

18<sup>th</sup> June 2010

Dear Valued Customer,

**Notice of Amendments to the Conditions for Services**

Please be informed that with effect from 18<sup>th</sup> July 2010 (the "**Effective Date**"), the Bank will revise its Conditions for Services (the "**CFS**"). Material changes to the existing Conditions for Services include: (i) clarifications to the scope of authority of your authorised signatories; (ii) clarifications relating to chops affixed in any application form or other documents; (iii) amendments relating to when fees and charges paid to us are refundable; (iv) incorporation of additional representations to be given by you; (v) changes to our liability relating to payments made to a third party or disputes between you and a third party; (vi) clarifications relating to returned cheques; (vii) incorporation of terms and conditions relating to BOC Corporate Banking Services Online, CBS Phone Banking Services and Short Messaging Services into the CFS. Please refer to the following paragraphs for further details.

1. Condition 1.3 of Part I of the CFS is revised to be read as follows:

"1.3 Unless otherwise agreed by us, your authorised signatories have full authority to do everything on your behalf in relation to your accounts, and products and services available to you (except in respect of CBS Online, CBS Online Investment Function and CBS Phone Banking Services (each as further described in Conditions 10.1, 10.13 and 11 of Part 2 of these Conditions), unless otherwise authorised) including to operate your accounts, buy or sell any investments (in the case of an investment account), make withdrawals or transfers (of cash, investments, title documents and other property), open, register, deregister or close accounts, change transaction limits, arrange with us for any facilities and accommodation, enter into any agreement, give any instructions and complete and sign all documents including account opening forms, but not to change your authorised signatories or signing arrangement, and if you are one or more individuals, not to open accounts or apply for new services. For the avoidance of doubt, this Condition 1.3 shall not apply to CBS Online authorised signatories appointed in relation to CBS Online and CBS Online Investment Function authorised signatories appointed in relation to CBS Online Investment Function (both of which shall be governed by Condition 10 of Part 2 of these Conditions)."

2. A new Condition 1.11 is inserted into Part 1 of the CFS:

"1.11 Any chop affixed to any application form or other document will not form part of your signing arrangement unless otherwise instructed by you to us in writing."

3. A new Condition 7.1(i) is inserted into Part 1 of the CFS:

"7.1(i) we may accept instructions from and for all purposes deal with any of you."
4. Condition 10.3 of Part 1 of the CFS is revised to be read as follows:

"10.3 Paid fees and charges are not refundable unless expressly provided in these Conditions otherwise. However if you terminate a service as a result of a change of these Conditions, we will refund a prorated portion of any annual or periodic fee paid for the service, if the fee can be separately distinguished and unless the amount is minimal."
5. New Conditions 11.1(g) and (h) are inserted into Part 1 of the CFS:

"11.1(g) (if you are a body corporate) you are duly incorporated or established, validly existing, solvent and not subject to any action to be wound up; and

11.1(h) you are solvent."
6. Condition 12.2 of Part I of the CFS is revised to be read as follows:

"12.2 We are not liable for any loss caused by a third party, government, market disruption or any event beyond our control. We are not liable to recover a payment which you have made to a third party, or to resolve a dispute between you and any third party. We are not obliged to account to you if our relevant office is prevented from acting."
7. Condition 4.6 of Part 2 of the CFS is revised to be read as follows:

"4.6 We, as the paying bank, may return a cheque unpaid if it is incorrectly completed, altered without your full signature, mutilated, post dated or out of date. Charges will apply."
8. A new Condition 4.7 is inserted into Part 2 of the CFS and the remaining Conditions in Condition 4 are renumbered accordingly:

"4.7 We, as the collecting bank, are not required to give any notification to you regarding any cheques unpaid and returned to you."
9. Condition 7.19 of Part 2 of the CFS is revised to be read as follows:

"7.19 Our website is hosted by us and is connected to the Internet via an independent service provider, who is not our agent and for whom we are not responsible. We will use reasonable care in selecting the service provider. Our website and the information on it may be changed by us at any time without notice."

10. The existing Condition 7.20 of Part 2 of the CFS is renumbered as Condition 7.21 and a new Condition 7.20 is inserted into Part 2 of the CFS:

"7.20 We will only record your visit by recording your domain name server address and the pages you visited. No personal information is collected unless otherwise specified. Only the numbers and types of visitors will be shown in our statistics of the use of our website."

11. New Conditions 10, 11 and 12 are inserted into Part 2 of the CFS:

**"10. BOC Corporate Banking Services Online**

10.1 By entering into the website of BOC Corporate Banking Services Online ("CBS Online"), you agree to be bound by these Conditions, including Condition 7 of Part 2 of these Conditions and this Condition 10., These terms and conditions are also displayed at the website of CBS Online. As these terms and conditions may be amended from time to time at our discretion, by logging into CBS Online, you should read them again carefully before processing any transaction. You are assumed to have agreed to the revised terms and conditions if any transaction has been conducted via CBS Online.

10.2 In this Condition 10 only, unless specified otherwise, "You" includes the customer who have been accepted by us to use CBS Online (the "Customer") and, where appropriate, each of its related companies, bodies and individuals ("related parties").

10.3 CBS Online allows you to operate your accounts which have been registered in CBS Online and to conduct transactions through one or more channels notified by us. These may include the Internet connection to our system or another channel. The services available are those notified by us to you. Before using a service, you may be required to provide us with documents or to obtain our consent. We may refuse access without giving any reason.

10.4 Any transactions conducted through CBS Online will be subject to all laws and regulations affecting us, including the rules, codes and guidelines of relevant regulatory authorities, exchanges and clearing houses. All actions thus taken by us will be binding on you.

**10.5 Authority**

(a) You acknowledge that you may set different levels of authorization and transaction limits for (i) your accounts registered in CBS Online, (ii) designated third party accounts and (iii) other third party accounts, and are encouraged to do so for your protection.

(b) Unless otherwise agreed by us, the Customer may appoint one or more persons ("CBS Online authorised signatories") for the purpose of CBS Online (except in respect of CBS Online Investment Function, unless

otherwise authorised) with authority to sign any documents in connection with CBS Online, to agree to add or delete related parties, to open or close and register or deregister accounts, to change transaction limits, to delete or add services or functions and to sign all documents relating to the application (including all future application(s)), use and revocation of BOC Corporate e Certificate issued through us by the e-Certificate issuer, but not to change the authorised signatories or signing arrangement of the Customer.

- (c) Unless otherwise agreed by us, the Customer's representatives (as identified by their password and including one or more primary users) have such authority to act for the Customer as the Customer has notified us. The Customer may designate one or more persons ("primary users") for the purpose of CBS Online (except in respect of CBS Investment Function) to have full authority to operate the Customer's accounts, including to make withdrawals or transfers, reduce transaction limits, make applications and submit documents, add new delegate users, set up authority class of each user and account, delete delegate user, change delegate user, assign authority class of other transactions, and re issue delegate user's password, but not to change primary users or the authority of primary users to act on the Customer's behalf. For the avoidance of doubt, a related party cannot appoint any primary user. Password(s) will be given by us to your primary users.
- (d) Instructions may be given for transactions to be entered into within a future period of time. The expiry or revocation of the authority of the representative after the instruction has been given but before the transactions are entered into will not affect the validity of the instruction.

#### 10.6 Passwords

Without limiting the generality of Condition 2 of Part 1 of these Conditions, we may regard an instruction given through CBS Online by any representative with the appropriate password as conclusive and binding on you. You will not claim that an instruction given with the appropriate password has not been authorised by you. You will be liable for all losses arising from the use of the appropriate password.

#### 10.7 Indemnity and Termination

- (a) Without prejudice to the generality of Condition 13 of Part 1 of these Conditions, you will indemnify us against any claim, liability, loss or expense arising from your instructions, your accounts, any transmission from your system to our system, or the provision of any service to you, and against all expenses (including legal fees) incurred

in the exercise or enforcement of our rights including in recovering sums from you.

- (b) Without prejudice to the generality of Condition 13 of Part 1 of these Conditions, you will indemnify us against any breach by you of these Conditions or the terms, conditions or rules applicable to an account, service or transaction, any act or omission of your representatives, employees or agents, and any tax or levy arising from your instructions or a service.
- (c) We are not liable for any act or omission unless due to our gross negligence or fraud. If we are liable for any damages, our liability will be limited to the amount of our fees for the transactions.
- (d) We may at any time, by notice to you and without giving any reason, close your account or terminate a service. The notice may, if necessary, take effect immediately. We may discharge our obligations by mailing to you a cashier's order for any credit balance in your account.
- (e) You agree to accept all risks associated with or arisen from delivery by courier and/or mail of the documents/ articles including such password(s) and waive irrevocably all claims which you may have against us including but not limited to as a result of the same having failed to be delivered or delivered promptly or mislaid.
- (f) Conditions 10.7, 10.10(a), 10.10(d), 10.10(m) of Part 2 of these Conditions shall survive termination of CBS Online.

#### 10.8 Related Parties

- (a) A related party may also apply to use CBS Online.
- (b) The Customer confirms that:
  - (i) each related party has received these Conditions;
  - (ii) funds transfers from (i) the Customer's accounts to a related party's account and (ii) the Customer's accounts to any third party's account are facilitated by CBS Online and there are attendant risks including risks of unauthorised transfers;
  - (iii) the Customer indemnifies us against any act or omission of each related party;
  - (iv) each related party has duly authorised the Customer to give any instruction to and deal with us for and on behalf of such related party for all purposes in connection with CBS Online; and
  - (v) each related party agrees:

- (A) to abide by these Conditions;
- (B) the Customer's representatives and the Customer's CBS Online authorised signatories in accordance with their respective designated authority also have the same authority to act for such related party;
- (C) all services and functions which the Customer's representatives from time to time apply for in CBS Online will also apply to such related party's accounts;
- (D) we may accept instructions from and for all purposes deal with the Customer in relation to such related party's accounts;
- (E) we may notify such related party by notifying the Customer;
- (F) funds transfers from (i) such related party's accounts to the Customer's account; (ii) such related party's account to another related party's account; and (iii) such related party's account to a third party's account are facilitated by CBS Online and there are attendant risks including risks of unauthorised transfers;
- (G) without affecting our rights against the Customer or such related party, we may compound, discharge or vary the obligations of or grant time or other indulgence to or deal with the Customer or such related party; and
- (H) termination of CBS Online by the Customer terminates the CBS Online for all related parties.

10.9 The following Conditions and any other terms and conditions in these Conditions applicable to individuals also applies to a related party who is a private individual (excluding clubs and societies). To the extent of any inconsistency with any other terms in these Conditions, the following Conditions shall prevail:

- (a) You have read our Data Policy Notice ("Notice"). You authorise us to use your information for the purposes set out in the Notice (as from time to time updated or varied) and for other purposes directly or indirectly relating to any account or services. Your information may be disclosed or transferred to the classes of persons mentioned in that Notice.
- (b) You consent to your information being transferred to another jurisdiction outside Hong Kong and to any matching procedures being

carried out. You may withdraw its consent by giving us 30 days' prior notice.

- (c) We will give you 30 days' notice of variation of the terms and conditions which affects fees, charges, your liabilities or obligations, unless such variation is not within our control. We will give you reasonable notice of other variations. If you do not accept a variation and choose to terminate the service within a reasonable time, we will repay any annual or periodic fee on that service on a pro rata basis, if the fee can be separately distinguished and unless the amount involved is minimal.
- (d) We will not enrol you to a new or enhanced service which involves a cost or potential liability to you without your express consent. If the new or enhanced service does not involve additional cost or potential liability to you, we will allow at least 14 days for you to decline the service.
- (e) We will promptly inform you of the nature and amount of charges debited to your accounts.
- (f) For a joint account, any transactions entered into by your representative or with your password will be binding on all account holders. Your password may be changed by your representative acting alone, and he or she may appoint or remove representatives.
- (g) We will promptly notify you if an outgoing cross border payment could not be effected.
- (h) Interest will only accrue after the funds of an inward remittance are credited to your account. We will notify you within a reasonable time after receipt of the payment. For incoming cross border payments, unless otherwise instructed by the remitting bank, we will promptly credit the remitted funds to your account after receipt of the funds is confirmed and any necessary checking is completed. If we are unable to do so, we will notify you and provide an explanation, unless there are strong justifications not to do so.
- (i) Upon completion of a cross border payment, we will provide you with a transaction record containing information such as the exchange rate applied and commission or charges levied.
- (j) We may employ third party agencies to collect overdue amounts owed by you. If you owe several debts to more than one institution that are being collected by the same debt collection agency, you have the right to give instructions to apply repayment to a particular debt. You will indemnify us against the costs and expenses we incur in the debt recovery process. We will remain accountable to you for any complaints arising out of debt collection by our third party agencies.

- (k) The indemnity provisions in Conditions 10.7(a) and 10.7(b) of Part 2 of these Conditions apply to you, in relation to costs and expenses, to those costs and expenses which are of reasonable amount and were reasonably incurred.
- (l) Unless you notify us of any disagreement with a summary of your transactions through CBS Online within 90 days of issue of the summary, you will accept the summary and will not dispute any item on it, whether you have checked the summary or not. You will not however be liable for unauthorised transactions arising from forgery or fraud (a) by any third party in relation to which we have failed to exercise reasonable care and skill, or (b) by our employee or agent, or other unauthorised transactions arising from our default or negligence.
- (m) You will be liable for all losses if you have acted fraudulently or with gross negligence, or allowed any third party to use your password, or failed to take reasonable care to keep your password secure and secret, or failed to comply with your obligations under Condition 10.10(l) of Part 2 of these Conditions. You would not otherwise be responsible for any direct loss suffered by you as a result of unauthorised transactions conducted through your account. This provision does not apply to unauthorised transactions conducted through plastic cards which may be used to pay for goods and services or to withdraw cash.
- (n) We will not terminate your access to the CBS Online without first giving reasonable notice, except under exceptional circumstances.

#### 10.10 Miscellaneous terms regarding CBS Online

- (a) To the extent permitted by the law, unless agreed otherwise, you request us to contact you (by any means) on any financial services (excluding any investment services) we believe may be of interest to you.
- (b) We will send you a summary of your transactions through CBS Online within the time agreed with you. No summary will be issued if during the relevant period there is no transaction. Unless you notify us of any disagreement with a summary within 30 days, you will accept the summary and will not dispute any item on it, whether you have checked the summary or not.
- (c) You will at your cost promptly arrange for your systems and connections to undergo such tests as required by us, provide the test reports to us and make any changes or improvements required by us. You will, if required, obtain a recognized digital certificate which is issued from a certification authority notified by us in order to use CBS Online.



- (d) If any software or document is supplied by us, all rights in them remain with us. You will keep them confidential and only use them for the purpose of using CBS Online. You will return them to us on request and not thereafter keep any copy in any form.
- (e) We are not required to notify you if your instruction or part of it cannot be executed.
- (f) You understand and accept the risks of CBS Online and the Internet and electronic communications.
- (g) You will execute any documents required by us in relation to CBS Online.
- (h) You acknowledge receipt of a list of our fees and charges.
- (i) Fees, charges and expenses are payable whether or not the transaction is completed. Without prejudice to Condition 10.2 of Part 1 of these Conditions, we may deduct any fees, charges and expenses from your account with us.
- (j) Accounts will be identified solely by their number. We need not check the account name.
- (k) You may not transfer, assign, mortgage or charge your accounts or any transaction with us or your rights or obligations under CBS Online or allow any third party to use our services without our prior written consent.
- (l) You must notify us as soon as reasonably practicable at the telephone number designated by us, after you find or believe that your password has been compromised, lost or stolen, or that unauthorised transactions have been conducted over your account. You will confirm your report to us in writing within 24 hours.
- (m) If any different terms are used online or on any screen accessible by you, they will correspond to such terms in these Conditions as determined by us.

#### 10.11 Credit Card Functions under CBS Online

This Condition 10.11 shall apply to you if you use our credit card functions under CBS Online:

- (a) All your accounts maintained with BOC Credit Card (International) Limited (the "Card Company") from time to time and all sub accounts to such accounts maintained with the Card Company from time to time for the cardholders ("Cardholders") of commercial cards issued by the Card Company (excluding those commercial cards designated by the

Card Company from time to time) (altogether "Credit Card Accounts") may be accessed and operated through CBS Online without the need of any account registration by you or any Cardholders.

- (b) Funds from any of your accounts registered in CBS Online may be transferred to any of the Credit Card Accounts without the need of any account registration by you or any Cardholders.
- (c) The credit card functions under CBS Online are subject to other terms and conditions of these Conditions, save that in case of conflict or inconsistency between the other terms and conditions of these Conditions and the provisions of this Condition 10.11, the provisions of this Condition 10.11 shall prevail with respect to the credit card functions under CBS Online.
- (d) You confirm that you and all Cardholders have duly consented to and authorised the Card Company passing to us at any time and from time to time information relating to the Credit Card Accounts for the purposes of our providing the credit card functions under CBS Online.
- (e) You agree that both the Card Company and we will not be liable for any inaccuracy or incompleteness in the information concerning the Credit Card Accounts which are accessible through CBS Online.
- (f) You agree that all your representations and indemnities made or provided to us under these Conditions shall, if applicable, be applicable to the Card Company if you use our credit card functions under CBS Online.

#### 10.12 Trade Related Services

- (a) You may be allowed to complete and submit prescribed applications and documents ("Trade Related Applications") to us through CBS Online in such format and manner as we may absolutely think fit in respect of our trade related documents, services and facilities provided by us from time to time, without submitting a physical copy of the signed Trade Related Applications to us and may be allowed to use any other "Trade Services Functions" as provided by us under CBS Online from time to time. This Condition 10.12 is only applicable if you are allowed to submit Trade Related Applications to us through CBS Online.
- (b) As one of the conditions under which the Trade Related Applications may be completed and submitted by you through CBS Online, you confirm that you agree to accept this Condition 10.12. You further confirm that you have received, read and understood the relevant standard forms of the Trade Related Applications and their terms and conditions as provided by us from time to time.

- (c) We have the absolute discretion:
  - (i) to determine the types, contents, format and layout of the Trade Related Applications which may be submitted to us through CBS Online; and
  - (ii) not to accept or process any Trade Related Application submitted by you to us through CBS Online without any notice.
- (d) You acknowledge that you are not allowed to complete and submit a Trade Related Application to us through CBS Online if we have not made our services available to you through CBS Online.
- (e) If a Trade Related Application is allowed to be submitted through CBS Online, we will determine to which of us the Trade Related Application is submitted by reference to the trade service/bills account number or any other password assigned by us to you which you make use of in making the submission.
- (f) Each Trade Related Application submitted by you through CBS Online shall be subject to the terms and conditions of the relevant standard form of Trade Related Application in all respects, regardless of whether the Trade Related Application submitted through CBS Online contains or makes any reference to such terms and conditions. The terms and conditions of the relevant standard form of Trade Related Application are deemed to be incorporated into each such Trade Related Application submitted through CBS Online.
- (g) We may (but are not obliged to) from time to time post up the standard form of any Trade Related Application and/or the related terms and conditions on the platform of CBS Online. You agree and undertake to read and agree to be bound by the terms and conditions of the relevant standard form of Trade Related Application before submitting any Trade Related Application through CBS Online. Notwithstanding anything contained herein to the contrary, the terms and conditions of the standard form of the relevant Trade Related Application as posted up at the time when you submit a Trade Related Application through CBS Online shall apply to the Trade Related Application so submitted.
- (h) If in any Trade Related Application additional document is said or required to be provided by you for us to process the Trade Related Application and such additional document has not been provided to us, you shall promptly provide such additional document in such form and manner as required by us, which may accept or reject the same at its absolute discretion.
- (i) We may from time to time add or cancel any Trade Related Application which may be completed and submitted through CBS Online.

- (j) We may from time to time amend the terms and conditions applicable to any newly submitted Trade Related Application and any such amendments shall apply to the Trade Related Applications submitted by you through CBS Online with effect from such date as determined by us in our absolute discretion.
- (k) We may (but are not obliged to) allow you to submit any copy document (in the form of scanned attachment to any Trade Related Application or otherwise) referred to or in connection with any Trade Related Application through CBS Online. You confirm and undertake that all such copy documents will have been approved by you for the relevant Trade Related Application when they are submitted through CBS Online notwithstanding that they may not have been signed by you. Our record on what copy document is so submitted by you through CBS Online and which Trade Related Application is related to the copy document shall be, save for manifest error, conclusive evidence on such matters.

#### 10.13 Investment Function under CBS Online

- (a) The following conditions are applicable to you who have been accepted by us to use investment functions under CBS Online ("CBS Online Investment Function"). The use of CBS Online Investment Function is subject to these Conditions including but not limited to Condition 10.13 and the conditions contained in Part 3 of these Conditions in relation to Investment Services. If there is any inconsistency between this Condition 10.13 and the remaining sections of Condition 10, this Condition 10.13 shall prevail.
- (b) Unless otherwise agreed by us, you may appoint one or more persons ("CBS Online Investment Function authorised signatories"), being director(s) / member(s) of your governing body, for the purposes of CBS Online Investment Function, with authority to complete and sign any application / amendment forms in connection with CBS Online Investment Function, agree to add or delete accounts, services or products which can be operated through CBS Online Investment Function, and sign any other instruments or documents in relation to CBS Online Investment Function, but not to change your authorised signatories or signing arrangement.
- (c) You may appoint one or more persons ("CBS Online Investment Function user") for the purposes of using the CBS Online Investment Function and conducting on your behalf investment transactions through CBS Online.
- (d) A primary user is allowed to, on your behalf, delete any CBS Online Investment Function user through CBS Online if and only if such CBS Online Investment Function user is a delegate user.

- (e) Any references to a Customer's representative in this Condition 10 shall include a CBS Online Investment Function authorised signatory and CBS Online Investment Function user as applicable if such Customer has been accepted by us to use CBS Online Investment Function.
- (f) The CBS Online Investment Function can only be operated by one CBS Online Investment Function user at any one time. There is no limit to the amount of money that a CBS Online Investment Function user may choose to invest notwithstanding any daily debit limit which you have designated or will designate for any of your current and/or savings accounts which are registered for operation through CBS Online.
- (g) You agree to abide by the terms and conditions applicable to structured deposits and other accounts/services/products which can be operated through the CBS Online Investment Function (including but not limited to conditions specified in Part 3 of these Conditions).
- (h) We may not accept your application for and/or amendment to the CBS Online Investment Function made by any of your representative who is not your director (if you are a limited company) or a member of your governing body (if you are other organizations).
- (i) You agree that if the risk rating of the investment services/products assigned by us is higher than your risk profile, or if the Questionnaire on Investment Preference that you are required to complete regularly is overdue, we may not accept any transactional processing request as to the investment services/products submitted through CBS Online nor allow any questionnaire to be completed through CBS Online.
- (j) In addition to the risk disclosures set out in these Conditions and related rules applicable to structured deposits and other accounts/services/products which can be operated through CBS Online Investment Function, you further acknowledge and accept the risks that transactions over the Internet may be subject to interruption, transmission blackout, delayed transmission due to Internet traffic or incorrect data transmission due to public nature of the Internet or otherwise and that there may be a time lag in data transmission and your orders may not necessarily be executed at the price indicated on the Internet. You agree that we shall not be responsible for any loss or damage arising out of your use of CBS Online Investment Function.
- (k) You acknowledge that once you have been accepted by us to use CBS Online Investment Function, we may immediately terminate any other electronic banking services or telephone banking services previously available to you. You may no longer be able to utilise these other services.

- (l) Without prejudice to Condition 12.4 of Part 1 of these Conditions, we are not responsible for the accuracy, completeness or timeliness of any advice or information given by us, or for any decision made with such advice or information. We make no representation regarding the performance of your investment.

## 11. **CBS Phone Banking Services**

- 11.1 If you have enrolled for the CBS Phone Banking Services, we will assign a multi user number and password to you for such service.
- 11.2 The use of any investment function under CBS Phone Banking Services are subject to the conditions contained in Part 3 of these Conditions in relation to Investment Services. Investment service(s) using CBS Phone Banking Services is/are only available for registered accounts held with any of us who provides CBS Phone Banking Services to you. Investment service(s) available is subject to changes from time to time notified by us.
- 11.3 CBS Phone Banking Services may be operated by more than one CBS Phone Banking Services user at any one time. Unless agreed with or notified by us otherwise, there is no limit to the amount of money that a CBS Phone Banking Services investment function user may choose to invest.
- 11.4 You may transfer funds from registered accounts to any related party's accounts, provided that the aggregate amount of daily transfers from all registered accounts must not exceed the amount notified by us from time to time (or, in case of foreign currency accounts, the HKD equivalent of the sum(s) transferred).
- 11.5 You acknowledge that once you have been accepted by us to use CBS Phone Banking Services, we may immediately terminate any other electronic banking services or telephone banking services previously available to you. You may no longer be able to utilise these other services.

## 12. **Short Messaging Service**

- 12.1 This Condition 12 shall apply to you if you use our Short Messaging Service ("SMS"). Each account or service is also subject to our terms and conditions which apply from time to time to such account and service. The terms under this Condition shall prevail, if they conflict with the terms and conditions governing your relevant account and service.
- 12.2 You agree to accept information sent by us to your mobile phone and other communications equipment that you notified and accepted by us. The information may include confirmation of a banking or investment transaction, updating of order status, price alert, standing order, margin balance and promotional, marketing and other information relating to the services provided by us, our affiliates or the communications companies. This communication may be sent in lieu of agreed communication by another means, for example,

personal telephone calls. Any such information and/or communication (including but without limitation to confirmation of securities transaction orders) sent by way of SMS shall be deemed to be a valid and effective notice to you.

- 12.3 The type of order confirmation to be sent through SMS will be determined by us from time to time.
- 12.4 You will obtain and maintain equipment of the type, and a connection with a communications company, notified by us from time to time, for the purposes of the SMS. You are responsible for the cost of your equipment and the charges of your communications company and any other charges in connection with the SMS. We may restrict the number of equipment that you register for the SMS. Different restrictions may apply to different customers.
- 12.5 You will promptly notify us of any change of your information on our record including any change of your equipment or contact details. You authorise us to provide the SMS according to the information you provided to us, until we have received your notice of a change. Communications to you through the SMS will be regarded as having been received by you when despatched by us.
- 12.6 We may vary the scope or operation of the SMS, the types of information to be sent, and the types of equipment and communications companies to be used, without notice or liability. We may suspend or withdraw the SMS without notice or liability.
- 12.7 Without prejudice to our notice relating to the Personal Data (Privacy) Ordinance, you authorise us to disclose your information to our affiliates, the communications companies and their agents (in or outside Hong Kong) for all purposes connected with the SMS.
- 12.8 Information provided through the SMS is for your reference only, and not evidence of its contents. Formal advices and statements will be sent to you in accordance with the terms and conditions for the relevant account or service. Meanwhile, information sent through the SMS is not an offer.
- 12.9 In the absence of wilful misconduct, we are not responsible for any failure or delay in sending any information to you, or for any error, misdirection, corruption or interception of any information sent through the SMS. We are not responsible for any event beyond our control including any error, malfunctioning or failure of any software, equipment or system. Communications companies are not our agent. They do not accept any responsibility in relation to the SMS."

12. A new Condition 4.3 is inserted into Part 3 of the CFS and the remaining Conditions in Condition 4 are renumbered accordingly:

"4.3 You agree that we may, by such means or media as we deem fit, provide the essential features of a securities transaction to you as soon as reasonably possible after we have effected the transaction for you. You agree that you shall promptly check the essential features of the securities transaction by yourself through such means or media provided by us from time to time. You specifically agree that we are not obliged to confirm with you the essential features of the securities transaction otherwise than in accordance with the foregoing."

13. A new Condition 4.7 is inserted into Part 3 of the CFS:

"4.7 If you wish to receive corporate communications in connection with the securities you purchased which are registered in our or our nominee's name, you authorise us to disclose your name and correspondence address to the Hong Kong Securities Clearing Company Limited and/or the registrars of the listed issuers, so that they may send any corporate communication directly to you."

14. "Risk of bullion and FX margin trading" set out in Condition 7 of Part 3 of the CFS is revised as follows:

"Risk of bullion and FX margin trading"

The risk of loss in leveraged foreign exchange trading and precious metals trading can be substantial. You may sustain losses in excess of your initial margin funds. Placing contingent order, such as "stop loss" or "stop limit" orders, will not necessarily avoid losses or limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to make additional margin or interest payments. If the required margin or interest payments are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account and interest charged on your account. A demand for additional margin is not a precondition to and does not in any way limit our right to liquidate your open positions according to the relevant terms and conditions. You should therefore carefully consider whether such trading is suitable in light of your own financial position and investment objectives."

For the avoidance of the doubt, the existing terms and conditions applicable to customers using CBS Online, CBS Phone Banking Services and Short Messaging Services will be replaced by Conditions 10, 11 and 12 of Part 2 of the CFS with effect from 18<sup>th</sup> July 2010.

Pursuant to the Code of Banking Practice, if you do not wish to accept the amended CFS, you may close your account(s) before the Effective Date. Maintaining your account(s) after the Effective Date will be regarded as your acceptance of the amended CFS.



Should you have any enquiries in relation to this notice, or wish to obtain a copy of the revised CFS, please feel free to contact any of our branches during business hours or call our customer service hotline on 2622 2633.

Nanyang Commercial Bank, Limited