

Service Terms and Conditions (Applicable for Advanced Switching)

The Advanced Switching Service is provided by Hang Seng Bank Limited (“Hang Seng”/ the “Bank”). Customers applying for the Advanced Switching Service are in effect instructing the Bank to apply for fund redemption and subscription (with “Advance” provided by the Bank) simultaneously. Please read the “Terms and Conditions for the Advanced Switching Service” in detail.

1. Definitions

In these Terms and Conditions:-

“Advance” means an advance made by “Hang Seng” hereunder to the “Client”;

“Advance Amount” means the total amount of the “Advance” (in a currency corresponding to that of the “New Funds”) made by “Hang Seng” to the “Client” in payment for the “Subscribed Amount”;

“Client” means the person to whom the “Advance” is made by “Hang Seng” pursuant to these Terms and Conditions and, where the context permits or requires, includes a joint account client and their respective personal representatives and lawful successors;

“Current Account” means a Hong Kong Dollar Current Account which is also the “Sub-account” under the “Integrated Account”;

“Fund Manager” means the manager or any person authorised to manage the investment, or administer the operation of, the “Original Funds” and/or the “New Funds”;

“Hang Seng” means Hang Seng Bank Limited and its successors or assigns;

“Hang Seng Personal e-Banking” means the e-Banking service and facility provided by “Hang Seng” (subject to the relevant terms and conditions) from time to time through any internet site established, operated and/or maintained by or on behalf of “Hang Seng” to enable “Clients” to give instructions to and communicate with “Hang Seng” on-line for the purposes of conducting banking, investment, financial and other transactions and dealings of various nature and obtaining service, products, information, goods, benefits and privileges from “Hang Seng” and/or members of the HSBC Group;

“Integrated Account” means the “Client”’s integrated account with “Hang Seng”, which is, for the purpose of these Terms and Conditions, notified by the “Client” to, and agreed by, “Hang Seng”;

“New Funds” means the investment funds for which the “Client” irrevocably authorises and instructs “Hang Seng” to apply on his behalf to subscribe pursuant to Clause 3(a);

“Original Funds” means the units of investment funds which the “Client” irrevocably authorises and instructs “Hang Seng” to apply on his behalf to redeem pursuant to Clause 4(a);

“Proceeds” means the redemption proceeds made available from the “Fund Manager” to “Hang Seng” after redemption of the “Original Funds” by “Hang Seng” on the “Client”’s behalf pursuant to Clause 4(a);

“Secured Assets” shall have the meanings specified in the terms and conditions from time to time in force governing the “Integrated Account”. Without prejudice to the foregoing and for the avoidance of doubt, “Secured Assets” include (a) the redemption “Proceeds” of the “Original Funds” and the “New Funds”; (b) all rights, titles, benefits and interests in or in respect of the “Original Funds” and the “New Funds”; and (c) all dividends, distributions, and other moneys derived from the “Original Funds” and the “New Funds”;

“Secured Moneys” means all moneys in any currency owing by the “Client” to “Hang Seng” at any time, actually or contingently, in any capacity, alone or jointly with any other person;

“Service” means the advanced switching service under which “Hang Seng” may make the “Advance” to the “Client” for the purpose set out in Clause 2(a);

“Settlement Date” means the date when the “Proceeds” are made available from the “Fund Manager” to “Hang Seng” or such other date thereafter as “Hang Seng” may determine at its discretion;

“Sub-account” means any one or all of the following accounts under the “Integrated Account”:-

- (a) Foreign Currency Savings Account;
- (b) Hong Kong Dollar Savings Account; and
- (c) the “Current Account”; and

“Subscribed Amount” means the amount consisting of (a) the amount which the “Client” shall pay in order to subscribe for the “New Funds”; and (b) the subscription fee payable by the “Client” to “Hang Seng” pursuant to Clause 3(e).

2. Purpose of “Advance” and Security

- (a) The “Advance” is made by “Hang Seng” to the “Client” for the sole purpose of financing the payment of the “Subscribed Amount” by the “Client”. Whether or not “Hang Seng” decides to make the “Advance” is entirely at its discretion.
- (b) **In consideration of “Hang Seng” agreeing to make the “Advance” to the “Client”, the “Client” as beneficial owner charges by way of security, assigns and releases to “Hang Seng” all of the “Client”’s right, title, benefit and interest in and to the “Secured Assets” until all the “Secured Moneys” (if any) have been paid or discharged.**
- (c) **(Applicable to Any one of the Joint Name Account Holder signing this Form / placing this transaction order via phone or "Hang Seng Personal e-Banking") The "Client" represents and warrants to "Hang Seng" that the "Client" have obtained the necessary authorization from all the other joint account holder(s) (if any) to sign this Form / place this transaction order via phone or "Hang Seng Personal e-Banking" on his / her / their behalf and to create the charge mentioned hereinabove and all the provisions in this Form shall be binding on the "Client" and all the other joint account holder(s) (if any) in all respect notwithstanding that the other joint account holder(s) has/have not signed this Form / placed this transaction order via phone or "Hang Seng Personal e-Banking".**

3. Application for “New Funds”

- (a) **The “Client” irrevocably authorises and instructs “Hang Seng” to apply on his behalf to subscribe for the “New Funds”. The “Client” shall ratify and accept all things and matters done by “Hang Seng” and indemnify “Hang Seng” against any loss it may suffer or incur in connection with such application on the “Client”’s behalf.**
- (b) **“Hang Seng” makes no warranty or representation that the application made by “Hang Seng” on the “Client” ’s behalf to subscribe for the “New Funds” will be successful.**
- (c) **“Hang Seng” is only responsible for applying on the “Client”’s behalf to subscribe for the “New Funds”. The “Client” acknowledges and agrees that such application is subject to the final acceptance of the “Fund Manager”. “Hang Seng” disclaims any obligations and liabilities relating to the duration required in completing the subscription for the “New Funds”.**
- (d) **Upon the “Fund Manager” ’s instruction, “Hang Seng” may, subject to Clause 3(e)(ii), pay the “Advance” Amount to the “Fund Manager” without further notice to the “Client” with a view to subscribing for the “New Funds” .**
- (e)
 - (i) **“Hang Seng” shall be entitled to charge a one-off subscription fee for the “Service” at such rate(s) as “Hang Seng” may prescribe at its discretion.**
 - (ii) **“Hang Seng” may deduct the said subscription fee from the “Advance” Amount before applying it to subscribe for the “New Funds”.**

4. Settlement

- (a) **The “Client” irrevocably authorises and instructs “Hang Seng” to apply on the “Client”’s behalf to redeem the “Original Funds”. The “Client” shall ratify and accept all things and matters done by “Hang Seng” and indemnify “Hang Seng” against any loss it may suffer or incur in connection with such application on the “Client”’s behalf.**



- (b) “Hang Seng” makes no warranty or representation that the application made by “Hang Seng” on the “Client”’s behalf to redeem the “Original Funds” will be successful.
- (c) “Hang Seng” is only responsible for applying on the “Client”’s behalf to redeem the “Original Funds”. The “Client” acknowledges and agrees that such application is subject to the final acceptance of the “Fund Manager”. “Hang Seng” disclaims any obligations and liabilities relating to the duration required in completing the redemption of the “Original Funds”.
- (d) On the “Settlement Date”, “Hang Seng” shall be entitled to apply the “Proceeds” in or towards repayment and settlement of the “Advance” Amount. “Hang Seng” may, subject to Clause 13(b), convert the “Proceeds” into the currency of the “Advance Amount” before applying the “Proceeds” to repay and settle the “Advance Amount”. In the event that the “Proceeds” are not sufficient, or simply not available to Hang Seng due to the failure to redeem the “Original Funds” pursuant to Clause 4(a) for whatever reasons, to repay and settle the “Advance Amount” in full on the “Settlement Date”, “Hang Seng” shall be entitled, at any time and without notice to the “Client”, to debit the outstanding “Advance Amount” from any “Sub-account” as “Hang Seng” may determine at its absolute discretion. Without prejudice to generality of the foregoing, “Hang Seng” may, but shall not be obliged to, debit the outstanding “Advance Amount” from the “Sub-account” in the following order:-
- (i) Foreign Currency Savings Account in a currency corresponding to that of the outstanding “Advance Amount”;
 - (ii) Hong Kong Dollar Savings Account;
 - (iii) The “Current Account”;
 - (iii) Any other Foreign Currency Savings Account in a currency other than that of the outstanding “Advance Amount”; and
 - (v) (in case of the outstanding “Advance Amount” remaining unsettled in full) the “Current Account”, in which case the arrangements in Clause 4(e) may apply.

Subject to Clause 13(b), “Hang Seng” may, for the purpose of settling the outstanding “Advance Amount”, convert the account balances on the relevant “Sub-account” into the currency of the outstanding “Advance Amount” and vice versa.

- (e) At any time when “Hang Seng” debits the “Current Account” with the outstanding “Advance Amount” pursuant to these Terms and Conditions and if there are insufficient funds on the “Current Account” to repay and settle the outstanding “Advance Amount”, the following arrangements may apply:-
- (i) if no overdraft facility is currently maintained on the “Current Account”, the outstanding “Advance Amount” shall forthwith constitute an unauthorised overdraft facility on the “Current Account” and the “Client” shall pay interest on the outstanding “Advance Amount” from the date on which “Hang Seng” debits the “Current Account” up to the date of actual repayment of the outstanding “Advance Amount” at the rate of 8% per annum over the Hong Kong Dollar Prime Lending Rate quoted by “Hang Seng” from time to time or at such other rate or rates as “Hang Seng” may from time to time determine at its absolute discretion subject to the applicable provisions in the terms and conditions from time to time in force governing the “Integrated Account”. The “Client” shall also pay a one-off handling fee of HK\$120 for the unauthorised overdraft facility, which will be debited from the “Current Account”; or
 - (ii) if an overdraft facility is currently maintained on the “Current Account”, the outstanding “Advance Amount” shall forthwith become or form part of the overdraft facility subject to the applicable provisions in the terms and conditions from time to time in force governing the “Integrated Account”.
- (f) (i) In the event that the “Proceeds” made available from the “Fund Manager” to “Hang Seng”



exceeds the “Advance Amount”, “Hang Seng” will, on the “Settlement Date”, credit such excess to the “Sub-account” in a currency corresponding to that of the “Proceeds” or, subject to Clause 13(b), such other “Sub-account” as requested by the “Client” and agreed by “Hang Seng”.

(ii) In the event that the application to redeem the “Original Funds” pursuant to Clause 4(a) succeeds, but the application to subscribe for the “New Funds” pursuant to Clause 3(a) fails, “Hang Seng” will, on the “Settlement Date”, credit the “Proceeds” to the “Sub-account” in a currency corresponding to that of the “Proceeds” or, subject to Clause 13(b), such other “Sub-account” as requested by the “Client” and agreed by “Hang Seng”.

(g) Before the “Settlement Date”, the “Client” shall not revise, cancel or prepay the “Advance Amount” except with the consent of “Hang Seng” and, if “Hang Seng” agrees, the “Client” shall in any event indemnify “Hang Seng” against any loss it may suffer or incur in connection with such revision, cancellation or prepayment.

(h) The “Advance” is subject to “Hang Seng”’s usual review and overriding right to require repayment on demand at any time.

5. Interest

No interest will be payable by the “Client” in respect of the “Advance” before the “Settlement Date”.

6. Variation of Terms and Conditions/Fees and Charges

(a) “Hang Seng” may from time to time at its discretion revise these Terms and Conditions and/or introduce additional terms and conditions. Such revisions and/or any additions to these Terms and Conditions shall be binding on the “Client” if the “Client” continues to use the “Advance” or any part of the “Advance” or if any amount under the “Advance” remains outstanding on or after the effective date thereof.

(b) “Hang Seng” may from time to time at its discretion impose further charges and fees and/or vary them. Such charges and fees and/or any variation thereof shall be binding on the “Client” if the “Client” continues to use the “Advance” or any part of the “Advance” or if any amount under the “Advance” remains outstanding on or after the effective date thereof.

7. “Client”’s Warranties and Undertakings

(a) Notwithstanding the grant of the “Advance” by “Hang Seng” for the “Client”’s subscription for the “New Funds”, the “Client” acknowledges and confirms that he is aware of the risk involved in investment in the “New Funds” and that he has made his own independent decision in investing in the “New Funds”.

(b) The “Client” undertakes (i) to repay at any time on demand notwithstanding anything to the contrary herein all moneys which may be owing to “Hang Seng” in respect of the “Advance” together with all fees, charges and expenses payable by the “Client” to “Hang Seng” including, but not limited to, all expenses of reasonable amount, legal or otherwise, reasonably incurred by “Hang Seng”, in connection with the provision of the “Advance” (including enforcement of any right of “Hang Seng” under these Terms and Conditions), and all applicable exchange control premiums, penalties or expenditure; and (ii) to inform “Hang Seng” as soon as practicable of any difficulty in repaying the “Advance” (or any part thereof) or in meeting any payment to “Hang Seng” arising from the “Advance” or otherwise pursuant to these Terms and Conditions.

(c) The “Client” shall, at the request of “Hang Seng”, execute such documents and perform such acts as “Hang Seng” may consider expedient for the purposes of providing the “Advance” or in connection with the “Original Funds” and the “New Funds” or “Hang Seng”’s exercise of its powers and rights under these Terms and Conditions.

8. Set-off Rights

In addition to any general lien or similar right to which “Hang Seng” may be entitled by law, “Hang Seng” may at any time, notwithstanding any settlement of account or other matter whatsoever, (i) combine or consolidate all or any of the “Client”’s accounts (whether current savings securities custodial time fixed or call deposit accounts and whether subject

to notice or not) with any liabilities to “Hang Seng” whatsoever, wherever situate for the purpose of setting off or transferring any sum or sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of the “Client”’s liabilities to “Hang Seng” on any other account or in any other respect whether such liabilities be present or future actual or contingent primary or collateral and joint or several (including but not limited to any or all sums and/or liabilities due by the “Client” to “Hang Seng”) and, subject to Clause 13(b), “Hang Seng” may at any time at its complete discretion convert any of the “Client”’s account balances into any currency by any lawful means at “Hang Seng”’s disposal for the purpose of set-off or transfer without reference to the “Client” and/or (ii) apply in full or partial satisfaction of any of the “Client”’s liabilities to “Hang Seng” on any account all or any securities, valuables or other property which may be deposited with “Hang Seng” in the name of the “Client” and wherever situate and whether for safekeeping or otherwise and “Hang Seng” shall not be liable for any loss arising from the sale or other disposition of any such securities, valuables or other property. In the case of a joint account “Hang Seng” may exercise the rights in this clause and apply any credit balance on such joint account in or towards satisfaction of any indebtedness owed to “Hang Seng” by one or more of the holders of such joint account.

9. Terms and conditions binding on legal representatives, etc.

The terms and conditions stated herein shall be binding on the “Client”’s heirs and legal representatives, successors and assigns. Where the “Client” consists more than one person, the terms and conditions stated herein and in such documents accepted by the “Client” shall be binding on all and each of them jointly and severally notwithstanding that any of them may be released from any obligation by “Hang Seng” or may not be effectively bound due to any reason.

10. Debt Collection Agent

“Hang Seng” may appoint any person as its agent to collect any or all indebtedness owed by the “Client” to “Hang Seng” and **the “Client” shall be responsible for all costs and expenses which may be reasonably incurred by “Hang Seng” for that purpose on each occasion.** “Hang Seng” shall have, and the “Client” admits and agrees that “Hang Seng” do have, the right to disclose to debt collection agencies all personal data relating to the “Client” for that purpose on any occasion.

11. Disclosure of Personal Data

The “Client” acknowledges and agrees that all personal data and information with respect to the “Client” and an individual which are provided by the “Client” or such individual at the request of “Hang Seng” or collected in the course of dealings between the “Client” or such individual and “Hang Seng” (the “Data”) may be held, used, processed and disclosed by “Hang Seng” for such purposes and to such persons in accordance with the “Hang Seng”’s policies on use and disclosure of personal data as set out in statements, circulars, notices or terms and conditions made available by “Hang Seng” to the “Client” and other individuals from time to time. The “Client” also acknowledges and agrees that the Data may be disclosed to, or held, used and processed by any debt collection agency, credit reference agency or similar service provider for purpose of verifying such Data or enabling them to provide such Data to other institution: (i) in order that they may carry out credit and other status checks; and (ii) to assist them to collect debts. The “Client” further acknowledges and agrees that “Hang Seng” may transfer the Data outside the Hong Kong Special Administrative Region, conduct matching procedures (as defined in the Personal Data (Privacy) Ordinance) using the Data and such other personal data and information relating to the “Client” and/or relevant individual, and provide banker’s or credit references in respect of the “Client” or such individual.

12. Notice

Any notice or demand by “Hang Seng” shall be sufficiently given if left at or sent by prepaid letter to the “Client”’s last known address in the Hong Kong Special Administrative Region or elsewhere and every notice or demand so given shall be deemed to have been served on the day after the letter was left or posted as aforesaid, its subsequent return by the post office notwithstanding.

13. Other terms

- (a) The books and records of “Hang Seng” shall be final and conclusive evidence concerning the amount due from the “Client” to “Hang Seng” under the “Advance” at any time.

- (b) All currency conversions shall be calculated at the rate of exchange determined conclusively by “Hang Seng” on the relevant date of conversion determined by “Hang Seng”. “Hang Seng” will apply the offshore (CNH) rate to conduct the foreign exchange transaction for converting into RMB for subscription of funds denominated in RMB.
- (c) The Chinese version of these Terms and Conditions is for reference only. In the event of any inconsistency between the English and Chinese versions of these Terms and Conditions, the English version shall prevail.

14. Interpretation Clause

Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing a gender include every gender. Unless otherwise stated, references to Clauses and the Appendix are to the clauses of and the appendix to these Terms and Conditions. Clause headings are inserted for reference only and shall be ignored in construing these Terms and Conditions.