



This China Connect Supplement supplements and forms part of the General Terms and Conditions (as defined below).

Capitalised terms used in this China Connect Supplement (including any Appendices hereto) will have the meanings given to such terms in Schedule 1 hereto or otherwise in the General Terms and Conditions. In the event of any inconsistency between this China Connect Supplement and the General Terms and Conditions, this China Connect Supplement shall prevail with respect to matters prescribed herein.

1. Application

1.1 Notwithstanding any provision in any General Terms and Conditions, this China Connect Supplement shall apply, and shall be deemed to be accepted by you, where you place an order to trade or otherwise deal in, or inform or indicate to Goldman Sachs that you wish to trade China Connect Securities through China Connect.

1.2 This China Connect Supplement is supplemental to, and without prejudice to, any prime brokerage agreement, execution and clearing agreement, new account agreement, and any other agreement between you and Goldman Sachs ("**General Terms and Conditions**").

2. Eligible Investors

2.1 Northbound trading is available only to Hong Kong and overseas investors. By placing an order or giving an instruction in respect of China Connect Securities under this China Connect Supplement, you are deemed to represent, warrant and undertake that:

- (a) you are not a legal entity incorporated or registered in the PRC;
- (b) if you are an individual, (i) you are not a PRC Citizen; or (ii) you are a PRC Citizen, and you have been resident outside of the PRC for more than one year; and
- (c) in respect of ChiNext Shares, you and each of your Underlying Clients are Eligible ChiNext Investors.

3. Compliance with Trading Restrictions and Applicable China Connect Laws

3.1 This China Connect Supplement highlights certain key features of China Connect as of the date hereof. Goldman Sachs is not liable for any inaccuracies or misstatements in the information set out in Appendix 1 to this China Connect Supplement. Any trading in China Connect Securities will be subject to the China Connect Rules and all Applicable China Connect Laws, including, without limitation, any applicable requirements and/or restrictions pursuant to China Connect as may be amended from time to time, certain of which are referred to in Appendix 1 hereto. This China Connect Supplement does not purport to cover all the rules, requirements and features of China Connect and all Applicable China Connect Laws.

3.2 When dealing in China Connect Securities under this China Connect Supplement, you shall comply with all Applicable China Connect Laws to which you may be subject. You shall be fully responsible for any consequences of Northbound trading. Goldman Sachs will not, and does not intend to, advise you on any of the Applicable China Connect Laws. For further information, please refer to the web pages on the HKEx

website and the SFC website relating to China Connect from time to time and other relevant sources.

3.3 Goldman Sachs shall have the right to apply any procedures or requirements in respect of any trading of China Connect Securities through China Connect which it determines in its absolute discretion to be necessary or desirable for the purpose of any Applicable China Connect Laws or market practice.

3.4 Goldman Sachs may, in its absolute discretion, refuse to execute any instruction provided by you.

3.5 You shall provide all information (including translations into Chinese, if required) to Goldman Sachs which Goldman Sachs requests in relation to any request or requirement by any China Connect Authority or an exchange, regulatory authority or any organisation (whether within or outside Hong Kong) with which HKEx or the SEHK has entered into an information sharing arrangement or agreement. By providing such information, you are deemed to waive the benefit of any bank secrecy laws and data protection laws which may be applicable.

4. Acknowledgement

4.1 By instructing Goldman Sachs in respect of any transaction relating to China Connect Securities, you acknowledge:

- (a) that (i) you have read and understood the risk disclosures and other information set out in Appendix 1 to this China Connect Supplement; (ii) you understand that there is a risk of prohibition from trading China Connect Securities; and (iii) you understand your obligations when trading China Connect Securities through China Connect including any consequences of a breach of Applicable China Connect Laws;
- (b) that SEHK has the power not to extend the China Connect Service to you and the power to require Goldman Sachs not to accept instructions from you, if it is found that you, Goldman Sachs or any of Goldman Sachs' clients has or may have committed any abnormal trading conduct set out in the SSE Rules and/or the SZSE Rules (as applicable) or failed to comply with any China Connect Rules;
- (c) that Goldman Sachs may provide to a China Connect Authority relevant information and materials relating to you, including, without limitation, in relation to your identity, personal data and trading activities for the purposes of assisting any investigation or surveillance by a China Connect Authority;
- (d) that if the SSE Rules and/or the SZSE Rules (as applicable) are breached, or the disclosure and other obligations referred to in any Applicable China Connect Laws are breached, (i) the relevant China Connect Market has the power to carry out investigations, and may, through SEHK (or the relevant SEHK Subsidiary or any other governmental or regulatory body), require Goldman Sachs to (A) provide relevant information and materials relating to you including, without limitation, your identity, personal data and trading activity; and (B) assist in a China Connect Authority's investigation in relation to you and/or your trading activity; and (ii) you may be subject to regulatory investigations and the relevant legal and regulatory consequences (if any);
- (e) that the SEHK may (for the purpose of assisting the relevant China Connect Market in its regulatory surveillance of the China Connect Market and enforcement of the SSE China

Connect Rules or the SZSE China Connect Rules (as the case may be) and as part of the regulatory cooperation arrangement between the SEHK, the relevant SEHK Subsidiary and the relevant China Connect Market), at the request of the relevant China Connect Market, require Goldman Sachs to provide information (including, without limitation, your identity, personal data and trading activity) in relation to you and any other persons referred to in the SEHK China Connect Rules with respect to any China Connect orders placed or China Connect transactions made or entered into by Goldman Sachs on your or their behalf;

- (f) that where a China Connect Authority considers that there is a serious breach of the SSE Rules and/or the SZSE Rules, Goldman Sachs may be required by a China Connect Authority to (i) issue warning statements (verbally or in writing) to you; and (ii) cease providing you with any service relating to trading China Connect Securities through China Connect;
- (g) and agree that prior to the execution and settlement of a Northbound buy order instructed by you has been settled, you shall not instruct a Northbound sell order in respect of the China Connect Securities which are the subject of such Northbound buy order;
- (h) and consent to Goldman Sachs providing information relating to your profile, the types and values of Northbound buy and sell orders and transactions executed on your behalf to a China Connect Authority at such intervals and in such form as such China Connect Authority may specify from time to time;
- (i) and accept responsibility for paying all fees, charges, levies and taxes and shall comply with any filing or registration obligations as may be required under any Applicable China Connect Laws relating to any China Connect Securities and any dividends or entitlements in respect of such China Connect Securities;
- (j) and accept that Goldman Sachs will be required under the China Connect Rules to keep records (including telephone records) for a period of not less than 20 years, of (i) orders and trades executed on your behalf; (ii) instructions received in relation to such orders and trades and (iii) your account information in relation to Northbound trading;
- (k) that the SEHK may upon the relevant China Connect Market's request require an Exchange Participant to reject your order; and
- (l) that none of the China Connect Authorities or their respective directors, employees and agents shall be responsible or held liable for any loss or damage directly or indirectly suffered by Goldman Sachs, you or any other third party arising from or in connection with (i) the trading of China Connect Securities or the operation of the CSC in respect of China Connect Securities; (ii) any amendments, making or enforcement of the China Connect Rules; or (iii) any action taken by a China Connect Authority in the discharge of its supervisory or regulatory obligations or functions (including any action taken in respect of abnormal trading activities).

5. Pre-Trade Checking

- 5.1 By instructing Goldman Sachs in respect of any transaction relating to the sale of China Connect Securities, you:
- (a) acknowledge that, under PRC law, the relevant China Connect Market may reject a sell order if an investor does not have sufficient available China Connect Securities in its account, and that SEHK will apply similar checking on all Northbound sell orders at the Exchange Participant level to ensure there is no overselling by any individual Exchange Participant ("**Pre-Trade Checking**");
 - (b) will comply with any requirements relating to Pre-Trade Checking mandated by the China Connect Authorities and as required by Goldman Sachs, and you will ensure there are sufficient available China Connect Securities in your account with Goldman Sachs to cover any proposed sell order; and

- (c) acknowledge that, if Goldman Sachs considers that you have not (by the commencement of trading on the trading day on which you wish to execute a sell order or any other cut-off time as determined by Goldman Sachs at its sole discretion from time to time) transferred sufficient available China Connect Securities to your account at Goldman Sachs to cover a proposed sell order, Goldman Sachs may (but shall not be obliged to) in its absolute discretion: (i) reject your sell order (in whole or in part); (ii) use any China Connect Securities in the Exchange Participant's (or any other exchange participant's) designated CCASS account(s) which Goldman Sachs holds for itself or on behalf of its other customers to fulfil the Pre-Trade Checking requirement in respect of your sell order, in which case you shall reimburse Goldman Sachs for any costs, losses or expenses which Goldman Sachs incurs as a result of buying in or otherwise sourcing the amount of the China Connect Securities which you have failed to deliver in respect of your sell order, on such terms and at such price (including any associated fees and expenses) and at such time as Goldman Sachs shall determine in its absolute discretion; or (iii) perform any other act which Goldman Sachs considers necessary or desirable to comply with Pre-Trade Checking and/or relevant Applicable China Connect Laws and to cover your shortfall (including but not limited to applying any other China Connect Securities available to Goldman Sachs) from any stock borrowing arrangements (to the extent permitted by Applicable China Connect Laws and available to Goldman Sachs) or other sources.

5.8 You agree not to place any short sell orders for China Connect Securities with us. When you place a sell order for China Connect Securities with us, you are deemed to represent to us that such sell order is a long sell order. Please note that short sell orders in China Connect Securities are subject to price restrictions and other rules. These price restrictions may also apply to long sell orders in certain circumstances, e.g. where the seller has borrowed China Connect Securities (but has not short sold them all and has not returned the borrowed China Connect Securities) and also has long inventory in the same China Connect Securities and wants to sell some or all of that inventory. When you place a sell order for China Connect Securities with us:

- (a) you will be deemed to agree to comply with the above requirements; and
- (b) you will be deemed to represent either that (i) you have no outstanding borrows in any such China Connect Securities at that time, or (ii) if you have borrowed such securities at that time, that such securities are not the subject of the sell order and have already been short sold in full.

6. Settlement

6.1 By instructing Goldman Sachs in respect of any transaction relating to China Connect Securities, you acknowledge that:

- (a) subject to Applicable China Connect Laws, Goldman Sachs may have settlement arrangements in place different from the CSDCC settlement arrangements, including but not limited to arrangements whereby Goldman Sachs may, in its sole discretion, debit your account at Goldman Sachs with the funds required in relation to the settlement of the trade, and/or extend credit to you in which case interest will be payable by you to Goldman Sachs at rates determined by Goldman Sachs and notified to you;
- (b) you have read and understood the disclosures in paragraph 1 of Appendix 1, including without limitation the risks of the China Connect Securities being Securities-on-hold; and
- (c) for the avoidance of doubt, Goldman Sachs shall have no liability for any losses or risks which may result directly or indirectly from any China Connect Securities purchased by you being Securities-on-hold, or the implementation of settlement arrangements by Goldman Sachs which are different from the CSDCC settlement arrangements.

7. Sale, Transfer and Disorgement

7.1 Where, under the terms of the China Connect Rules, Goldman Sachs receives notice (a "**Forced-sale Notice**") from a China Connect Authority requiring Goldman Sachs to sell and liquidate a specified number of China Connect Securities owned by you, Goldman Sachs shall issue a corresponding notice to you requesting you to sell and liquidate such China Connect Securities within the time period specified by the relevant China Connect Authority.

arising from and in connection with this China Connect Supplement.

7.2 In relation to any Forced-sale Notice, you hereby authorise Goldman Sachs to sell or arrange for the sale of such China Connect Securities on your behalf at such price and on such terms as Goldman Sachs may determine in its absolute discretion to the extent necessary or desirable to comply with all Applicable China Connect Laws.

7.3 Where China Connect Securities owned by you that are the subject of a Forced-sale Notice have been transferred from the holding of the Clearing Participant that settled the relevant Northbound buy order (the "**Original CP**") to another Clearing Participant or custodian (the "**Recipient Agent**"), you hereby authorise Goldman Sachs to provide instructions to the Recipient Agent on your behalf to return or transfer the relevant China Connect Securities to the Original CP for sale and liquidation in accordance with all Applicable China Connect Laws. You also undertake to inform the Recipient Agent of such authorisation and, where required, you undertake to instruct the Recipient Agent to act accordingly.

7.4 In addition to the above, you hereby authorise Goldman Sachs to sell, transfer or carry out any other action in relation to China Connect Securities owned by you if Goldman Sachs is instructed or requested to do so by any China Connect Authority or if Goldman Sachs otherwise determines in its absolute discretion that it is necessary or desirable to do so in order to comply with any Applicable China Connect Laws. Without limitation, where you have bought ChiNext Shares but were not eligible to do so, you hereby authorise Goldman Sachs to sell such ChiNext Shares, agree to sell such ChiNext Shares promptly upon request by Goldman Sachs, and agree to accept all resulting costs and losses.

8. Fees and Taxation

8.1 Goldman Sachs shall be entitled in its absolute discretion, without further notice or demand, forthwith, to satisfy any obligation or potential obligation of Goldman Sachs or you to pay or account for any amounts in respect of any Taxes by selling, realising or otherwise dealing with, in such manner as Goldman Sachs in its absolute discretion may determine, all or part of any property held by Goldman Sachs for any purpose in any of your accounts held with Goldman Sachs, and to apply the proceeds in reduction of all or part of your liability to any tax authority or Goldman Sachs.

9. Miscellaneous

9.1 You will execute any further documents and provide any materials and/or information as Goldman Sachs may request to enable it to perform its duties and obligations under this China Connect Supplement which may become necessary as and when the China Connect Rules are amended from time to time.

9.2 Goldman Sachs reserves the right to vary any of the terms of this China Connect Supplement in accordance with the General Terms and Conditions.

9.3 Save for Clause 3 (*Compliance with Trading Restrictions and Applicable China Connect Laws*), Clause 4 (*Acknowledgement*), and Clause 7 (*Sale, Transfer and Disgorgement*), this China Connect Supplement shall automatically terminate upon termination of the General Terms and Conditions.

10. Governing Law and Jurisdiction

10.1 The provisions in the General Terms and Conditions relating to governing law and jurisdiction shall apply to all matters

SCHEDULE 1: DEFINITIONS

"**A Shares**" means any shares issued by companies incorporated in the PRC which are listed and traded on the PRC A Share markets (Shanghai and Shenzhen) and not on the SEHK.

"**Applicable China Connect Laws**" means the laws, regulations, rules and guidelines of Hong Kong and the PRC from time to time including, without limitation, the China Connect Rules.

"**Average Pricing**" means the allocation or application of an average price per China Connect Security to each individual fund managed by the same fund manager in respect of trades in such China Connect Security on the same Trading Day.

"**Cash**" means all cash or cash equivalents in Renminbi received and held by Goldman Sachs on the terms of this China Connect Supplement.

"**CCASS**" means the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on The Stock Exchange of Hong Kong Limited and/or any system established for the purpose of China Connect.

"**CCASS China Connect Rules**" means the general rules of CCASS, as amended for the purposes of implementing China Connect, and as amended, supplemented, modified and/or varied from time to time.

"**China Connect**" means the Shanghai Hong Kong Stock Connect and/or the Shenzhen Hong Kong Stock Connect (as the case may be).

"**China Connect Authorities**" means the exchanges, clearing systems and regulators which provide services in relation to and/or regulate China Connect and activities relating to China Connect, including without limitation, the SEHK, HKSCC, the SEHK Subsidiaries, SSE, SZSE, CSDCC, CSRC, PBOC, SAFE, SFC, HKMA and any other regulator, exchange, clearing system, agency or authority with jurisdiction, authority or responsibility in respect of China Connect; and "**China Connect Authority**" means any one of them.

"**China Connect Market**" means the SSE and/or SZSE (as the case may be).

"**China Connect Market System**" means the system used for the trading of (a) SSE Securities on SSE, as operated by SSE and/or (b) SZSE Securities on SZSE as operated by SZSE (as the case may be).

"**China Connect Rules**" means any laws, rules, regulations, policies or guidelines published or applied by any China Connect Authority from time to time in respect of China Connect or any activities arising from China Connect.

"**China Connect Securities**" means any SSE Securities and/or SZSE Securities.

"**China Connect Service**" means the order-routing service through which Northbound orders placed by an Exchange Participant may be transmitted by an SEHK Subsidiary to the corresponding China Connect Market for the buying and selling of China Connect Securities and any related supporting services.

"**China Connect Shares**" means any A Shares listed and traded on any China Connect Market which may be traded by Hong Kong and international investors under China Connect.

"**China Connect Supplement**" means this supplement to the General Terms and Conditions, as amended, supplemented, modified and/or varied from time to time.

"**ChiNext Shares**" means any securities listed and traded on the ChiNext Board of the SZSE which may be traded by Hong Kong and overseas investors under Shenzhen Hong Kong Stock Connect.

"**Clearing Participant**" has the meaning given to such term in the rules of CCASS.

"**Client Securities Rules**" means the Securities and Futures (Client Securities) Rules (Cap 571H of the Laws of Hong Kong).

"**CSC**" means the China Stock Connect System for receiving and routing China Connect orders to a China Connect Market System for automatic matching and execution.

"**CSDCC**" means China Securities Depository and Clearing Corporation.

"**CSDCC China Connect Rules**" means the rules of CSDCC, including without limitation, the rules published by CSDCC for the purposes of implementing China Connect, as amended, supplemented, modified and/or varied from time to time.

"**CSRC**" means China Securities Regulatory Commission.

"**Eligible ChiNext Investor**" means a "professional investor" within the meaning of paragraph (a), (b), (c), (d), (e), (f), (g), (h) or (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the SFO or other types of investors that are permitted or approved by the China Connect Authorities to trade ChiNext Shares through Shenzhen Hong Kong Stock Connect.

"**Exchange Participant**" means Goldman Sachs (Asia) Securities Limited which is a person registered as a China Connect Exchange Participant by SEHK.

"**ETFs**" means exchange-traded funds.

"**Forced-sale Notice**" has the meaning given to such term in Clause 7.1.

"**General Terms and Conditions**" has the meaning given to such term in Clause 1.2.

"**Goldman Sachs**" means Goldman Sachs International, Goldman Sachs & Co. LLC, the Exchange Participant (as appropriate) and/or any of their affiliates.

"**H Shares**" means any securities issued by companies incorporated in the PRC and listed on the SEHK.

"**HKEx**" means the Hong Kong Exchanges and Clearing Limited.

"**HKMA**" means the Hong Kong Monetary Authority.

"**HKSCC**" means the Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of HKEx.

"**Northbound**" denotes the trading of China Connect Securities by Hong Kong and international investors through China Connect.

"**PBOC**" means the People's Bank of China.

"**PRC**" means, for the purposes of this China Connect Supplement, the People's Republic of China (excluding Hong Kong, Macau and Taiwan).

"**PRC Citizen**" means any person holding a resident identification card or other equivalent government issued identification of the PRC.

"**PRC Listco**" has the meaning given to such term in paragraph 4 of Appendix 1 to this China Connect Supplement.

"**QFII**" means a Qualified Foreign Institutional Investor.

"**Renminbi**" or "**RMB**" means the lawful currency of the PRC, deliverable in Hong Kong.

"**RQFII**" means a RMB Qualified Foreign Institutional Investor.

"SAFE" means the State Administration of Foreign Exchange of the PRC.

"SEHK" means The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of HKEx.

"SEHK China Connect Rules" means the rules of HKEx, as amended for the purposes of implementing China Connect, and as amended, supplemented, modified and/or varied from time to time.

"SEHK Subsidiary" means a wholly-owned subsidiary of SEHK duly authorised as an automated trading service provider under the SFO and licensed under applicable laws in the PRC to provide the order-routing service under China Connect.

"SFC" means the Securities and Futures Commission of Hong Kong.

"SFO" means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

"Shanghai Hong Kong Stock Connect" means a securities trading and clearing links programme developed by SEHK, SSE, HKSCC and CSDCC for the establishment of mutual market access between SEHK and SSE.

"Shenzhen Hong Kong Stock Connect" means a securities trading and clearing links programme developed by SEHK, SZSE, HKSCC and CSDCC for the establishment of mutual market access between SEHK and SZSE.

"Special China Connect Securities" means any securities and/or ETFs listed on the relevant China Connect Market which SEHK (after consulting with such relevant China Connect Market) from time to time accepts or designates as eligible only for China Connect sell orders and not for China Connect buy orders.

"SSE" means the Shanghai Stock Exchange.

"SSE China Connect Rules" means the SSE Regulations on the Shanghai-Hong Kong Stock Connect Programme which have been published by SSE for the purposes of implementing China Connect, as amended, supplemented, modified and/or varied from time to time.

"SSE Listing Rules" means the Rules Governing the Listing of Stocks on Shanghai Stock Exchange as amended, supplemented, modified and/or varied from time to time.

"SSE Rules" means the SSE China Connect Rules and the business and trading rules and regulations of SSE, as amended, supplemented, modified or varied from time to time.

"SSE Securities" means any securities and/or ETFs listed and traded on the SSE which may be traded by Hong Kong and international investors under China Connect.

"SZSE" means the Shenzhen Stock Exchange.

"SZSE China Connect Rules" means the SZSE Regulations on the Shenzhen-Hong Kong Stock Connect Programme which have been published by SZSE for the purposes of implementing China Connect, as amended, supplemented, modified and/or varied from time to time.

"SZSE Listing Rules" means the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange and the Rules Governing the Listing of Stocks on ChiNext, each as amended, supplemented, modified and/or varied from time to time.

"SZSE Rules" means the SZSE China Connect Rules and the business and trading rules and regulations of SZSE, as amended, supplemented, modified or varied from time to time.

"SZSE Securities" means any securities and/or ETFs listed and traded on the SZSE which may be traded by Hong Kong and

international investors under China Connect. For the avoidance of doubt, SZSE Securities shall include ChiNext Shares.

"Taxes" means all taxes, duties, levies, imposts, charges, assessments, deductions, withholdings and related liabilities, including additions to tax, penalties and interest imposed on or in respect of (i) China Connect Securities or Cash, (ii) any transaction effected under this China Connect Supplement or (iii) you.

"Trading Day" means a day on which SEHK is open for Northbound trading for (a) in the case of Shanghai Hong Kong Stock Connect, Hong Kong and Shanghai and (b) in the case of Shenzhen Hong Kong Stock Connect, Hong Kong and Shenzhen where "T day" denotes the day on which a transaction is executed and "T+1 day" denotes (as the case may be) the day which is one Trading Day or, in the context of settlement of funds, one business day (on which (a) in the case of Shanghai Hong Kong Stock Connect, banks in Hong Kong and Shanghai are generally open for business and (b) in the case of Shenzhen Hong Kong Stock Connect, banks in Hong Kong and Shenzhen are generally open for business) after T day.

"you" means you, or, where you are acting on behalf of an Underlying Client(s) or Client(s), your Underlying Client(s) or Client(s).

APPENDIX 1: RISK DISCLOSURES AND OTHER INFORMATION

This Appendix describes some of the key risk disclosures and other information concerning China Connect. This Appendix does not disclose all the risks and other significant aspects of Northbound trading through China Connect. You should ensure that you understand the nature and risks of China Connect and Northbound trading and you should consider carefully, and consult your independent advisers, whether trading in China Connect Securities is suitable for you in light of your circumstances. The decision to trade in China Connect Securities is yours, but you should not trade in China Connect Securities unless you fully understand and are willing to assume the risks associated with China Connect. You acknowledge the risks, and agree to the terms, set out in this Appendix.

The information set out in this Appendix is for your information purpose only. Goldman Sachs does not represent that the information set out in this Appendix is accurate, up to date or comprehensive, and does not undertake to update the information set out in this Appendix. Goldman Sachs does not provide you with any legal, regulatory, tax or accounting advice. You should consult with your independent advisers for such advice.

1. Settlement

Northbound trades will follow the settlement cycle of the relevant China Connect Market. For settlement of China Connect Securities trades, CSDCC will debit or credit the securities accounts of its participants (including HKSCC as clearing participant) on T day free of payment, and (subject to the two succeeding paragraphs) settlement of funds relating to such trading will be effected on T+1 day.

In accordance with China Connect Rules, (a) until such time as HKSCC is satisfied that (i) it has received payment in full in respect of China Connect Securities delivered by HKSCC to Goldman Sachs under the continuous net settlement system on a settlement day; and (ii) such payment is good and irrevocable, or unless otherwise agreed by HKSCC, title, property or any interest in such China Connect Securities ("**Securities-on-hold**") shall not pass to Goldman Sachs; and (b) title, property or interest in Securities-on-hold shall be deemed to have passed when Goldman Sachs is allowed by HKSCC to use or transfer such China Connect Securities in CCASS but at any time before then, HKSCC shall be free to use or apply such China Connect Securities in such matter as HKSCC considers appropriate.

Subject to Applicable China Connect Laws, Goldman Sachs may have settlement arrangements in place different from the CSDCC settlement arrangements. For example, subject to Applicable China Connect Laws, Goldman Sachs may in its discretion effect cash payment to HKSCC on T day to have all or part of the Securities-on-hold released by HKSCC. In connection therewith, Goldman Sachs may, in its sole discretion, debit your account at Goldman Sachs with the funds required in relation to the settlement of the trade, and/or extend credit to you in which case interest will be payable by you to Goldman Sachs at rates determined by Goldman Sachs and notified to you.

2. Quota Restrictions

Purchases of China Connect Securities through China Connect are subject to certain quota controls as described below. As a result, there is no assurance that a buy order can be successfully placed through China Connect. There is a daily quota limiting the maximum value of all the Northbound buy trades that can be executed by Exchange Participants on each Trading Day ("**Daily Quota**"). The Daily Quota may change from time to time without prior notice and investors are advised to refer to the HKEx website and other information published by the HKEx for up-to-date information.

Under the China Connect Rules, investors may sell their China Connect Securities regardless of whether there is a breach of the provisions relating to Daily Quota. If there is a restriction, rejection or suspension of Northbound buying as a result of the Daily Quota being fully utilised, Goldman Sachs will be unable to carry out any further buy orders.

3. Restriction on Day Trading

Day (turnaround) trading is not permitted on the China Connect Markets. If you buy China Connect Securities on T day, you may be able to sell the shares only on or after T+1 day. Due to Pre-Trade Checking requirements, Goldman Sachs may accept an instruction to sell China Connect Securities that were bought on T day only on or after the applicable cut-off time (as determined by Goldman Sachs at its sole discretion from time to time) on T+1 day.

4. Disclosure of Interests

Under PRC laws, rules and regulations, if you hold or control shares (on an aggregate basis, i.e., including both domestically and overseas issued shares of the same PRC Listco (as defined below), whether the relevant holdings are through Northbound trading, QFII/RQFII regime or other investment channels) in a PRC incorporated company which is listed on a PRC stock exchange (a "**PRC Listco**") up to a certain threshold (as may be specified from time to time by the relevant China Connect Authorities), you must disclose such interest within the period specified by the relevant China Connect Authority, and you must not buy or sell any such shares within the period specified by the relevant China Connect Authority. You must also disclose any substantial change in your holding as required by the relevant China Connect Authority.

Under Hong Kong law, where a PRC incorporated company has both H Shares listed on the SEHK and A Shares listed on a China Connect Market, if an investor is interested in more than a certain threshold (as may be specified from time to time) of any class of voting shares (including A Shares purchased through China Connect) in such PRC incorporated company, the investor is under a duty of disclosure pursuant to Part XV of the SFO. Part XV of the SFO does not apply where the PRC incorporated company has not listed any shares on the SEHK.

It shall be your responsibility to comply with any disclosure of interest rules from time to time imposed by the relevant China Connect Authorities and to arrange for any relevant filings.

5. Short Swing Profit Rule

Under PRC laws, rules and regulations, if the "short swing profit rule" requires you to give up or return any profits made from purchases and sales in respect of China Connect Shares of a PRC Listco if (a) your shareholding in such PRC Listco exceeds the threshold prescribed by the relevant China Connect Authority from time to time and (b) the corresponding sale transaction occurs within the six months after a purchase transaction, or vice versa. It shall be your responsibility to comply with the "short swing profit rule".

6. Foreign Ownership Limits

Under PRC laws, rules and regulations, there is a limit to how many shares a single foreign investor is permitted to hold in a single PRC Listco, and also a limit to the maximum combined holdings of all foreign investors in a single PRC Listco. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same issuer, whether the relevant holdings are through Northbound Trading, QFII/RQFII regime or other investment channels). It shall be your responsibility to comply with all foreign ownership limits from time to time imposed by Applicable China Connect Laws. Such legal and regulatory restrictions or limitations may have adverse effect on the liquidity and performance of an investment in China Connect Shares due to factors such as limitations on fund repatriation, dealing restrictions, adverse tax treatments, higher commission costs, regulatory reporting requirements and reliance on services of local custodians and service providers. As a result, you may suffer losses through your trading or investment in China Connect Shares.

If Goldman Sachs is so required by any China Connect Authority, including, without limitation, as a result of any Forced-sale Notice issued by the relevant China Connect Market, Goldman Sachs will sell any China Connect Shares pursuant to Clause 7 (*Sale, Transfer and Disgorgement*) above in order to ensure compliance with all Applicable China Connect Laws. In such case, no China Connect Shares buy orders for the relevant China Connect Shares

will be accepted until the relevant China Connect Market informs its corresponding SEHK Subsidiary or SEHK that the aggregate foreign shareholding has fallen below a certain percentage. SEHK may determine in its absolute discretion which Exchange Participants and what quantity of China Connect Shares should be subject to a Forced-sale Notice (this is generally likely to be on a "last-in, first-out" basis), and SEHK's (or the relevant SEHK Subsidiary's) own records shall be final and conclusive.

Moreover, under PRC laws, where the aggregate holding of foreign investors exceeds a specified percentage (the "**Cautionary Level**") of the issued shares of a single PRC Listco, upon notification by the relevant China Connect Market to the corresponding SEHK Subsidiary, SEHK and the relevant SEHK Subsidiary are required as soon as practicable thereafter to suspend accepting China Connect Shares buy orders in respect of the relevant China Connect Shares. In such circumstances, Goldman Sachs may reject your buy orders until the aggregate shareholding of foreign investors has fallen below a specified percentage (the "**Permitted Level**") as advised by the relevant China Connect Market from time to time.

As of the date of this China Connect Supplement, the single foreign investor limit is set at 10% of the shares of a PRC Listco and the aggregate foreign investor limit is set at 30% of the shares of a PRC Listco (while the Cautionary Level and the Permitted Level are set at 28% and 26% respectively of the shares of a PRC Listco). Such limits and levels are subject to change from time to time and Goldman Sachs shall not be under any obligation to inform you of any such changes relating to foreign ownership limits.

7. China Connect Securities Eligible for Northbound Trading

SEHK will include and exclude securities (including ETFs (if any)) as China Connect Securities based on the prescribed criteria under the China Connect Rules and any other relevant rules and regulations from time to time.

Goldman Sachs shall not be under any obligation to inform you of any changes to the eligibility of securities and/or ETFs for Northbound trading. You should refer to the HKEx website and other information published by the HKEx for up-to-date information.

According to the SSE Listing Rules and the SZSE Listing Rules, if any company listed on any China Connect Market (other than a company listed on the ChiNext Board) is in the delisting process, or its operation is unstable due to financial or other reasons such that there is a risk of being delisted or exposing investors' interest to undue damage, such company will be earmarked and traded on the risk alert board. Any change to the risk alert board may occur without prior notice. Investors will only be allowed to sell such shares and are restricted from further buying of such shares. For details concerning the risk alert board, please refer to the SSE Listing Rules, the SZSE Listing Rules and any other relevant sources from time to time.

8. Special China Connect Securities

SEHK will accept or designate securities which cease to meet the eligibility criteria for China Connect Securities as Special China Connect Securities (provided that they remain listed on the relevant China Connect Market). In addition, any securities or options (which are not eligible for China Connect trading) received by you as a result of any distribution of rights or entitlements, conversion, takeover, other corporate actions or abnormal trading activities will be accepted or designated by SEHK as Special China Connect Securities. You will only be able to sell, but not buy, any Special China Connect Securities.

9. No Off-exchange Trading and Transfers

You and Goldman Sachs shall not trade or provide services to facilitate trading of any China Connect Securities otherwise than through the China Connect Market System, and Goldman Sachs shall not match, execute or arrange the execution of any sale and purchase instructions or any transfer instructions from you or effect any non-trade transfer or settlement of instructions in respect of any China Connect Securities in any manner otherwise than through China Connect in accordance with the China Connect

Rules, except as provided in the SEHK China Connect Rules or as otherwise provided by a relevant China Connect Authority.

10. Placing Orders

Only limit orders with a specified price are allowed pursuant to Applicable China Connect Laws, where buy orders may be executed at or lower than the specified price and sell orders may be executed at or higher than the specified price. Market orders will not be accepted.

11. China Connect Market Price Limits

China Connect Securities are subject to a general price limit of $\pm 10\%$ based on the previous trading day's closing price (and a price limit of $\pm 5\%$ where the China Connect Securities are on risk alert). The price limit may be changed from time to time. All orders in respect of China Connect Securities must be within the price limit. Any orders with a price beyond the price limit will be rejected by the relevant China Connect Market.

12. Taxation

You will be fully responsible for any Taxes in respect of China Connect Securities and will be liable to Goldman Sachs from and against all Hong Kong and/or PRC Taxes which Goldman Sachs may incur or be subject to arising in connection with any China Connect Securities which you hold, trade or otherwise deal in. Goldman Sachs assumes no responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with China Connect, nor will Goldman Sachs provide any service or assistance in this regard. Prior to investing in China Connect Securities, you are strongly urged to consult your own tax advisers and counsel with respect to the possible tax consequences to you of such investment since such tax consequences may differ in respect of different investors.

In addition and without prejudice to any other right or remedy which Goldman Sachs may have, Goldman Sachs shall be entitled in its absolute discretion, without further notice or demand, forthwith, to satisfy any obligation of Goldman Sachs or you to pay or account for any amounts in respect of any Taxes by selling, realising or otherwise dealing with, in such manner as Goldman Sachs in its absolute discretion may determine, all or part of any property held by Goldman Sachs for any purpose in any of your accounts held with Goldman Sachs, and to apply the proceeds in reduction of all or part of your liability to Goldman Sachs.

13. Client Securities Rules

As the China Connect Securities traded through China Connect are not listed or traded on the SEHK, you will not have protection under the Client Securities Rules, unless otherwise specified by the SFC or any other relevant China Connect Authority.

14. Investor Compensation Fund

Trading in China Connect Securities does not enjoy the protection afforded by the Investor Compensation Fund established under the SFO. Accordingly, unlike the trading of SEHK-listed securities, you will not be covered by the Investor Compensation Fund in respect of any loss you may sustain by reason of a default by SFC licensed or registered persons.

15. Ownership of China Connect Securities

China Connect Securities are held in CSDCC. HKSCC will become a direct participant in CSDCC and China Connect Securities acquired by investors through Northbound Trading will be (if applicable):

- a) recorded in the name of HKSCC in the nominee securities account opened by HKSCC with CSDCC and HKSCC will be nominee holder of such China Connect Securities; and
- b) held in custody under the depository of CSDCC and registered in the securityholders' register of the issuer of the China Connect Securities.

HKSCC will record interests in such China Connect Securities in the CCASS account of the relevant CCASS Clearing Participant.

Under Hong Kong law, HKSCC will be regarded as the legal owner of such China Connect Securities and will be regarded as holding the beneficial entitlement to the China Connect Securities on behalf of the relevant Clearing Participant(s). Depending on the custody arrangements between a Clearing Participant and its Hong Kong or overseas clients, such Clearing Participant will in turn generally be regarded as holding the beneficial entitlement for such Hong Kong or overseas clients.

Under current PRC regulations, China Connect Shares will be recorded in a nominee account opened by HKSCC with CSDCC and Northbound investors have rights and interests in China Connect Shares acquired through China Connect according to the applicable laws. The CSRC Securities Registration and Settlement Measures, CSDCC Securities Registration Rules and Administrative Rules on Securities Accounts, the CSDCC China Connect Rules, SSE China Connect Rules and SZSE China Connect Rules generally provide for the concept of a "nominee holder" and recognise the Northbound investors as the "ultimate owners" of China Connect Shares.

Northbound investors shall exercise their rights in relation to China Connect Securities through HKSCC as the nominee holder. As Northbound investors will have actual control over voting rights in respect of such China Connect Securities (either individually or acting in concert with others), Northbound investors are responsible for complying with disclosure obligations under PRC laws and regulations in relation to China Connect Securities acquired through Northbound trading.

After the launch of the Shanghai Hong Kong Stock Connect, and concurrent with the promulgation of the expanded and revised China Connect Rules, CSRC issued two FAQs respectively on 15 May 2015 and 30 September 2016, which provided regulatory clarification and affirmation that HKSCC is the nominee holder for China Connect Shares, and Hong Kong and overseas investors shall enjoy property rights as the holder and shall exercise their rights in relation to China Connect Shares as proprietary owners through HKSCC. HKEX has published materials explaining the ownership rights of Northbound investors in China Connect Shares and may publish further information from time to time. You should conduct your own review of the HKEX published materials and the applicable China Connect Rules from time to time. You should also consult your own legal advisers to make your own assessment of your rights as a Northbound investor in China Connect Securities.

16. No Manual Trade or Block Trade

There will be no manual trade facility or block trade facility for Northbound trading under China Connect.

17. Amendment of Orders and Loss of Priority

Consistent with the current practice in the PRC, if an investor engaged in Northbound trading wishes to amend an order, the investor may first have to cancel the original order and then input a new one. Accordingly, order priority may be lost and, subject to the Daily Quota restrictions (see paragraph 2 above), the subsequent order may not be filled on the same Trading Day.

18. Risk of CSDCC Default

CSDCC has established a risk management framework and measures that are approved and supervised by the CSRC. If CSDCC (as the host central counterparty) defaults, HKSCC may (but shall have no obligation) to take any legal action or court proceeding to seek recovery of the outstanding China Connect Securities and monies from CSDCC through available legal channels and through CSDCC's liquidation process, if applicable. As CSDCC does not contribute to the HKSCC guarantee fund, HKSCC will not use the HKSCC guarantee fund to cover any residual loss as a result of closing out any of CSDCC's positions. HKSCC will in turn distribute China Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant China Connect Authorities. Goldman Sachs in turn will be distributing China Connect Securities and/or monies only to the extent recovered directly or indirectly from

HKSCC. Investors should be aware of this arrangement and of this potential exposure before engaging in Northbound trading.

19. Risk of HKSCC Default

Goldman Sachs's provision of services pursuant to this China Connect Supplement also depends upon the performance by HKSCC of its obligations. Any action or inaction of the HKSCC or a failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of China Connect Securities and/or monies in connection with them and you may suffer losses as a result. Goldman Sachs shall not have any responsibility or liability for any such losses.

20. Company Announcements on Corporate Actions

Any corporate action in respect of China Connect Securities will be announced by the relevant issuer through the SSE website and/or SZSE website (as the case may be) and certain officially appointed newspapers. HKSCC will also record all corporate actions relating to China Connect Securities in CCASS and inform its clearing participants of the details via the CCASS terminals as soon as practicable on the announcement date. Investors engaged in Northbound trading may refer to the SSE website and/or the SZSE website (as the case may be) and the officially appointed newspapers and website (e.g. Shanghai Securities News (上海證券報), Securities Times (證券時報), China Securities Journal (中國證券報), Securities Daily (證券日報) and www.cninfo.com.cn (巨潮資訊網) or, alternatively, the HKEX website's China Stock Markets Web (or such other replacement or successor web page from time to time) for corporate actions in respect of China Connect Securities issued on the previous trading day. Investors should note that (i) issuers that are listed on the China Connect Markets publish corporate documents in Chinese only and English translations will not be available and (ii) issuers listed on the ChiNext Market are required to publish certain corporate announcements on their corporate websites and the officially appointed websites only.

In addition, HKSCC will endeavour to collect and distribute cash dividends relating to China Connect Securities to clearing participants in a timely manner. Upon receipt of the dividend amount, HKSCC will to the extent practicable arrange to distribute to relevant clearing participants on the same day.

Unlike the current practice in Hong Kong in respect of SEHK-listed shares, investors engaged in Northbound trading may not be able to attend shareholder meetings by proxy or in person.

21. Average Pricing across Funds for Fund Managers

Where Average Pricing applies, you will be allocated China Connect Securities (or their proceeds) at the same averaged price across your orders, which may be higher or lower than the price which you would have paid or received had the orders been processed individually and in the order submitted directly or indirectly to Goldman Sachs. Goldman Sachs will not be responsible for any such difference in pricing or any loss or risk arising from the application of Average Pricing.

22. Disclosure of Information and Publication of Trade Information

SEHK may require Goldman Sachs to provide information on your profile, and the type and value of your orders in relation to Northbound trading of China Connect Securities and the trades which Goldman Sachs executed for you at such intervals and in such form as SEHK may specify from time to time for purposes of their publication, dissemination or public distribution of aggregated information in respect of China Connect Securities trades under China Connect, trading volumes, investor profiles and other related data.

23. Client Error

Goldman Sachs shall not be liable for any loss, damage or expense or consequential loss, damage or expense suffered by an investor as a result of any trading based on the investor's instructions. Goldman Sachs will not be able to unwind any trade, and investors should also take note of the settlement arrangements in respect of China Connect Securities under China Connect, including but not limited to quota restrictions, which may affect your ability to mitigate the consequences of any error trades.

The China Connect Rules generally prohibit any off-exchange trading or transfers. However transfers may be permitted between exchange participants and their clients to rectify or error trade in limited circumstances, although there is a lack of clarity as to the circumstances in which such transfers may be permitted. Exchange participants who perform a non-trade transfer of China Connect Securities to rectify an error trade will be required to submit to SEHK an error trade report together with supporting documents explaining the error made and providing details of the non-trade transfer. SEHK has the power to disallow a particular exchange participant to conduct non-trade transfers for error trade rectification if SEHK has reasonable cause to suspect or believe that the exchange participant may abuse or may have abused such rectification arrangements or may have used such rectification arrangements to circumvent the prohibition against off-exchange trades or transfers. SEHK may provide error trade reports and related information to the SFC and the relevant China Connect Market. Exchange participants are cautioned by the SEHK not to misuse this arrangement to effect off-exchange trades or transfers which are otherwise disallowed under the relevant China Connect Rules. Goldman Sachs shall have absolute discretion to determine whether to conduct any transfer to rectify any error trade and shall have no obligation to do so. Goldman Sachs shall not have any liability for any losses which may result directly or indirectly from any error trade or any refusal to conduct a transfer to correct an error trade.

24. Operation of China Connect Service/ China Connect Market System

SEHK or the relevant SEHK Subsidiary (after consulting with SEHK) may, under certain circumstances as specified in the SEHK rules and/or whenever the SEHK determines that it is appropriate and in the interest of a fair and orderly market to protect investors, temporarily suspend or restrict all or part of the order-routing and related supporting services with regard to all or any Northbound trading of China Connect Securities, and for such duration and frequency as SEHK may consider appropriate. In particular, you should note that while trading of China Connect Securities is suspended by SEHK, trading of such China Connect Securities may continue on the relevant China Connect Market. You may remain exposed to fluctuations in the price of China Connect Securities caused by trading on the relevant China Connect Market during the period when trading of such China Connect Securities is suspended by SEHK.

SEHK has absolute discretion to change the operational hours and arrangements of the China Connect Service at any time and without advance notice. Moreover, SEHK or the relevant SEHK Subsidiary (with the agreement of SEHK) may cease the provision of the China Connect Northbound trading service permanently.

Further, the SEHK rules state that where any H Shares with corresponding A Shares eligible as China Connect Securities are suspended from trading on SEHK, but the corresponding A Shares are not suspended from trading on the relevant China Connect Market, the service for routing the China Connect sell orders and China Connect buy orders for such A Shares to the relevant China Connect Market for execution will normally remain available. However, SEHK may, in its discretion, restrict or suspend such service without prior notice and your ability to place sell orders and buy orders may be affected.

In addition, the China Connect Market System is a platform for trading of China Connect Securities under China Connect. Goldman Sachs is not responsible for any delay or failure caused by the China Connect Market System and investors accept all risks arising from trading China Connect Securities through the China Connect Market System. Goldman Sachs shall not be responsible or held liable for any loss or damage directly or indirectly suffered by you arising from or in connection with the China Connect

Service or the CSC through Northbound trading including, without limitation, the following:

- (a) a suspension, restriction or cessation of the China Connect Service or the CSC, or any inability to access or use the CSC or the China Connect Service;
- (b) any special arrangement put in place or any action, step or measure taken or not taken to deal with an emergency, including but not limited to the cancellation of any or all China Connect orders input by Exchange Participants;
- (c) any suspension, delay, interruption or cessation of trading of any China Connect Securities on the relevant China Connect Market or through SEHK;
- (d) any delay, suspension, interruption or order cancellation of any China Connect Securities as a result of the hoisting of a Typhoon Signal No. 8 or above or the issuance of the Black Rainstorm Warning in Hong Kong;
- (e) any delay or failure to route any China Connect orders, or any delay or failure to send any order cancellation requests or to provide the China Connect Service due to any system, communication or connection failure, power outage, software or hardware malfunction or other event beyond the control of SEHK or Goldman Sachs;
- (f) any circumstance in which a China Connect order which a China Connect Exchange Participant has requested to be cancelled is not cancelled for any reason whatsoever;
- (g) any delay, failure or error of any China Connect Market System or any system upon which the relevant SEHK Subsidiary or Goldman Sachs is reliant in providing the China Connect Service; and
- (h) any delay or failure to execute, or any error in matching or executing any, China Connect order due to any reason beyond the control of SEHK, HKEX or the relevant SEHK Subsidiary or Goldman Sachs including but not limited to any action or decision taken or made, or not taken or made, by any China Connect Market, any China Connect Authority or any other relevant governmental or regulatory body.

If there is any delay or failure to send any order cancellation requests in any circumstance described above, you shall, in the event such order is matched and executed, remain responsible to fulfil any settlement obligations in respect of such transaction.

25. Operational Hours

Pursuant to the SEHK China Connect Rules, SEHK has absolute discretion to determine from time to time the operational hours of the China Connect Service, and will have absolute discretion to change the operational hours and arrangements of the China Connect Service at any time and without advance notice, whether on a temporary basis or otherwise. Goldman Sachs shall not be under any obligation to inform you of any such determinations by the SEHK as to the operational hours of the China Connect Service.

Where, for example, there is any price sensitive information relating to a PRC Listco during a time when China Connect Service is not in operation, China Connect Securities issued by or in respect of the PRC Listco may continue to trade on the relevant China Connect Market and the price of such China Connect Securities may move significantly. In such case, Northbound investors will not be able to trade in such securities until the next available Trading Day under China Connect.

26. Margin Trading

Goldman Sachs does not currently offer margin trading of China Connect Securities.

Subject to certain conditions prescribed by the China Connect Authorities, Hong Kong and overseas investors may conduct

margin trading in China Connect Shares determined by the relevant China Connect Authorities to be eligible for margin trading ("Eligible Margin Trading Shares"). The HKEx will from time to time publish a list of Eligible Margin Trading Shares. Any China Connect Market may suspend margin trading activities in any specific A Share if the volume of margin trading activities in such A Share exceeds a threshold determined by such China Connect Market and resume margin trading activities when the volume of margin trading activities drops below a prescribed threshold. Where the SEHK is notified by the relevant China Connect Market that a suspension or resumption involves a security on the list of Eligible Margin Trading Shares, the HKEx will disclose such information on its website. In such circumstances, any margin trading in the relevant China Connect Shares shall be suspended and/or resumed accordingly. Goldman Sachs shall have no obligation to update you in respect of the list of Eligible Margin Trading Shares or any restrictions or suspensions in respect of margin trading from time to time.

27. Rights Issuances

Where a Hong Kong or overseas investor receives any form of entitlement security from the issuer of a China Connect Security, if such entitlement security:

- (a) is a China Connect Security, Hong Kong and overseas investors will be allowed to buy and sell the entitlement security through China Connect;
- (b) is not a China Connect Security but is a RMB denominated security listed on a China Connect Market, Hong Kong and overseas investors may be permitted to sell the entitlement security through China Connect but will not be permitted to buy such entitlement security;
- (c) is a security listed on a China Connect Market but is not traded in RMB, Hong Kong and overseas investors will not be allowed to buy or sell the entitlement security through China Connect. HKEx has stated that the relevant China Connect Market and SEHK will consult each other to agree on the appropriate treatment of the entitlement security; and
- (d) is not listed on a China Connect Market, Hong Kong and overseas investors will not be allowed to buy or sell the entitlement security on China Connect unless and until appropriate arrangements (if any) have been provided by HKSCC. It is possible that no such arrangements will be provided.

28. Odd Lot Trading

Odd lot trading in China Connect Shares is available only for sell orders and all odd lots must be sold in one single order. A board lot order may be matched with different odd lot sell orders, resulting in odd lot trades. Board lot and odd lot orders are matched on the same platform on China Connect and subject to the same share price. The maximum order size is 1 million shares and the tick size is uniformly set at RMB0.01.

29. Short Selling

Goldman Sachs does not currently offer short selling of China Connect Securities.

Covered short selling of China Connect Shares may be available provided that such covered short selling satisfies the requirements specified by the relevant China Connect Authorities. However, naked short selling of China Connect Shares is prohibited. You shall be fully responsible for understanding and complying with short selling requirements in effect from time to time and for any consequences of non-compliance.

30. Stock Borrowing and Lending

Goldman Sachs does not currently offer stock borrowing and lending of China Connect Securities.

Stock borrowing and lending are permitted for eligible China Connect Shares for the purpose of (a) covered short selling and (b) satisfying the Pre-Trade Checking requirement. Stock borrowing and lending of eligible China Connect Shares will be subject to restrictions set by SEHK and the relevant China Connect Market.

31. Risks associated with investing in China Connect Securities

Investing in China Connect Securities involves special considerations and risks, including but not limited to the following.

PRC-related risks

Investing in the PRC, an emerging market, involves special considerations and risks, including but not limited to greater price volatility, less developed regulatory and legal framework, economic, and social and political instability

Liquidity risks

There can be no assurance that an active trading market for such China Connect Securities will develop or be maintained. If spreads on China Connect Securities are wide, this may adversely affect your ability to dispose of China Connect Securities at the desired price. If you need to sell China Connect Securities at a time when no active market for them exists, the price you receive for your China Connect Securities — assuming you are able to sell them — is likely to be lower than the price received if an active market did exist.

Currency risks

RMB is not yet freely convertible in Hong Kong, and is subject to foreign exchange controls and restrictions. There are also significant restrictions on the remittance of RMB into and out of the PRC. The liquidity and trading price of China Connect Securities may be adversely affected by the limited availability of RMB outside the PRC and the restrictions on the conversion of RMB.

32. ChiNext Shares

ChiNext Shares involve a high investment risk. In particular, profitability and other financial requirements for listing on the ChiNext Board are less stringent than the Main Board and the SME Board of the SZSE. You should make the decision to invest only after due and careful consideration.

Companies listed on the ChiNext Board may include enterprises in the innovation and technology sector as well as other start-up and/or growth enterprises with smaller operating scale and share capital. Stock prices may also be more susceptible to manipulation due to fewer circulating shares. Accordingly, the ChiNext Shares may be very volatile and illiquid. In addition, current information on such companies may be limited and may not be widely available.

It may be more common, easier and quicker for companies listed on the ChiNext Board to be delisted. The ChiNext Shares may become very illiquid after delisting. You may suffer a total loss of your investment in the event of a delisting.

You should seek independent professional advice if you are uncertain of or have not understood any aspect of this Appendix or the nature and risks involved in trading of ChiNext Shares.