

NANYANG COMMERCIAL BANK, LTD.  
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## Notice

May 2003

With the support of the Hong Kong Monetary Authority and the Hong Kong Association of Banks, banks will adopt a new method of clearing cheques, which will enhance the payment infrastructure of Hong Kong, and will improve the efficiency of cheque processing . From 21-6-2003, cheques would be cleared through the transfer of their digital images and electronic information between banks via Hong Kong Interbank Clearing Limited (HKICL), instead of physical delivery of the cheques. As a result, some cheques drawn by the Bank's customers would be retained by the collecting banks or their agent, HKICL, and destroyed after they have been paid in accordance with the Clearing House Rules. To give the collecting banks and HKICL the authority to destroy the Bank customers' paid cheques, the Bank's terms and conditions of current accounts are amended as below. The Bank would maintain the digital images and electronic information of customers' paid cheques for a period in compliance with the statutory requirements.

The following is added with effect from 21 June 2003 to Clause 7 'Current Accounts' in Part B, Specific Terms and Conditions, Schedule I 'Terms and Conditions for Bank Accounts' of the General Terms and Conditions for Banking Services :

7.1(d) The Customer agrees that :

- (i) 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 for such period as is stated in the rules relating to the operation of the Clearing House and after this , they may be destroyed by the collecting bank or HKICL as the case may be ; and
- (ii) the Bank is authorised to contract inter alia with collecting banks and HKICL in accordance with the terms in paragraph(i).

Nanyang Commercial Bank Ltd.

(In case of inconsistencies between the Chinese and English versions of these terms and conditions, the English version shall prevail. )