryptographic and blockchain technologies continue to evolve, VAs may be exposed to additional or unforeseen technology-related risks which are unknown at present.

52.3 Specific risks associated with VA-related products

In addition to the risks outlined above, you may be exposed to the following risks if you invest in VA-related products:

(a) Price volatility

There are currently no generally accepted valuation principles governing VAs and hence, their valuation are usually not transparent and highly speculative. Difficulties in valuing the underlying VAs poses significant challenge for investors in reliably valuing derivative products relating to VAs. VA-related products are also highly speculative in nature and their prices can fluctuate greatly within a short period of time.

(b) Lack of secondary market

There may be insufficient buyers and sellers for the VA-related products in the secondary market. Investors may not be able to liquidate their investment position promptly or at expected prices, if at all.

(c) Spot VA ETF custody risk

Some VA-related products, such as VA spot ETFs which track the underlying prices movements of VAs by spot purchasing VAs, will require the fund providers to hold and store the relevant VAs. Given that VA Spot ETFs are traded on regular exchanges like other traditional ETFs, fund providers will be required to have a secure method of storing the VAs and abide by the relevant regulations of the jurisdiction of the exchange. These procedures could still be vulnerable to security breaches and the risks mentioned under '*Hacking and risks relating to custody of assets*'.

(d) Tax risk

Transactions involving VA or VA-related products may be subject to tax laws in certain jurisdictions. There are no agreed standards for the tax treatment of VAs and/or VA-related products and the treatment may vary across jurisdictions. If in doubt, investors should seek independent professional tax and legal advice.

(e) Cross-border risk

Transactions involving VAs or VA-related products may be cross-border in nature and not confined to one jurisdiction. It can be difficult to verify the authenticity and trace service providers of VA or VA-related products. If any disputes occur, it can be difficult to ascertain the laws and forums under which the investors can seek redress in case of fraud, default or bankruptcy. Investors may face difficulty in enforcing their rights and interests under the VA-related products. Local regulatory authorities may not have power to recognize or enforce the laws of regulatory authorities or markets in other jurisdictions.

(f) Conversion risk

Conversion risks exist for VA-related product transactions that are denominated in a particular VA or fiat currencies other than the primary reference asset, or where a conversion is involved when executing a VA-related product transaction. If the exchange markets move against the transaction, then the net proceeds may be significantly less than the initial amount in the primary reference asset upon maturity or any earlier dealing, and any income or gains may be entirely negated by such conversion.

(g) Risk relating to selling restrictions

VA-related products categorised as complex products may be subject to selling restrictions and unavailable to investors of the retail market.

(h) Risk relating to dealing with unregulated products

VA-related products offered in overseas markets may not be authorized by the the SFC and may not be subject to its regulatory oversight. This means that their structures, operations and offering documents may not adhere to any rules or regulations in Hong Kong. Even if a VA or a VA-related Product is described as having been authorized by the SFC, please note that SFC authorization is not a recommendation or endorsement of a product, nor does it guarantee its commercial merits or performance.

52.4 Specific Risks associated with VA derivatives ETFs

In addition to the risks outlined above, you may be exposed to the following risks if you invest in a VA-derivatives ETF:

(a) Nature of VA derivatives ETFs

Trading VA futures carries inherent risks due to the speculative nature of the underlying VAs and the use of leverage in futures trading. Historical data shows significant price volatility and incidents of extraordinary price movements in VAs, which means investors may sustain losses exceeding their initial investment. All the risks relating to the underlying VAs described above may be magnified in trading in VA derivatives.

(b) New product and investment risk

VA futures are relatively new investment products with limited history. Further, VA futures ETFs are not principal guaranteed and there is no assurance that they will achieve any results or investment objectives promised to investors.

(c) Pricing disparity

VA futures contract prices differ from the spot price of VAs, making it challenging to determine the value of VA futures contracts.

(d) Liquidity risk

The VA futures market is still developing and may exhibit higher volatility and periods of illiquidity compared to more established futures markets. The VA futures ETF's large positions increase the risk of illiquidity, making it more difficult to sell holdings and potentially resulting in higher losses. It may be difficult or impossible to find a counterparty willing to transact or to buy or sell at the desired price and size. Additionally, the ETF's rolling strategy and ability to diversify its futures position may be adversely affected.

(e) Leveraged trading risk

Leveraged trading increases your exposure to the volatility of the underlying virtual assets. This is because relatively small market movements may have a proportionately larger impact on the margin deposited and an investor can potentially lose more than the amount of the initial margin deposited.

(f) Volatility of single asset or single futures contract

Unlike conventional ETFs that track equity indices which are typically diversified, VA futures ETFs are linked to a single underlying VA, exposing investors to the high price volatility of such VA. This volatility can be significantly higher than that experienced in diversified equity or commodity indices. For VA futures ETFs which hold a single futures contract, investors will be exposed to high concentration risk.

(g) Risk of rolling futures contracts

- (i) A futures-based ETF needs to “roll over” futures contracts to maintain VA exposure (i.e. selling existing futures contracts that are about to expire and replacing them with a futures contract that will expire at a later date). If the prices of contracts that will expire at a later date are higher than expiring contracts, selling the expiring contracts may not generate sufficient proceeds to purchase the same number of contracts that will expire at a later date. This can lead to losses from roll costs or negative roll yields that negatively impact the ETF’s net asset value.
- (ii) Certain VA futures ETFs adopt active investment strategies which allow ETF managers to more flexibly manage the roll cost, for example, by adjusting the portfolio composition and timing of the rollover. Investors should carefully study the investment strategy of an ETF. Subsequently, if the futures market is generally experiencing losses from greater roll costs and negative roll yields, this may be reflected in the net asset value of the VA futures ETF, as the price of the futures contracts decreases over time to converge to the spot price.

(h) Operational risk

Brokers, participating dealers or futures exchanges may impose mandatory measures during extreme market conditions. These measures could limit ETF futures positions or necessitate mandatory liquidation. The actions taken by the ETF manager under such circumstances may adversely affect the ETF’s operations, secondary market trading and net asset value of such ETF.

(i) Margin risk

If the market moves against the futures position, the VA futures ETF may be required to provide additional margins to maintain the trading positions on short notice. A VA futures ETF may need to liquidate its assets at unfavourable prices to meet margin calls, resulting in substantial losses.

(j) Position limit risk

Statutory position limits exist for holding Bitcoin or Ether futures contracts on the Chicago Mercantile Exchange. If a VA futures ETF’s holdings reach this limit, it may be unable to acquire further futures contracts, affecting the creation of new ETF units. This discrepancy could lead to differences between the trading price and net asset value of the VA futures ETF units listed on the Stock Exchange of Hong Kong Limited.

(k) Price limit risk

Certain trading platforms may impose dynamic price fluctuations limits on VA futures. Once the price fluctuation limits have been reached, trading may be temporarily halted or no trades may be made at a price beyond such imposed limit. This may limit the ability of a VA futures ETF to invest in VA futures at certain price points during a certain time.

PART B: Additional Terms and Conditions applicable to Funds

This Part B applies to any Mox Invest Transaction involving Funds (whether a one-time or recurring standing investment in a Fund or an investment in a portfolio of Funds, where we make such services available). In the event of any inconsistency between the terms of this Part B and the remainder of this Schedule (other than Part C below, in relation to investment in a portfolio of Funds), this Part B prevails in so far as it applies to a Mox Invest Transaction involving Funds.

53. Mox Invest Transactions involving Funds

- (a) You may give us an instruction to purchase unit(s) in a Fund:
 - (i) as a one-time, stand-alone subscription; and/or
 - (ii) where we permit, by way of a periodic (e.g. monthly) subscription to unit(s) in that Fund. This requires you to give us a standing instruction on the Mox app. Standing instructions:
 - (A) must specify such details as we require, such as the relevant Fund(s), the amount of the recurring subscription in that Fund, and the period over which the standing instruction is to be repeated;
 - (B) are executed by us on a periodic basis;
 - (C) may be cancelled by you via the Mox app. Although we will do our best to cancel the relevant standing instruction as soon as possible after we receive your request, we may not do so with immediate effect and/or before its next execution date. We will tell you via the Mox app if we haven't cancelled your standing instruction and we will not be liable for any resulting loss or damage you may suffer or for any lost profit or lost or missed opportunity; and
 - (D) may be cancelled by us in circumstances that we may specify from time to time as notified to you (for example, when you are no longer eligible for the relevant Fund(s)).
- (b) You may also give us an instruction:
 - (i) where we permit, to purchase a portfolio of Funds – in which case further terms will apply as we specify (including as set out in Part C below); and/or
 - (ii) to redeem your unit(s) in any Fund(s).
- (c) You agree that:
 - (i) although we will do our best to act on your instruction to purchase unit(s) or redeem your unit(s) in a Fund as soon as possible after we receive your instruction, neither we nor the Fund are obliged to accept or act on your instruction in respect of a Fund;
 - (ii) your instructions to purchase unit(s) in a Fund will be executed in the order in which they are received by us. This means that a standing instruction for a periodic subscription to unit(s) in a Fund will be executed in priority to any subsequent instruction to purchase unit(s) in a Fund as a one-time,

- stand-alone subscription and any subsequent standing instruction for a periodic subscription to unit(s) in a Fund;
- (iii) if you do not have sufficient cash in your Mox Invest Account (or your other account(s) with Mox, as applicable) to pay for an instruction to purchase unit(s) in a Fund, we will reject that instruction;
 - (iv) we are not required to act on any instruction in respect of a Fund at any time which occurs outside the relevant cut-off time applicable to that instruction as displayed in the Mox app (in the usual course, any such instruction placed will be submitted on the next business day);
 - (v) in order to execute your instructions relating to a Fund, we will rely on information you have provided to us and for each instruction (including any standing instruction) you will be taken to have confirmed that such information is accurate and correct;
 - (vi) any instruction from you in respect of a Fund is subject to any limits or restrictions imposed by us or the relevant Fund, Fund manager, trustee or distributor of the Fund, relevant Fund Documents (as defined below), and any statutory, regulatory, legal or market requirements;
 - (vii) after you purchase unit(s) in a Fund, where we permit, you may be able to switch between different Funds managed by the same fund manager;
 - (viii) unless we otherwise specify, after you have given us an instruction to purchase or redeem units in a Fund, or a portfolio of Funds, you may not be able to cancel or modify the order. We have the absolute discretion to refuse to cancel or modify your order and we are not obligated to give you any reason for the refusal;
 - (ix) in respect of an instruction to redeem your unit(s) in any Fund:
 - (A) we will debit the unit(s) you wish to redeem from your Mox Invest Account following confirmation by the relevant Fund of the redemption application; and
 - (B) a Fund may suspend your redemption rights;
 - (x) for the purposes of compliance with laws, we, on behalf of ourselves and/or the relevant Fund or fund manager, trustee or distributor of the Fund, may require you to submit further identification or documentation before you are entitled to purchase unit(s) in or redeem your unit(s) in any Fund. If you do not comply with the requirements of such request we may not be able to process your instruction in respect of the Fund and the Fund, its manager or its administrator may prevent us from proceeding with an investment on your behalf and without any monies payable to you;
 - (xi) we are not responsible or liable for:
 - (A) ensuring that the relevant Fund allots the Fund unit(s) to you or redeems your unit(s) in any Fund; or

- (B) for any loss or damage you may suffer or for any lost profit or lost or missed opportunity as a result of any breakdown, failure, interruption, suspension or malfunction of any telecommunications, computer services or systems used in connection with, or any refusal to accept or delay in accepting or processing, your instruction in respect of the Fund; and
- (xii) we are not liable for any reduction of value in your investment in any Fund or the failure to secure a particular level of income or capital gain, whether or not you make the investment as a result of our advice, unless caused by our fraud, wilful default or negligence.
- (d) The purchase or redemption price of a Fund displayed to you on the Mox app at the time you submit your instruction to us is only indicative and so the actual purchase or redemption price may be more or less, as reflected in the relevant contract note. This may be because, for example:
 - (i) the purchase or redemption price of a Fund displayed to you on the Mox app reflects that of the previous day;
 - (ii) market conditions may have changed when the actual purchase or redemption of the Fund takes place; and/or
 - (iii) the actual transaction date of a Mox Invest Transaction involving a Fund may not be the same as the date of your instruction. The actual transaction date depends on the dealing day of the relevant Fund. For example, if the date of your instruction (including any standing instruction) falls on a non-dealing day of the relevant Fund, the execution of that instruction will be made on the next dealing day for that Fund.

We are not liable to you for any loss or damage you may suffer or incur or for any lost profit or lost or missed opportunity in connection with such variance.

- (e) Funds may be denominated in a currency other than HKD (such as USD) or in a currency which you do not, at the relevant time, have in your Mox Invest Account. If you wish to purchase such a Fund in these circumstances, you will generally need to purchase the relevant currency first and use that currency to purchase unit(s) in the Fund. However, we may allow you to purchase unit(s) in that Fund using HKD (or another currency other than the denominated currency of the Fund), in which case you will be deemed to have authorised Mox, in its absolute discretion, to convert your orders into the denominated currency of the Fund with reference to our prevailing exchange rates and market prices at the relevant time. You will not receive HKD if you redeem your unit(s) in any Fund which is not denominated in HKD – you will receive the relevant non-HKD currency.

54. Suitability in respect of Funds

- (a) A Mox Invest Transaction involving Funds may be made on a non-solicited basis or may involve us making investment recommendations or solicitations. Our duties and obligations to you will differ depending on which service you use.

- (b) In accordance with clause 4, if we solicit the sale of or recommend a Fund(s) to you, we will take reasonable steps to ensure that the suitability of the recommendation or solicitation is reasonable in all the circumstances and, with respect to any Fund which uses or involves a derivative product, to ensure you have sufficient knowledge of such derivative product and that you understand the nature and risks of such Fund and have sufficient net worth to be able to assume the risks and bear the potential losses of investing in such Fund. This is not a guarantee that your investment will increase in value.
- (c) The suitability assessment we undertake is based on the information that you have provided to us (such as your investment knowledge, education, age and liquidity needs) and any other information which we consider to be appropriate at the point of sale or advice. The suitability assessment we undertake does not account for any subsequent changes to that information (unless we specify otherwise). Other relevant information may include but is not limited to changes to market conditions, foreign exchange rates, interest rates, geopolitical developments (e.g. foreign relations between countries) and your personal information and circumstances. Changes to any of those factors and others, taken individually or in combination, may affect the suitability of an investment after it has been made, making it no longer suitable.
- (d) If you have purchased units in a Fund based on our recommendation to you and we subsequently determine that such Fund is no longer suitable for you (for example, because of new information or a change in information you provide us), you will only be able to redeem your existing units in such Fund (unless we specify otherwise) and you will be solely responsible for any loss that you may suffer arising therefrom. You understand and agree that while you may not be forced to redeem all your units in the Fund(s), in such circumstances:
 - (i) your investment in the Fund(s) may no longer be suitable for you and will no longer be held in accordance with our recommendations;
 - (ii) you will be solely responsible for any loss you may suffer as a result; and
 - (iii) you will be receiving a different type of service from us (namely, an 'execution-only' rather than 'advisory' service) in respect of your investment in the Fund(s).

55. Fund Documents

- (a) Each Fund will be offered by **"Fund Documents"** including a prospectus, a fact sheet, a key facts statement, an annual report (if any) and a semi-annual report (if any).
- (b) The Fund Documents contain important information relating to a Fund, including its investment objectives, fees, risk factors, conflicts of interests, transfer restrictions, subscriptions, redemptions, compulsory redemption and other matters.

- (c) We will use reasonable efforts to provide you the Fund Documents relating to each available Fund via the Mox app, subject to their availability and unless otherwise required by law.
- (d) Fund Documents are prepared by third party Fund managers. We have not and will not examine or verify the accuracy or completeness of any information in Fund Documents. We therefore make no representation that Fund Documents or other Fund Information (as defined in paragraph (g) below) are accurate or complete and that any returns will be achieved. We exclude any liability relating to the Fund Documents and any other Fund Information, including any express or implied representations or warranties for statements or errors in, or omissions from, the Fund Documents and any other Fund Information.
- (e) You agree and acknowledge that:
 - (i) before you purchase a Fund, you must read all relevant Fund Documents carefully and ensure that you understand them and the associated risks. Your investment in a Fund is made on the basis of, and is subject to, the information (including the risk factors) set out in the Fund Documents;
 - (ii) if you have any questions about the Fund Documents, you must obtain independent advice. The Fund Documents are not intended to provide tax, legal, accounting or financial advice;
 - (iii) the Fund Documents may include declarations, representations and warranties that you, as an investor in the relevant Fund, are required to make. If you proceed with your investment in that Fund, you will be treated as having made the required declarations, representations and warranties. For any subsequent investment in that Fund made in accordance with a standing instruction you will be treated as repeating the required declarations, representations and warranties;
 - (iv) you will comply with the requirements set out in the relevant Fund Documents including sale and/or transfer restrictions, undertakings and indemnities and applicable laws and regulations; and
 - (v) the Fund will invest in the assets described in the relevant Fund Documents.
- (f) We are not liable to you for any loss or damage you may suffer or incur or for any lost profit or lost or missed opportunity in connection with the representations and warranties you are treated as having given or have failed to give or your failure to read the Fund Documents.
- (g) Mox uses Allfunds Bank S.A.U. (“**Allfunds**”) as the source of the fund prices and fund documentation (“**Fund Information**”) both of which are provided to Allfunds by the relevant fund manager(s). The Fund Information:
 - (i) may not be copied or redistributed except as specifically authorized in writing;
 - (ii) does not constitute investment advice;

- (iii) is provided solely for informational purposes; and
- (iv) is not warranted to be complete, accurate or timely.

56. Benefits and conflicts of interest

- (a) We are not an independent intermediary because we may receive, directly or indirectly:
 - (i) fees, commissions or other monetary benefits from, or on behalf of other parties (which may include product issuers, fund managers and other service providers) in relation to our distribution, recommendation or solicitation of Funds to you. Such monetary benefits may include distribution fees from, or on behalf of, fund managers for distributing or recommending certain Funds, marketing payments and/or ongoing commissions each year for the period you hold a particular Fund. For further details, please refer to our disclosure on monetary benefits which we are required to deliver to you prior to or at the point of entering into any transaction in Funds. In addition, we may from time to time receive monetary benefits from other parties (which may include product issuers, fund managers or other service providers) for things such as research and development; and
 - (ii) non-monetary benefits from, or on behalf of, other parties (which may include product issuers, fund managers and other service providers), or have close links or other legal or economic relationships with such parties, in respect of our distribution, recommendation or solicitation of Funds to you. These non-monetary benefits may include things such as marketing support design assistance and training materials.
- (b) We have a memorandum of understanding with Allianz Global Investors Asia Pacific Limited (“**AllianzGI**”) pursuant to which AllianzGI may provide us with monetary benefits and non-monetary benefits (such as those set out above) to support the services we provide to you, including those involving the Allianz Yield Plus Fund.
- (c) We maintain policies and procedures and have appropriate governance, transparency and oversight arrangements in place for the management of conflicts of interest. We take all reasonable steps to identify and record conflicts of interest and to prevent conflicts from giving rise to a material risk of damage to you. For example, we ensure that neither we nor our employees will be remunerated in a manner which will create an incentive to favour one particular Fund over another Fund. Aside from our receipt of monetary and non-monetary benefits as described above, the possible types of conflicts of interest that may arise in connection with a Mox Invest Transaction involving Funds are broad ranging and may occur in a wide range of circumstances. For example, Mox, its affiliates and/or subsidiaries, may at any time, to the extent permitted by applicable law and/or regulation, be long or short any Fund made available to you on the Mox app, or have a material interest in any such Fund, or may be the only market maker in relation to such Fund, or provide, or have provided advice, investment banking or other services, to issuers of such Funds.

- (d) You agree that:
- (i) we are entitled to retain any remuneration or benefit which arises in relation to, or as a result of your investment in any Fund;
 - (ii) we are entitled to solicit or recommend any Fund to you even though we may have a material interest in such Fund; and
 - (iii) we are entitled to enter into any Mox Invest Transaction involving Funds on your behalf notwithstanding we may have a relationship which gives rise to a conflict of interest.

57. Dividends and other legal matters

- (a) Dividends declared by a Fund will be disbursed according to the distribution policy set out in the relevant Fund Documents. If a Fund is paying:
- (i) a cash dividend, all dividends will be credited to your Mox Invest Account; or
 - (ii) a unit dividend, all dividends will be automatically reinvested in the Fund through the purchase of additional unit(s) in the Fund, to be held by us for you in accordance with these terms.
- (b) Where you have an option to reinvest, if you have not told us otherwise, cash dividends from Funds will either be reinvested or credited to your Mox Invest Account as we deem fit.
- (c) If, at any time, for any reason we are instructed to divest ourselves (as registered holder of your Fund), transfer or otherwise dispose of any Fund, that Fund will be redeemed and we will credit the proceeds into your Mox Invest Account in accordance with these terms.
- (d) We will not advise or act for you with respect to any legal matters for any Fund, including bankruptcies or class actions. We will use our best efforts to send you any documents we receive with respect to such matters. We are also not obliged to engage in any dispute, litigation and/or any proceedings or actions relating to your investment in any Fund – that is your sole responsibility.

58. Funds Risk Disclosure Statement

- (a) This Funds Risk Disclosure Statement provides a brief summary of some (but not all) of the features and risks of Mox Invest Transactions involving Funds. You should carefully consider whether the Mox Invest Transactions you propose to enter into are suitable for you having regard to your investment experience, investment objectives, financial situation and risk tolerance.
- (b) If you are in any doubt about the risks involved in Mox Invest Transactions involving Funds, you should seek independent financial, investment, tax, legal or other professional advice.

- (c) The contents of this Funds Risk Disclosure Statement have not been reviewed by any regulatory authority.

58.1 SFC authorized funds

Only SFC authorized investment funds are distributed by Mox. SFC authorization is not a recommendation or endorsement of a Fund, nor does it guarantee the commercial merits of a Fund or its performance. It does not mean the Fund is suitable for all investors, nor is it an endorsement of its suitability for any particular investor or class of investors. The content of the Mox app has not been reviewed by the SFC or any regulatory authority in Hong Kong.

58.2 No guarantee

An Investment in a Fund, whether as a stand-alone investment or as part of a portfolio of Funds is different from depositing money with a bank. Funds do not guarantee a return on investment. Further, past performance is not indicative of future performance.

58.3 Principal protection

The principal value of an investment in a Fund may not be protected and as a result you may suffer a loss of your principal investment.

58.4 Liquidity risks

Liquidity of a Fund may be limited and there is no guarantee that there will be a market for a particular Fund at all times.

58.5 Counterparty risk

Funds are subject to counterparty risk associated with the underlying investments held by the Fund. If the counterparty in respect of the underlying investment defaults or fails to honour its contractual commitment, the Fund may suffer losses. Further, the credit rating and/or financial condition of the counterparties in respect of the Fund's underlying investments will affect the value of the Fund and ultimately your investment. For example, if a counterparty defaults the value of the Fund may be negatively affected.

58.6 Currency risk

Investors investing in Funds that are denominated in a currency other than Hong Kong dollars are exposed to exchange rate risk. Currency fluctuations can adversely affect the value of an investment where it is necessary to exchange one currency to another.

58.7 Investment risk

The prices of Funds fluctuate, sometimes dramatically. The price of Funds may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of investing in Funds.

58.8 Risk of underlying assets

A Fund is generally exposed to the same risks as its underlying assets. For example, a Fund that invests in exchange traded derivative products may be negatively affected in the event that the issuer of the exchange traded derivative product defaults.

58.9 Concentration risk

Investing in a Fund that is concentrated in one or few asset classes, jurisdictions or market sectors may be riskier than investing in a Fund that has greater diversification.

58.10 Leverage risk

Funds may adopt an investment strategy by which they utilise embedded leverage to maximise returns. The use of leverage will magnify both gains and losses of leveraged products. For example, a small change in the price or value of an underlying investment could have a significant impact on the value of the Fund.

58.11 Derivatives products risk

Funds may use derivative products such as options, warrants, futures or forward contracts for hedging, or other purposes (including portfolio or investment management). However, detrimental movements in the price of a derivative may have an adverse impact on the value of the Fund. If a Fund's derivative strategy is not implemented correctly, the Fund may suffer significant losses.

Extensive use of derivative products for investment purposes exposes a Fund to severe losses in the event of detrimental movements in the value of the derivatives.

You should carefully consider whether the Fund you propose to invest in is suitable for you having regard to your investment experience, investment objectives, financial situation and risk tolerance.

58.12 Complex products risk

It is difficult to accurately value certain investment products where there is limited or no publicly available price data. In such cases, it is only possible to obtain price information when the product is sold. In periods of low liquidity, there may be significant fluctuations in sale prices. Further, the price of such products may not accurately reflect its theoretical value due to outside influences such as market supply and demand factors.

These investment products include derivatives and Funds which invest in derivative products. They also include illiquid investments which have no or a very limited secondary market. It may be difficult to sell these investment products and there is no guarantee that there will be a market for such products at all times.

58.13 Restrictions on trading of Funds

Some Funds may have restrictions on trading and only permit investors to subscribe or redeem an investment on specified dealing days. Dealing days may be restricted to regular periods each week or month or even longer periods (e.g. quarterly). Some Funds will not permit any redemptions for a fixed period or in certain circumstances (such as during particular market conditions), and you will be forced to hold the investment or be required to pay a fee for redemption, which may be significant and cause you to suffer a loss on

your investment. If a Fund does not have daily trading, you may be forced to wait in order to subscribe or redeem. In such cases, you may suffer a loss on your investment or miss an opportunity for profit due to fluctuations in value. Please refer to the relevant Fund Documents for more information.

58.14 Risk of payment of dividends out of capital and dividend policy

Distribution of dividends and the distribution rate or dividend yield of a Fund are not guaranteed. A Fund may choose to pay dividends out of capital of the Fund. Funds that maintain a high distribution yield may not necessarily deliver positive or high returns on investment in the long term due to reduced availability of capital for future reinvestment. Capital growth may suffer as a result. Further, distributions of dividends may lead to an immediate reduction in the net asset value per unit of the Fund.

58.15 Emerging market risk

The markets in which a Fund invests:

- (a) may be subject to a high degree of geopolitical or economic risk;
- (b) may not be subject to reporting, accounting or auditing standards or practices which are applicable in jurisdictions with more advanced financial markets; and
- (c) may be subject to less onerous and developed legal, tax and financial market regulation, government supervision and regulator independence than more advanced markets. Such Funds may be affected by sudden changes in regulatory requirements, exchange controls, foreign exchange rates, interest rates and geopolitical developments.

58.16 Risks specific to equity Funds

- (a) A Fund which invests in equity securities is subject to general market and trading risks. Prices of equity securities fluctuate, sometimes dramatically. Prices may be impacted by various factors, including issuer-specific factors and general market conditions such as investor sentiment, and macro-economic trends.
- (b) The stock of small- and mid-capitalisation companies tend to be very volatile and illiquid. Changes in risk factors may cause a more significant movement in the stock of such companies relative to other companies or investment products. Such movements may cause the Fund to suffer a loss of value.
- (c) Illiquidity, market volatility and difficulties with trading and settlement in certain markets may also lead to fluctuations in the prices of equity securities. Such fluctuations may cause the Fund to suffer a loss of value.

58.17 Risks specific to bond Funds

A Fund which invests in bond securities is subject to:

- (a) the credit risk of the underlying bonds. Credit risk reflects the risk that the issuer of an underlying bond is unable to meet its payment obligations and defaults. Such a default may adversely affect the value of the Fund; and

- (b) the risk of changes in interest rates. In general, the value of a bond will fall if there is an increase in the market interest rate. As a result, an increase in interest rates may adversely impact the value of a Fund which has invested in bonds.

58.18 Risks specific to high yield bond Funds

In general, the yield of a bond will increase as its credit rating deteriorates. Funds may choose to invest in higher yielding bonds with a rating lower than investment grade in order to increase returns. Such speculative or junk bonds may include issuers that are unrated or in default. Funds that invest in these bonds are subject to a higher degree of credit risk than Funds which invest in higher-rated, lower-yielding bonds.

58.19 Risks specific to money market Funds

Money market Funds are not obliged to redeem units at their offering price. Further, such Funds are not subject to the supervision and regulation of the HKMA. Such Funds do not provide a guarantee of return and are not principal protected.

PART C: Additional Terms and Conditions applicable to Core Portfolio Service

This Part C applies to the core portfolio service offered by Mox as part of Mox Invest (“**Core Portfolio Service**”). In the event of any inconsistency between the terms of this Part C and the remainder of this Schedule, this Part C prevails in so far as it applies to the Core Portfolio Service.

59. Core Portfolio Service

- (a) Our Core Portfolio Service recommends a reasonably suitable investment portfolio of Funds for you.
- (b) We will determine whether we make the Core Portfolio Service available to you in our sole and absolute discretion.
- (c) Taking into account certain information you provide during your onboarding and risk assessments, such as your tolerance for investment risk and other factors we consider appropriate, we will determine a “**risk boundary**” for you.
- (d) The composition and weighting of the constituent Funds in a portfolio we recommend (or otherwise make available) to you are calculated by rules or methodologies determined by us (these portfolios are “**model portfolios**”) and applying your risk boundary. The model portfolio that you invest in is a “**Core Portfolio**”.
- (e) You understand and acknowledge that the Core Portfolio Service is not discretionary in nature and is not an asset management service. We will not make investment decisions for you or on your behalf. If you do not agree with our recommendation, where we permit, you may instead choose to invest in another model portfolio(s), if any (we may elect to make such model portfolios available to you in our sole discretion), that is suitable for you having regard to your risk boundary. It is for you to make your own investment decisions and decide whether or not to invest in a Core Portfolio (where applicable, any Securities including in a Core Portfolio).

60. Eligibility for the Core Portfolio Service

You are only eligible for the Core Portfolio Service if (and where we make such service available):

- (a) you have opened and maintain a Mox Invest Account pursuant to this Schedule;
- (b) you complete our suitability assessment, resulting in our determination of a risk boundary for you that means you are eligible for our Core Portfolio Service, and you acknowledge that risk boundary. You will be deemed to have acknowledged and agreed your risk boundary if you subscribe for our Core Portfolio Service; and
- (c) you agree to the terms of this Schedule.

61. Suitability

- (a) If you are eligible, Mox will make our Core Portfolio Service available and make investment recommendations to you based on the suitability assessment we undertake pursuant to clause 54 of Part B of these terms and using a portfolio-based approach. This will result in our determination of your risk boundary.
- (b) As part of the portfolio-based approach, we will set out an investment agreement in the Mox app under the Core Portfolio Service page(s), or in any other channel that we deem appropriate, which you will be asked to accept before you invest in a Core Portfolio (including applying a Rebalancing recommendation as defined in clause 63 of these terms). This investment agreement sets out, amongst other things, the key elements of the Core Portfolio including the types and allocation of investments in the Core Portfolio, along with certain associated risks (“**Investment Agreement**”).
- (c) You understand and acknowledge that the inclusion of a specific Fund in the Core Portfolio does not represent that an investment in such Fund, taken alone, is suitable for you.
- (d) In addition to your continuing obligation to provide us accurate information, including pursuant to clause 28 of these terms, Mox will ask you to review and update (as required) that information once every two years or at other intervals we determine. You should advise us of any changes in the information you provide us in connection with the Core Portfolio Service and your suitability assessment, as this may impact your risk boundary and/or the Investment Agreement. Your failure to provide us up-to-date and accurate information may impact our ability to provide you with the Core Portfolio Service. It may also result in a solicitation of a sale or investment recommendation that may not be suitable or may become unsuitable for you. We shall not be liable in such circumstances for any expense, loss or damage incurred by you arising from or in connection with such failure.
- (e) If you provide us new information or change information previously provided to us that results in a change to your risk boundary, to the extent that you are still eligible for the Core Portfolio Service, we will check to see if there is a new model portfolio recommendation for you and, if so, we will suggest a Rebalancing (defined below), as further described in this Part C.

- (f) If we determine that you are no longer eligible for the Core Portfolio Service (for example, because of new information or a change in information you provide us), we will notify you on the Mox app. We will cease to recommend any Rebalancing to you and your risk boundary in respect of the Core Portfolio Service will cease to apply to you. In such circumstances, you will only be able to redeem the holdings in your Core Portfolio (unless we specify otherwise) and you will be solely responsible for any loss arising therefrom. We may (but are not obliged to) make other investment recommendations to you. You understand and agree that while you may not be forced to redeem all your holdings in the Core Portfolio, in such circumstances:
- (i) your Core Portfolio may no longer be suitable for you and will no longer be held in accordance with our recommendations;
 - (ii) you will be solely responsible for any loss you may suffer as a result; and
 - (iii) you will be receiving a different type of service from us (namely, an 'execution-only' rather than an 'advisory' service) in respect of the holdings in your Core Portfolio.
- (g) If you provide inaccurate or incomplete information to us, including through the suitability assessment, or fail to inform us of any changes to the information you provide, your resulting risk boundary and associated investment recommendations may not be suitable for you. Mox accepts no responsibility or liability to the extent you provide inaccurate or incomplete information or fail to inform us of any changes to the information you provide. Your risk boundary and any associated investment recommendations are not comprehensive financial tools and are not a substitute for independent professional advice. Mox accepts no responsibility or liability if you rely on the risk boundary and any associated investment recommendations in connection with any use other than as part of our Core Portfolio Service and/or in accordance with these terms.

62. Model portfolios

- (a) You understand and agree that, while the model portfolios will be formulated and monitored by Mox, your Core Portfolio will be managed by you.
- (b) Each model portfolio targets an allocation of a different combination of asset classes ("**Strategic Asset Allocation**"), including equity and fixed income, and will correspond to a different risk boundary(s). More information about the Strategic Asset Allocation of the Core Portfolio relevant to you will be available in the Investment Agreement and Core Portfolio Service pages of the Mox app, after you have completed your suitability assessment.
- (c) Information about the investment methodology relating to each type of asset in the Strategic Asset Allocation (including the Funds that comprise them) may also be reviewed the Core Portfolio Service pages of the Mox app and in the relevant Fund Documents.
- (d) You acknowledge and agree that Mox may review the Strategic Asset Allocations and investment methodology of each type of asset in the Strategic Asset Allocation

using various criteria and may adjust model portfolios on a periodic (e.g. quarterly) or ad hoc basis.

63. Rebalancing

- (a) We may recommend that you rebalance your Core Portfolio in certain circumstances, including:
- (i) with reference to market updates (such as regular, quarterly updates) to align your Core Portfolio with any revised market assumptions;
 - (ii) if your Core Portfolio no longer aligns with your risk boundary or if there is a change in the asset allocation of your Core Portfolio compared with the Strategic Asset Allocation of the model portfolio your Core Portfolio adopts (whether due to market movements or otherwise), in each case to a degree that we assess as material;
 - (iii) if you have any pending instruction to increase or decrease the investment amount of your Core Portfolio;
 - (iv) if there is any change to your risk boundary or the Strategic Asset Allocation of the relevant model portfolio; or
 - (v) in other circumstances which we assess, from time to time, as beneficial or necessary to rebalance the Core Portfolio to make it reasonably suitable for you, in relation to which we may provide further details in the Mox app,

(each, a “**Rebalancing**”).

(b) We will notify you via your selected communication channel and/or through the Mox app when we recommend a Rebalancing. You will need to give us a specific instruction to apply a Rebalancing recommendation.

(c) You understand and agree that it is your responsibility to monitor, make decisions in relation to and act on any Rebalancing recommendations we make. Your Core Portfolio will only apply Rebalancing recommendations if you give us a specific instruction to do so.

(d) You understand and agree that:

 - (i) you have the right not to follow Mox’s Rebalancing recommendations. Where you do not follow Mox’s Rebalancing recommendation and do not give us a specific instruction to apply a Rebalancing recommendation, you acknowledge that:
 - (A) the Core Portfolio may become no longer suitable for you and/or will no longer be held in accordance with our recommendations;
 - (B) you will be solely responsible for any loss you may suffer as a result;

- (C) you will be receiving a different type of service from us (namely, an 'execution-only' rather than an 'advisory' service) in respect of your Core Portfolio for so long as you do not follow our Rebalancing recommendations. You will, however, continue to receive such recommendations from us for so long as you remain eligible for and use our Core Portfolio Service and you may instruct us to act on them at any time; and
- (D) the relevant Rebalancing recommendation may become redundant (for example, because the scenarios set out in paragraph (a) no longer exist or have changed) and we may withdraw or amend the Rebalancing recommendation;
 - (ii) a Rebalancing may affect the market value of your Core Portfolio; and
 - (iii) any transaction resulting from a Rebalancing recommendation is taken at your own risk for your own account.
- (e) Subject to clause 4(a) of these terms and to the extent permitted under applicable laws, Mox accepts no liability for any loss or damage arising directly or indirectly from reliance on Mox's recommendations (including Rebalancing).
- (f) Without limiting anything else in this Schedule, if you give us a specific instruction to apply a Rebalancing recommendation, we may undertake the relevant purchases or redemptions, and apply applicable redemption proceeds or any other amounts in your Mox Invest Account, to implement the Rebalancing. If any residual excess (or deficit) amounts remain after we implement a Rebalancing recommendation, these will be paid to (or deducted from) your Mox Invest Account.
- (g) We will not provide you with any Rebalancing recommendation if you are no longer eligible for the Core Portfolio Service.

64. How you manage your Core Portfolio

- (a) The Core Portfolio will be held in your Mox Invest Account.
- (b) You may instruct us to increase or decrease the investment amount of your Core Portfolio, subject to parameters (such as minimum monetary increments) and any other restrictions set by Mox from time to time.
- (c) We will initiate and execute the relevant purchase or redemption transactions and/or other Mox Invest Transactions on your behalf, either:
 - (i) after:
 - (A) we receive an instruction from you to make an initial investment in a Core Portfolio; or
 - (B) we receive an instruction from you to increase the investment amount of your Core Portfolio,

- in each case in accordance with your relevant order (and, taking into account your risk boundary, proportionate to the Strategic Asset Allocation of the relevant model portfolio); or
- (ii) after we receive an instruction from you to decrease the investment amount of your Core Portfolio, in accordance with your relevant order (and your holdings in each constituent Fund in your Core Portfolio will be decreased (i.e. redeemed) pro rata to their existing proportions). Please note that in circumstances where we have not received an instruction from you to rebalance in response to a Rebalancing recommendation from us, the decrease in your holdings may not align with your risk boundary or be proportionate to the Strategic Asset Allocation of the relevant model portfolio; or
 - (iii) where we have given you a Rebalancing recommendation, after our receipt of your instruction to apply that Rebalancing recommendation, in accordance with your relevant order.
- (d) We may prescribe a minimum or maximum investment threshold for any purchase or redemption instruction, or holding, in respect of an investment in a Core Portfolio. Unless we specify otherwise (or we elect in our sole and absolute discretion to accept an instruction for a lower amount), a minimum threshold of USD100 applies for subscriptions and USD20 for redemptions.
 - (e) When you instruct Mox to increase the amount invested in your Core Portfolio, the additional investment will follow the model portfolio as recommended by us in accordance with your most recent risk boundary.
 - (f) Redemption proceeds will be transferred to your Mox Invest Account (where applicable, net of any outstanding fees or charges).
 - (g) We will provide you with details of the relevant Core Portfolio Service transaction(s) we make on your behalf, including through contract notes and other statements we provide in respect of your Mox Invest Transactions.
 - (h) Before you place any instruction to purchase or increase the investment amount in a Core Portfolio, you must read all of the Funds Documents for each constituent Fund in the Core Portfolio. By giving an instruction to purchase or increase the investment amount in the Core Portfolio, you represent to us that you have read and understood all of the Fund Documents for the constituent Funds.
 - (i) You acknowledge and agree that:
 - (i) there may be situations in which:
 - (A) your Core Portfolio may not be held in exact accordance with the Strategic Asset Allocation applicable to the relevant model portfolio but may be controlled, based on Mox's recommendation, within a narrow range of that Strategic Asset Allocation; or

- (B) you become ineligible for the Core Portfolio Service, but you continue to hold investments in your Core Portfolio's constituent Funds,

and you agree that Mox will not be held responsible for any losses or other consequences as a result;
 - (ii) the Funds within your Core Portfolio (and the relevant model portfolio) cannot be individually changed by you. This means you cannot purchase or redeem units in a particular Fund in isolation. You can only increase or decrease your holdings in your overall portfolio of Funds; and
 - (iii) you may terminate your use of the Core Portfolio Service by redeeming all of your holdings in the Core Portfolio.
- (j) Without limiting anything else in this Schedule, when executing transactions for your Core Portfolio where the relevant transaction is in respect of Funds denominated in a currency other than Hong Kong dollars or USD, you authorise Mox, in its absolute discretion, to convert your orders in Hong Kong dollars (where permitted) or USD into the denominated currency of the Funds with reference to our prevailing exchange rates and market prices.
 - (k) Until an instruction to rebalance following a Rebalancing recommendation has been executed, you may be unable to submit other purchase or redemption orders for your Core Portfolio.
 - (l) Mox will notify you to confirm details of any instruction you give us (including any specific instruction to apply a Rebalancing recommendation). These details may include the Funds and the indicative number of Fund units or value, or percentage allocations thereof, to be purchased and/or redeemed (calculated using the latest prices according to Mox). This notification may be made via the Mox app and/or email prior to routing your instruction to the market. You acknowledge and agree that after the execution and completion of your instruction, the allocation of Funds and/or Fund units in your Core Portfolio may not be the same as the indicative number mentioned in the notification.
 - (m) Without limiting anything else in this Schedule, you understand and agree that instructions for orders you place for your Core Portfolio (including those resulting from a Rebalancing recommendation):
 - (i) may not be routed to the market instantly or on the same day that your instruction is placed;
 - (ii) will be placed with no price protection, and that the order may fill at a price lower or higher than the price available at the time of placing your instruction and/or at the time we confirm the details of your instruction and/or any Rebalancing recommendation. Please refer to clause 53(d) of these terms for further information. For example, as redemption orders are processed with an unknown net asset value or Fund unit price, if there is a market fluctuation, you may receive redemption proceeds that are lower than the initially indicated amount;

- (iii) may (in certain circumstances) also result in additional funds being required to fill purchase orders, which may be deducted from your Mox Invest Account;
 - (iv) may result in a tax or duty liability for you, for which you are solely responsible; and
 - (v) may be refused or cancelled by us at our sole discretion.
- (n) You understand and agree that Mox does not guarantee the performance of your Core Portfolio and/or the model portfolios and is not responsible to you for any investment losses.
 - (o) Mox may provide, via the Mox app, projections of possible investment outcomes over certain time horizons for a Core Portfolio or model portfolios. These projections are hypothetical and provided for illustrative purposes only, are subject to certain assumptions, do not constitute actual investment performance information for a portfolio or any Fund(s) within it, and are not guarantees of future returns or results.
 - (p) Without limiting anything else in this Schedule, we may substitute:
 - (i) our recommendation of; or
 - (ii) where permitted by applicable laws and regulations,

any one or more Fund(s) comprising your Core Portfolio, at any time and for any reason in our absolute discretion (for example, if relevant Fund(s) will no longer be made available through Mox Invest). In such cases, we will take steps to ensure your Core Portfolio after substitution remains reasonably suitable for you, based on your most recent risk boundary.

65. Standing instructions

- (a) Where we permit, you may give us a standing instruction to increase your investments in your Core Portfolio, by way of periodic purchases in your Core Portfolio in accordance with clause 53(a)(ii) of these terms.
- (b) You may complete a standing instruction via the Mox app, where available. If you continue to be eligible for Core Portfolio Service, the resulting periodic additional investments will follow the relevant model portfolio as recommended by us or selected by you having regard to your most recent risk boundary.
- (c) You must ensure that you have sufficient funds in your Mox Invest Account (or your other accounts with Mox, where applicable), at the relevant times and (unless we agree otherwise) in the relevant currency(s), to fund any purchases, otherwise we will reject that standing instruction.
- (d) Unless we specify otherwise, your standing instruction will not be executed in any of the following circumstances:

- (i) where we have notified you of a Rebalancing recommendation but you have not given us an instruction to apply the Rebalancing recommendation;
 - (ii) where you have a Rebalancing order in-progress at the time of a periodic Core Portfolio purchase pursuant to a standing instruction; and
 - (iii) any other circumstances that we notify you of from time to time.
- (e) You may cancel your standing instruction via the Mox app at any time, subject to and in accordance with clause 53(a)(ii) of these terms.
- (f) We may cancel your standing instruction in accordance with clause 53(a)(ii)(D) of these terms, for example when you are no longer eligible for the Core Portfolio Service.

66. Core Portfolio fees and charges

- (a) You can see details of fees and charges applicable to our Core Portfolio Service in the Mox app and/or on our website.
- (b) We may continue to charge fees and charges in respect of Core Portfolio holdings you maintain even if you have become ineligible for the Core Portfolio Service.

67. Core Portfolio Service Risk Disclosure Statement

- (a) This Risk Disclosure Statement provides a brief summary of some (but not all) of the features and risks of the Core Portfolio Service. You should carefully consider whether the Core Portfolio Service is suitable for you having regard to your investment experience, investment objectives, financial situation and risk tolerance.
- (b) The Core Portfolio Service may also carry the risks identified in the other risk disclosure statements in these terms (as applicable), including those identified in clause 58 of these terms.
- (c) If you are in any doubt about the risks involved in the Core Portfolio Service, you should seek independent financial, investment, tax, legal or other professional advice.
- (d) The contents of this Risk Disclosure Statement have not been reviewed by any regulatory authority.

67.1 Risks of investment in the Core Portfolio

- (a) The value of your Core Portfolio may increase or decrease and is highly dependent on the performance of the individual Funds which comprise the Core Portfolio. Whilst we construct and recommend a model Portfolio to you using rules and methodologies which we consider to be appropriate, we do not guarantee the performance of the Core Portfolio.

- (b) Our rules and methodologies for constructing model Portfolios may use historic market data when making recommendations. Whilst we believe this approach to be reasonable, there is no guarantee that the selected historic market data will constitute a reliable basis for constructing model portfolios or making recommendations with a view to future performance, especially over particular timescales.
- (c) Whilst we regularly test and monitor the methodologies and rules, inadvertent errors or bugs may occur and, in such cases, we may suspend the operation of the Core Portfolio Service, either partly or wholly. There is no assurance that the rules and methodologies will always behave correctly. We are not liable to you for any expenses, losses or damages which you may suffer or incur if we suspend the Core Portfolio Service (in part or whole) provided we have exercised reasonable skill and care in testing and maintaining the rules and methodologies.
- (d) Performance data and statistics provided in relation to our Core Portfolio Service are derived based on historic market data and methodologies which are formulated based on various assumptions. They do not reflect or project actual investment performance of the Core Portfolio or performance of any Funds in the Core Portfolio and are not guarantees of future results.
- (e) You may find additional information relating to how our model portfolios are constructed and the assumptions and limitations of performance projections in the Core Portfolio Service pages in the Mox Invest app.

67.2 Suitability

We will take reasonable steps to ensure our recommendation or solicitation is reasonably suitable for you in all the circumstances. This is not a guarantee that your Core Portfolio will increase in value.

67.3 Rebalancing risk

You acknowledge that the Rebalancing recommendations we provide to you will not rebalance the Core Portfolio on a real-time basis. Your Core Portfolio may not exactly match the Strategic Asset Allocation of the relevant model portfolio before and after any Rebalancing of the Core Portfolio as instructed by you and hence may not follow the performance of the model portfolio.

67.4 Rebalancing recommendations

When you receive a Rebalancing recommendation from us, you should consider the implications of such, make your own risk assessment, seek professional advice where necessary and make your own decision as to the Rebalancing.

67.5 Risks associated with not following Rebalancing recommendations

We will not execute any transaction as recommended in the Rebalancing recommendation unless you Instruct us to do so. If you do not provide relevant instruction to us or if there is any delay in providing such instruction, your Core Portfolio may become no longer suitable for you and you must bear the consequences.

67.6 Disposal of the Core Portfolio

You may redeem all or part of your holding of Funds in your Core Portfolio. If you redeem all of your holding of Funds in your Core Portfolio, we will not, and shall be released from any obligation to, provide any alerts to you in respect of such Core Portfolio.

67.7 Regulatory risks

If any of your holding of Funds in the Core Portfolio results in any actual or potential non-compliance with any applicable laws, rules and regulations, subject to the applicable laws, rules and regulations, we may have to force sell (liquidate) such holding(s), even if you have not given us specific instructions to do so (including any instruction to apply a Rebalancing recommendation).

67.8 Investment strategy risks

You understand that the investment strategy risk of the Core Portfolio may vary according to your risk boundary. The higher your risk boundary, the more likely it is that a recommended Core Portfolio may contain larger weights in riskier Funds or classes of Funds.

67.9 Partial execution risks

Due to various factors, such as market conditions, suspension of trades, drastic movements of prices, temporary suspension of the Core Portfolio Service or other reasons, we may not be able to execute your instruction to purchase or redeem all the Funds comprising a Core Portfolio in full. As a result, you will only have a partially executed Core Portfolio which may not be suitable for you. You should take into account such implications and make your own risk assessment and seek professional advice, where necessary.

67.10 Termination/suspension of Core Portfolio Service

We may terminate or suspend the Core Portfolio Service (in part or in whole) in our sole and absolute discretion. Upon such termination or during the period of suspension of the Core Portfolio Service, some or all the services under the Core Portfolio Service will become unavailable and you understand and agree that if such services become unavailable, your holding of the Core Portfolio may no longer be suitable for you.

67.11 Concentration risks

The Core Portfolio may achieve a limited degree of diversification only. The Core Portfolio may be concentrated on only one or a few market sectors, asset classes or markets. This could have negative impact on their performance. A less diversified Core Portfolio may be more sensitive to economic, business, political or other changes and this may lead to sizeable fluctuation in the value of your holding in the Core Portfolio.

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