



Terms and Conditions for Cross-boundary Wealth Management Connect Northbound Service – Appendix – Risk Disclosure and Other Information

This Appendix describes some of the key risk factors concerning the use of the Cross-boundary WMC Northbound Remittance Account under the Cross-boundary Wealth Management Connect Northbound Service based on the Bank's current understanding of the Applicable Requirements. This Appendix is not exhaustive and does not disclose all the risks or other significant aspects of the Cross-boundary Wealth Management Connect Northbound Service. The Customer should ensure that he understands the risks and the nature of the Cross-boundary Wealth Management Connect Northbound Service before registering for the Cross-boundary Wealth Management Connect Northbound Service. The Customer should consider carefully and consult his own advisers where necessary.

Capitalised terms used in this Appendix shall have the same meanings as those defined in the Terms and Conditions for Cross-boundary Wealth Management Connect Northbound Service unless otherwise defined herein.

1 Compliance with the Applicable Requirements

Use of the Cross-boundary Wealth Management Connect Northbound Service is subject to all the Applicable Requirements, including the applicable laws and regulations issued by the Authorities in Mainland China. The Applicable Requirements may be subject to change from time to time. Any change in the Applicable Requirements may have an adverse impact on the use or operation of the Cross-boundary WMC Northbound Remittance Account under the Cross-boundary Wealth Management Connect Northbound Service (such as imposition of restriction on, or suspension of, the use of the Cross-boundary Wealth Management Connect Northbound Service).

The Cross-boundary WMC Northbound Remittance Account can only be used strictly for the sole purpose of the Cross-boundary Wealth Management Connect Northbound Service by pairing such account with the Cross-boundary WMC Mainland Investment Account, and cannot be used for any other purposes or functions which may otherwise be applicable to a bank account opened and maintained with the Bank.

The Bank may vary the scope of, suspend or terminate the Cross-boundary WMC Northbound Remittance Account and/or the Cross-boundary Wealth Management Connect Northbound Service without giving prior notice for compliance with the Applicable Requirements. The Bank is not liable for any loss incurred or suffered by the Customer or any third party, arising from or in connection with the use of the Cross-boundary WMC Northbound Remittance Account under the Cross-boundary Wealth Management Connect Northbound Service.

2 Designation of a Cross-boundary WMC Mainland Investment Account

The Cross-boundary WMC Northbound Remittance Account can only be used strictly for the sole purpose of the Cross-boundary Wealth Management Connect Northbound Service by pairing that account with the Customer's Cross-boundary WMC Mainland Investment Account, and cannot be used for any other purposes or functions which may otherwise be applicable to a bank account opened and maintained with the Bank.

The Customer must follow the procedures and requirements as the Bank may specify from time to time, including providing the details about the Customer's Cross-boundary WMC Mainland Investment Account. The Customer can only designate one Cross-boundary WMC Mainland Investment Account and cannot change such designated account, save with the Bank's consent. The Cross-boundary WMC Mainland Investment Account must be opened and maintained with the Cooperating Bank. The operation of the Cross-boundary WMC Mainland Investment Account is subject to the terms and conditions applicable to such account provided by the Cooperating Bank. The Customer shall understand the terms and risks associated with the operation of the Cross-boundary WMC Mainland Investment Account.

In addition, the Customer should understand that the Cooperating Bank is incorporated in Mainland China and is not an authorized institution in Hong Kong as defined in the Banking Ordinance (Cap. 155 of the Laws of Hong Kong) and is not subject to the supervision of the Hong Kong Monetary Authority. The Cooperating Bank cannot carry on any banking business or the business of taking deposits in Hong Kong. Any deposits maintained with the Cooperating Bank are not protected under the Deposit Protection Scheme in Hong Kong. He should understand the rules and procedures relevant to transactions in the Mainland China wealth management product market, and consider his own circumstances before making investment decisions.

3 Restrictions on fund transfer and remittance

All funds transfer and remittance under the Cross-boundary Wealth Management Connect Northbound Service are restricted and subject to the Applicable Requirements and other requirements as the Bank may specify from time to time. The Customer can only effect cross-boundary fund remittance in RMB under the Cross-boundary Wealth Management Connect Northbound Service under a closed-loop mechanism by pairing his Cross-boundary WMC Northbound Remittance Account with his Cross-boundary WMC Mainland Investment Account for the sole purpose of the Cross-boundary Wealth Management Connect Northbound Service, subject to any applicable aggregate and individual investor quota(s) imposed by the Applicable Requirements and/or other requirements as the Bank may specify from time to time. In other words, the Customer cannot effect cross-boundary fund remittance in RMB if the applicable aggregate and individual investor quota(s) are exceeded. In such case, the Bank will refuse to process the remittance of funds from the Customer's Cross-boundary WMC Northbound Remittance Account to the Customer's Cross-boundary WMC Mainland Investment Account. The Bank does not accept cross-boundary remittance for any other purpose.

In addition, the Bank generally transfers funds out of a Customer's account upon his instructions during working hours, subject to the Bank's operation processes, depending on the types of transfer and the manner of instructions. The Customer must not authorise any third party to operate his Cross-boundary WMC Northbound Remittance Account. The Bank reserves the right to reject the Customer's instructions (whether in part or in whole) for the Cross-boundary Wealth Management Connect Northbound Service, put such instruction on hold or prescribe any condition for accepting the instruction, without giving any reason, as the Bank reasonably considers appropriate. There is no assurance that the Customer's instruction can be successfully processed in time or at all. The Customer may be subject to the liquidity risk.

4 RMB currency risk

RMB is subject to foreign exchange control and restrictions by the Mainland Chinese central government. There may be additional rules, regulations and restrictions under contemplation or to be issued by any Authorities in Mainland China that may be relevant to RMB conversion. The Customer should take reasonable steps to check for updates and details before giving instructions for RMB conversion.

The exchange rate of RMB may vary from time to time. There is no guarantee that RMB will not depreciate. The exchange rate of RMB traded outside Mainland China ("**Offshore RMB**") will be affected by, amongst other things, foreign exchange control imposed by the Mainland Chinese central government from time to time. The Customer will incur currency conversion costs (being the spread between the purchase and sale of Offshore RMB) and be subject to exchange rate fluctuation risks in any such currency conversion.

5 Foreign exchange risk

The Customer can only effect cross-boundary fund remittance in RMB under the Cross-boundary Wealth Management Connect Northbound Service. The Customer may have to convert other foreign currency into RMB for the Cross-boundary Wealth Management Connect Northbound Service. The Customer will be exposed to exchange rate risk.

6 Disclosure of information

The Customer agrees and consents to such disclosure as set out in the Privacy Policy when the Customer uses the Cross-boundary WMC Northbound Remittance Account under the Cross-boundary Wealth Management Connect Northbound Service.

The Bank may provide or disclose information about the Customer (including the profile and the inflow and outflow of funds to and from the Customer's Cross-boundary WMC Northbound Remittance Account) for the purpose of the Cross-boundary Wealth Management Connect Northbound Service:

- (i) according to the Bank's Privacy Policy;
- (ii) to the Bank's group members;
- (iii) to any Authorities to comply with the Applicable Requirements (such as meeting any aggregate and individual investor quota according to Applicable Requirements); and
- (iv) to the Cooperating Bank.

7 Cross-boundary Wealth Management Connect Northbound Service channel and operational hours

The Bank has an absolute discretion to determine from time to time the service channel and operational hours of the Cross-boundary Wealth Management Connect Northbound Service.

8 Suspension or termination of the Cross-boundary WMC Northbound Remittance Account and/or the Cross-boundary Wealth Management Connect Northbound Service

The Bank may suspend or terminate the Customer's use of the Cross-boundary WMC Northbound Remittance Account and/or the Cross-boundary Wealth Management Connect Northbound Service at any time by giving at least 30 days' prior written notice to the Customer. The Bank has the right to suspend or terminate the Cross-boundary WMC Northbound Remittance Account and/or the Cross-boundary Wealth Management Connect Northbound Service at any time immediately without notice to the Customer for reasons such as:

- (i) the Bank reasonably considers that the Customer is in breach, or may be in breach, of any Applicable Requirements;
- (ii) the Cross-boundary WMC Mainland Investment Account is suspended or terminated; or
- (iii) the provision of the Cross-boundary Wealth Management Connect Northbound Service by the Bank becomes or will become illegal or impracticable due to change in the Applicable Requirements.

To effect termination of the Cross-boundary Wealth Management Connect Northbound Service and/or the Cross-boundary WMC Northbound Remittance Account, the Customer is required to take such steps as the Bank may instruct, including giving the Bank documentary evidence (to the Bank's satisfaction) that:

- (i) all the Eligible Products purchased under the Cross-boundary Wealth Management Connect Northbound Service have been disposed, sold or terminated; and
- (ii) no Relevant Funds remain in the Cross-boundary WMC Mainland Investment Account.

The termination of the Cross-boundary Wealth Management Connect Northbound Service and/or the Cross-boundary WMC Northbound Remittance Account will take effect from such date as determined by the Bank. The Customer should ensure that there are no outstanding funds in the Cross-boundary WMC Northbound Remittance Account no less than 30 days before the date of termination of the Cross-boundary WMC Northbound Remittance Account.

9 Taxation

The Customer is fully responsible for any taxes in respect of transactions conducted under the Cross-boundary Wealth Management Connect Northbound Service. The Bank assumes no responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with the Cross-boundary Wealth Management Connect Northbound Service, and the Bank will not provide any service or assistance in this regard. Prior to entering into transactions under the Cross-boundary Wealth Management Connect Northbound Service, the Customer is strongly recommended to obtain independent tax advice on the possible tax consequences.