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PRIVATE BANKING - TERMS AND CONDITIONS FOR BANKING AND INVESTMENT SERVICES

SECTION A GENERAL

1. Definitions and Interpretation

1.1 Save as otherwise specifically set out in these General Terms and Conditions, words and phrases in these General Terms and Conditions shall be read and construed in accordance with the definitions set out below.

Account means the private banking account opened and maintained in the name of the Customer solely or with another party/ies which may consist of any one or more of the following accounts:

- (a) multi-currency (except Renminbi) savings, current and time deposit accounts;
- (b) Renminbi savings, current and time deposit accounts;
- (c) investment accounts; and
- (d) such other types of accounts as the Bank may from time to time introduce and bring within the scope of these General Terms and Conditions.

Account Opening Forms means any prescribed forms of the Bank in relation to the opening, operation and maintenance of the Account(s) and for the provision of Services pursuant to any Client Agreement.

Applicable Regulations means any statute, law, regulation or order, or any rule, direction, guideline, policy, requirement, code, notice or restriction (whether or not having the force of law) issued by any regulatory authority, government agency, Exchange or professional body applicable from time to time, or market practices or customs, whether in Hong Kong, the PRC, or other applicable jurisdictions.

Assets means all moneys, assets and other property of the Customer from time to time standing to the credit of, or deposited with or come into the Bank's (or its head office's, agent's, or nominee's) possession or control for, the Account(s), and all rights and benefits attached or accruing thereto and the proceeds thereof.

Authorized Person(s) means the person(s) authorized by the Customer in the Account Opening Forms or any mandate or other document or instrument to give Instructions in relation to the operation of the Account(s) or Transactions as notified to the Bank from time to time in such manner as the Bank requires. Authorized Person(s) include:

- (a) in the case where the Customer is an individual or a sole proprietor, the Customer himself and any other person appointed by the Customer as an Authorized Person;
- (b) in the case where the Customer comprises of two or more individuals (excluding a partnership), each of such individuals and any other person appointed by the Customer as an Authorized Person;
- (c) in the case where the Customer is a partnership, each person appointed by the Customer as an Authorized Person; and
- (d) in any other case (including the case where the Customer is a limited company), each person

appointed by the Customer as an Authorized Person.

Bank means China Minsheng Banking Corporation Limited Hong Kong Branch including all its offices wherever situated, its successors and assigns, and, where the context permits, includes any person appointed by the Bank under Clause 6.1 of this Section A.

Business Day means any day that is not: (a) a Saturday, (b) a general holiday as specified in or otherwise appointed under the General Holidays Ordinance (Chapter 149 of the Laws of Hong Kong) and not declared by the Hong Kong Association of Banks to be a day on which banks in Hong Kong are not open to the public due to bad weather conditions including the hoisting of Typhoon Signal No. 8 or above or a Black Rainstorm Signal; and (c) a bank holiday or a non-Business Day in the home country or region of the Underlying Asset (as defined in Section C) of the Transaction (if any).

Client Agreement means these General Terms and Conditions, the Specific Terms and Conditions applicable to the relevant Services or Transaction, the relevant Account Opening Form(s), any relevant Confirmation, and any other agreement entered into for the relevant Services or Transaction, each as amended and/or supplemented from time to time.

Close out means, when used as a verb in relation to a Transaction, to accelerate, terminate, liquidate or cancel such Transaction, and “closing out” and “closed out” shall be construed accordingly.

Confirmation means the written notice which contains the specific terms of a Transaction (investment or otherwise).

Customer means the person or each person for whom the Account is opened or maintained by the Bank and who utilizes any of the Services offered by the Bank, including any personal representative or lawful successor of such person and, where the context permits, any Authorized Person(s).

Custodial Agent means such agents, correspondents, sub-custodians or nominees in Hong Kong or elsewhere engaged by the Bank as it thinks fit to hold Securities or other assets or investments, to pay for and receive or to deliver or exchange or to make collections with respect to the Securities or other assets or investments or otherwise to perform any of the Bank’s duties as custodian under any Client Agreement and shall include clearing and settlement systems.

Dormant Account has the meaning ascribed thereto in clause 12.6 of this Section A.

Exchange means any association or market exchange at which persons meet regularly to enter into transactions subject to fixed rules and regulations.

Exchange Rate means the rate for converting one currency into another currency which the Bank determines to be prevailing at the relevant foreign exchange market at the relevant time, such determination to be conclusive and binding on the Customer.

Event of Default means any one or more of the following events:

- (a) failure to satisfy any obligation to the Bank or to any other financial institution or intermediary under any Client Agreement on the Customer’s part;
- (b) a bankruptcy, insolvency, reorganization, administration, arrangement, composition of debt, dissolution, liquidation or similar relief or a winding-up petition, application, step or other similar process is presented or has been commenced under Applicable Regulations, or a resolution is

- passed to effect the same, in relation to the Customer;
- (c) a receiver, liquidator or trustee or other analogous officer is appointed to take or has taken possession over all or a material part of the Customer's assets;
 - (d) legal proceedings of any nature have been commenced against the Customer;
 - (e) where the Customer is an individual) the Customer dies or becomes mentally incapable;
 - (f) where in the absolute opinion of the Bank the continued performance by the Bank or the Customer of any Transaction, or any Services, or any Client Agreement becomes illegal or is claimed by any government authority to be illegal;
 - (g) an assignment or charge of or any dealing in respect of the Customer's rights and/or obligations under any Client Agreement has been effected (except in favor of the Bank);
 - (h) the Bank reasonably determines in good faith that there has been a material adverse change in the Customer's circumstance, business, financial conditions, legal status or capacity; or
 - (i) any Client Agreement shall be terminated for whatever reason without the Bank's agreement.

General Terms and Conditions means these terms and conditions for banking and investment Services (as amended, supplemented or replaced from time to time).

Group Company means China Minsheng Banking Corp., Ltd. and its branches, subsidiaries, representative offices and Affiliates, wherever situated.

HKD or Hong Kong Dollars means Hong Kong dollars, the lawful currency of Hong Kong.

Hong Kong means the Hong Kong Special Administrative Region of the PRC.

Hong Kong Resident means an individual who is a holder of a Hong Kong Identity Card notwithstanding that the individual may also possess an identity proof of residency or citizenship of another jurisdiction.

Instruction means (a) telephone instruction (b) written instruction, or (c) instruction via the Internet, of the Customer given in such manner and by such means as the Bank may prescribe.

Non-Hong Kong Resident means an individual who is not a holder of a Hong Kong Identity Card.

Person includes an individual, firm, company, corporation and an unincorporated body of persons.

PDPO means Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

PRC means the People's Republic of China.

Renminbi or RMB means Renminbi, the lawful currency of the PRC.

Security means the security which may be requested by the Bank to be created by the Customer in favor of the Bank over the Secured Assets in consideration of the Bank making available to the Customer any Services from time to time.

Secured Assets means such classes of assets as the Bank may agree and accept from time to time as acceptable form(s) of security.

Securities means any shares, stocks, debentures, loan stocks, certificates of deposit, unit trusts, interests in limited partnerships, funds, warrants, bonds, securities or notes of, or issued by, any body, whether incorporated or unincorporated, or of any government or local government authority and any financial instrument or product or structured product acceptable to the Bank at its sole discretion and includes any right, option or interest in or over any of the foregoing as well as certificates of interest or

participation in, or temporary or interim certificates for, receipts for, or warrants to subscribe to or purchase, any of the foregoing; and any collective investment scheme.

Services means the services, products and credit facilities of any type or nature (whether banking, investment, or otherwise) from time to time offered by the Bank to the Customer.

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

Specific Terms and Conditions means the specific terms and conditions for any Services provided by the Bank as amended, supplemented or replaced from time to time by the Bank.

Transaction means a transaction effected by the Bank pursuant to or as a result of an Instruction.

USD means United States dollars, the lawful currency of the United States of America.

1.2 The English version of any Client Agreement shall prevail wherever there is a discrepancy between the English and the Chinese versions.

1.3 Save as otherwise specifically set out in these General Terms and Conditions, in the event of conflict between these General Terms and Conditions and any Specific Terms and Conditions, the Specific Terms and Conditions will prevail.

1.4 Headings are for ease of reference only and shall not affect interpretation.

1.5 Unless otherwise stated:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include every gender;
- (c) references to "including" or "include" means including or includes without limitation;
- (d) references to any statute and laws means such statute and laws as enacted, amended, re-enacted or replaced from time to time, and include all rules and regulations promulgated under such statute; and
- (e) references to Clauses and Schedules mean the clauses of and schedules to these General Terms and Conditions.

2. Scope of Services

2.1 All Instructions, Transactions and Services are subject to the Client Agreement.

2.2 The Customer agrees that the Client Agreement supersedes all previous relevant agreements, understanding, communications and/or representations between the Customer and the Bank in respect of the Account(s) and relevant Services and agrees to be bound by the Client Agreement, and any other terms and conditions which the Bank may impose from time to time.

2.3 The Bank may from time to time introduce new Services or remove any existing Services, as the Bank may notify to the Customer from time to time.

2.4 The Customer may apply to the Bank for any Services in accordance with Clause 5 of this Section A or such other means as may be acceptable to the Bank. The Bank shall have the sole discretion in deciding whether to provide any Services to the Customer. The Customer will obtain from the

Bank the Specific Terms and Conditions applicable to the relevant Services (if any) before applying for the same. The Customer will be deemed to have received and agreed to the applicable Specific Terms and Conditions if the Customer utilizes the relevant Services.

- 2.5 Documents submitted to the Bank in connection with the Customer's Account Opening Forms for any Services will not be returned.
- 2.6 The Bank shall be entitled from time to time to impose any limit (whether in transaction amount, operating procedures or otherwise) on the use of any Services and such limit shall be determined by the Bank at its absolute discretion.
- 2.7 The Bank may assign the Customer a portfolio number which is used to identify all Account(s) opened or maintained in the name of such Customer with the Bank. The Bank shall be entitled to change such portfolio number without providing any reason at any time it deems necessary.

3. Joint Accounts

In respect of Accounts in the names of or opened by two or more persons, (a) all agreements, obligations, powers, authorities and liabilities of the joint account holders to the Bank in connection with such Account shall be joint and several; (b) all notices or demands made to any one of the joint account holder(s) shall be deemed to be notices or demands made to all such persons constituting the Customer; (c) upon the death of any joint account holder, the balance (if any) standing to the credit of such account and investments and properties of any description (if any) held in the joint names of the account holders shall, subject to Applicable Regulations and to the discharge of all obligations (if any) owed to the Bank and without prejudice to any right which the Bank may have arising out of any lien, mortgage, charge, pledge, set-off, counter-claim or otherwise whatsoever, belong to the survivor(s) thereof. The title of an Account bearing the names of more than one person, whether such names are stated in a disjunctive, conjunctive or other manner in the title, will not affect this Clause. Any cheque, instrument of payment or sum expressed to be payable to the joint account holders or any one of the joint account holders or for any Account(s) in joint names or in the name of any one of the joint account holders may be credited into such joint account(s).

4. Partnership Accounts

- 4.1 If the Customer is a partnership, (a) the agreements, obligations, powers, authorities and liabilities of each of the partner shall be joint and several; (b) the Client Agreement shall continue to bind the partnership notwithstanding any change in its constitution, name or membership by reason of death, bankruptcy, retirement, disability, or admission of new partners or the occurrence of any other event which may dissolve the partnership or otherwise affect partners' obligations thereunder; (c) upon any partner ceasing to be a member of the partnership by death or otherwise, the Bank may in the absence of written Instruction to the contrary from the partnership or any of the partners

or the personal representatives or trustees of any of the partners, treat the surviving or continuing partners or partner or other partners for the time being as having full power to carry on the business of the partnership. Exiting and retired partners will continue to be held liable to the Bank until released in writing by the Bank.

- 4.2 The Customer undertakes to immediately advise the Bank of changes to (i) the constitution or membership of the firm (whether by retirement, death, bankruptcy, disability or admission of new parties); or (ii) in the name of the firm.

5. Instructions

- 5.1 The Customer may apply for Services by giving Instructions to the Bank, by facsimile, telephone, and/or by any other means as may be specified by the Bank from time to time. Subject to the provisions herein, Instructions from the Customer shall not become effective unless actually received by the Bank.
- 5.2 The Bank shall be entitled to act in accordance with its regular business practice and procedure. The Bank is authorized to participate in and comply with the rules and regulations of any organization which regulates the conduct of business undertaken by the Bank and any system which provides central clearing, settlement, and similar facilities but, in each case, without liability for any acts or omissions on the part of the operator or manager of any such organization or system. The Bank may take or not take any action to comply with Applicable Regulations.
- 5.3 Any Instruction, once given, may not be amended, cancelled, rescinded or withdrawn without the written consent of the Bank and is only possible before it has been executed. All Transactions effected pursuant to or as a result of Instructions given, as understood and acted on by the Bank in good faith, shall be irrevocable and binding on the Customer in all respects whether given by the Customer, an Authorized Person or by any other person purporting to be the Customer or an Authorized Person. The Bank shall be under no duty to verify the identity or authority of the person giving any Instruction or the authenticity of such Instruction (other than verifying such personal details or information which the Bank considers appropriate from time to time). In the case of full or partial execution of any Instruction before the request for amendment, cancellation, rescission or withdrawal has been accepted by the Bank, the Customer agrees to accept full responsibility for the Transactions.
- 5.4 The Customer understands and acknowledges that Instructions may not be processed by the Bank immediately or on the same day of the giving of such Instructions due to system constraint and/or the internal procedures of the Bank. Instructions, if accepted, will be processed by the Bank as soon as practicable. The Bank shall not be held responsible to the Customer or any other person for effecting Instructions otherwise than immediately and the Bank's decision as to when to effect any Instructions shall be final and binding on the Customer.
- 5.5 Notwithstanding any other provision in the Client Agreement, the Bank may refuse to accept any

Instruction in its absolute discretion. The Bank shall not, be responsible for any loss, liabilities, damages, costs, charges and/or expenses which may be suffered by the Customer except where such loss is caused by the Bank's gross negligence, wilful default or fraud. Without limiting the foregoing, the Bank has the right, at its sole discretion, to act on any unclear or ambiguous Instruction based on the Bank's interpretation of such Instruction and the Customer shall be liable for all liabilities, losses and other consequences arising from such Instruction and shall indemnify the Bank on demand for all losses and liabilities incurred by the Bank in acting on such Instruction, so long as the Bank acts in good faith.

- 5.6 The Bank may from time to time determine or specify the scope and features of the telephone banking Service or the conditions of acceptance of facsimile (or other electronic) transmissions and/or delivery of other documents and may amend, modify, expand or reduce the same at any time with or without notice.
- 5.7 The Customer agrees that:
- (a) the risks of any Instructions transmitted by facsimile, telephone, or by any other means permitted by the Bank, given by person(s) purporting to be the Customer shall be borne by the Customer and the Bank will not be liable for any losses or damages arising provided that the Bank has acted in good faith. The Bank is authorized to act on any Instruction which the Bank in good faith believes to emanate from the Customer. Other than verifying such personal details or other information as the Bank may consider appropriate from time to time, the Bank shall not be under any duty to verify the identity of the person(s) giving the Instructions nor the genuineness of any signature. Provided that the Bank has taken such precautions as determined appropriate by the Bank from time to time, the Bank shall not be liable for acting in good faith on any Instruction which is later proven to emanate from unauthorized individuals;
 - (b) the Bank may in its absolute discretion require the Customer to confirm any Instructions in such manner as required by the Bank prior to acting on such Instructions. Any oral communication with the Customer made in the course of business (whether in person or by telephone), including any Instruction given by the Customer, may be recorded on a tape recording system operated by the Bank. If a dispute arises at any time in relation to the contents of any oral communication or Instruction, then that tape recording or a transcript of the same certified by the Bank or the written confirmation (if any) shall be conclusive evidence as to the contents of the oral communication or Instruction;
 - (c) the Bank shall not be liable to the Customer for any failure or delay to carry out any Instruction which is attributable, wholly or in part, to any cause beyond the Bank's reasonable control including any equipment breakdown, malfunction or failure, delays in transmission, incorrect data transmission, delays in execution or execution of Instructions at prices different from those prevailing at the time Instructions were given, misunderstanding and errors in any communication between the Bank and the Customer, and transmission blackouts and interruptions. Under no circumstances shall the Bank be responsible to the Customer for any indirect, special or

consequential losses arising out of or in connection with the carrying out or otherwise of any Instructions; and

- (d) in respect of all Instructions, the Customer shall keep the Bank, its directors, officers, employees or staff, nominees and agents (including Custodial Agents, other sub-agents or contractors) indemnified at all times against all actions, proceedings, demands, claims, liabilities, losses, damages, reasonable costs and expenses (including reasonable legal expenses properly incurred) which may be brought against or suffered or incurred by them and which shall have arisen either directly or indirectly out of or in connection with the Bank accepting the Instructions and acting or failing to act thereon unless due to the wilful default, gross negligence or fraud of the Bank. This provision shall survive the closure of Account(s) or termination of provision of Services by the Bank.

5.8 The Instructions referred to in Clause 5.7 include Account Opening Forms for any Services and the operation thereof, the honoring of any cheque, draft, order to pay, and promissory note, guarantee, indemnity or counter-indemnity, the discounting of any bill endorsed on the Customer's behalf, the purchase or sale of or other dealings in Securities or other investments, foreign exchange or interest rate Transactions, order to withdraw any or all money from any of the Account(s) or to deliver or deal with any Securities, investments, assets, deeds or other property whatsoever from time to time in the Bank's possession for the Account (s).

5.9 It is the Customer's responsibility to check with the Bank as to whether any of the Customer's Instructions has been executed. Following execution of an Instruction, the Bank will send an acknowledgement or a Confirmation and/or include it in a periodic statement of the relevant Account where required by Applicable Regulations, and/or as otherwise determined by the Bank from time to time. Save and except for such acknowledgement, Confirmation and periodic statement, the Bank shall not be obliged to notify the Customer separately as to whether the Customer's Instruction has been executed. The Customer agrees that it is the Customer's responsibility to ensure that every Confirmation and periodic statement is received in due time according to the ordinary course of posting and to immediately enquire with and obtain the same from the Bank if not duly received.

5.10 The Customer's device, code and password for accessing a Service is an important means of protection for the Customer. The Customer shall keep them secure and secret. The Customer shall use all reasonable care to prevent unauthorized use of the Customer's device, code and password, and shall follow any relevant information or advice provided by the Bank. The device, code and password may be sent to the Customer at the Customer's own risk. The Customer shall change its code or password after it has accessed a Service for the first time.

5.11 The Customer shall contact the Bank as soon as reasonably practicable by telephone (at the Report Loss Hotline notified by the Bank) or by any other method notified by the Bank if the Customer finds or believes that its device, code or password has been compromised, lost or stolen or that any unauthorized transaction has been conducted over its Account. The Customer shall

confirm its report to the Bank in writing within 24 hours of the occurrence of such an event. The Bank may without liability take any action following receipt of a report reasonably believed by it to be genuine.

- 5.12 Notwithstanding other provisions, the Customer shall be liable for all losses if it has acted fraudulently or with grossly negligence, or allowed a third party to use its device, code or password, or failed to comply with its obligations under Clauses 5.10 or 5.11. The Customer would not otherwise be responsible for any direct loss suffered by it as a result of unauthorized transactions conducted through its account. This Clause does not apply (a) unless the unauthorized instruction was given electronically, (b) to the Customer unless it is a private individual (excluding sole traders, partnerships, clubs and societies) or (c) to unauthorized transactions conducted through plastic cards which may be used to pay for goods and services or to withdraw cash.
- 5.13 If any Instruction is to be given by telephone or other electronic means, or if access to any Services may be gained by telephone or other electronic means, the Customer warrants to the Bank as follows:
- (a) the Customer and the Authorized Person(s) will not gain access to any Services in any country or jurisdiction where the offering of the same by the Bank is not lawful or where the Client Agreement may not be enforced by the Bank against the Customer;
 - (b) the Customer and the Authorized Person(s) will not, and will not attempt to, reverse engineer, decompose, disassemble or otherwise tamper with any software relating to any Services; and
 - (c) the Customer and the Authorized Person(s) will ensure that the browser cache memory will be cleared as soon as he signs off each time after having gained access to any Services through use of computer and he will exit the browser immediately after each use of any Services through use of computer.
- 5.14 If the Bank provides any software, computer system, user guide or other facilities to the Customer to facilitate the Customer in the giving of Instructions to the Bank, the Customer will exercise reasonable care in their use and shall return them to the Bank immediately upon the Bank's request. The Customer understands that the Bank makes no representation or warranty of any kind, express or implied, with respect to these facilities and their use. These facilities shall remain the property of the Bank or its supplier at all times.
- 5.15 The Customer agrees that information including messages, data, software, images, opinion and text that are accessed by the Customer using the Bank's website (a) may be confidential, and (b) are the proprietary property of the Bank (or of a third party) and the Customer undertakes that he shall not use the information in such a way that will breach any intellectual property rights of the Bank (or of any third party).
- 5.16 The Bank's information is based on information provided by the person involved in the issue or management of the relevant Securities, an information vendor or a public source. For example, prices of Securities on The Stock Exchange of Hong Kong Limited are provided by The Stock Exchange of Hong Kong Limited (and while they endeavour to ensure the accuracy of the

information, no guarantee is given and no liability is accepted for any error). The Bank believes the information to be correct, but has not verified it. The information provider does not accept responsibility in relation to the information. The Bank is not responsible for third party information. The Customer will comply with reasonable directions issued by such information providers. The Bank may provide to such information providers any information they request.

- 5.17 Where any facsimile Instruction is followed by the delivery of the original Instruction, such original Instruction shall specify that it has been given by facsimile and the date of such facsimile Instruction. The Bank shall not be liable for any consequence due to the absence of such information in the original Instruction in any event including in the case of payment Instructions, any losses or damages arising from any payment or funds transfer effected in duplicate by the Bank as a result.
- 5.18 The Customer shall promptly sign a written Instruction when required by the Bank to confirm any oral Instruction.

6. Delegation

- 6.1 The Bank may appoint any other person including any Group Company as its nominee or agent to perform any of the Services on its behalf and may delegate any of its powers under the Client Agreement to such person and shall not be liable for any act, omission, negligence or default of any such person, provided that the Bank has exercised such care in appointing such person as it would employ for its own business.
- 6.2 The Bank is authorized to disclose any information it has concerning the Customer, any of the Account(s) and the Services to any other person appointed by it pursuant to Clause 6.1 in connection with the performance of the Services.

7. Authorized Persons

- 7.1 Authorized Persons must act within the parameters granted by the Customer as notified to the Bank from time to time.
- 7.2 The Bank shall, until the Bank receives express written notice from the Customer to the contrary, be authorized and instructed to rely upon, act on and comply with all requests, Instructions, Account Opening Forms and orders given by the Authorized Person(s) within the scope of their authority or as otherwise stipulated by the Customer.

8. Sufficiency of Funds

- 8.1 Instructions will not be acted on if there are insufficient funds or pre-arranged credit is not available in the relevant Account(s). Any withdrawal or investment made on the assumption that funds will be

cleared but which are not so cleared will be reimbursed by the Customer immediately upon the Bank's demand. All cheques or monetary instruments will be purchased or discounted by the Bank on this basis. The Bank shall not be liable for any consequence arising out of or in connection with its failure or delay in the execution of Instructions owing to insufficient funds and/or credit facilities in the Customer's Account(s), provided that if the Bank shall at its discretion decide to execute the Instructions notwithstanding such insufficiency, the Bank may do so without seeking prior approval from or providing reason or notice to the Customer and the Customer shall be responsible for the resulting overdraft, advance, credit and all charges thereby created and incurred with interest thereon at a rate determined by the Bank at its discretion.

- 8.2 Without prejudice to Clause 8.1, if the Bank places any order or enters into any Transaction for the purpose of effecting an Instruction when there are insufficient funds, the Bank is entitled (but not obliged) at any time in its discretion to place other order(s) or enter into other transaction(s) to set-off the order so placed or Transaction so entered. Any resulting loss shall be borne by the Customer but any resulting gain shall belong to the Bank. The Bank's certificate in writing as to such loss and the amount shall be binding and conclusive against the Customer.

9. Statements

- 9.1 Subject to Clause 9.2, a monthly statement of account summarizing the Transactions effected during the preceding month between the Bank and the Customer shall be sent to the Customer, unless not required by Applicable Regulations.
- 9.2 The Bank may, but shall not be obliged to, include such information of any other Services, products and Account(s) of the type(s) selected by the Customer which are maintained with or provided by the Bank or any Group Company from time to time in the statement in addition to information on the Account.
- 9.3 The Customer undertakes to (a) verify the correctness, and (b) notify the Bank, of any discrepancies, unauthorized Transactions, omissions or debits wrongly made to, or inaccuracies or incorrect entries in, the Bank's statement, record of Transaction, advice or Confirmation within ninety (90) days from the date of issue of such document. At the end of the ninety (90) day period, the Bank's records and details of Transactions as set out in such statement, record, advice or Confirmation shall be conclusive evidence without any further proof that such records and details are correct except as to any alleged errors so notified and proven.
- 9.4 The Bank shall be entitled to revise any statement of account, record, advice or Confirmation previously sent to the Customer to correct any details contained therein which have been wrongly or mistakenly made by the Bank.
- 9.5 Monthly statements of account, record of transaction, advice or Confirmation may be sent to the Customer by mail, electronic means or such other means as the Bank may determine from time to time and as permitted by Applicable Regulations.

9.6 Except as provided above, the Bank shall be free from all claims in respect of the details of the Transaction as set out in the monthly statement, statement, record of Transaction, advice or Confirmation notwithstanding any incorrectness of the details of the Transaction as set out in the monthly statement, statement, record of Transaction, advice or Confirmation.

10. Expenses

All expenses, legal or otherwise, if any, in connection with any Transaction, the provision of Services and the enforcement of any right of the Bank under the Client Agreement and, if applicable, the Security, shall be borne by the Customer.

11. Rebate and Commission

The Bank shall not be accountable to and shall be entitled, without having to make prior disclosure to the Customer, to accept and retain for its own account, and benefit from any remuneration, profit, rebate, brokerage, commission, fee, benefit, discount and/or other advantage arising out of or in connection with the provision of Services and/or the handling of Transaction.

12. Service Charges and Interest

12.1 Without prejudice to any other provisions contained in the Client Agreement, the Customer shall promptly pay all of the Bank's fees and charges at the rates stipulated by the Bank from time to time with respect to any Transaction executed by the Bank, or Services provided by the Bank. The Bank shall be entitled to prescribe or revise, from time to time, such fees and charges payable in respect of the Services and Transactions as it thinks fit. A list of fees and charges currently prescribed by the Bank is available on request and displayed at the Bank's premises. Paid fees and charges are non-refundable notwithstanding any termination of any Services or Transactions.

12.2 The Bank shall be entitled to debit any fees and charges payable by the Customer to any Account at any time.

12.3 Interest shall be payable on any sum that is due to the Bank. The interest rate applicable shall be determined at the discretion of the Bank and the Bank is authorized to deduct any outstanding amount and interest from any Account.

12.4 Without prejudice to any other rights of the Bank, if the Customer has insufficient funds in his Account(s) or insufficient credit to cover fees and charges and any interest thereon payable by it, the Bank shall be entitled to terminate or suspend the whole or any part of the Services.

12.5 The Bank reserves the right to levy deposit charges on all Accounts if required by Applicable Regulations.

12.6 The Bank reserves the right to impose a charge if an Account is closed at such time or the Account

has had no Transaction conducted for such period of time as determined by the Bank (“**Dormant Account**”).

13. Suspension and Termination of Accounts, Transactions and Services

- 13.1 The Bank may terminate the Accounts or Services provided under the Client Agreement by giving reasonable notice to the Customer.
- 13.2 Notwithstanding the foregoing and without prejudice to any other right of the Bank, upon the occurrence of an Event of Default, the Bank may (but is not obliged to) immediately or at any time thereafter:
- (a) suspend or freeze (indefinitely or otherwise) or terminate any Account, Service or the Bank’s relationship with the Customer (with or without notice), and accelerate any and all liabilities of the Customer to the Bank so that they shall become immediately due and payable;
 - (b) complete or close out any one or more Transactions as the Bank deems appropriate;
 - (c) cover any positions by entering into any transactions on behalf of the Customer;
 - (d) take any reasonable actions to protect the Bank’s position;
 - (e) exercise any other power or right which the Bank may have under the Client Agreement, the Applicable Regulations or otherwise;
 - (f) apply any amounts of whatsoever nature standing to the credit of the Customer against any amounts which the Customer owes to the Bank (of whatsoever nature and howsoever arising, including any amounts due and unpaid under any Transaction and any contingent amounts), or generally to exercise the Bank’s right of set-off against the Customer; and/or
 - (g) demand any amounts owing or payable from the Customer, and/or hold any amounts pending full settlement of all obligations of the Customer. The Bank may pay any excess to the Customer by way of a cheque to the last known address of the Customer. The Bank shall notify the Customer as soon as practicable after any decision is made in relation to (a) to (h) above.
- 13.3 Nothing herein shall require the Bank to provide or continue to provide any facility, accommodation or Services to the Customer. Termination of these General Terms and Conditions will automatically terminate all Specific Terms and Conditions but termination of any Specific Terms and Conditions will not terminate these General Terms and Conditions or any other Specific Terms and Conditions.
- 13.4 Any release, settlement, assignment, payment or discharge between the Customer and the Bank shall be conditional upon no security, disposition or payment to the Bank in respect of the Customer’s liabilities or obligations being avoided or set aside or ordered to be surrendered, paid away, refunded or reduced by virtue of any law relating to dissolution, insolvency, composition or arrangement for the time being in force or for any other reason whatsoever and the Bank shall be entitled to recover from the Customer or any other relevant person the value which the Bank placed upon such security or disposition or the amount of such payment as if such release, settlement, assignment, payment or discharge had not occurred.

- 13.5 If any one of the joint account holders becomes bankrupt, the Accounts can be operated (or closed) only by the joint signatures of the trustee in bankruptcy and the other joint account holders.
- 13.6 In the event of liquidation, where the Customer is a company, the funds credited to the Account(s) may only be withdrawn by, and the funds payable will only be paid to, the liquidator.
- 13.7 The Bank may, in its absolute discretion, suspend the Customer's ability to operate the Account(s), utilize any Services and enter into Transactions for any reason whatsoever, including the bankruptcy, insolvency, winding-up, incapacity and disability of the Customer until a legal representative (such as a trustee in bankruptcy, liquidator or receiver) is appointed, or the occurrence of any event beyond the Bank's reasonable control.
- 13.8 The Bank may, in its absolute discretion, comply with any request from any governmental or regulatory authority relating to the Customer or any one of the Customers (in the event of joint Account(s)), and for such purpose, apply or deal with any money or other assets in the Account(s) as may in the opinion of the Bank be required, without seeking instructions from or giving prior notification to the Customer.

14. Amendments

The Bank may, by notice, revise any Client Agreement and/or introduce additional terms and conditions at any time and from time to time. For any variation affecting fees and charges (including any change to the basis of calculation of fees and charges) under the control of the Bank or affecting the liabilities or obligations of the Customer, at least thirty (30) days' notice will be provided. Reasonable notice will be provided in the case of any other variations.

15. Communications

- 15.1 The Bank shall be entitled to prescribe, from time to time, the mode of communication with respect to each type of Services.
- 15.2 All notices or other communications in connection with the Client Agreement are to be sent at the Customer's risk. The Bank does not assume any responsibility for any inaccuracy, interruption, error or delay or total failure in transmission or delivery by post, facsimile or electronic communication.
- 15.3 Save as otherwise agreed by the Bank, all communications sent by the Customer to the Bank shall be in writing.
- 15.4 Any notice from the Customer to the Bank shall be irrevocable and shall become effective only upon actual receipt of such notice by the Bank.
- 15.5 Any notice by the Bank to the Customer may be given in writing or by any other means, and may be made or sent by personal delivery, prepaid post (airmail if overseas), facsimile, email, telephone or any other means and shall be deemed to have been duly served:

- (a) if delivered personally, at the time of delivery;
 - (b) if sent by post, 48 hours, or if to or from overseas, 7 days after posting; and
 - (c) if sent by facsimile, email, telephone or other electronic means, at the time of transmission.
- 15.6 The Customer will promptly notify the Bank in writing of any change of its address, facsimile or telephone number or email address. Such change shall not be effective until duly entered in the Bank's records.

16. Exclusion of Liability and Indemnity

- 16.1 The Bank shall not be liable for any taxes or duties payable on or in respect of the Account(s) or the assets or property held therein nor for any diminution in the value of such assets or property.
- 16.2 The Customer shall fully indemnify the Bank, its directors, officers, employees, staff, nominees, and agents (including the Custodial Agents, other sub-agents or contractors) on demand against all claims, actions, proceedings which may be brought by or against any of them and any losses, claims, damages, liabilities, reasonable costs, charges or expenses (including reasonable legal fees) which they may incur in connection with any Transaction or Services, or the exercise of rights, powers or discretion under or in connection with any Client Agreement, including any action taken by the Bank to protect or enforce its rights or its security interest whether or not as a result of any default or breach by the Customer, save for those resulting from the gross negligence, fraud or wilful default of the Bank.
- 16.3 The Bank is authorized to debit any amount payable to the Bank by the Customer from any of the Account(s).
- 16.4 All indemnities in a Client Agreement shall continue notwithstanding the termination of any Service, any Transaction or termination or suspension of the Account(s).
- 16.5 The Customer agrees that except in the case of gross negligence, wilful default or fraud of the Bank, the Bank, its directors, officers, employees, staff, nominees and agents (including Custodial Agents, other sub-agents or contractors) will not be liable for any act, delay or omission in connection with any of the Account(s), Services or Transactions or any consequences or loss suffered or incurred by the Customer (or any third party) including the following:
- (a) the maintenance, operation and termination of any of the Account(s), the provision of any of the Services by the Bank, or acting on any Instructions which the Bank believes in good faith to be given by the Customer or Authorized Person(s) notwithstanding any error, misunderstanding, fraud or lack of clarification in the terms of or affecting such Instructions;
 - (b) the availability of any of the Services being restricted or affected by any cause or for whatever reason or any illegal, unlawful, fraudulent, negligent or unauthorized use of the Account(s) or Services;
 - (c) events not within the Bank's control including: (i) any act of, procedures or restriction imposed by any government or authority in any jurisdiction; (ii) suspension of trading of any

relevant Exchange, clearing house or market; (iii) fire, storms, acts of God, war, riots, strike, lock-out, hostilities, invasion, act of foreign enemies, threatened acts of terrorism, revolution, market conditions, suspension of trading, civil commotion or disorder; (iv) power failures, communication breakdown; (v) breakdown/failure of equipment; (vi) natural disasters; or (vii) any cause or circumstance beyond the Bank's control whatsoever;

- (d) any error, failure, inaccuracy, interruption, suspension, delay, loss, or non-availability of services, goods, software, communication and other networks or information (including trading, dealing, transmission and communication systems) of the Bank, or of a third party (including the Bank's correspondents, agents, sub-agents and independent contractors) used by the Bank, or used by the Customer in connection with the Account(s), Transactions or Services;
- (e) fluctuations in foreign exchange rates or interest rates;
- (f) any loss which may be incurred by the Customer as a result of the custodian services which may be provided by the Bank. The Bank will not be liable for any act or omission of any agent selected by it in good faith including any bank or depository used by it;
- (g) any loss suffered by the Customer by (i) any act or omission or refusal or insolvency of any third person (including a bank or depository used by the Bank); and (ii) the collection or deposit or crediting to an Account of invalid, fraudulent or forged assets or any entry in an Account which may be made in connection therewith;
- (h) compliance by the Bank with any request, judgment or order of any authority, court or tribunal;
- (i) any non-compliance by the Customer with any Applicable Regulations, or any applicable market practices and customs.

16.6 In no event will the Bank, its directors, officers, employees, staff, nominees, and agents (including the Custodial Agent, other sub-agents or contractors) be liable for the Customer's loss of profit, revenue, business, goodwill (or similar losses), or for any indirect, special or consequential loss or damage.

17. Certificate of Indebtedness

17.1 A certificate issued by the Bank stating the amount due and payable by the Customer to the Bank, interest rates and Exchange Rates and any other matters shall, save for manifest error, be final and conclusive for all purposes against the Customer including for the purpose of legal proceedings.

17.2 Records of the Customer's dealings with the Bank kept by the Bank (including records contained in computer, microfilm, books and other records of the Bank) shall, save for manifest error, constitute conclusive evidence.

17.3 The Bank may commission debt collection agencies to collect any overdue amount owed by the

Customer to the Bank and the costs and expenses of such debt collection agencies shall be for the account of the Customer.

- 17.4 The Customer understands that the Customer should inform the Bank as soon as possible of any difficulty in repaying the Customer's outstanding indebtedness to the Bank or servicing any loan over the credit period.

18. Set-off, Appropriation and Lien

- 18.1 In addition to the general lien or any similar right the Bank may be entitled to by law or otherwise, the Bank may, at its discretion, at any time and without giving prior notice, appropriate, transfer, combine, consolidate or merge the balances of all or any of the Account(s) (wherever situate) with the Customer's liabilities and, in case where the Customer is a corporation, the liabilities of any member of the Customer's group of companies to the Bank or any of its branches, sub-branches or subsidiaries and set off or transfer any sum or sums standing to the credit of any of the Customer's Account(s) (in any currency and notwithstanding that any fixed deposit has not matured or applicable conditions have not been satisfied), in or towards satisfaction of the aforesaid liabilities to the Bank, whether such liabilities be primary, collateral, several, joint or in other currencies. Further, in so far as the Customer's liabilities to the Bank are contingent or future, the Bank's liability to the Customer to make payment of any sum or sums standing to the credit of any of the Customer's Account(s) shall to the extent necessary to cover such liabilities be suspended until the happening of the contingency or future event. For this purpose, the expressions "group of companies" and "subsidiary" bear the same meaning ascribed to them in Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

- 18.2 The Bank shall have the right to appropriate either at the time of payment or at any time thereafter any money paid to the Bank or otherwise coming into the Bank's possession or control for any Account in or towards discharging whichever part of the Customer's liabilities to the Bank as the Bank shall think fit. Any such appropriation shall override any purported appropriation by the Customer.

- 18.3 The Bank is granted and is authorized to exercise a lien over all Assets and other property of the Customer which is in the possession or control of the Bank or any agent of the Bank (including contents in safe deposit boxes), for custody or any other reason and whether or not in the ordinary course of banking business, with power for the Bank to sell such property to satisfy all indebtedness (including any expenses, fees, charges and other obligations) payable under any Client Agreement. The lien shall not apply insofar as, and to the extent that, the Customer's property comprises any ordinary shares or other shares of a class carrying rights to vote in all circumstances at general meetings of, or securities otherwise constituting relevant share capital of, any public company.

- 18.4 The Bank may sell or otherwise dispose of all or any of the Assets at any time, without demand for

payment or giving prior notice and in such manner and/or such terms as the Bank may in its absolute discretion think fit. Neither the Bank nor any of its directors, officers, employees, staff, nominees and agents (including Custodial Agents, other sub- agents or contractors) shall be responsible in any way for any loss or liability whatsoever which may arise from or in connection with the exercising of the power of sale or any act, delay or omission and the Bank shall not be liable for any default of any person employed by the Bank in connection with any such sale, except in the case of wilful default, fraud or gross negligence of the Bank. The net proceeds of any sale, after payment of all expenses and other disbursements and any prior claims, may be applied in or towards payment of any liabilities of the Customer as the Bank thinks fit. A written statement signed by any of the Bank's officers that the power of sale has become exercisable shall be conclusive evidence of that fact in favor of any purchaser or other person to whom any Assets may be transferred and the Customer shall indemnify the Bank on demand against any claim which may be made against the Bank by such purchaser or other person by reason of any defect in the Customer's title to any Assets.

18.5 If any of the Customer's liabilities is in a different currency from any amounts payable to the Customer, the Bank may effect any necessary conversion at the Exchange Rate.

19. Security

19.1 This Clause 19 shall apply if the Bank has requested and the Customer has created Security in favor of the Bank.

19.2 The Customer agrees that the Customer shall not, during such time when the Customer has any liabilities (present and future, joint or several, direct or indirect, actual or contingent) to the Bank, charge, assign, sell, transfer or create any encumbrance or deal with or grant any third party rights over or against any part of the Secured Assets.

19.3 Any Security created shall be a continuing security and shall be in addition to, shall not be affected by and may be enforced notwithstanding the existence of any other security held by the Bank. Any restriction on the right of consolidating securities shall not apply to the Security.

19.4 The Bank shall be entitled to retain the document under which the Security is created for such period as the Bank may notify to the Customer to be appropriate in order to protect the interests of the Bank.

19.5 If the Customer creates or purports to create any security (whether fixed or floating) over all or any of the Secured Assets or if any person levies or attempts to levy any form of process against all or any of the Secured Assets, the charge created by the Security, to the extent that it may be a floating charge, shall automatically and without notice operate as a fixed charge instantly.

19.6 The Customer undertakes:

- (a) that the Secured Assets are and shall be in the sole beneficial ownership of the Customer, free from encumbrances and claims except pursuant to the Security;

- (b) that the Bank may hold all or any of the Secured Assets at any of its offices and transfer the same between such offices;
 - (c) to deposit with the Bank or to its order all documents which evidence the Secured Assets and, if applicable, duly completed transfer documents in favor of the Bank;
 - (d) to pay all calls and make all other payments in respect of any securities comprising the Secured Assets when due;
 - (e) not to or attempt to withdraw, assign, transfer or otherwise deal with the Secured Assets except in the Bank's favor or as directed by or with the consent of the Bank in writing; and
 - (f) not to take any action which may prejudice the value of the Secured Assets and/or the effectiveness of the Security.
- 19.7 The Bank is hereby irrevocably authorized to direct any nominee or agent, having custody or control of any of the Secured Assets (whether as nominee, manager or otherwise), to deal with such Secured Assets in such manner as the Bank may direct without any reference to or consent from the Customer and the Customer shall not exercise or be entitled to the benefit of any rights of the Customer against such nominee or agent in connection with such Secured Assets without the prior written consent of the Bank.
- 19.8 If any Event of Default occurs, the Bank shall be entitled to enforce the Security and may, without demand, notice, legal process or any other action, retain or apply any cash comprising the Secured Assets and realize, sell or otherwise dispose of all or some of the Secured Assets in or towards payment of any outstanding liabilities of the Customer to the Bank at any time and in any way as it deems expedient, free from any restrictions and claims and the Bank shall not be liable for any loss arising out of such retention, application, realization, sale or disposal.
- 19.9 The Bank may, at any time, continue any existing account and open any new account in the name of the Customer without reference to or consent from the Customer and no subsequent transactions, receipts or payments involving such new accounts shall affect the liability of the Customer.
- 19.10 The Customer may not assign or transfer any rights or obligations of the Customer under the Security. The Bank may assign any of its rights under the Security.

20. Payments and Interests

- 20.1 The Customer shall be liable for any overdrafts or advances arising out of or in connection with any unauthorized overdraft, Transactions or Services and shall repay the same to the Bank and any interest thereon from the date of advance to the date of actual repayment (before and after judgment) at such rate as the Bank may determine at its sole discretion from time to time, calculated on the basis of the actual number of days elapsed and payable monthly in arrears by direct debit to the relevant Account(s) in such currency as the Bank shall determine or such other account as the Bank and the Customer may agree, and such interest shall become part of the

principal due to the Bank and bear interest accordingly.

- 20.2 Payments by the Customer shall be made to the Bank as specified by the Bank without any set-off, counterclaim or condition and shall be free and clear of all present and future taxes, withholdings or deductions of any nature, except that if the Customer is compelled by law to make such withholding or deduction, the sum payable by the Customer shall be increased so that the amount actually received by the Bank is the amount it would have received had there been no withholding or deduction. The Customer's liability will not be discharged until and unless the Bank has received payment in full.
- 20.3 Payments by the Customer to the Bank shall be in the currency of the relevant liability.
- 20.4 No payment to the Bank shall discharge any of the Customer's obligations or liabilities unless and until the Bank shall have received payment in full in the currency in which such obligation or liability was incurred. If an amount due to the Bank from the Customer is received by the Bank in another currency ("**second currency**") other than the currency in which the amount is due ("**first currency**"), the Customer's obligations to the Bank in respect of such amount shall only be discharged to the extent of the amount in the first currency which might be purchased by the Bank with the second currency (taking into account all costs of exchange and related charges and expenses) at the Exchange Rate. The Customer shall indemnify the Bank on demand against any shortfall. If and to the extent that the Customer fails to pay any amount denominated in a currency other than Hong Kong Dollars on demand, the Bank may in its discretion and without notice to the Customer purchase at any time thereafter an amount of such currency as the Bank considers necessary or desirable to cover the Customer's obligations and liabilities in that currency at the Exchange Rate and the Customer hereby agrees to indemnify the Bank on demand against the full cost incurred by the Bank for such purchase.
- 20.5 All payments by the Bank are subject in all cases to applicable tax laws and regulations. Where applicable laws require withholding or deduction of taxes, the Customer will only be entitled to the net amount after such withholding or deduction. The Customer will promptly reimburse the Bank on demand an amount equal to all taxes, duties or other amounts on or calculated by reference to any sum received or receivable from the Customer, paid or payable by the Bank should the Bank be required to, at any time, pay such taxes, duties or other amounts.

21. Currency Exchange Transactions

- 21.1 The Bank shall only accept Instructions for currency exchange Transactions for such currencies as the Bank may from time to time prescribe.
- 21.2 The actual bid and offer prices of any currency exchange Transaction will be determined at the time when such Transaction is effected. Any exchange rate which may have been quoted by the Bank or its representatives at any time for the purpose of such Transaction is for indication only and the Bank is entitled to effect such Transaction at the Exchange Rate prevailing in the relevant

foreign exchange market at the time when such Transaction shall be effected.

- 21.3 Any request for amendment, cancellation or reversal of an Instruction to effect a currency exchange Transaction shall be at the entire discretion of the Bank and subject to such conditions as the Bank may prescribe. The Customer shall be responsible for all charges, costs, expenses and losses that may be incurred as a result of such amendment, cancellation, or reversal of Instruction.

22. Exchange Rate

- 22.1 The Bank shall be entitled to effect any payment in relation to the Account(s) in any currency as the Bank may prescribe. Where a conversion of one currency into another currency is required under the Client Agreement, such conversion shall be calculated at the Exchange Rate and the Customer shall be responsible for any charges, costs, expenses and losses that may be incurred as a result of such conversion.
- 22.2 Exchange rates of foreign currency(ies) can be volatile. The Customer may experience a loss when the Customer converts foreign currency(ies) back to Hong Kong dollars and vice versa. The Customer should therefore form his or her own view of whether any foreign currency deposit is suitable for the Customer in light of the Customer's investment objectives, financial means and risk profile. In particular, RMB is subject to exchange rate risk and is currently not freely convertible. Fluctuations in exchange rates may provide both opportunities and risks and can also adversely impact the amount of interest earned (if any) on the Customer's RMB account(s) opened with the Bank. Provision of RMB services through or by banks in Hong Kong is subject to the relevant regulatory and other policy requirements and restrictions applicable to RMB related activities and services (as may be changed from time to time).
- 22.3 The Customer will bear all risks in exchanging the Customer's deposit from/to any foreign currency(ies) (including but without limitation to RMB). Without prejudice to Clause 16 of Section A of these General Terms and Conditions, the Customer accepts all risks in relation to deposits which are subject to exchange controls of any relevant jurisdiction or any other circumstance beyond the Bank's control.

23. Customer Data

- 23.1 The Customer agrees that the Bank may from time to time disclose to such persons and use for such purposes the Customer's data as set out in the Notice to Customers relating to the Data of Customers of China Minsheng Banking Corporation Limited Hong Kong Branch (as the same may be amended from time to time).

23.2 Notwithstanding any other provisions contained in these General Terms and Conditions or any

Specific Terms and Conditions, Customer agrees to all of the following provisions:

Provision of Information

(a) The Customer shall provide the Bank with his Personal Information, and where reasonably required by the Bank, those of any Consenting Person, in such form and within such time, as the Bank may require from time to time. Such data are necessary for the Bank to provide its facilities and services to the Customer or otherwise for the Bank and any Group Company to comply with the Applicable Laws and Regulations. For the purpose of this Clause 23.2A,

- i. **“Personal Information”** means: (i) where the Customer and any Consenting Person is an individual, his full name, Hong Kong Identity Card/passport number, date and place of birth, residential and mailing address, contact information (including telephone number), any taxpayer identification number, social security number, citizenship(s), residency(ies), tax residency(ies), and such information as the Bank may reasonably require regarding the Customer and any Consenting Person; (ii) where the Customer and any Consenting Person is a corporate/entity, its date and place of incorporation, registered office or place of business, tax identification number, tax status, tax residency, and such information as the Bank may reasonably require regarding the Customer, Consenting Person, and each of its substantial owners, controlling persons, and beneficial owners;
- ii. **“Consenting Person”** means the Customer and any individual, sole proprietorship, partnership, body corporate, trust, or other entities (other than the Customer) who is beneficially interested or financially interested in the payments with respect to any account of the Customer. For the avoidance of doubt, this term includes, but is not limited to, a director, shareholder, or officer of a company, a partner of a partnership, the sole proprietor of a sole proprietorship, the trustee, settlor, or protector or beneficiary of a trust, the account holder of a designated account, the payee of a designated payment, the substantial owner, controlling person, or beneficial owner of the Customer, the representative, agent or nominee of the Customer, or any other individual or entity having a relationship to the Customer that is relevant to its relationship with the Bank as determined in the Bank’s sole discretion. For purposes of the preceding sentence, a “substantial owner” includes any individual person who is entitled to more than 10 percent of the profits or capital of an entity or with an interest of more than 10 percent of the entity’s equity or beneficial interests; and
- iii. **“Applicable Laws and Regulations”** means obligations of the Bank to comply with: (i) any applicable local or foreign law, ordinance, regulation, rules, demand, request,

guidance, guidelines, and codes of practice, whether or not relating to an intergovernmental agreement between the governments or regulatory authorities of two or more jurisdictions; and (ii) any agreement between the Bank (or any Group Company) and any national, state, or local government and any political subdivisions thereof, any agency, authority, instrumentality (whether judicial or administrative), regulatory or self-regulatory organization, law enforcement body, court, central bank, or tax or revenue authority in any jurisdiction whether within or outside Hong Kong (“**Authority**”).

- (b) Where there is a change or addition to the Customer’s Personal Information, and, where applicable, those of any Consenting Person, the Customer shall update the Bank of the change or addition promptly (and in any event no later than 30 days from the date of the change or addition).
- (c) The Customer shall, and, where applicable, procure any Consenting Person to, complete and sign such documents and do such things in relation to his obligation under sub-Clauses 23.2A(a) to (d) of Section A of these General Terms and Conditions as the Bank may reasonably require from time to time for the purpose of complying with the Applicable Laws and Regulations.
- (d) The Customer agrees that the Bank may directly require any Consenting Person to, in which case, the Customer shall procure such Consenting Person to, provide or confirm accuracy of his Personal Information if the Bank reasonably considers it to be appropriate for the purpose of complying with the Applicable Laws and Regulations.

Disclose of Information

- (e) The Customer agrees that the Bank, any Group Company and any third party wherever situated selected by the Bank or any Group Company to provide services to it (“**Third Party Service Providers**”) may, at any time (whether within or outside Hong Kong and whether before or after the termination of these General Terms and Conditions), use, retain and disclose his Tax Information, as well as those of any Consenting Person, to any Authority (even if such Tax Information may be transferred to a jurisdiction without adequate personal data privacy laws in place) for the purpose of ensuring compliance with the Applicable Laws and Regulations on the part of the Bank or any Group Company. For the avoidance of doubt, the Customer waives, and where reasonably required by the Bank, agrees to procure any Consenting Person to waive, any applicable restrictions which would otherwise hinder the ability of the Bank or any Group Company or Third Party Service Providers to use, retain and disclose the Tax Information in the aforesaid manner.

For the purpose of this Clause 23.2A, “**Tax Information**” in respect of the Customer and any Consenting Person, means: (i) any documentation or information (and accompanying statements, waivers, and consents as the Bank may from time to time require or as the Customer and any Consenting Person may from time to time give) relating, directly or indirectly, to the tax status of the Customer and any Consenting Person; (ii) Personal Information of the Customer and any Consenting Person; and (iii) any information relating to any of account of the Customer including, without limitation, the account number, account balance or value, gross receipts, and withdrawals and payments to or from such account.

- (f) The Customer shall obtain or, as the case may be, has obtained the requisite consent from each Consenting Person for the provision of his Tax Information to the Bank, any Group Company and any Third Party Service Providers and the usage, retention and disclosure of such Tax Information by the aforesaid parties.
- (g) The Customer agrees that the Bank may directly require any Consenting Person to, in which case, the Customer shall procure such Consenting Person to, agree to the usage, retention and disclosure described in sub-Clause 23.2A(e) above and/or waive any otherwise applicable restrictions on such usage, retention and disclosure if the Bank reasonably considers it to be appropriate for the purpose of complying with the Applicable Laws and Regulations.

Failure to Provide Information

- (h) The Customer understands that failure to provide such data referred to under this Clause 23.2A to the Bank may result in the Bank being unable to provide any facility or service to the Customer. The Customer agrees that:
 - i. where the Customer fails to comply with his obligations under sub-Clauses 23.2A(a) to (g) above;
 - ii. where any Consenting Person fails to comply with the requirements under sub-Clauses 23.2A(a) to (g) above;
 - iii. where the Personal Information (regardless of whether such Personal Information is in relation to the Customer or any Consenting Person) is inaccurate, incomplete, or not promptly updated; or
 - iv. for whatever reason, the Bank or any Group Company is prevented (under the laws of

Hong Kong or otherwise) from disclosing the Tax Information of the Customer and/or any Consenting Person to the Authority as required by the Applicable Laws and Regulations,

the Bank may at any time take one or more of the following actions as the Bank in its sole and absolute discretion deems necessary to ensure compliance with the Applicable Laws and Regulations on the part of the Bank and any Group Company:

- (1) deduct from or withhold part of any amounts for or on account of, or which represents, withholding, income tax, value added tax, tax on the sale or disposition of any property, duties, or any other lawfully collected amount which is required to be so deducted or withheld to comply with the Applicable Laws and Regulations (“**Collected Amount**”) from any payments payable to the Customer under or from any account of the Customer and pay such Collected Amount to the Authority or hold such Collected Amount in escrow as permitted by the Applicable Laws and Regulations with no obligation in any case to gross-up or reimburse the Customer with respect to such amounts or payments;
- (2) block or freeze the account of the Customer, transfer all or part of the Bank's rights, benefits, and liabilities under any account of the Customer or any amounts therein to any Group Company, and/or terminate any of account of the Customer and discontinue the banking relationship with the Customer entirely or in part by giving notice to the Customer;
- (3) provide (whether before or after termination of the account of the Customer) the Tax Information relating to the Customer and/or any Consenting Person to such Authority as required to ensure compliance with the Applicable Laws and Regulations on the part of the Bank and any Group Company (even if such Tax Information may be transferred to a jurisdiction without adequate personal data privacy laws in place); and
- (4) take any actions necessary or useful to the Bank in exercising any rights of the Bank under this Clause 23.2A(h).

This Clause 23.2A shall survive termination of these General Terms and Conditions.

23.2B Notwithstanding any other provisions contained in these General Terms and Conditions or any Specific Terms and Conditions, Customer agrees to all the provisions set out in the Appendix. This Clause 23.2B and all the provisions set out in the Appendix shall survive termination of these General Terms and Conditions.

23.3 The Customer agrees that the Bank may provide to any person who has given or who proposes to

give a guarantee or a security to secure any of the Customer's liabilities with a copy or summary of the contract evidencing the obligations to be guaranteed or secured, copies of any formal demand for overdue payment sent to the Customer, the Customer's statements of account and such of the Customer's other data as the Bank may deem fit.

- 23.4 The Customer hereby warrants that the Customer will obtain the prior consent of the Customer's referees before giving their names and other personal data to the Bank.
- 23.5 The Customer hereby warrants that all information provided by the Customer to the Bank is provided voluntarily and that such information is true, correct and complete in all respects. In the event of any changes to the information provided (including any change to the residence or status of the Customer), the Customer undertakes to notify the Bank promptly.
- 23.6 The Bank is authorized to conduct a credit enquiry or check on the Customer for the purpose of ascertaining the Customer's financial situation and investments objectives.

24. Governing Law and Jurisdiction

Unless otherwise stipulated, each Client Agreement and all Transactions shall be governed by and construed in accordance with the laws of Hong Kong and the parties agree to submit to the non-exclusive jurisdiction of the Hong Kong courts.

25. Severance

If any one or more of the provisions contained in any Client Agreement shall become invalid, unlawful or unenforceable in any respect under Applicable Regulations, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

26. Miscellaneous

- 26.1 The Bank is not the Customer's fiduciary.
- 26.2 The Customer will promptly notify the Bank in the event of any material change to the information provided to the Bank. The Bank will notify the Customer of any material change to its name, business address, registration status with the Securities and Futures Commission or CE number, or other changes as required by applicable laws and regulations.
- 26.3 The Customer shall not charge, assign, create any encumbrance of any nature or grant any third party rights over or against any or all of the Customer's rights and interest in the Account(s) or any Client Agreement without the prior written consent of the Bank.
- 26.4 At the request of the Bank, the Customer shall promptly execute and deliver such documents and

perform such acts as the Bank may consider expedient in connection with the Account(s), the Services and any Client Agreement. Where the Customer fails to do so, Services may be discontinued, delayed or additional costs or other consequences may arise.

26.5 The Customer irrevocably authorizes the Bank, in the Customer's name or otherwise on the Customer's behalf, to sign, execute, deliver, perfect and do all instruments, acts and things which may be required or which the Bank shall think fit for carrying out any of the Customer's obligations under any Client Agreement and in connection with any Security. The Customer ratifies and confirms and agrees to ratify and confirm any instrument, act and thing which the Bank may lawfully execute or do.

26.6 (a) Each Client Agreement shall benefit and be binding on the Bank and the Customer, their respective successors and any assignee or transferee of any or all of the Bank's rights or obligations.

(b) The Customer may not assign or transfer all or any of the Customer's rights or obligations under any Client Agreement.

(c) The Bank may assign or transfer all or part of the Bank's rights or obligations under any Client Agreement.

26.7 The Bank's failure or delay in exercising any right, power or privilege in respect of any Client Agreement shall not operate as a waiver, nor shall a single or partial exercise, enforcement or waiver of any such rights, power or privilege preclude the Bank's further exercise or enforcement, or the exercise or enforcement of any other right, power or privilege.

26.8 When effecting transactions for the Customer, the Bank or its affiliates may have a material interest in relation to the transaction. For example, the Bank or its affiliates may:

(a) have a position in relation to the Securities or be involved as issuer, manager, custodian, trustee or otherwise; or

(b) match the Customer's order with those of other customers.

If the Bank has an actual or potential conflict of interest in relation to a transaction, the Bank will not act unless the Bank has disclosed that conflict to the Customer and have taken all reasonable steps to treat the Customer fairly.

The Bank may have existing or future commercial, financial or banking relationships with any person involved in the issue or management of any Securities or their affiliates, and will pursue actions which the Bank deems appropriate to protect its interests, without obligation to disclose or account to the Customer, and regardless of whether such action might adversely affect the Customer.

26.9 When it is necessary in the Bank's view to protect its interests, the Bank may (but is not obliged to) suspend or freeze any Accounts or Services. The Bank may freeze the Accounts if the Bank has notice that a petition has been presented for the Customer's bankruptcy or liquidation, or that a meeting has been called to consider a resolution for the Customer's liquidation, or that the Customer's partnership has been dissolved, or of any analogous process under any law, or of any

third party claim or of the Customer's death or mental incapacity, or if there appears in the Bank's opinion in good faith to be any irregularity in connection with the any Account.

27. Investment Information

- 27.1 The Customer fully understands that any Transaction effected by the Customer shall be made solely upon exercise of the Customer's own judgment and at the Customer's own discretion notwithstanding any information, suggestion or documents the Bank may have provided to the Customer.
- 27.2 The Customer requests the Bank to contact the Customer on investment opportunities which the Bank believes may be of interest to the Customer. However, the Customer understands that the Bank is not obliged to provide the Customer with any financial, market or investment information, suggestion or recommendation, but if it does so, it does not act as an adviser.
- 27.3 Any information, suggestion or recommendation communicated to the Customer by the Bank is based on information obtained from sources believed by the Bank to be reliable, is for the Customer's own use and consideration only and will not constitute an offer to sell any investment to the Customer.
- 27.4 The Customer agrees that in the absence of gross negligence, wilful default or fraud on the part of the Bank, the Bank will not be liable for any inaccuracy or incompleteness of any information provided by the Bank. The Bank will not be liable for the performance or outcome of any Transaction.
- 27.5 It is the Customer's sole responsibility to understand completely all of the relevant characteristics, risks and consequences of each Transaction it enters into. The Customer acknowledges that the Bank will not give any investment, legal, accounting, tax or other advice. No materials or information which may be provided by the Bank to the Customer in relation any investment shall be regarded as advice to the Customer.
- 27.6 Any exchange rate, interest rate, price or other information quoted to the Customer is for the Customer's reference only and shall not be binding on the Bank unless expressly confirmed by the Bank for concluding a Transaction.
- 27.7 The operation of an Account in a location outside Hong Kong and payment in such a location shall be conditional on such operation and payment being lawful in that location. The Bank shall not be liable for any losses, taxes, costs and expenses as a result of complying with any Applicable Regulations which may be applicable in any location outside Hong Kong.

28. U.S. Person or Resident of Canada

- 28.1 By applying for Services or entering into Transactions with the Bank, the Customer represents and warrants that:

- (a) the Customer is not a U.S. person (including a citizen or resident of the United States) or resident of Canada for purposes of U.S. or Canada tax or securities laws;
- (b) the Customer is not acting for, or on behalf of, a U.S. person or resident of Canada; and
- (c) if any of the statements under sub-Clauses (a) and (b) above becomes untrue or the Customer becomes aware that those statements will become untrue, the Customer shall notify the Bank in writing of such changes as soon as reasonably practicable, but in any event, no later than thirty (30) days of such change or becoming aware of such change.

28.2 The Bank is hereby authorized by the Customer to terminate (with or without notice) all Accounts and Services and to dispose of any investment in the Accounts if (a) the Customer fails to comply with sub-Clause (c), or (b) if the continued maintenance of the Accounts or provision of Services would breach any Applicable Regulations (as determined by the Bank).

29. Excluding third party rights

29.1 Except as expressly provided for in these General Terms and Conditions, any person who is not a party to these General Terms and Conditions shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any term of these General Terms and Conditions. Notwithstanding any provision of these General Terms and Conditions, the rights of the parties to terminate, rescind, or agree on any variation, waiver, or settlement under these General Terms and Conditions are not subject to the consent of any third party at any time.

30. Suitability

30.1 If the Bank solicits the sale of or recommends any financial product to Customer, the financial product must be reasonably suitable for the Customer having regard to the Customer's financial situation, investment experience and investment objectives. No other provision of these General Terms and Conditions or any other document that the Bank may ask the Customer to sign and no statement that the Bank may ask the Customer to make derogates from these General Terms and Conditions.

Note: "Financial product" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO. Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity.

SECTION B TERMS AND CONDITIONS FOR BANKING SERVICES

1. Account Operation

In the event that the Customer has not specified the Account(s) to be credited/debited in order to effect any Transaction(s) pursuant to or as a result of an Instruction, the Bank is hereby authorized to enter the credit/debit in any one or more of the Account(s) as the Bank determines in its absolute opinion provided that if the Transaction is in RMB, entries will be made in any one or more of the Customer's RMB accounts. Any charges or penalties that may be incurred by the Customer as a result of the breaking of term deposits shall be borne by the Customer.

2. Unauthorized Overdraft and Application of Moneys

- 2.1 Any overdraft by the Customer exceeding any overdraft facility that may be granted by the Bank from time to time shall be deemed to be unauthorized overdraft and shall be subject to default interest and charges.
- 2.2 All moneys credited to any Account to which the No Bounce Cheque Protection Facility is made available shall be applied by the Bank in the order it deems fit.

3. Deposits and Withdrawals

- 3.1 Deposits and withdrawals can be made by the Customer in such manner as the Bank may prescribe from time to time.
- 3.2 All cheques and other generally accepted monetary instruments are accepted for the Account(s) at the discretion of the Bank and are credited subject to their being paid before the daily cut-off time as required by the Bank from time to time, unless otherwise permitted at the Bank's discretion. No interest will be paid on any funds credited into any of the Customer's interest bearing Account(s) until such funds have been actually received by the Bank before the daily cut-off time as required by the Bank from time to time and in the case of credit by way of remittance, receipt of confirmation from the relevant correspondent bank of the remittance by the Bank before the daily cut-off time as required by the Bank from time to time (whichever is later). Funds received by the Bank for an Account by way of remittance will be credited into the Account within a reasonable time after receipt of confirmation from the corresponding bank by the Bank. The Bank is entitled to debit its charges, fees and expenses and the value of any items subsequently returned unpaid to the Account.
- 3.3 If any money received by way of remittance or any instruction from any third party is in a currency

other than the currency of the Account specified, the Bank may in its absolute discretion and without seeking Instructions from or without giving prior notice to the Customer convert the funds to be credited into the currency of such Account at the Exchange Rate on the date when the funds are credited. The Customer shall be responsible for any charges which may be levied in relation to such conversion.

- 3.4 Notwithstanding any other provisions stated in any Client Agreement, the Bank may refuse to allow any deposit or withdrawal from any Account without providing reasons therefor.
- 3.5 Where, in relation to a deposit, (a) it is discovered that a mistake has been made; (b) an Account has been credited but the Bank does not obtain cleared and unconditional funds relating to the deposit in full or promptly for any reason; (c) the Bank is required to return the money to the relevant payer/drawer or paying bank or other financial institution or intermediary for any reason; or (d) where the Bank has reasonable grounds for doing so, the Bank may, in its absolute discretion and without seeking Instructions from or giving prior notice to the Customer, cancel, reverse or debit all or part of any such deposit (including interest, if any, paid by the Bank on such deposit). The Bank shall notify the Customer as soon as practicable of any such cancellation, reversal or debit.
- 3.6 The Bank shall have the right to make enquiries about the sources of funds, or the reasons for withdrawal, remittance or other payment Instructions, before permitting and proceeding with cash withdrawals, deposits, remittance or other payment Instructions (as applicable).
- 3.7 Funds are sent entirely at the Customer's own risk and the Bank shall have no responsibility to the Customer for any mutilation, interruption, omission, error, neglect, default, mistake, delay, diminution or unavailability of funds which may occur in the transmission of any message or from its misinterpretation by the Bank or any correspondent, agent or employee or through any other cause beyond the Bank's control.
- 3.8 Unless otherwise permitted by the Bank, withdrawals from any of the Account(s) maintained with the Bank (i.e., the Hong Kong branch) may only be made in Hong Kong. The Customer shall be responsible for any costs of exchange, charges, costs, expenses and losses that may be applicable for any overseas withdrawal permitted by the Bank.

4. Multi-currency Cash, Savings, Current and Time Deposit

- 4.1 This Clause applies to multi-currency cash, savings Account, current Account and time deposit Account.
- 4.2 The Customer may from time to time apply to open one or more deposit Accounts and agrees that each deposit Account will be subject to the Client Agreement, and in particular, these General Terms and Conditions and such other terms as may be agreed between the Customer and the Bank in relation thereto.
- 4.3 The Bank may only accept such currencies as may be acceptable to it for deposit. The Customer

must tender an account opening request for the Account and currency selected. The Bank reserves the right to accept or refuse any account opening request.

- 4.4 For all types of deposit Accounts, the Customer shall conform to such minimum initial deposit and/or maintain such minimum balance as may be prescribed by the Bank from time to time. Deposit Accounts shall also be subject to such charges as may be determined by the Bank from time to time and the Bank shall have the right to return all or any part of a deposit at its discretion.
- 4.5 The Customer agrees that interest is accrued at the rates for different types of deposit Accounts published from time to time and/or advertised in the press by the Bank.
- 4.6 For HK Dollars, interest will be calculated on the basis of a 365-day year for ordinary years and a 366-day year for leap years. For USD, interest will be calculated on the basis of a 360-day year. For other currencies, the basis for interest calculation shall be determined by the Bank with reference to market practice.
- 4.7 Cheque books that may be issued are the property of the Bank. They are not transferable or assignable, and cannot be pledged as security. The Customer shall keep cheque books in a secured place. In the event of loss of a seal or chop used for operating any Account, any signed cheque or any blank cheque, immediate notice must be given to the Bank. If the Bank considers necessary, the Bank may issue a new cheque book after a search has been made, and as the case may require, an indemnity has been signed by the Customer. A charge for issuing a new cheque book may be imposed at the Bank's discretion.
- 4.8 A Transaction of a large amount of cash is subject to prior arrangement and charges as the Bank determines absolutely. Withdrawal of foreign currency cash is subject to availability.
- 4.9 The Bank shall have the right to pay to the Customer any amount withdrawn from any Account by any of the following methods or by any combination of two or more thereof at the Bank's discretion, namely:
 - (a) by cash in the currency of the deposit;
 - (b) by issuing to the Customer a cheque drawn by the Bank on any bank in the country of the required currency; and the Customer shall pay to the Bank its prescribed service charges;
 - (c) by cash or the Bank's "Cashier's Order" in HKD after converting the amount at the Bank's then prevailing buying rate. A service charge may be payable to the Bank by the Customer.
- 4.10 For Statement Savings Accounts, interest earned will be credited monthly on the last day of each calendar month. Nevertheless, interest earned may be credited on such other basis as may be determined by the Bank from time to time. Interest is payable on closed savings Accounts up to the immediately preceding day.
- 4.11 The Bank reserves the right to require the Customer to make withdrawals in person and produce identification satisfactory to the Bank.
- 4.12 Cheques drawn by the Customer which have been paid may, after having been recorded in electronic form, be retained by the collecting bank or Hong Kong Interbank Clearing Limited ("HKICL") for such period as is stated in the rules relating to the operation of HKICL and after this,

they may be destroyed by the collecting bank or HKICL as the case may be. The Bank is authorized to contract, inter alia, with collecting banks and HKICL in accordance with their terms.

- 4.13 The Customer acknowledges that:
- (a) cheques drawn on or paid into an Account may be processed in the clearing system provided by HKICL, in which the Bank is one of the participants; and
 - (b) the operation of such clearing system is subject to the clearing house rules made by HKICL and the operating procedures referred to in the clearing house rules (as the same may be modified from time to time).
- 4.14 The Bank will not honor any cheque drawn by the Customer if the relevant Account does not have sufficient funds. A service charge may be imposed by the Bank in respect of each dishonored cheque. Notwithstanding the aforesaid, the Bank may at its discretion honor any cheque even though the relevant Account does not have sufficient funds. In such a case, the Customer will immediately upon the Bank's demand repay the amount overdrawn together with handling charges and interest. Overdrawn interest on the Account shall be calculated on the overdrawn amount daily at such rate as may be determined by the Bank from time to time and will be debited monthly on the last day of each calendar month and will bear compound interest thereafter.
- 4.15 The Customer understands that a "bearer" cheque is payable to the bearer of the cheque while an "order" cheque is payable to the payee named in the cheque only. Accordingly, the risk of fraud can be minimized by using "order" cheques instead of "bearer" cheques particularly when the cheque is to be sent by post or other channels. Since crossed cheques may only be credited into an account, the use of crossed cheques will therefore afford additional protection to the Customer.
- 4.16 The Customer will exercise care when drawing cheques so as to avoid alteration or prevent fraud or forgery. The Customer is advised to insert the amount, both in words and figures, as close as possible to the left hand margin so that there is no space for insertion. The word "only" should be inserted after the amount stated in words.
- 4.17 The Customer may stop payment of a cheque before it is paid by giving prior notice to the Bank in writing or by any other means acceptable to the Bank. The Bank may impose such handling charges as it may determine in respect of each stopped cheque.
- 4.18 Any alteration on a cheque must be confirmed by the drawer with signature. The Bank is entitled to return any cheque which is incorrectly completed, altered without the aforesaid confirmation, post-dated or out-dated for more than six months. The Bank may impose such handling charges as it may determine in respect of each such cheque.
- 4.19 The Customer undertakes not to pre-sign any cheque in blank.
- 4.20 The Customer may from time to time establish time deposit Accounts with such interest rate, tenor and currency as may be agreed between the Customer and the Bank before establishment. The interest rate applicable to each deposit in such time deposit Accounts may be changed by the Bank without giving prior notice.
- 4.21 Simple interest on a deposit will accrue daily and will only be payable on the maturity of the deposit.

- 4.22 A time deposit may not be withdrawn at any time before its maturity unless with the prior agreement of the Bank and on such terms as may be imposed by the Bank including any break fees which may be charged by the Bank. If the maturity thereof is not a Business Day, withdrawal may be effected on the following Business Day. The Bank is authorized to deduct any fees payable by the Customer for early termination from the time deposit repayable to the Customer.
- 4.23 A time deposit and interest thereon are payable at the end of the fixed period. There will be no automatic renewal of time deposit. If the Customer has not given the Bank instructions for withdrawal or renewal before the maturity date, interest on the maturity date and thereafter will accrue at the Bank's daily saving deposits rates applicable during the period on after the maturity date in respect of relevant currency concerned

5. Clearing

- 5.1 The Customer agrees that the Hong Kong Monetary Authority shall not be liable to the Customer or other persons in respect of any claim, loss, damage or expense (including loss of business, loss of business opportunity, loss of profit, special, indirect or consequential loss) (even if the Hong Kong Monetary Authority knew or ought reasonably to have known of their possible existence) of any kind or nature whatsoever arising in whatever manner directly or indirectly from or as a result of anything done or omitted to be done by Hong Kong Monetary Authority bona fide or by any other parties concerned with a clearing house, or by any other person in the management, operation or use (including the termination and/or suspension of the settlement institution, the clearing facilities or any member) of the clearing house or the clearing facilities or any part of any of them.
- 5.2 The Customer shall fully indemnify the Bank forthwith on demand in respect of any liability, claim, loss, damages, charges, costs and expense which the Bank may suffer or incur under the relevant clearing house rules (as amended from time to time) by reason of any Instruction, request, act or omission of the Customer or otherwise in relation to an Account.

6. RMB Account (general purpose) – Company

- 6.1 A corporate or other non-personal Customer may apply to the Bank to open RMB accounts for general purposes.
- 6.2 Currency conversion services (between Renminbi and other currencies) are provided by the Bank at its sole discretion.
- 6.3 The Customer:
- (a) shall comply with all laws of Hong Kong and mainland China, and all regulations and other requirements of any regulator or other authority in Hong Kong or mainland China, which are applicable to Renminbi services for corporate and other non-personal Customers;

- (b) shall operate such accounts in accordance with applicable laws, regulations or rules in Hong Kong, and shall not contravene any applicable laws, regulations or rules in mainland China. In particular, the Customer shall ensure that remittances to and from mainland China through the Customer's accounts are in compliance with applicable laws, regulations and rules in mainland China;
- (c) shall, within the time required by the Bank, provide all such information and documents in connection with the Customer's accounts and transactions as may be required by the Bank; and
- (d) shall comply with all rules, conditions and requirements from time to time applied by the Bank for the purposes of Renminbi services for corporate and other non-personal Customers.

6.2 The Bank may:

- (a) take any action, with or without notice to the Customer, to comply with any requirements of the clearing institution for Renminbi clearing and settlement services in Hong Kong, any agent bank in mainland China through which the Bank conducts Renminbi clearing and settlement services, or any regulator or other authority in Hong Kong or mainland China;
- (b) without prejudice to Clause 6.4 (a) of this Section B, provide any information about the Customer, the Customer's accounts and transactions to any entity referred to in the said Clause 6.4 (a);
- (c) delay or decline, without giving reasons and without liability, to execute any of the Customer's instructions or to accept any Renminbi deposit; and
- (d) at any time in any way vary, suspend, withdraw or terminate all or any part of the Renminbi services, or impose any conditions or restrictions, whether or not any such action applies to any other customer.

7. RMB Account – Personal

7.1 General Rules for Personal Account

- (a) This Clause 7 shall only apply to RMB account(s) for individual Customers opened with the Bank. If there is any conflict between the provisions in this Clause 7 and other provisions of these General Terms and Conditions in relation to RMB account(s) for individual Customers, the provisions within this Clause 7 shall prevail.
- (b) Subject to the Bank's absolute discretion, the Bank may, at the Customer's request, open a RMB account (including but not limited to a RMB savings account, a RMB current account, or a RMB fixed deposits account) for Customers who are Hong Kong Residents or Non-Hong Kong Residents, as the case may be, subject to such terms and conditions, limitations and/or restriction as the Bank determines absolutely from time to time.
- (c) The scope and types of services made available by the Bank, the applicable transaction limits, applicable interest rates and service fees in respect of the Bank's RMB banking services will be

determined by the Bank from time to time at its absolute discretion.

- (d) The Customer shall place an initial deposit with the Bank in an amount as from time to time specified by the Bank in a manner determined by the Bank, at the Bank's absolute discretion.
- (e) Any deposit of RMB banknotes must be in such version and denomination that is acceptable to the Bank. The Bank shall have the absolute discretion to accept or reject any RMB banknote deposited by the Customer.
- (f) The Bank may, at its discretion, add to, restrict, suspend or terminate all or any of the Bank's RMB banking services at any time.
- (g) The provisions contained in this Clause 7 are subject to change in accordance with applicable laws, rules, regulations and/or guidelines issued by the relevant authorities from time to time. The Bank may from time to time issue or amend any rules and regulations governing any RMB banking services at its sole discretion and the Customer agrees to be bound by such rules and regulations.
- (h) Notwithstanding that the account is a RMB account or that the deposit has been made or is expressed to be denominated in RMB, the Bank shall nevertheless have the right and absolute discretion to make payment to the Customer or on the Customer's behalf in respect of the Bank's obligation to the Customer in relation to the RMB account in full satisfaction of the Customer's deposit or any part thereof in such account in any of the following manner and the Customer shall have no right to object thereto:
 - (01) by payment in RMB banknotes; or
 - (02) by effecting telegraphic transfer in RMB, subject to the requirements as imposed by the Bank or any regulatory body for telegraphic transfer from time to time; or
 - (03) by converting the relevant amount for payment in Hong Kong dollars at the Bank's prevailing telegraphic transfer rate at the time of conversion; or
 - (04) by applying more than one of the above manner; or
 - (05) in any other manner which the Bank, in its absolute discretion, thinks fit.

In case of Clause 7.1(h)(02) of this Section B, the Bank has the absolute discretion in the choice of correspondent(s). The Bank is entitled to debit the Customer's account with the amount of the Bank's charges and expenses and, as appropriate, those of the Bank's correspondent(s).

- (a) The Bank's prevailing telegraphic transfer rate of exchange will be applied to all exchange transactions under the RMB account. The Bank reserves the right to levy commission in lieu of exchange, at a rate to be determined by the Bank.
- (b) The Bank will only provide services or accept instructions insofar as it is (in the Bank's reasonable opinion) practicable and reasonable to do so, having regard to the Bank's regular business practice and procedures. The Bank may at all times and from time to time in its sole discretion, without having to state the grounds for such refusal and without any liability whatsoever, refuse to act on any instructions or such part thereof as the Bank thinks appropriate. The Bank shall comply with laws, rules, regulations, guidelines, requests, and/or recommendations of any organisation or authority that regulates the conduct of banking and/or the provision of service or contemplated under the

Customer's account. The Bank reserves the right to specify any conditions subject to which the Bank provides any services or accept any instruction or to refuse any services or act on any instruction to ensure the Bank's compliance with any such applicable laws, rules, regulations, guidelines, requests, and/or recommendations.

- (c) The Customer is not allowed to open and maintain any RMB account with the Bank or any other banks in Hong Kong as both (i) a Hong Kong Resident; and (ii) a Non-Hong Kong Resident at the same time.
- (d) If the Customer is a Non-Hong Kong Resident, the Customer is required to immediately notify the Bank in writing when the Customer has subsequently obtain a Hong Kong Identity Card after the Customer's RMB accounts are opened. Upon receipt of the Customer's notification, the Customer's RMB accounts shall be closed or be changed to a Hong Kong Resident RMB account, at the Bank's absolute discretion, and the relevant requirements and restrictions applicable to Hong Kong Resident RMB accounts shall apply thereafter.
- (e) For the avoidance of doubt, if the Customer is a Non-Hong Kong Resident, the Bank reserves the right at its sole discretion to close, suspend the operation or change the status of the Customer's RMB account(s) if the Customer subsequently becomes a Hong Kong Resident, even if the Bank never receives any notification required under Clause 7.1(l) of this Section B.
- (f) If any Hong Kong Resident and Non-Hong Kong Resident open a RMB account in joint names or if any Hong Kong Resident acts as an authorised signatory to operate a Non-Hong Kong Resident RMB account, such account shall be treated as a Hong Kong Resident RMB account and all the relevant requirements and restrictions applicable to Hong Kong Resident RMB accounts shall apply.
- (g) Unless otherwise agreed by the Bank, no RMB coins will be accepted for deposit into any RMB accounts.

7.2 Exchange Services:

- (a) The Bank may, at the Customer's request, provide exchange services between RMB and Hong Kong dollars or other currencies, subject to the availability of the currency requested and to the Bank's commercial decisions, at the prevailing rate of exchange quoted by the Bank at the time of the exchange. The Bank reserves the right at any time, at its sole discretion, to accept or reject any exchange request from the Customer.
- (b) Any RMB banknote presented to the Bank for the purpose of exchange must be in such version and denomination that is acceptable to the Bank and the Bank reserves the right to reject any banknote presented by the Customer.
- (c) Any loss, damage, claim, cost, expense of reasonable amount which is reasonably incurred by the Bank in connection with the Customer's exchange transaction(s) shall be indemnified and reimbursed by the Customer immediately and, at the Bank's discretion, shall be debited from the Customer's account after the transaction.
- (d) The Bank shall not be responsible or become liable for any loss or damage suffered by the Customer arising out of the Bank's rejection of any exchange request.

7.3 Personal RMB Current Account

- (a) Subject to the Bank's absolute discretion, the Bank may, at the Customer's request, provide RMB current account services to the Customer. The Bank is authorised to take all such actions as it may deem fit if the Customer opens more than one RMB current account, including, without limitation to, terminate, suspend or consolidate any one or more of such additional account(s).
- (b) No overdraft facility is allowed on a Hong Kong Resident RMB current account. If there is insufficient money in the RMB current account to pay for all cheques presented on any day, the Bank is entitled at its discretion and without notice to the Customer to return any cheque(s) presented for payment on that day and/or to transfer funds from any of the Customer's RMB savings account(s) to pay any of the cheque(s) subject to a handling charge.
- (c) Subject to the limits set out in this Clause 7.3, RMB cheques can be used for payment to the Customer or any third parties in Hong Kong.
- (d) For Customers who are Non-Hong Kong Residents, RMB cheques shall be used within Hong Kong only.
- (e) For Customers who are Hong Kong Residents, the use of cross-border RMB cheques is limited to the acquisition of consumer goods and services within Guangdong Province (including Shenzhen) or such other place(s) as may be specified by the Bank and/or the relevant authorities from time to time.
- (f) In respect of any transactions under Clause 7.3(e) of this Section B, the use of cross-border RMB cheques by Customers who are Hong Kong Residents is subject to the following limits:
 - (01) The amount of any single cross-border RMB cheque or the daily aggregate payments from a RMB current account should not exceed RMB80,000 (or such other amount as specified by the Bank or the relevant authorities for the time being). Any single cross-border RMB cheque or the daily aggregate payments from a RMB current account exceeding RMB80,000 (or such other amount as specified by the Bank or the relevant authorities for the time being) will be rejected either in whole or in part by the Bank at its sole and absolute discretion and the Bank shall be under no liability whatsoever to the Customer as a result thereof. The Bank may, at its discretion, return the cheque(s) and collect a handling fee from the Customer.
 - (02) If the total value of multiple cross-border RMB cheques presented in any given day exceeds RMB80,000 (or such other amount as specified by the Bank or the relevant authorities for the time being which may be changed from time to time), the Bank may, at its discretion, return the cheque(s) and collect a handling fee from the Customer.
- (g) RMB cheques are not transferable or endorsable.

7.4 Remittance and Fund Transfer Service:

- (a) The Customer may transfer RMB funds between different RMB bank accounts in Hong Kong.
- (b) If the Customer maintains a personal RMB savings account with the Bank, subject to the rules and requirements of mainland China or other relevant jurisdictions of the receiving end, the Bank may, at the Customer's request, remit funds from the Customer's RMB account with the Bank to the bank account opened in mainland China or in other places outside Hong Kong.

- (c) For Customers who are Hong Kong Residents, the name of the remitter and the beneficiary must be the same, and the daily maximum remittance amount from Hong Kong to mainland China is RMB80,000 (or its equivalent) per person (or such amount as specified by the Bank or the relevant authorities for the time being). RMB remittances from mainland China to Hong Kong shall only be accepted if (i) the remittance amount represents no more than the unused part of any funds previously remitted by the Customer to his/her account in mainland China; and (ii) the Customer accepts such conditions as may be specified by the Bank.
- (d) For Customers who are Non-Hong Kong Residents, the aforesaid restrictions mentioned in Clause 7.4(c) of this Section B are not applicable. For any RMB remittance from Hong Kong to mainland China, Customers may need to obtain the necessary authorisations and approvals from the relevant authorities in mainland China. The Customers shall bear the relevant risks and the possible consequences (such as charges that may be incurred) should the remittance be rejected by the authorities or receiving banks in mainland China as a result of the lack of the necessary authorisations and approvals.
- (e) The Bank is not obliged, and shall be entitled to decline to act on any instructions, to effect any outward RMB remittance to mainland China or to other places outside Hong Kong that do not comply with the provisions within this Clause 7.
- (f) The Customer acknowledges that the Bank is acting solely as the Customer's agent when effecting an outward RMB remittance and has no control over the operations of and any service charge imposed by the receiving banks in mainland China and other places outside Hong Kong. The Customer agrees and confirms that all RMB remittances to mainland China, or other places outside Hong Kong, shall be subject to currency control or restrictions from time to time imposed by relevant authorities in mainland China or other places outside Hong Kong and the Customer agrees to observe and comply with all applicable rules and regulations.
- (g) The Customer shall be solely responsible for providing to the Bank accurate information regarding the recipient of the remittance. The Customer acknowledges that a remittance will not be effected and funds will be returned if the remittance is rejected by the receiving bank or inaccurate information is provided regarding the bank account in mainland China or other places outside Hong Kong or the aggregate amount of the remittances made by the Customer (either through the Bank or other financial intermediaries in Hong Kong) shall exceed the limits set out in this Clause 7.4. Any charges and expenses incurred by such return will be borne by the Customer and will be deducted from the proceeds of the refund. All cable or other charges and commission collected are not refundable.

7.5 Fixed Deposit Services:

- (a) The Bank may, at the Customer's request, provide RMB fixed deposits services to the Customer if the Customer maintains a personal RMB savings account with the Bank.
- (b) When the Customer opens a RMB fixed deposits account, the RMB fixed deposits account must be linked to the Customer's personal RMB savings account. Deposits to and withdrawals from the

Customer's RMB fixed deposits account can only be made by transfer from and to the RMB savings account (but not by way of cash, cheque or in any other manner) unless the Bank specifies otherwise.

8. e-Cheques

The following provisions apply to the Bank's services relating to e-Cheques. The other provisions in these General Terms and Conditions which apply to paper cheques or generally to the Bank's services continue to apply to e-Cheques and the e-Cheques Deposit Services to the extent that they are relevant and not inconsistent with this Clause 8 of this Section B. The provisions of this Clause 8 prevail if there is any inconsistency between them and the provisions of these General Terms and Conditions with respect to the e-Cheques Deposit Services.

8.1 Definitions

For the purpose of the e-Cheques Deposit Services, the following terms have the following meanings:

"Bills of Exchange Ordinance" means the Bills of Exchange Ordinance (Cap. 19, Laws of Hong Kong), as may be amended from time to time.

"Clearing House" means Hong Kong Interbank Clearing Limited and its successors and assigns.

"Deposit Channel" means any channel offered by the Bank from time to time for presentment of e-Cheques for deposit.

"e-Cheque" means a cheque (including a cashier's order) issued in the form of an electronic record (as such term is defined in the Electronic Transactions Ordinance (Cap. 553, Laws of Hong Kong)) with an image of the front and back of the e-Cheque or e-cashier's order (as the case may be). e-Cheques may be issued in Hong Kong dollars, US dollars and Renminbi.

"e-Cheques Deposit Services" mean the services offered by the Bank to customers from time to time for depositing e-Cheques.

"e-Cheque Drop Box" or **"e-Cheque Drop Box Service"** means an electronic drop box provided by the Clearing House that accepts presentment of e-Cheques in respect of which an e-Cheque Drop Box user must register an e-Cheque Drop Box Account with the Clearing House before presenting e-Cheques to a Payee Bank Account, as this term may be amended from time to time in accordance with the e-Cheque Drop Box Terms.

"e-Cheque Drop Box Account" means a user account for the e-Cheque Drop Box Service, and for which each user must register with the Clearing House before using the e-Cheque Drop Box for presenting e-Cheques for deposit into a Payee Bank Account, as this term may be amended from time to time in accordance with the e-Cheque Drop Box Terms.

"e-Cheque Drop Box Terms" means all the terms and conditions prescribed by the Clearing House from time to time for governing the e-Cheque Drop Box Service provided by the Clearing House and the use of the e-Cheque Drop Box Service.

“Industry Rules and Procedures” means the rules and operating procedures governing the handling of e-Cheques developed or adopted by the Clearing House and the banking industry from time to time.

“Payee Bank” means the bank at which a Payee Bank Account is held.

“Payee Bank Account” means, in respect of each e-Cheque presented for deposit using the e-Cheques Deposit Services, the bank account of the payee of the e-Cheque maintained with the Bank into which the e-Cheque is to be deposited which may be a sole name or a joint name account of the payee.

“Payer Bank” means the bank which digitally signed an e-Cheque created by its customer.

8.2 Nature and scope of e-Cheques Deposit Services

- (a) The Bank may provide e-Cheques Deposit Services at its discretion. If the Bank provides e-Cheques Deposit Services to the Customer, the Customer may deposit e-Cheques. In order to use the e-Cheques Deposit Services, the Customer has to provide such information and documents and accept such terms and conditions which may be required or prescribed by the Bank and the Clearing House respectively from time to time. The Customer may also be required to sign forms and documents prescribed by the Bank from time to time.
- (b) e-Cheques Deposit Services allow the Customer and other persons to present e-Cheques (whether payable to the Customer and/or any other holder of the Payee Bank Account) for deposit with the Bank (as Payee Bank), using the e-Cheque Drop Box Service offered by the Clearing House or using the Deposit Channels, in accordance with Clause 8.3 below.
- (c) The Bank may provide e-Cheques Deposit Services relating to e-Cheques that are issued in any currency specified by the Bank from time to time, including Hong Kong dollars, US dollars or Renminbi.
- (d) The Bank has the right to set or vary from time to time the conditions for using the e-Cheques Deposit Services. These conditions may include the following (or any of them):
 - (i) the service hours of the e-Cheques Deposit Services (including cut-off times for presenting e-Cheques); and
 - (ii) any fees and charges payable by the Customer for the e-Cheques Deposit Services.

8.3 e-Cheques Deposit Services

- (a) The e-Cheques Deposit Services may allow presentment of e-Cheques for deposit with the Bank (as Payee Bank) using the e-Cheque Drop Box Service provided by the Clearing House or using the Deposit Channels.
- (b) e-Cheque Drop Box Service
 - (i) The e-Cheque Drop Box Service is provided by the Clearing House. The Customer is bound by the e-Cheque Drop Box Terms in relation to the use of the e-Cheque Drop Box Service

by the Customer. The Customer is solely responsible for performing the Customer's obligations under the e-Cheque Drop Box Terms.

- (ii) In order to use the e-Cheque Drop Box Service, the Customer is required by the e-Cheque Drop Box Terms to register an e-Cheque Drop Box Account with one or more Payee Bank Account for presenting e-Cheques. The Customer is allowed by the e-Cheque Drop Box Terms to register an e-Cheque Drop Box Account with a Payee Bank Account that is the Customer's same-name account or an account other than the Customer's same-name account. The Customer is responsible for the presentment of all e-Cheques by the Customer or any other person using the Customer's e-Cheque Drop Box Account (including presentment of any e-Cheques to a Payee Bank Account other than the Customer's same-name account).
- (iii) Any issue relating to the use of the e-Cheque Drop Box Service should be handled in accordance with the e-Cheque Drop Box Terms. The Bank may (but have no obligation to) provide reasonable assistance to the Customer. In particular, the Bank does not have the electronic record or image of any e-Cheque deposited using the e-Cheque Drop Box Service. On the Customer's request, the Bank may (but have no obligation to) provide the date, e-Cheque amount, e-Cheque number, payee name and any other information agreed by the Bank relating to an e-Cheque deposited using the Customer's e-Cheque Drop Box Account.
- (iv) The Bank gives no representation or guarantee, whether express or implied, relating to the availability, quality, timeliness or any other aspect of the e-Cheque Drop Box Service provided by the Clearing House. Unless otherwise stated in the e-Cheque Drop Box Terms, the Customer bears the responsibilities and risks relating to the use of the e-Cheque Drop Box Service. The Bank is not liable for loss, damage or expense of any kind which the Customer or any other person may incur or suffer arising from or in connection with the use of the e-Cheque Drop Box Service.

(c) Deposit Channels

The Bank may specify or vary from time to time (i) the available Deposit Channels without notice; and (ii) the terms governing the use of any Deposit Channel.

8.4 Handling of e-Cheques, associated risks and the Bank's liabilities

(a) Handling of e-Cheques

The Customer understands that the Bank and other banks have to follow the Industry Rules and Procedures in the handling, processing, presentment, payment, collection, clearance and settlement of e-Cheques payable to the Customer. Accordingly, the Bank is entitled to collect any e-Cheque payable to the Customer by presenting that e-Cheque to the Payer Bank in accordance with the Industry Rules and Procedures even if the Bills of Exchange Ordinance may

not expressly provide for presentment of e-Cheques or may specify other manner for presentment of cheques.

(b) Restriction of the Bank's liability

Without reducing the effect of the provisions of these General Terms and Conditions:

- (i) the Bank is not liable for loss, damage or expense of any kind which the Customer or any other person may incur or suffer arising from or in connection with the use of the e-Cheques Deposit Services or the handling, processing, presentment, payment, collection, clearance or settlement of e-Cheques presented by the Customer or any other person using the Deposit Channels provided by the Bank to the Customer, except to the extent that any loss, damage or expense incurred or suffered is direct and reasonably foreseeable arising solely from negligence or wilful default of the Bank or that of the Bank's officers, employees or agents;
- (ii) in particular and for clarity, the Bank is not liable for loss, damage or expense of any kind which the Customer or any other person may incur or suffer arising from or in connection with the following (or any of them):
 - (1) use of the e-Cheque Drop Box Service by the Customer or any other person, or the e-Cheque Drop Box Terms;
 - (2) the Customer's failure to comply with the Customer's obligations relating to the e-Cheques Deposit Services;
 - (3) presentment of any e-Cheque payable to the Customer in accordance with the Industry Rules and Procedures despite the provisions of the Bills of Exchange Ordinance; and
 - (4) any failure or delay in providing the e-Cheques Deposit Services, or any error or disruption relating to the e-Cheques Deposit Services, caused by or attributed to any circumstance beyond the Bank's reasonable control; and
- (iii) in no event will the Bank be liable to the Customer or any other person for any loss of profit or any special, indirect, consequential or punitive loss or damages.

(c) Customer's confirmation and indemnity

- (i) The Customer accepts the restriction of liabilities and disclaimers imposed by the Bank and the Clearing House in relation to the e-Cheques Deposit Services and the services provided by the Clearing House respectively. The Customer accepts and agrees to bear the risks and the liabilities for depositing e-Cheques.
- (ii) Without reducing the effect of any indemnity given by the Customer under these General Terms and Conditions, any other document forming banking agreement between the Bank and the Customer, or any other rights or remedies that the Bank may have, the Customer

will indemnify the Bank and the Bank's officers, employees and agents and hold each of them harmless against all liabilities, claims, demands, losses, damages, costs, charges and expenses of any kind (including legal fees on a full indemnity basis and other expenses reasonably incurred) which may be incurred or suffered by the Bank or any of them and all actions or proceedings which may be brought by or against the Bank or any of them as a result of or in connection with the Bank's provision of the e-Cheques Deposit Services or the Customer's use of the e-Cheques Deposit Services.

- (iii) The above indemnity in Clause 8.4(c)(ii) of this Section B does not apply to the extent that it is proved that any liabilities, claims, demands, losses, damages, costs, charges, expenses, actions or proceedings are direct and reasonably foreseeable arising directly and solely from negligence or wilful default of the Bank or that of the Bank's officers, employees or agents.
- (iv) The indemnity in this Clause shall continue to have effect after the termination of the e-Cheques Deposit Services.
- (v) The Customer acknowledges that the use of and transmission of information via electronic means cannot be guaranteed to be secured; and information transmitted may be susceptible to errors, viruses, delay, interception, modification or amendment by unauthorized persons. The Customer agrees and undertakes not to hold the Bank liable or in any way responsible for any loss, damages or expenses that the Customer shall incur, including, without limitation, any loss or damage caused to the Customer's data, software, computer, telecommunications equipment or other equipment in connection with the Customer's use of the e-Cheque Deposit Services.
- (vi) The third parties (including without limitation, telecommunications companies, system operators and internet service providers) supporting the e-Cheque Deposit Services are neither the Bank's agencies nor the Bank's representative. There is no co-operation, partnership, joint venture or other relationship with the Bank. The Bank is not and will not be responsible whatsoever for any losses or damages caused by such third parties.

8.5 Amendments

The Bank reserves the right to amend, add or delete at any time these provisions as well as the scope or features of the e-Cheque Deposit Services by giving reasonable prior notice in writing to the Customer and such notice may be made in such manner and by such means of communication as the Bank shall deem fit, including, without limitation, use of direct mailing material, advertisement, website display or electronic communications such as electronic mail. The Customer acknowledges and agrees that the Customer shall observe and comply with any such amendment, addition or deletion when using, accessing or operating the e-Cheque Deposit Services.

8.6 Suspension or Termination

- (a) The Bank may, at the Bank's absolute discretion, without notice to the Customer suspend or terminate the e-Cheque Deposit Services or any part thereof to the Customer for any reason including without limitation invalid data, relevant account closure, system breakdown, maintenance, modification, expansion and/or enhancement work caused or initiated by the internet service provider and/or telecommunications company(ies) concerned in relation to their network or by any service provider in respect of the e-Cheque Deposit Services or if the Bank suspects that the e-Cheque has not been received by the Customer or are being accessed by unauthorized person.
- (b) Any termination or suspension of the e-Cheque Deposit Services is without prejudice to and shall not affect the liabilities and rights which have accrued between the Customer and the Bank prior to the date of suspension or termination.

9. Bank Services relating to Faster Payment System

(1) Bank Services relating to Faster Payment System

- (a) The Bank provides the Bank Services to customers to facilitate payments and funds transfers using the Faster Payment System. The Faster Payment System is provided and operated by HKICL. The Bank Services are therefore subject to the rules, guidelines and procedures imposed by HKICL in relation to the Faster Payment System from time to time. This Clause 9 governs the Bank's provision to the Customer and the Customer's use of the Bank Services. The Bank Services form part of the Bank's banking services. This Clause 9 supplements and forms part of the Bank's Terms and Conditions for Electronic Banking Services (Private Banking) ("Existing Terms"). The provisions of the Existing Terms continue to apply to the Bank Services to the extent that they are relevant and not inconsistent with the provisions in this Clause 9. Unless otherwise specified, the provisions of this Clause 9 prevail if there is any inconsistency between them and the provisions of the Existing Terms with respect to the Bank Services.
- (b) By requesting the Bank to register any Proxy ID for the Customer in the HKICL FPS or to set up any eDDA for the Customer using the HKICL FPS, or by initiating any payment or funds transfer using the HKICL FPS, the Customer will be regarded as having accepted and will be bound by the provisions of this Clause 9. The Customer should not request the Bank to register any Proxy ID or set up any eDDA for the Customer and should not initiate any payment or funds transfer using the HKICL FPS unless the Customer accepts the provisions of this Clause 9.
- (c) In this Clause 9, the following terms have the following meanings:

"Addressing Service" means a service provided by HKICL as part of HKICL FPS to facilitate customers of Participants to use predefined Proxy ID instead of account number to identify the destination of a payment or funds transfer instruction and other communications for the purpose of HKICL FPS.

"Bank Services" means the services (including the QR Code Services) provided by the Bank to customers from time to time to facilitate payments and funds transfers using HKICL FPS and the Addressing Service, eDDA Service and any other services and facilities provided by HKICL in connection with the Faster Payment System from time to time.

"Default Account" means the account maintained by the Customer with the Bank or any other Participant and set as the default account for receiving payment or funds using HKICL FPS or (if and to the extent specified or permitted by the rules, guidelines and procedures of HKICL) for debiting payment or funds using HKICL FPS.

"eDDA" means a direct debit authorisation set up by electronic means using HKICL FPS.

"eDDA Service" means a service provided by HKICL as part of HKICL FPS to facilitate customers of Participants to set up direct debit authorisation.

"FPS Identifier" means a unique random number generated by HKICL FPS to be associated with the account of a customer of a Participant.

"HKICL" means Hong Kong Interbank Clearing Limited and its successors and assigns.

"HKICL FPS" or "Faster Payment System" means the Faster Payment System and related facilities and services provided, managed and operated by HKICL from time to time for (i) processing direct debits and credits, funds transfers and other payment transactions and (ii) exchanging and processing instructions relating to eDDA Service and Addressing Service.

"Participant" means a participant of HKICL FPS which may be a bank or other financial institution, a retail payment system operator, a licensed stored value facility, or any other person accepted by HKICL as a participant of HKICL FPS from time to time.

"Proxy ID" means the identifiers which may be accepted by HKICL for registration in the Addressing Service to identify the account of a customer of a Participant, including the mobile phone number or email address of the customer, or the FPS Identifier.

"QR Code Services" means the QR code and the associated payment and funds transfer services provided by the Bank to customers from time to time.

"Regulatory Requirement" means any law, regulation or court order, or any rule, direction, guideline, code, notice or restriction (whether or not having the force of law) issued by any regulatory authority, governmental agency (including tax authority), clearing or settlement bank or exchange, or industry or self-regulatory body, whether in or outside Hong Kong, to which HKICL, the Bank or any other Participant or the respective affiliates or group companies, or the Customer is subject or is expected to comply with from time to time.

(2) Scope of Bank Services and conditions for use

(a) The Bank provides the Bank Services to customers to facilitate payment and funds transfer using the Faster Payment System and the Addressing Service, eDDA Service and any other services and facilities provided by HKICL in connection with the Faster Payment System from time to time. The Bank has the right to set or vary from time to time the scope of the Bank Services and the conditions and procedures for using the Bank Services. In order to use the Bank Services, the Customer has to accept and follow these conditions and procedures.

(b) The Bank may provide the Bank Services to facilitate payment and funds transfer in any currency specified by the Bank from time to time, including Hong Kong dollars and Renminbi.

(c) In order to enable the Bank to handle an instruction for the Customer in relation to payment or funds transfer using HKICL FPS, the Customer has to provide or input the necessary information and complete the process by such means or in such manner prescribed by the Bank from time to time.

(d) All payment or funds transfer transactions using HKICL FPS will be processed, cleared and settled under the interbank clearing and settlement arrangements including without limitation the arrangements in relation to the Faster Payment System agreed by the Participants and HKICL from time to time.

(e) The Bank reserves the right to suspend or terminate the Bank Services in whole or in part at any time without giving notice or reason.

(3) Addressing Service - registration and amendment of Proxy ID and related records

(a) In order to use the Addressing Service to receive payment or funds transfer using HKICL FPS, the Customer has to register the Customer's Proxy ID in the HKICL FPS. The Bank has discretion as to whether to offer the FPS Identifier as Proxy ID to the Customer.

(b) Registration and amendment of Proxy ID and related records in the HKICL FPS must be done in accordance with the applicable rules, guidelines and procedures imposed by HKICL from time to time. In order to enable the Bank to register or amend Proxy ID or any related records for the Customer, The Customer has to provide or input the necessary information and complete the registration process by such means or in such manner prescribed by the Bank from time to time.

(c) At any time where the same Proxy ID is registered by the Customer for more than one account (whether maintained with the Bank or with any other Participant), the Customer must set one account as the Default Account. By instructing the Bank to set or change the Default Account for the Customer, the Customer consents and authorizes the Bank to submit the request on the Customer's behalf to HKICL FPS to override the existing Default Account registered in HKICL FPS.

(4) eDDA Service

In order to enable the Bank to handle a request for the Customer in relation to eDDA setup, the Customer has to provide or input the necessary information and complete the process by such means or in such manner prescribed by the Bank from time to time. The prescribed process may include requiring the relevant parties to set up the eDDA using their respective account numbers or customer identification numbers or codes. For the avoidance of doubt, a Proxy ID is not intended for verifying eDDA setup. Any amendment of a Proxy ID and the related records or termination of a Proxy ID after an eDDA setup will not affect that eDDA.

(5) The Customer's responsibility

(a) Present genuine owner or authorised user of Proxy ID and accounts

The Customer can only register the Customer's own Proxy ID for the Customer's own accounts or set up eDDA for the Customer's own accounts. The Customer must be the present genuine owner or authorised user of each Proxy ID and each account provided to the Bank for registration in the Addressing Service and the eDDA Service. By instructing the Bank to register any Proxy ID or any account for the Customer in relation to the Faster Payment System, the Customer confirms that the Customer is the present genuine owner or authorised user of the relevant Proxy ID or account. This is particularly important for mobile phone numbers as they may be recycled in Hong Kong.

(b) Proxy ID

Any Proxy ID to be registered by the Customer for the Addressing Service must satisfy any applicable requirements imposed by HKICL from time to time. For example, HKICL may require the mobile phone number or email address to be registered as Proxy ID to be the same number or address registered by the Customer as contact information on the Bank's records at the relevant time.

(c) Correct information

- (i) The Customer has to ensure that all the information provided by the Customer for registration or amendment of Proxy ID (or any related records) or for any eDDA setup is correct, complete, up-to-date and not misleading. The Customer has to notify the Bank as soon as reasonably practicable of any changes or updates to such information by such means or in such manner specified by the Bank from time to time.
- (ii) The Customer is fully responsible for using the correct and up-to-date Proxy ID and related records in giving each payment or funds transfer instruction. The Customer is solely liable for and will hold the Bank harmless from any incorrect payment or transfer effected by the Bank and HKICL FPS due to incorrect or outdated Proxy ID or related records.

(d) Timely updates

The Customer is fully responsible for giving instructions and information changes or updates to the Bank on a timely basis for amending the Customer's Proxy ID (or related records) or any eDDA setup, including without limitation changing the Customer's Default Account, or terminating any Proxy ID or eDDA. The Customer acknowledges that keeping the Customer's Proxy ID,

eDDA and all related records up-to-date is critical for ensuring effective execution of payment and funds transfer instructions and for avoiding incorrect payment or transfer due to incorrect or outdated Proxy ID, eDDA or related records.

(e) Change of Default Account

If an account is terminated as the Default Account by the Customer or by the relevant Participant for any reason (including suspension or termination of the account), the system of HKICL will automatically assign the most recently registered record in the Addressing Service that is associated with the same Proxy ID to be the Default Account. If the Customer wishes to set another account as the Default Account, the Customer has to change the registration through the Participant where the Customer maintains that other account.

(f) Transactions binding on the Customer

(i) For any payment or funds transfer, once the Customer confirms the details of a transaction and submit instruction to the Bank, such instruction and any resulting transaction is final, irrevocable and binding on the Customer.

(ii) For any Proxy ID registration or eDDA setup, once the Customer submits an instruction to the Bank, such instruction is irrevocable and binding on the Customer. The Customer may amend or cancel any Proxy ID or eDDA setup in accordance with the procedures and requirements prescribed by the Bank from time to time.

(g) Use Bank Services responsibly

The Customer must use the Bank Services in a responsible manner. In particular, the Customer has to comply with the following obligations:

(i) The Customer must comply with all Regulatory Requirements that govern the Customer's use of the Bank Services, including collecting, using and handling the personal data and other information relating to any other person in compliance with the Regulatory Requirements protecting data privacy. The Customer must not use the Bank Services for any unlawful purposes or any purposes other than those authorised or contemplated in the rules, guidelines and procedures of HKICL.

- (ii) In sending remarks or messages to be displayed to recipients or counterparties of the Customer's payment or funds transfer instructions or eDDA setup using HKICL FPS, the Customer should mask the name or other data of such recipients or counterparties to prevent unauthorised display or disclosure of any personal data or confidential data.
- (iii) If the Bank offers the FPS Identifier as Proxy ID to the Customer, the Customer should not repeatedly cancel the registration and request for generation of another FPS Identifier in an attempt to generate a number or value that the Customer desires.
- (h) Other obligations regarding payments and funds transfers

Any instruction given by the Customer in relation to the Bank Services will be handled by the Bank in accordance with this Clause 9 and the applicable provisions in the Existing Terms. The Customer has to comply with the other obligations with respect to payments, funds transfers and direct debit authorisations, including without limitation maintaining sufficient funds in the relevant accounts for settling payment and funds transfer instructions from time to time.

- (i) The Customer is responsible for his/her/its authorised persons

Where the Customer authorises any other person to give instructions or requests to Bank in connection with the use of the Bank Services (whether the Customer is an individual, a company, a corporation, or a sole proprietorship or partnership firm or any other unincorporated body):

- (i) the Customer is responsible for all the acts and omissions of each person authorised by the Customer;
- (ii) any instruction or request received by Bank, believed by the Bank in good faith to be given by the Customer or any person authorised by the Customer, will be irrevocable and binding on the Customer; and
- (iii) the Customer is also responsible for ensuring that each person authorised by the Customer will comply with the provisions of this Clause 9 that are applicable to him/her when acting on the Customer's behalf.

- (6) The Bank's responsibility and restriction of liability

(a) The Bank will process and submit the Customer's instructions and requests to HKICL FPS in accordance with the applicable rules, guidelines and procedures imposed by HKICL from time to time. HKICL FPS has the right to process and execute the Customer's instructions and requests in such sequence or manner as HKICL considers appropriate. The Bank has no control over the operation of HKICL FPS nor the timing on which the Customer's instructions or requests are executed by HKICL FPS. Where the Bank receive status update notifications involving any of the Customer's Proxy ID (or related records) or eDDA setup or any other matter relating to HKICL FPS from or through HKICL FPS from time to time, the Bank will notify the Customer accordingly by such means and at such time as the Bank considers appropriate.

(b) Without reducing the effect of Clause 9(6)(a) of this Section B above or the provisions of the Existing Terms:

(i) the Bank is not liable for loss, damage or expense of any kind which the Customer or any other person may incur or suffer arising from or in connection with the use of the Bank Services or the processing or execution of instructions or requests given by the Customer in relation to the Bank Services or HKICL FPS, except to the extent that any loss, damage or expense incurred or suffered is direct and reasonably foreseeable arising directly and solely from our gross negligence or wilful default or that of the Bank's officers, employees or agents;

(ii) for clarity, the Bank is not liable for loss, damage or expense of any kind which the Customer or any other person may incur or suffer arising from or in connection with one or more of the following:

(1) the Customer's failure to comply with the Customer's obligations relating to the Bank Services;
and

(2) any delay, unavailability, disruption, failure, error of or caused by HKICL FPS, or arising from any circumstances beyond the Bank's reasonable control; and

(iii) in no event will the Bank, its affiliates or group companies, its licensors, and its and its respective officers, employees and agents be liable to the Customer or any other person for any loss of profit or any special, indirect, incidental, consequential or punitive loss or damages (whether or not they were foreseeable or likely to occur).

(c) The Customer's confirmation and indemnity

- (i) Without reducing the effect of any indemnity given by the Customer under the Existing Terms or any other rights or remedies that the Bank may have, the Customer will indemnify the Bank and its officers, employees and agents and hold each of them harmless against all liabilities, claims, demands, losses, damages, costs, charges and expenses of any kind (including legal fees on a full indemnity basis and other expenses reasonably incurred) which may be incurred or suffered by the Bank or any of them and all actions or proceedings which may be brought by or against the Bank or any of them as a result of or in connection with the Bank's provision of the Bank Services or the Customer's use of the Bank Services.
- (ii) The above indemnity does not apply to the extent that it is proved that any liabilities, claims, demands, losses, damages, costs, charges, expenses, actions or proceedings are direct and reasonably foreseeable arising directly and solely from the Bank's gross negligence or wilful default or that of the Bank's officers, employees or agents. The above indemnity shall continue to have effect after the termination of the Bank Services.

(7) Collection and use of Customer Information

(a) For the purposes of using the Bank Services, the Customer may be required to provide the Bank with the personal data and other information relating to one or more of the following persons from time to time:

- (i) the Customer;
- (ii) the recipient of any payment or funds transfer to be made by the Customer, or the counterparty of any eDDA to be set up by the Customer; and

(iii) where the Customer is a company, a corporation, or a sole proprietorship or partnership firm or any other unincorporated body, any of the Customer's directors, officers, employees, authorised persons and representatives, all personal data and information provided to the Bank or compiled by the Bank from time to time in connection with the Bank Services are collectively referred to as "Customer Information".

(b) The Customer agrees (and, where applicable, for and on behalf of each of the Customer's directors, officers, employees, authorised persons and representatives) that the Bank may collect,

use, process, retain or transfer any of the Customer Information for the purposes of the Bank Services. These purposes include without limitation one or more of the following:

- (i) providing the Bank Services to the Customer, maintaining and operating the Bank Services;
 - (ii) processing and executing the Customer's instructions and requests in relation to the Bank Services from time to time;
 - (iii) disclosing or transferring the Customer Information to HKICL and other Participants for their use for the purpose of the operation of HKICL FPS;
 - (iv) meeting the requirements to make disclosure under any Regulatory Requirements; and
 - (v) purposes relating to any of the above.
- (c) The Customer understands and agrees that the Customer Information may be further disclosed or transferred by HKICL, the Bank or any other Participants to their customers and any other third parties who are users of HKICL FPS for the purposes of providing and operating the Addressing Service and the eDDA Service.
- (d) If the Customer Information includes personal data or other information of any person other than the Customer itself (including any persons specified in Clauses 9(7)(a)(ii) or 9(7)(a)(iii) of this Section B above), the Customer confirms that the Customer will obtain and has obtained the consent from such person regarding the use (including disclosure and transfer) of his/her personal data and other information by HKICL, the Bank and the other Participants as specified in this Clause 9(7).

(8) QR Code Services

- (a) This Clause 9(8) applies to the use of the QR Code Services, together with the Existing Terms and any other terms and conditions that apply to the mobile application ("App") through which the Customer accesses the QR Code Services.
- (b) Using the QR Code Services and the Customer's responsibility

- (i) The QR Code Services allow the Customer to scan a QR code provided by the Bank or by another person to automatically capture the payment or funds transfer data without the need for manually entering the data. Any QR code provided by another person must meet the specifications and standards prescribed by HKICL in order to be accepted. The Customer is fully responsible for ensuring that the captured data is accurate and complete before confirming any payment or funds transfer instruction. The Bank is not responsible for any error contained in such payment or funds transfer data.
- (ii) The QR Code Services can be used on a mobile device running an operating system supported and specified by the Bank from time to time.
- (iii) Updates to the QR Code Services may be issued periodically through the supplying app store for the App. For some devices, updates will be downloaded automatically. For other devices, the Customer will need to download the updates itself. Depending on the update, the Customer may not be able to use the QR Code Services until the latest version has been downloaded. The Customer is fully responsible for ensuring the latest version has been downloaded to the Customer's mobile device for the purpose of using the QR Code Services.
- (iv) The QR Code Services are intended for use by the Bank's customers only. The Bank has the right to cancel the Customer's account for the App and/or block the Customer from accessing the QR Code Services if the Bank discovers that the Customer is not eligible to use the QR Code Services.
- (v) The QR Code Services are not intended for use in any jurisdiction where their use would be contrary to any law or regulation of that jurisdiction or where the Bank is not licensed or authorised to provide the QR Code Services.
- (vi) The Customer must comply with all applicable laws and regulations that govern the Customer's download of the App, or access or use of the App or the QR Code Services.

(c) Security

- (i) The Customer must not use the QR Code Services on any device or operating system that has been modified outside the mobile device or operating system vendor supported or warranted configurations. This includes devices that have been "jail-broken" or "rooted". A jail broken or rooted device means one that has been freed from the limitations imposed on it by the

Customer's mobile service provider and the phone manufacturer without their approval. The use of the QR Code Services on a jail broken or rooted device may compromise security and lead to fraudulent transactions. Use of the QR Code Services in a jail broken or rooted device is entirely at the Customer's own risk and the Bank will not be liable for any losses or any other consequences suffered or incurred by the Customer as a result.

(ii) The Customer is fully responsible for all instructions or requests given by the Customer or any other person authorised by the Customer during the use of the QR Code Services.

(iii) The Customer is fully responsible for ensuring that the information shown or stored on the Customer's mobile device is kept secure.

(iv) If the Customer knows or suspects that any other person knows the Customer's security details, or has used or tried to use them, or if the Customer's mobile device is lost or stolen, the Customer must notify the Bank as soon as reasonably practicable.

(d) The Bank's responsibility and restriction of liability

(i) While the Bank makes commercially reasonable efforts to provide the QR Code Services, the Bank is not liable for any failure to provide the QR Code Services.

(ii) The QR Code Services are provided on an "as is" basis with no representation, guarantee or agreement of any kind as to their functionality. The Bank cannot guarantee that no viruses or other contaminating or destructive properties will be transmitted or that no damage will occur to the Customer's mobile device in the use of the QR Code Services. The Bank is not responsible for any loss the Customer may incur as a result of the Customer's use of the QR Code Services.

(iii) The Customer understands and agrees that:

(1) The Customer uses the QR Code Services at the Customer's sole risk. To the maximum extent permitted by law, the Bank expressly disclaim all warranties and conditions of any kind, whether express or implied.

(2) The Customer downloads or obtains any material or information through the use of the QR Code Services at the Customer's sole risk and discretion. The Customer is solely responsible for any damage to the Customer's computer or other device or loss of data resulting from downloading, obtaining or using such material or information.

- (iv) For the avoidance of doubt, nothing above is intended to exclude or restrict any condition, warranty, right or liability which may not be lawfully excluded or restricted.

SECTION C TERMS AND CONDITIONS FOR INVESTMENT SERVICES

The Customer shall read and understand the risk disclosure statements contained in the Account Opening Forms prior to entering into any investment Transaction.

The Customer acknowledges that each investment product may be subject to the terms and conditions set out in the relevant Offering Documents. The Customer shall refer to the terms and conditions and any information as set out in the Offering Documents prior to investing in any financial products.

1. Definitions

Affiliate means, in relation to a party, an individual, corporation, partnership or any other form of entity directly or indirectly controlling, controlled by or under common control with such party or any of such entities' directors, officers or employees.

Asset-Linked Investment Products are investment products (whether in the form of a deposit, note or other form) linked to Underlying Assets.

Offering Document means any prospectus, term sheet, information memorandum, constitutional documents, product specifications and any other offering document and contractual terms issued in respect of the offering of an investment.

Settlement Account means an Account with the Bank designated as the settlement account in the Account Opening Form or as the Customer may notify the Bank in writing from time to time or as specified in the relevant order form or Instruction.

Underlying Asset means, in relation to an Asset-Linked Investment Product, the share or shares, currency or currencies, index or indices, interest rate or interest rates, credit or such other asset(s) or thing(s) specified as such in the Offering Document and/or the Confirmation relating to that Asset-Linked Investment Product or any other applicable investment product.

2. Investment Account

2.1 The Customer shall open and maintain an investment Account for recording all of the Customer's transactions and holding of the Customer's Securities and other investments as may be acceptable to the Bank and made pursuant to these General Terms and Conditions.

2.2 The Bank may enter into Transactions in Securities and other investments products as the Customer's agent.

Where applicable, any order placed shall be subject to the final confirmation of the management company, distribution agent, issuer or distributor of the relevant investment. Any purchase, application, subscription, redemption, sale, switching or disposal of Securities or other investment will be effected subject to the Offering Document of the relevant investment (if any). The Customer shall read and understand such Offering Document before giving any Instruction to the Bank in relation thereto. In respect of derivative products, including futures or options, the Bank shall provide to the Customer (1) a copy of the product specifications and any prospectus or other offering document covering such products upon Customer's request and (2) a full explanation of margin procedures and the circumstances under which a customer's positions may be closed without the Customer's consent (if applicable).

- 2.3 The contractual terms of any Transaction may be set out in a Confirmation or any similar document provided by the Bank. The Customer agrees that each investment will be subject to these General Terms and Conditions including this Section C, the relevant Confirmation (if any) and such other terms as may be agreed between the Customer and the Bank in relation thereto.
- 2.4 The Customer shall ensure that there are sufficient funds in the Settlement Account (or such other Account as may be agreed between the Bank and the Customer from time to time) prior to placing any purchase, subscription or application Instructions and shall not withdraw such funds unless the relevant Transaction is not completed.
- 2.5 The Bank does not warrant to the Customer the value, merit or suitability of any Securities or other investment entered into by the Customer that were not solicited or marketed by the Bank.

3. Transactions

- 3.1 The Bank may from time to time as principal enter into Transactions with the Customer. The Bank will send a Confirmation to the Customer as soon as possible if it agrees to accept the Customer's Instruction to enter into a Transaction.
- 3.2 The Customer understands and confirms that for any Transaction to be effected by the Bank, the Bank may:
 - (a) enter into such Transaction as principal or counterparty of the Customer;
 - (b) enter into such Transaction as agent of a third party (whether or not the Bank acts as agent of the Customer also); or
 - (c) enter into such Transaction as agent of the Customer, and the Bank shall be entitled to all rebates, commission, remuneration, profit and other benefit received pursuant to Clause 11 of Section A of these General Terms and Conditions.

4. Dealing Practices

- 4.1 The Bank may effect the Customer's Transactions in such manner and through any Affiliate, agent,

member of any Exchange or clearing house, nominee, or broker in the relevant market as the Bank may absolutely decide. The Bank will usually act as the Customer's execution agent, and if the Bank acts as principal in a Transaction, this will be disclosed to the Customer in the relevant Confirmation.

- 4.2 Transfer of Securities and other receivables or deliverables into or out of the investment Account is subject to the agreement of the Bank (such agreement may be withheld by the Bank without giving any reason or may be granted on such conditions as the Bank may think fit). If the Bank agrees to the same, then:
- (a) in respect of transfer of Securities and other receivables into the investment Account, the Customer shall arrange for and instruct the transfer of the Securities and other receivables from the transferring party to the Bank at the Customer's costs and expenses. The Securities and other receivables will not be credited to the investment Account of the Customer until the Bank has received the relevant Securities and other receivables;
 - (b) in respect of transfer of Securities or deliverables out of the investment Account, the Bank will as soon as reasonably practicable after receipt of an Instruction to such effect arrange for the transfer of the Customer's stipulated investment(s) in the investment Account to a third party nominated in the Instruction provided always that:
 - (i) the Customer is responsible for procuring the third party to receive the Securities or deliverables so transferred from the Bank and for all the handling and transfer fees and charges for such transfer;
 - (ii) the Securities or deliverables may not be transferred when they are being processed for transfer to and registration in the Bank's name or the name of a Custodial Agent (if any) or a nominee; and
 - (iii) the Customer is not indebted to the Bank.
- 4.3 Deposits or withdrawals by physical delivery of scrips or documents (if any) for Securities or other investments to or from the Bank will not be allowed unless otherwise agreed by the Bank.
- 4.4 The Customer undertakes that the Customer will not give any Instruction which involves the sale of Securities or other investments which the Customer does not own or which is in breach of any selling restriction applicable to such Securities or investments.
- 4.5 The Bank may determine the priority in the execution of Instructions having due regard to market practice and fairness to all customers.
- 4.6 The Bank may, without prior reference to the Customer, combine for execution the Customer's Instructions with the Instructions of other customers. Where there are insufficient Securities or investments of the kind to satisfy the Instructions so combined, the transactions will be allocated between customers with due regard to market practice and fairness to customers provided that the orders of customers shall have priority over orders of the Bank for its own account.
- 4.7 By reason of physical restraints and rapid changes of prices of Securities or other investments, the Bank may not always be able to execute Instructions in full or at the prices quoted at any specific

time or “at best” or “at market” and the Customer agrees to be bound by such executions.

- 4.8 It is the Customer’s responsibility to check with the Bank as to whether any of the Customer’s Instructions has been executed. Following execution of an Instruction, the Bank will send a Confirmation and/or periodic statement summarizing the Transaction where required by Applicable Regulations or as otherwise agreed by the Bank from time to time. Save for such Confirmation and periodic statement, the Bank shall not be obliged to notify the Customer separately as to whether an Instruction has been executed. The Customer agrees that it is the Customer’s responsibility to ensure that every Confirmation and periodic statement is received in due time according to the ordinary course of posting and to immediately enquire with and obtain the same from the Bank if not duly received.
- 4.9 It may not be possible to withdraw, redeem or sell Securities or other investments at any time before the agreed settlement or maturity date.
- 4.10 The Bank is authorized to withdraw at its discretion on the transaction date or settlement date of a purchase, application or subscription Transaction or such other time(s) as may be necessary an amount sufficient to settle the relevant purchase, application or subscription together with the relevant charges and expenses liable to be incurred in connection with such Transaction from the Settlement Account or any Account as may be determined by the Bank.
- 4.11 The Customer will reimburse on demand any premium which the Customer may be required to pay and for any losses, fees, expenses (including reasonable legal expenses) and reasonable costs, in each case on a full indemnity basis in connection with the Customer’s settlement failure.
- 4.12 The Customer agrees that the Bank may dispose of or initiate a disposal of the Securities and other investments in the Customer’s Accounts for the purpose of settling any liability owed by the Customer to the Bank or any of its associated entities (as defined in the SFO) without giving prior notice to or seeking Instructions from the Customer.
- 4.13 The Customer hereby agrees that the Customer shall not be entitled to withdraw, transfer out or have any right to receive the proceeds of any Transaction unless all its present and future, joint or several, direct or indirect, actual or contingent liabilities have been unconditionally and irrevocably paid and discharged in full or with the Bank’s consent.
- 4.14 Unless the Customer has given an Instruction to the contrary to the Bank and which Instruction has been accepted by the Bank, otherwise an Instruction will be deemed lapsed at the end of the trading day of the relevant stock exchange to which the relevant Instruction relates.
- 4.15 The Bank may set limits on the size of the contracts the Customer may establish. The Bank will notify the Customer of the limits and any change in writing.

5. Settlement

- 5.1 Where the Bank has entered into a Transaction on the Customer’s behalf, the Customer will by the settlement date or any other date as required by the Bank make payment of cleared funds or

delivery of Securities or such other investments in deliverable form to the Bank. Should the Customer fail to do so by the settlement date, the Bank may but is not obliged:

- (a) in the case of a purchase Transaction, to sell any Securities or other investments in the Accounts (including the purchased Securities or other investments) or to transfer the relevant amount from any of the Customer's Accounts (including the Settlement Account) with the Bank to satisfy the obligations; or
- (b) in the case of a sale Transaction, to borrow or purchase such sold Securities or other investments as necessary to satisfy the settlement obligations.

5.2 Notwithstanding any provisions contained herein, the Bank is entitled to:

- (a) refuse to execute any Instruction for purchase, application or subscription Transaction unless the Customer has made available to the Bank cleared funds in the Settlement Account of an amount which is, in the opinion of the Bank, sufficient to cover the relevant purchase, application or subscription amount together with the relevant charges and expenses liable to be incurred in connection with such purchase, application or subscription; and
- (b) not execute any Instruction for redemption, sale or switching Transaction unless the Customer has deposited the relevant Securities or investment with the Bank in an account designated by Bank (if any) for that particular Securities or investment before giving the relevant Instruction.

5.3 Funds receivable from a Transaction will only be paid by the Bank on actual receipt and if no Event of Default or Potential Event of Default has occurred. "**Potential Event of Default**" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default. The Bank may at its discretion make payment in a currency other than the Transaction currency at the Exchange Rate.

5.4 All currency exchange risks in respect of any Transaction, settlement, action or step taken by the Bank hereunder will be borne by the Customer.

5.5 The Customer will fully perform its obligations before requiring the Bank to perform.

6. Adjustment and Market Disruption

6.1 The Bank may, upon the occurrence of an adjustment event such as without limitation any corporate actions that may be undertaken by issuers of Securities that form the Underlying Assets, make adjustments to the strike price or closing price (or such other prices as may be determined by the Bank), quantity of the Underlying Asset, the exchange or interest rate or index level prevailing at the time of closing (as applicable) or any other terms of the Asset-Linked Investment Product or other investment which is subject to such event, or change the Underlying Asset required to such other assets as it may advise the Customer. Any adjustment to be made by the Bank upon the occurrence of an adjustment event shall be made in good faith and in a reasonable manner taking into account market practices. The Customer should refer to the Offering Document and/or

Confirmation for details on events that may be adjustment events. The Bank will notify the Customer as soon as an adjustment has been made as aforesaid.

- 6.2 The Bank may upon the occurrence of a market disruption event postpone any relevant dates of an investment to a date on which there is no market disruption event or adjusts any prices or rates. For this purpose, the Bank shall exercise reasonable discretion taking into account market practice. The Customer should refer to the Offering Document and/or Confirmation for details on events that may be market disruption events. For the avoidance of doubt, no interest will be payable in respect of the postponed period.

7. Maturity or Settlement on a non-Business Day

If the maturity date or settlement date of an investment falls on a day which is not a Business Day, the investment shall be deemed to mature or settle (as applicable) on the immediately following Business Day but during such postponed period, interest will accrue at such rate as may be determined by the Bank according to its prevailing practice instead of the rate as fixed in the relevant Confirmation.

8. Payment

- 8.1 Payment of returns (if any) in investments will be subject to the terms specified in the relevant Offering Document and/or Confirmation, or as otherwise specified by the Bank from time to time. The Bank shall not be liable to make payment of any interest or other distribution, or to deliver any Underlying Assets deliverable before it has received the same from the relevant counterparty. Without prejudice to the foregoing, payment (if any) may be subject to the following provisions (among other provisions):
- (a) Payment of principal, interest and other distributions: The amount of principal, interest and other distributions payable or Underlying Assets deliverable (as applicable) at the time of payment (whether at maturity or settlement or earlier) will depend on the performance of the Underlying Assets, market conditions and/or other factors prevailing during the term of the investment and at maturity.
 - (b) Delivery of cash or Underlying Assets: Payment may be in the form of cash or by delivery of Underlying Assets or as otherwise specified by the Bank.
 - (c) Payment in different currencies: The Bank may have the right, at its absolute discretion, to make payments of principal, any interest or other distributions to the Customer in a currency other than the Transaction currency.
 - (d) Non-recovery of investments: The return on investments may be positive or negative. The amount payable may be more than or less than the full amount of the Customer's investment and the Customer may not receive repayment of all or any of his investments.
 - (e) Delay in payment: Payment may be delayed due to factors beyond the control of the Bank,

such as, without limitation, market conditions, failure of telecommunications or electronic systems, and force majeure events.

- (f) Others: Payment will be subject to any specific terms and conditions that may be stipulated in the Offering Documents, Confirmation or any other applicable documentation. The Customer must review all documentation that it receives from the Bank in relation to any proposed investment prior to committing to the investment.
- 8.2 Where payment is to be made by physical delivery of Underlying Asset, the Bank may, but is not obliged to, discharge the obligation by paying an amount in cash using the closing price (if any) of the Underlying Asset on the maturity or settlement date (as applicable), without giving reason therefor.
- 8.3 Where the Underlying Asset is in the form of shares, if the Bank is required to deliver any Underlying Asset which comprises odd lot of the shares to the Customer, the Bank may, but is not required to, deliver such quantity of the Underlying Asset to the Customer such that they form board lots of such shares. In such a case, the Bank shall pay an amount representing the value of the remaining amount of the Underlying Asset required to be delivered calculated using the closing price of the relevant Underlying Asset as at the time on which the closing price is calculated. All fees, charges, levies, expenses, stamp duty and taxes in connection with the delivery of the Underlying Asset to the Customer in and which are customarily payable in connection with the purchase of such Underlying Asset shall be borne by the Customer solely.
- 8.4 The Bank will refer to such external source(s) of information as it believes in good faith to be appropriate for the purposes of determining any price or rate. Such external source(s) of information may include Reuters screen, reference dealers, option providers, quotation or price provided by the relevant Exchange, any official government rates or any other sources deemed to be appropriate from time to time by the Bank. Under all circumstances, the determination of the Bank shall be final and conclusive.

9. Custodian and Nominee Services

- 9.1 The Customer agrees that any Securities or other investments deposited with the Bank by the Customer or purchased or applied or subscribed for by the Bank for the Customer may, at the absolute discretion of the Bank, either be treated as fungible and pooled with the other like investments held by the Bank's other customers. The Customer agrees, in the event of any dividends or other distributions or benefits accruing, or any losses however arising (including losses resulting from a reduction in the number or amount of Securities or other deliverables available for delivery) being suffered, to share ratably with the Bank's other customers holding the same Securities or investments.
- 9.2 The Bank shall not be obliged to procure the registration of any transfers of Securities or investments received by the Bank for the credit of the Account(s).

- 9.3 Any cash held for the Customer, other than cash received from the Customer for the purpose of settling the Customer's Transactions, will be credited to the Settlement Account or any other Account (whether denominated in HKD or otherwise) of the Customer as the Bank may in its absolute discretion deem fit.
- 9.4 Any Securities or other investments deposited by the Customer with the Bank or purchased, applied or subscribed for by the Bank on the Customer's behalf, and held by the Bank for safe-keeping shall be registered by the Bank in the name of the Customer, the Bank's nominee, the Custodial Agent or, if permitted under Applicable Regulations, in the name of the Bank.
- 9.5 The Customer acknowledges that if its Securities or investments are registered in the name of a third party, the Securities or investment will be held by the third party on its standard terms and conditions as may from time to time be in force. If the Bank, its nominee or the Custodial Agent (as applicable) at its discretion determines that any action is required in respect of the Customer's Securities or investment and the Customer cannot be contacted or fails to give the Bank punctual or adequate Instructions for such action, the Customer hereby authorizes the Bank, its nominee or the Custodial Agent (as applicable) to act on the Customer's behalf as they in their absolute discretion deem fit, including exercising any voting rights in respect of such Securities or investments and the Bank and its nominee or the Custodial Agent (as applicable) shall not be liable, in the absence of gross negligence, fraud or wilful default, for any action or omission. The Customer undertakes to indemnify the Bank, its nominee and the Custodial Agent against all reasonable costs, charges and expenses that may be incurred by them in respect of Securities or investments held by them for the Customer.
- 9.6 The Customer shall duly and promptly pay all calls which may from time to time be made in respect of its Securities or other investments and duly and promptly pay any other moneys which the Customer may lawfully be required to pay in respect of its Securities or investment from time to time. In default the Bank may, but is not obliged to, make such payments on the Customer's behalf and any sums so paid by the Bank shall be repayable by the Customer on demand, together with any reasonable costs or expenses incurred by the Bank as a result.

10. Tax Indemnities, etc

- 10.1 (a) The Customer agrees to pay any present or future stamp or documentary taxes or any other taxes, charges or levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, any instrument delivered hereunder (collectively called the "**Documentary Duties**").
- (b) The Customer will indemnify the Bank on demand for the full amount of taxes and/or Documentary Duties (including any tax payable thereon) paid by the Bank or any liability arising with respect thereto.
- 10.2 All currency exchange risks in respect of any Transaction, settlement, actions or steps taken by the

Bank under any Client Agreement will be borne by the Customer.

11. Representations, Warranties and Undertakings

11.1 The Customer hereby warrants, represents and undertakes to the Bank in the following terms:

- (a) the Customer is acting as principal, not as trustee or agent for any other person, and is not trading on behalf of any other person unless the Bank is notified otherwise in writing and approves of the same;
- (b) (if applicable) the Customer has obtained and will maintain in full force and effect any necessary consents, licences and authorities;
- (c) each Client Agreement and its performance and the obligations contained therein do not and will not:
 - (i) contravene any Applicable Regulations or any judgment, decree or permit to which the Customer is subject or any provision of the Customer's memorandum and articles of association or bye-laws (if applicable); or
 - (ii) conflict with or result in any breach of the terms of or constitute any default under any agreement or other instrument to which the Customer is a party or is subject or by which any of the Customer's property is bound;
- (d) the Customer is not, except as previously disclosed in writing to the Bank, currently employed by any licensed corporation or registered institution as defined under the SFO;
- (e) the Customer is and will remain the beneficial owner of the Accounts, and all Securities, money, other investments and assets in the Accounts will be free from any lien, charge, equity or encumbrance save as created by any Client Agreement and the Customer will not charge, pledge or allow to subsist any charge or pledge over the Securities, investments moneys or assets in the Accounts or grant or purport to grant an option over any Securities in the Accounts without the prior written consent of the Bank;
- (f) the Customer is the person ultimately responsible for originating Instructions in relation to and the person that stands to gain the commercial or economic benefit of each Transaction and/or bear the commercial or economic risk (except where such other persons or entity has been disclosed in writing to and approved by the Bank); and
- (g) the Bank has explained to the Customer and the Customer has received and read the English and Chinese version of these General Terms and Conditions and the Customer understands and accepts their terms.

11.2 The representations and warranties in Clause 11.1 shall be deemed to be repeated when each Instruction is given and executed.

12. Close out

The Bank may complete or terminate any or all outstanding Transactions if any Event of Default occurs, and designate a day as an early termination date ("**Early Termination Date**") in respect of the affected or all outstanding transactions (which will terminate on the designated date). The Bank will determine in good faith its losses or gains, and costs, that are or would be incurred or realized under then prevailing circumstances in replacing or providing the economic equivalent of the material terms of each terminated transaction including the remaining payments, deliveries and rights. The Bank will determine such amounts as of a commercially reasonable date, using commercially reasonable procedures and to produce a commercially reasonable result. The Bank may apply different valuation methods to different transactions depending on type, complexity or other relevant factors. The Bank may take into account any relevant information including market data and information from internal sources, and without duplication:

- (a) cost of funding;
- (b) any reasonable loss, cost or gain incurred in connection with the Bank's terminating or obtaining any hedge related to a terminated transaction.

All amounts will be expressed in the currency reasonably chosen by the Bank. The Bank will convert amounts in another currency at its spot exchange rate at its discretion without notice to the Customer.

The Bank will net off (i) amounts that became payable to either party in respect of all terminated transactions on or prior to the Early Termination Date and which remain unpaid as at such date and (ii) an amount equal to the fair market value as of the original scheduled date for delivery (as reasonably determined by the Bank) of anything which was required to be delivered to either party in respect of each terminated transaction on or prior to the Early Termination Date and which has not been so delivered as at such date, together with interest from (and including) the original due date to (but excluding) the Early Termination Date, at the rate for overdue interest.

As soon as reasonably practicable after an Early Termination Date, the Bank will provide to the Customer a statement showing, in reasonable detail, the calculations and any amount payable following its calculation under this Clause. Such amount will be payable on the day specified in the notice (being at least 7 days after the date of the notice), together with interest thereon (before and after judgment) from (and including) the Early Termination Date to (but excluding) the date such amount is paid, at the rate for overdue amounts.

The parties agree that an amount recoverable under this Clause is a reasonable pre-estimate of loss in respect of the terminated transactions and not a penalty. Such amount is payable for loss of bargain and loss of protection against future risks. Except as otherwise provided in these General Terms and Conditions, neither party will be entitled to recover any additional damages for such losses.

13. Statements

In addition to the monthly statements of account which the Bank will issue to the Customer where required by Applicable Regulations, the Bank will also prepare and issue such Confirmation, acknowledgement or other statement of account to the Customer in such manner as may be required by Applicable Regulations.

14. Miscellaneous

- 14.1 Upon termination of the Client Agreement, the Customer will immediately repay to the Bank any amounts due or owing to it.
- 14.2 Subject to the Bank's rights, the Customer shall withdraw all Securities, investments, assets and other properties in the investment Account upon termination of the Client Agreement within seven (7) days from the date of termination. Failing which, the Bank may on the Customer's behalf sell any of such Securities, investments, assets or properties at such prices and on such terms as it deems fit and return to the Customer a cheque representing the net sale proceeds.
- 14.6 The Customer agrees that the Bank may send any notice, communication, confirmation, contract note and statement of account in electronic form.

15. Single and Continuous Agreement

- 15.1 Unless otherwise agreed, each Securities and other investment Transaction shall be governed by these General Terms and Conditions, the applicable Specific Terms and Conditions (if any) and the relevant Confirmation. At all times, these General Terms and Conditions together with the Specific Terms and Conditions and the Confirmations shall constitute a single agreement between the Bank and the Customer.
- 15.2 In the event of inconsistencies between a Confirmation and these General Terms and Conditions, the terms of the Confirmation shall prevail insofar as the relevant investment is concerned.

SECTION D RISK DISCLOSURE STATEMENTS

The risks described below are by no means exhaustive and the Customer should make its own risk assessments and should seek independent professional advice where necessary.

Capitalized terms shall have the meanings ascribed thereto in the Bank's Private Banking - Terms and Conditions for Banking and Investment Services unless otherwise stated.

A. Risks Applicable to All Investments

1. General Risks

1.1 Investment involves risks. Past performance of investment products are no guide to future performance. The value of investments and the income from them can fluctuate and is not guaranteed. Investors may not get back the amount they invest and the worst case will result in loss of the Customer's entire investment. Leveraged products may involve the potential to lose more than the entire amount of the Customer's investment.

1.2 Investments are not appropriate for the Customer unless the Customer is willing or is able to accept the risk of adverse movements in the value of investment products and currency exchange rates.

1.3 Prior to entering into any Transaction, the Customer should familiarize himself/herself with all relevant materials including any Offering Document that has been provided to the Customer by the Bank which sets out material terms, associated obligations, underlying assumptions, pricing basis, product specific risk factors and other relevant information regarding Transactions which the Customer proposes to enter into .

1.4 The Customer should carefully study and understand the risks involved and form his or her own view of whether entering into a Transaction is suitable in the light of the Customer's financial position, experience and investment objectives.

1.5 The Customer should ensure that he/she fully understands the terms of the investment and any risks involved, and the Customer accepts any and all risks in connection therewith. The Customer has been fully advised to make independent assessment of the risks associated with the entering into of Transactions and the Customer shall seek independent appraisal and/or advice if the Customer is uncertain of or has not understood the product features of any of the investments, any aspect of these risk disclosure statements or the nature of risks involved in making investments, and notwithstanding any materials or information which may be provided by the Bank to the Customer in relation to any investment product, it shall be the Customer's obligation to form his or her own view of whether it is a suitable investment for the Customer.

2 Risk of Trading Securities and Other Investment Products

The prices of Securities and the values of other investment products fluctuate, sometimes dramatically. The price of a Security and the value of an investment product 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 buying and selling Securities or investing in investment products.

3 Risk of Client Assets Received or Held Outside Hong Kong

Client assets received or held by the Bank outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from those in Hong Kong (including 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.

4 Risk of Providing an Authority to Repledge your Securities Collateral etc.

There is risk if the Customer provides the Bank with an authority that allows it to apply the Customer's Securities or Securities collateral pursuant to a securities borrowing and lending agreement, repledge the Customer's Securities collateral for financial accommodation or deposit the Customer's Securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities.

If the Customer's Securities or Securities collateral are received or held by the Bank in Hong Kong, the above arrangement is allowed only if the Customer consents in writing. Moreover, unless the Customer is a professional investor, the Customer's authority must specify the period for which it is current and be limited to not more than 12 months. If the Customer is a professional investor, these restrictions do not apply.

Additionally, the Customer's authority may be deemed to be renewed (i.e. without written consent) if the Bank issues the Customer a reminder at least 14 days prior to the expiry of the authority and the Customer does not object to such deemed renewal before the expiry date of the Customer's then existing authority.

The Customer is not required by any law to sign these authorities. But an authority may be required by the Bank, for example, to facilitate margin lending to the Customer or to allow the Customer's Securities or Securities collateral to be lent to or deposited as collateral with third parties. The Bank should explain to the Customer the purposes for which one of these authorities is to be used.

If the Customer signs one of these authorities and the Customer's Securities or Securities collateral are lent to or deposited with third parties, those third parties will have a lien or charge on the Customer's Securities or Securities collateral. Although the Bank is responsible to the Customer for Securities or Securities collateral lent or deposited under the Customer's authority, a default by it could result in the loss of the Customer's Securities or Securities collateral.

A cash account not involving securities borrowing and lending is available from the Bank. If the

Customer does not require margin facilities or does not wish the Customer's Securities or Securities collateral to be lent or pledged, do not sign the above authorities and ask to open this type of cash account.

5. Risk of Trading Nasdaq-Amex Securities at The Stock Exchange of Hong Kong Limited

The Securities under the Nasdaq-Amex Pilot Program ("PP") are aimed at sophisticated investors. The Customer should consult the Bank and become familiarized with the PP before trading in the PP Securities. The Customer should be aware that the PP Securities are not regulated as a primary or secondary listing on the Main Board or GEM of The Stock Exchange of Hong Kong Limited.

6. Currency Risks

- 6.1 Exchange rates of foreign currency(ies) can be volatile. The fluctuations in foreign currency rates have an impact on the profit/loss and the financial investments where the Securities or financial contract or the financial derivatives Transaction is quoted or denominated in a foreign currency or in a currency different from the original investments, or where the Customer carries on the Customer's ordinary business or keeps the Customer's Accounts in a currency other than the base currency in which the Transaction is denominated.
- 6.2 In particular RMB is subject to exchange rate risk and is not freely convertible. The fluctuation in the exchange rates of RMB may result in gains or losses in the case where the Customer converts RMB to Hong Kong dollars or other currencies upon maturity.
- 6.3 RMB is currently subject to regulatory and foreign exchange restrictions (which might be changed from time to time). The current requirements allow Hong Kong Residents to remit the remaining balance of the RMB funds and the deposit interest thereof (after deducting the relevant interest tax) from the mainland China to their accounts in Hong Kong under the same name. However, any subsequent transfer of the RMB funds from the mainland China back to Hong Kong shall be subject to the prevailing legal and regulatory requirements of mainland China.

7. Liquidity and Marketability Risks

The Customer acknowledges and agrees that at certain times or under certain market conditions, the Customer may find it difficult or impossible to liquidate a position, to assess value or to determine a fair price. Certain equity or debt Securities and money market instruments and, in

particular, structured notes or customized products may not be readily realizable or marketable. There can be no certainty that market traders will be prepared to deal in them, and the Customer should be aware that proper information for determining his/her current value may not be available.

8. Counterparty Issuer and Credit Risk

- 8.1 The Customer should ensure that it is aware of the identity of, and finds acceptable, the contractual counterparty with whom the Customer may be matched. As the Customer will often be purchasing an unsecured obligation of the counterparty (as opposed to an obligation of a central clearing corporation in the case with exchange traded futures and options), the Customer should evaluate the comparative credit risk.
- 8.2 Where the Customer purchases a debt instrument, such as a note or a bond, the Customer takes the credit risk of both its contractual counterparty as well as the issuer of the debt instrument. The Customer should be aware that, depending on the product, the capital protection component of a product can be well under 100% of the capital invested and that capital protection does not mean 100% repayment of the purchase price of every product. Where the redemption price of a product is indicated at 100% (100% capital protection), it should be noted that this represents no guarantee by the issuer or the Bank that 100% of the purchase price of the product will be paid out at maturity. Capital protection only protects the Customer from the downside risk of the Transaction itself but not from the credit risk of the counterparty and the issuer.
- 8.3 If the Bank deals with the Customer as counterparty, the Bank will deal with the Customer at arms-length. At no time will the Bank be acting as a fiduciary of the Customer nor will the Bank accept any fiduciary obligation to the Customer. As a counterparty of the Bank, any loss to the Customer may be a gain to the Bank.

9. Deposited Property and Cash

The Customer should also be familiar or familiarize himself/herself with the protections accorded to money or other property that the Customer deposits for domestic and foreign Transactions, particularly in the event of an insolvency or bankruptcy of the issuer, guarantor (if applicable), custodian or intermediary. The extent to which the Customer may recover his/her money or property may be governed by local rules and regulations. Property which had been specifically identifiable as the Customer's own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

10. Transaction Costs

Before making any Transaction or investment, the Customer should obtain a clear explanation of all commissions, fees and other charges for which the Customer will be liable. The Customer's net returns from any Transaction or investment would also be affected by the Transaction costs (i.e. commission, fees and other charges) charged by the Bank or third parties and any relevant tax liabilities. These costs must be considered in any risk assessment made by the Customer. In some cases, managed Accounts may be subject to substantial charges for management and advisory fees. It may be necessary for those Accounts that are subject to these charges to make substantial trading profits to avoid depletion or exhaustion of their assets.

11. Liquidity Risk / Early Withdrawal Risk / Cancellation Risk

Any cancellation or withdrawal prior to maturity is subject to the consent of the Bank and/or a relevant third party (as may be applicable). With these risks, investors may incur significant costs or losses.

12. Early Redemption or Termination Risk

Customer should be aware that it may be a general condition of the investment products that the issuer may, at its discretion, redeem or terminate the investments prior to maturity upon notice to investors under a variety of conditions and/or circumstances set forth in the issuer's Offering Document, and such redemption may be less or substantially less than its investment amount.

13. Tax Risks

Before entering into any Transaction, the Customer should understand the tax implications (including the implications of any applicable income tax, goods and services or valued added taxes, stamp duties and other taxes) of acquiring, entering into, holding and disposing of the relevant investments or Transaction. Different Transactions may have different tax implications. The tax implications of any Transaction are dependent upon the nature of the Customer's business activities and the Transaction in question. The Customer should, therefore, consult the Customer's independent tax adviser to understand the relevant tax considerations.

B. Product Specific Risks

14. Risk of Trading Growth Enterprise Market Stocks

Growth Enterprise Market ("GEM") stocks involve a high investment risk. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid. The Customer 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.

Current information on GEM stocks may only be found on the Internet website operated by The Stock Exchange of Hong Kong Limited. GEM companies are usually not required to issue paid announcements in gazetted newspapers. The Customer should seek independent professional advice if the Customer is uncertain of or has not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of GEM stocks.

15. Risks of Trading in Leveraged Foreign Exchange Contracts

15.1 The risk of loss in leveraged foreign exchange trading can be substantial. The Customer may sustain losses in excess of its initial margin funds.

15.2 Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit losses to the intended amounts. Market conditions may make it impossible to execute such orders.

15.3 The Customer may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, the Customer's position may be liquidated. The Customer will remain liable for any resulting deficit in the Account. The Customer should therefore carefully form his or her own view of whether such trading is suitable in light of its own financial position and investment objectives.

16. Risk of Margin Trading

The risk of loss in financing a transaction by deposit of collateral is significant. The Customer may sustain losses in excess of the Customer's cash and any other assets deposited as collateral with the Bank. Market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop limit" orders. The Customer may be called upon at short notice to make additional margin deposits or Interest

payments. If the required margin deposits or Interest payments are not made within the prescribed time, the Customer's collateral may be liquidated without the Customer's consent. Moreover, the Customer will remain liable for any resulting deficit in the Customer's Account and interest charged on the Customer's Account. The Customer should therefore carefully form his or her own view whether such a financing arrangement is suitable in light of the Customer's financial position and investment objectives.

17. Collective Investments Schemes

17.1 The prices of units/shares of collective investments schemes fluctuate, sometimes dramatically. The price of the units/shares of a unit trust or mutual fund may move up or down and may become valueless, and the Customer may not get back the initial investments amount. It is as likely that losses will be incurred rather than profit made as a result of buying and selling unit trusts or mutual funds.

17.2 Past performance of a unit trust or mutual fund is no guide to its future performance. The Customer should read carefully the provisions contained in the relevant Offering Documents and In particular the investments policies and the risk factors and latest financial results information and should seek independent professional advice before making any investments decision. The Customer should ensure that he/she fully understands the risks associated with unit trusts or mutual funds and should also consider his/her own investments objective and risk tolerance level.

18. Asset-Linked Investment Products

18.1 The price of Asset-Linked Investment Products can fluctuate and any Asset-Linked Investment Products may experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profits made as a result of trading Asset-Linked Investment Products. The Customer should assess the suitability of Asset-Linked Investment Products as investments in light of the Customer's objectives, financial condition and status and seek independent advice of the risks and appropriateness of the Transaction where necessary. The possible risks and benefits of entering into such Transaction should be considered before entering into any Transaction.

18.2 The liquidity of Asset-Linked Investment Products is not guaranteed as there is no liquid trading market and selling back Asset-Linked Investment Products may not necessarily avoid losses. Past performance of an Asset-Linked Investment Product and/or the relevant Underlying Asset(s) may not be indicative of their respective future performance. The Customer should refer to the Offering Documents (including the risk factors stated therein) and the relevant risk disclosure statement before making any investment decision. Investors who purchase Asset-linked Investment Products

are relying upon the creditworthiness of the Asset-Linked Investment Product issuer and/or guarantor (if applicable).

- 18.3 Holding an Asset-linked Investment Product is not the same as holding the Underlying Assets. The market value of the Asset-linked Investment Product may not have a direct relationship with the prevailing price of the Underlying Assets and an increase in the price of the Underlying Assets may not lead to an increase in the market value of the Asset-Linked Investment Product of the same magnitude or even any increase at all.
- 18.4 The trading price of Asset-Linked Investment Products (where tradable at all) may fluctuate depending on factors such as market interest rate movements, foreign exchange rates, the price of the Underlying Assets which are linked to the products, and the market for similar Underlying Assets. Also, the price could be affected if there are only very few potential buyers in the market. With Asset-Linked Investment Products, if the issuer has to redeem the products unexpectedly, the Customer could lose part, and possibly all, of the Customer's investments. The amount that the issuer will be able to pay back on the products may be less, and could be substantially less, than the principal amount of the Asset-linked Investment Products. It is conceivable that the Customer could lose all of his/her investments.
- 18.5 A structured or over-the-counter Transaction generally cannot be assigned or transferred without the consent of the other party. The Bank is not obliged to repurchase a Transaction from the Customer or terminate a Transaction at the Customer's request. Since Transactions are customized and not fungible, engaging in a Transaction with another dealer to offset a Transaction the Customer has entered into with the Bank will not automatically close out those positions (unlike the case of equivalent exchange-traded futures and options) and will not necessarily function as a perfect hedge. Off-exchange Transactions may also be less regulated or subject to a separate regulatory regime. Before undertaking such Transactions, the Customer should be familiar or familiarize himself/herself with the applicable rules and attendant risks.
- 18.6 If the Customer tries to sell his/her products before maturity, the Customer may receive an offer which is less than the amount invested in or the Customer may not be able to sell his/her products.

Currency-Linked Products

- 18.7 Currency-linked deposit is an Asset-Linked Investment Product comprising a time deposit denominated in its deposit currency and an option ("Currency-Linked Deposit"). The high yield of Currency-Linked Deposit is effectively the sum of the interest received from the time deposit and the premium from writing a currency option with inherent risks. At maturity, Customer may receive either the deposit currency or its linked currency, together with the interest accrued, in accordance with the terms and conditions set out in the Offering Document.
- 18.8 A Currency-Linked Deposit is not an ordinary bank deposit or time deposit nor a protected deposit

nor their substitutes and is not protected by the Deposit Protection Scheme in Hong Kong.

18.9 A Currency-linked Deposit provides no guarantee of return or yield on the investment. The net return in relation to a Currency-Linked Deposit will depend on market conditions prevailing at the fixing time on the fixing date.

18.10 The linked currency received may be subject to currency devaluation risk. The loss due to currency devaluation may offset the interest earned on the Currency-Linked Deposit and may even result in significant losses in the principal amount of the deposit. There is a risk that losses may be incurred rather than profit made as a result of establishing any Currency-Linked Deposit.

18.11 The return on a Currency-Linked Deposit is limited to the interest payment thereon. This is the case even if the Customer's view of the exchange rate movement of the currencies concerned is correct.

18.12 The Customer has no right or ability to designate an earlier deposit maturity date in respect of any Currency-Linked Deposit.

18.13 Certain currency-linked products are not principal-protected and the return of which will be dependent on movements in some specified currency exchange rates which are affected by a wide range of factors and may rise or fall rapidly.

18.14 Any cancellation or withdrawal of a Currency-Linked Deposit prior to maturity is subject to the consent of the Bank. With these risks, investors may incur significant costs or losses.

18.15 Currency-Linked Deposit is exposed to a variety of risks which may adversely affect the Customer's returns. Risks of Currency-Linked Deposit include:

- (a) changes to national and international financial markets and economy or political events, natural disasters and intervention by central banks and other regulatory bodies;
- (b) appreciation or depreciation of exchange rates or Underlying Assets linked to such exchange rates; and
- (c) the imposition or existence of exchange controls or other monetary restrictions in certain jurisdictions (in particular, affecting the transferability or convertibility of a currency).

Equity-Linked Products

18.16 Equity-linked products are Asset-Linked Investment Products whose investment returns are primarily linked to the performance of the Underlying Assets and they include Equity-Linked Deposit (defined below) and Equity-Linked Notes (defined below). The Underlying Asset(s) may be a single equity Security or a basket of Securities. Equity-linked products carry a high degree of risk. These products may come in different forms and may combine notes and/or deposits with stock options which may allow a bull, bear or strangle (i.e. trading range) or other contractual arrangement. The return component of an equity-linked product may be based on the performance of a single equity Security or a basket of equity Securities. The value of an investment in certain equity-linked products may be linked to the value of nominated Securities. The price and value of

such equity-linked products and the income from them may go down as well as up, and thus there is a risk that significant losses may be incurred on the principal rather than profit made. The return on equity linked products may be positive or negative. While the maximum return on investment is usually limited to a predetermined value, losses are potentially unlimited if the underlying share price or basket value moves against the Customer's view. The Customer should carefully study and understand the risks involved and form his or her own view whether such trading is suitable in the light of his/her own financial position, experience and investment objectives. In particular, the Customer acknowledges that the price of the particular financial product to which an equity-linked product is linked can and does fluctuate, and any individual Security or basket of Securities may experience upward or downward movements and may even become valueless. The amount of principal and/or interest payable or underlying Securities deliverable by the issuer upon redemption of an equity-linked product (whether at maturity or earlier) will depend on the performance of the underlying Securities or basket of Securities at such time and may be less than the full amount of the Customer's initial investment and result in the Customer not receiving repayment of all or any of his/her initial investment in the equity-linked products.

18.17 Unless the equity-linked products are listed on The Stock Exchange of Hong Kong Limited, the Customer will only be able to sell his/her equity-linked products on the over-the-counter market, if at all. The prices of equity-linked products in secondary markets are affected by a wide range of factors, including but not limited to the performance of the underlying stocks and companies. The Customer must be aware that secondary markets do not always exist and even where a secondary market exists, it may not be liquid. The Customer must accept any associated liquidity risk.

18.18 Transactions in options (including products that have options embedded in them such as equity-linked products) carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks.

18.19 The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in the Customer's own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency,

18.20 Equity-linked products may be exposed to credit risk relating to the issuer and/or guarantor (if applicable) and also the credit risk of the companies that issues the underlying Securities. Repayment of instruments held to maturity may be dependent on the financial ability of the issuer and/or guarantor (if applicable) to do so and may further be subject to any intervening circumstances such as delays within the settlement system or government action or legal inhibitions placed on the issuer or affecting the currency in which the instrument is denominated.

18.21 Additional risk may be incurred where Transactions involving different currencies are effected. Fluctuations in exchange rates, and the need (if any) to carry out currency conversions, could affect returns.

- 18.22 An investment in an equity-linked product entitles the investor to certain cash payments and/or delivery of underlying Securities calculated by reference to the underlying Securities or basket of Securities to which the equity-linked product is linked. It is not an investment directly in the underlying Securities or basket of Securities themselves. The equity-linked product will not represent a claim against the underlying companies and, in the event of any loss, the Customer will not have recourse under an instrument against the underlying companies or against any Securities issued by the underlying companies.
- 18.23 The return on investment is predetermined by the terms specified in respect of the equity-linked products. So even if the Customer's view of the direction of the underlying stock price or basket is correct, the Customer will not gain more than the specified amount.
- 18.24 Certain equity-linked products may not be principal guaranteed and in some circumstances, the Customer may sustain the loss of all or part of his/her investment in such products. There is no guarantee that the Customer will get a return on his/her investment or any yield.
- 18.25 Early termination will generally not be allowed in respect of equity-linked products. Where early termination is nevertheless sought the Customer will be required to pay all costs and expenses (including, without limitation, any charges levied by the Bank or any other intermediaries) in connection with such early termination.
- 18.26 Where shares have been pledged for the number of Securities or basket linked to equity-linked products, the Customer's ability to deal with the pledged shares may be limited and the Customer may not be able to withdraw, sell or further pledge the shares for any other purpose prior to maturity of the relevant equity-linked products.
- 18.27 Equity-linked products are not appropriate unless the Customer is willing and able to accept the risk of adverse movements in the reference value of the underlying assets.
- 18.28 The Customer may not receive his/her investment amount in cash. The total value of the Underlying Assets may be less than the initial investment amount. The Customer may be required to take delivery of the underlying Securities at maturity instead of a cash amount. If the Underlying Asset is a basket of Securities, these Securities which are delivered to the Customer may be traded in both local and/or foreign stock markets. The Customer should be aware of the implications of this method of settlement, and in particular, that he/she may be required to open and maintain accounts with a custodian for the purpose of settlement, and pay related costs and expenses in relation to the settlement. By holding the Securities or the basket of Securities, the Customer may also be subject to the regulatory and disclosure requirements of the jurisdictions in which the issuer of each of the Securities is incorporated or carries on business and the Securities are traded. There may also be restrictions relating to the trading of the Securities and holding of the Securities and Customer should seek independent advice on these issues. The Customer should also note that once he/she receives shares traded in a foreign jurisdiction, he/she will be subject to all risks relating to making an investment in Securities in that jurisdiction. Accordingly, the Customer should be aware of risks such as exchange control risks, currency risks, transactional

risks which include suspension of trading, extreme market conditions, failure of telecommunications or electronic systems, and other force majeure events.

18.29 An equity-linked deposit is an Asset-Linked Investment Product in the form of a deposit, which comprises a time deposit and option(s) of either a single Security or a basket of Securities ("Equity-linked Deposit"). At maturity, Customer may either receive the principal amount or the linked Security, together with interest accrued (if any), in accordance with the terms and conditions set out in the Offering Document.

18.30 The Customer should read and understand the principal brochure of the Bank relating to Equity-linked Deposits before establishing any Equity-linked Deposit. It is important that the Customer reads and understands its terms and conditions before investing in Equity-Linked Deposit. An Equity-Linked Deposit is not the same as nor should it be considered as an ordinary bank deposit or time deposit. For the avoidance of doubt, an Equity-Linked Deposit is not a "protected deposit" under Hong Kong's Deposit Protection Scheme Ordinance (Cap 581 of the Laws of Hong Kong).

18.31 The price of an Equity-linked Deposit may be affected by factors including but not limited to the fluctuations in the price of the Underlying Assets of the Equity-linked Deposit. As a result, the amount of principal and/or interest payable or the Underlying Assets deliverable by the issuer may be less than the full amount of the Customer's investment. The return on an Equity-Linked Deposit may also be affected by fluctuations in exchange rates and currency conversion restrictions.

18.32 The market value of the Underlying Asset as may be delivered to the Customer upon maturity is likely to be less than the deposit amount of the relevant Equity-Linked Deposit. In extreme cases, the market value of the Underlying Asset can become valueless. This may result in the loss of a significant part or, in extreme cases, the whole of the principal amount deposited.

18.33 The Customer has no right or ability to designate an earlier maturity date in respect of any Equity-Linked Deposit.

18.34 An equity-Linked note is an Asset -Linked Investment Product whereby the price of the note is linked to the performance of a single equity Security or a basket of Securities (Equity-Linked Notes). It is a debt instrument with an option.

18.35 The terms of each Equity-Linked Note is different and the Customer should study the terms of such products carefully and understand the risks involved. Where a transaction is "structured" or made up of several Securities, there are the risk associated with each asset evaluated separately and the risk of the transaction evaluated as a whole. Therefore the Customer's assessment of the transaction should comprise consideration of the individual assets and the transaction as a whole.

18.36 Where the returns on the Equity-Linked Notes are linked directly or indirectly to changes in the market of the underlying Securities, the Customer will be exposed to price volatility in that market. The Customer should therefore make his/her own assessment of the relevant market concerned. The Customer should note that the Underlying Asset may be traded in different jurisdictions and on different markets from the market where the Equity-Linked Note is traded (if tradable). Accordingly,

the nature of the risks a holder of the Equity-Linked Note is subject to may be very complex and the price of Underlying Asset may continue to decline after the Customer takes delivery of the underlying stock. There is no guarantee that the Customer will get a return and in extreme cases, the Customer may lose his/her entire investment.

18.37 Equity-Linked Notes are investment products that should be held to maturity. If the Customer sells his/her Equity-Linked Notes prior to maturity (if permitted), the sale may be at a price determined by the Bank or a relevant third party (as may be applicable) based on the prevailing market conditions. The amount the Customer receives based on early sale may be substantially less than the original investment amount invested. The Bank does not have any obligation to repurchase the Equity-Linked Notes. Accordingly, the Customer should expect to hold the Equity-Linked Notes until its maturity.

18.38 The market value of Equity-Linked Notes may not have a direct relationship with the prevailing price of the underlying Securities, and increases in the price of the shares of the company/companies may not lead to an increase in the market value of Equity-Linked Notes of the same magnitude or even any increase at all. In addition, the market value of Equity-Linked Notes may be affected by other factors not directly related to the price of the underlying shares, such as market interest rate movements, the financial condition of the issuer, the market's view of the issuer's credit quality and the availability of potential buyers in the market.

18.39 The Customer should note that the tax implications of the Equity-Linked Notes may be different from the Underlying Assets. **Credit-linked Products**

18.40 Credit-linked products are not appropriate unless the Customer is a sophisticated investor capable of evaluating the merits, and willing to accept the risks associated. The Customer should only invest in a credit-linked product if the Customer is prepared to hold the credit-linked product until maturity and bear any associated risks during the life of the credit-linked product.

18.41 Credit-linked product is an Asset-Linked Investment Product whereby the price and/or return of the product is linked to the performance and/or creditworthiness of a referenced asset and its underlying collateral. Credit-linked product may be linked to the credit worthiness of a single company or a group of companies. The market value of a credit-linked product may vary over time and maybe substantially less than the original value. The return on a credit-linked product is often dependent on the performance and/or the creditworthiness of the reference company or group of companies, as well as its underlying collateral. The Customer may refer to ratings assigned by credit rating agencies but such ratings do not necessarily guarantee the credit quality of the reference company or group of companies.

18.42 By entering into a Transaction in relation to a credit-linked product, the Customer may lose all or a substantial amount of his/her investments (for example, when a "credit event", issuer's event of default or underlying collateral's event of default occurs). There may be limited or no secondary market for credit-linked product.

18.43 Please also refer to Clause 8 "Counterparty Issuer and Credit Risk".

Index-Linked Products

18.44 Index-linked products are typically unsecured debt securities and are not guaranteed or insured nor secured by collateral. The index-linked products will usually rank equally with all the issuer's other unsecured and unsubordinated debt, and any payments due on the index-linked products. The Customer may lose all of his/her investment in the worst scenario.

18.45 Index-linked notes are products whereby payment of income on the principal and/or repayment of the principal in whole or in part is linked to a specific index (or a basket of indices). In relation to Asset-Linked Investment Products linked to indices, returns may be affected by material changes to the indices and the methods of calculating such indices.

18.46 The Customer should refer to the Offering Documents of the relevant index-linked products prior to investing in the same. 18.47 Please also refer to Clause 8 "Counterparty Issuer and Credit Risk".

19 Certificate of Deposit

19.1 A Certificate of deposits is a certificate which entitles the holder to receive interest at a pre-determined interest rate with a specified maturity date ("**Certificate of Deposit**").

19.2 A Certificate of Deposit is not the same as nor should it be considered as an ordinary deposit or time deposit or their substitute. For the avoidance of doubt, a bearer Certificate of Deposit is not a "protected deposit" under Hong Kong's Deposit Protection Scheme.

19.3 The price of Certificate of Deposit can and does fluctuate, and any individual Certificate of Deposit may experience upward and downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling a Certificate of Deposit. The Customer may lose all of his/her investment in the worst scenario.

19.4 Please also refer to Clause 8 "Counterparty Issuer and Credit Risk".

20. Bonds

20.1 The price of Bonds can and does fluctuate, sometimes dramatically. The price of a Bond 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 buying and selling Bonds. Also there may be risks in leaving Bonds in the Bank's safekeeping. The holder of Bonds bears the credit risk of the issuer and/or guarantor (if applicable) and has no recourse to the Bank unless the Bank is the issuer or guarantor (if applicable) itself.

20.2 Not all Bonds provide for repayment of 100% of the face value of the Bond. The return on a Bond

depends on the terms of issue and reference should be made to the corresponding prospectus or term sheet for detail and there may be circumstances that the money and/or value of shares that the Customer receives at maturity may be substantially less than the value of his/her original investment. If there are any fractional shares or other Securities or Underlying Assets deliverables on maturity, they may not be physically delivered.

- 20.3 In situations where any Bond is a product combining a note with financial or other derivatives, such as options, its return may be linked to the performance of other financial instruments, such as underlying stocks, commodities, currencies, companies, and indices. Unless such Bond is listed on The Stock Exchange of Hong Kong Limited or other regulated stock exchanges, the Customer will only be able to sell such Bond on the over-the-counter market, if at all. The prices of Bonds in secondary markets are affected by a wide range of factors, including without limitation, the performance of the underlying stocks, commodities, currencies, companies, indices, the market view of the credit quality of the Reference Company, and interest rates. The Customer must be aware that secondary markets do not always exist and even where a secondary market exists, it may not be liquid. The Customer must accept any associated liquidity risk.
- 20.4 Transactions in options carry a high degree of risk (including products that have options embedded in them such as Bonds). Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks.
- 20.5 The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in the Customer's own or another jurisdiction) will be affected by fluctuations in currency exchange rates where there is a need to convert from the currency denomination of the contract to another currency.

21 Gold Contracts

- 21.1 The Gold market is subject to the influence of various factors, including, but not limited to, different countries' economic performance, government policies and Gold's demand and supply. The Customer should be aware of the risks associated with adverse movements in Gold contracts trading. It is therefore advisable that the Customer has a sound understanding of the Gold market and be able to keep abreast of market developments.
- 21.2 The Customer acknowledges that the fluctuation of prices in Gold can be very large and may, in certain cases, become valueless.
- 21.3 The risk of loss in leveraged Gold trading can be substantial. The Customer may sustain a loss that exceeds the initial Margin. Placing contingent orders such as "stop-loss" or "stop-limit" orders, will not necessarily limit losses to the intended amount, since market conditions may make it impossible to execute such orders. The Customer may be called upon at short notice to deposit additional margin. If the required funds are not provided within the prescribed time, the Customer's

position may be liquidated without prior notice to the Customer. The Customer will remain liable for any resulting deficit in the Customer's Account. The Customer should therefore carefully form his or her own view whether such trading is suitable in light of the Customer's own financial position and investment objectives.

- 21.4 The purchase of Gold for the Account does not represent a purchase of physical Gold or a deposit of money. The Customer will not have any interest in any Gold owned or held by the Bank (if any), or be entitled to physical delivery of Gold. The Customer's purchase will not be covered by the Deposit Protection Scheme that is established under the Deposit Protection Scheme Ordinance (Cap 581 of the Laws of Hong Kong).

22 Derivative Instruments

- 22.1 Derivative instruments are instruments which value depends on the value of other assets. Derivative instruments involve risks of fluctuations in interest rates, exchange rates, and/or prices or levels of underlying Securities, currencies, commodities, funds, indices, instruments and/or creditworthiness of reference entities.
- 22.2 Before entering into a transaction with derivative instruments, the Customer should be aware of factors such as market risk, credit risk, liquidity/funding risk and operational risk, as well as the risk of significant losses. Whilst derivative instruments can be used to manage investment risk, some instruments are unsuitable for unsophisticated investors who do not understand the nature of the contract and the extent of potential risk exposures. The Customer must form his or her own view whether the contract is suitable for him/her in the light of his/her circumstances and financial position.
- 22.3 Over-the-counter (OTC) derivative instruments are not conducted on-exchange and are traded on a non-transferable basis. An OTC derivative instrument may be modified or terminated only by agreement between the original parties and subject to agreement on individually negotiated terms.
- 22.4 Highly customized OTC derivative instruments in particular may increase liquidity risk and introduce other significant and complex risk factors. Certain strategies, such as a "spread" position or a "straddle"; may be as risky as a simple "long" or "short" position. Trading in complex or illiquid derivative instruments can lead to increased risks because it may be difficult to close out or hedge position by taking out an exact and opposite contract. It may not be possible to modify, terminate or offset the Customer's obligations or exposure to the risks associated with a Transaction prior to the scheduled maturity date. The Customer may therefore find it difficult to establish an independent value for an outstanding OTC derivative instrument since market makers and dealers are generally not obliged to quote prices or terms for entering into or terminating OTC derivative instruments or to provide indicative or midmarket quotations for outstanding OTC derivative instruments.
- 22.5 The price and other terms of entering into or terminating an OTC derivative instrument are

individually negotiated and may not be the best price or terms available.

23 Options Trading

- 23.1 The risk of loss in trading options is substantial. In some circumstances, the Customer may sustain losses in excess of his/her initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. The Customer may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, the Customer's position may be liquidated. The Customer will remain liable for any resulting deficit in his/her Account.
- 23.2 The Customer should study and understand options before he/she trades and form his or her own view whether such trading is suitable in the light of his/her own financial position and investment objectives. If the Customer trades options it should inform itself of exercise and expiration procedures and its rights and obligations upon exercise or expiry. Option Transactions are not suitable for unsophisticated investors and should only be entered into by persons who have read, understood and familiarized themselves with the type of options, style of exercise, the nature and extent of rights and obligations and the associated risks. The Customer acknowledges that exercising any option may result in either settlement in cash, or in the acquisition or delivery of the underlying contract.
- 23.3 The Customer should not purchase any option unless he/she can sustain a total loss of the premium and Transaction costs of purchasing the option. Under certain adverse market conditions when the market moves against an option position, the purchased option can expire worthless. In such circumstances, the Customer would suffer a total loss of the investment. In order to realize any value from the option, it will be necessary either to offset the option position or to exercise the option, but there may be only a limited period of time for exercise of some option contracts, and some option contracts may even provide for the exercise of the option on a specified or stipulated date.
- 23.4 The Customer should understand the risks that an option seller would be exposed to if the purchaser exercises the option, and obligations to either settle the option in cash, or acquire or deliver the underlying contract. If the option is "covered" by a corresponding position in the underlying contract or another option, the risk may be reduced otherwise the possible loss may be unlimited.
- 23.5 The risk of loss may increase as it may be difficult or impossible to effect Transactions or liquidate/offset positions as a result of market conditions or local applicable rules and regulations.
- 23.6 The Customer should carefully calculate the price which the underlying contract would have to reach for the option position to become profitable, This price would include amounts by which the

underlying contract would have to rise above or fall below the strike price to cover the sum of the premium and all other costs incurred in entering into and exercising or closing the option position.

24 Warrants

24.1 Warrants are financial instrument which gives the Customer the right, but not the obligation, to buy or sell the Underlying Asset at a pre-set price on or before a specified date. A range of factors including but not limited to the current price or level of the Underlying Asset, and the time left until the warrant expires, affects the price of a warrant.

24.2 Warrants are only suitable for experienced investors who are willing to accept the risk that they may lose all their investment. The Customer should ensure that he/she understands the nature of the warrants and carefully study the risk factors set out in the Offering Document before investing in warrants.

24.3 The Customer should be aware that the price of warrants may fall in value as rapidly as it may rise and the Customer may sustain a total loss of his/her investment. Fluctuations in the value of the relevant Underlying Asset may affect the value of the warrants. The Customer therefore risks losing his/her entire investment if the value of the relevant underlying basis of reference does not move in the anticipated direction.

24.4 The risks in warrants include, but are not limited to:

- A warrant has a limited life because it has an expiry date and there is a chance that the warrant may expire worthless. At expiry, trading in the warrant stops, and the warrant ceases to exist.
- Warrants are not products for long term investments because of time decay (namely, opportunities for warrants to become profitable decreases as it matures and the time value of the warrant declines) which accelerates as the warrants approach expiry dates.
- Warrants offer some degree of leverage or gearing; small percentage changes in the value of the Underlying Assets may result in larger percentage changes in the value of the warrant.
- The warrant price is sensitive to adverse movement in underlying price, time to expiry, volatility, interest rate and share dividend.
- If there is a takeover, there is a risk that warrant holders can lose their total premium following a takeover announcement.
- The secondary market for warrants (if any) may be limited. The issuer and its appointed liquidity provider may be the only purchasers of the warrants. The more limited the secondary market, the more difficult it may be for the Customer to realize the value in the warrants prior to expiry.

24.5 The value of warrants may not correspond with the movements in the Underlying Assets price. If the Customer purchases warrants with a view to hedge against exposures to Securities that

underlie the warrants, the Customer may suffer loss in his/her investment in the underlying Securities and the warrants.

- 24.6 The occurrence of certain events may entitle the issuer to adjust the terms and conditions of the warrants (including a rights issue or bonus issue by, or share split or consolidation and a restructuring event of the company whose Securities underlie the warrant) in certain warrant issues. However, the issuer is not obliged to adjust the terms and conditions of the warrants for every event that affects the Underlying Assets. Any adjustment or decision not to make any adjustment may adversely affect the value of the warrants.

If there is any inconsistency between the English and Chinese versions, the English version shall prevail.

Appendix - Common Reporting Standard ("CRS") Policies of the Bank

1. Privacy Waiver

1.1 The Customer hereby irrevocably authorises the Bank to disclose and/or submit such information provided by the Customer, including without limitation to personal/institutional information, to the competent regulatory or Government Authority in the relevant jurisdiction(s) (including without limitation to the Hong Kong Inland Revenue Department) for the purpose of compliance of the requirements under CRS and other related laws, regulations, codes and rules.

1.2 The Customer further acknowledges that the Bank may not notify the Customer such disclosure or submission as required by the applicable laws or regulations, and agrees that it will not require the Bank to make such notification to the Customer before or after the disclosure or submission of the information to the relevant authorities.

2. Further Assurance for Provision of Information

2.1 The Customer undertakes that it will promptly provide the Bank such information, including without limitation to the personal/institutional information in the Self-Certification Form and the relevant account opening forms designated by the Bank from time to time and the relevant tax forms completed by the Customer, for the purpose of compliance of the requirements under CRS and other related laws, regulations, codes and rules.

2.2 The Customer shall ensure that the information provided to the Bank under Section 2.1 of this Appendix shall always be true, complete and accurate without misleading in all material aspects.

2.3 The Customer further undertakes that it will promptly (in any event, within 30 days) notify the Bank whenever any information provided to the Bank under Section 2.1 of this Appendix is changed or becomes untrue, incomplete, inaccurate or misleading and provide the Bank the necessary updated information.

2.4 Upon the Bank's request, the Customer shall promptly (in any event, within 30 days) provide the Bank such additional or substitute certificates and forms and other documentary evidences, including without limitation to the self-certification, substitute tax forms of expired tax forms (if any), the Customer's written tax residency statement and privacy waivers.

2.5 The Customer acknowledges and agrees that failing to provide the Bank information as required under this Section 2 will entitle the Bank to change the CRS status of the Account based on information available to the Bank, suspend the trading activities under the Account, or close the Account at the Bank's sole and absolute discretion.

2.6 The Bank will keep and use the Customer's personal/institutional data in compliance with the Personal Data (Privacy) Ordinance and other applicable data privacy policy.

3. Indemnification

3.1 The Customer hereby agrees to hold the Bank and its directors, officers, employees and agents (the "Indemnified Persons") indemnified against all losses, liabilities, costs, claims, actions, demands or expenses (including but not limited to, all reasonable costs, charges and expenses incurred in disputing or defending any of the foregoing) which the Indemnified Persons may incur or which may be made against the Indemnified Persons arising out of, or in relation to or in connection with:

(a) any breach or alleged breach of the terms and conditions hereunder, whether by act or omission, of the Customer; and

(b) any non-compliance of CRS or any other applicable laws, regulations, codes, and orders in relation to the Customer and/or the Account,

except where such loss or damages arise from wilful default, fraud, or negligence of the Indemnified Persons.

3.2 The Customer undertakes to assist the Bank in any proceeding or investigation arising in any matter out of or in connection with the compliance with the requirements under CRS and other applicable laws, regulations, codes, and orders. In such case, the Bank will notify the Customer when the Bank becomes aware of such proceedings, unless prohibited by applicable laws and regulations.

3.3 If any payment to be made by the Customer to the Indemnified Persons under the clauses hereunder is subject to deduction or withholding tax, the sum payable by the Customer in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Indemnified Persons receive on the due date and retain (free from any liability in respect of such deduction, withholding or payment) a net sum equal to what the Indemnified Persons would have received if no such deduction, withholding or payment been made or required to be made.

3.4 The Customer shall continue to be bound by the provisions of this clause despite the Customer ceasing to be an Accountholder or the termination of any account.

4. Incorporation with Private Banking – Terms and Conditions for Banking and Investment Services

4.1 This Appendix shall be deemed to be incorporated as a part of "Private Banking – Terms and Conditions for Banking and Investment Services" in relation to the Account and subject to amendments made by the Bank from time to time at the Bank's sole and absolute discretion. In case of conflict or

inconsistency between “Private Banking – Terms and Conditions for Banking and Investment Services” and this Appendix, the terms of this Appendix shall prevail.

4.2 Unless otherwise defined, capitalized terms in this Appendix shall have the same meaning as defined under the “Private Banking – Terms and Conditions for Banking and Investment Services” in relation to the Account.