

Notice of Amendment to “Global Terms and Conditions for Accounts and Services”

With effect from 23 April 2019 (“Effective Date”), Fubon Bank (Hong Kong) Limited (the “Bank”) will revise (expired contents are strikethrough and new contents are underlined below) the existing “Global Terms and Conditions for Accounts and Services”, details are as follows:

Clause	Amendment(s)
SECTION I. DEFINITIONS AND INTERPRETATION	“Passbook Savings Account” means a Savings Account which is subject to the Terms set out in Section IIIB of these Terms;
SECTION II. GENERAL TERMS (WHICH ARE APPLICABLE IN RESPECT OF ALL ACCOUNTS AND SERVICES)	9.5 Notwithstanding anything contained in this Clause 9 in Section II, a Statement or confirmation will not be provided to the Customer in respect of a Passbook Savings Account and the relevant passbook in respect of the Passbook Savings Account must be presented by the Customer to a Fubon branch for regular updating of all Transactions relating thereto.
SECTION III. ACCOUNTS AND SERVICES B. SPECIFIC TERMS FOR SAVINGS ACCOUNT	<p>1. Opening, maintenance and operation of the Savings Account</p> <p>1.2 The Customer may elect to have either a Statement Savings Account or a Passbook Savings Account.</p> <p>2. Specific terms applicable to Passbook Savings Account</p> <p>2.1 If the Bank opens a Passbook Savings Account on behalf of the Customer, the Customer will be provided with a passbook. Each deposit into, each withdrawal from, and each transfer to or from, the Passbook Savings Account shall be recorded in that passbook. The passbook may be presented each time the Customer wishes to make a deposit, withdrawal or transfer of funds provided however the Bank has the absolute discretion to insist that the passbook be presented before permitting such deposit, withdrawal or transfer of funds.</p> <p>2.2 The passbook is exclusive to the Customer and is not transferable or assignable and cannot be pledged or charged as security.</p> <p>2.3 The Customer shall give immediate notice to the Bank if the passbook is lost, stolen, tampered with or destroyed. Upon receipt of such notice, the Bank may, in its absolute and sole discretion, close the current Passbook Savings Account and open a new Passbook Savings Account on behalf of the Customer, subject to the following:</p> <p>2.3.1 satisfactory inquiry in respect of the loss, theft, tampering or destruction (as applicable) pertaining to the original passbook; and</p> <p>2.3.2 the due execution of an indemnity by the Customer in favour of the Bank against any damages, losses or any claims against the Bank resulting from or arising out of, or in connection with, the loss of the original passbook.</p>

	<p>2.4 — Any payments, made by the Bank to any person presenting a passbook and a withdrawal form (in the form prescribed by the Bank from time to time) and which appears to be signed by an Authorised Person shall have the same effect as if paid to the Customer personally and shall absolve the Bank from all liabilities to the Customer or to any other person.</p> <p>2.5 — The Bank may request the person presenting a passbook to produce his/her Hong Kong Identity Card or other reasonably acceptable documentation as evidence of his/her identity.</p> <p>2.6 — <u>The Customer should examine the passbook carefully after each Transaction before leaving the counter to ensure that the correct entries have been made and that such Transaction has been recorded as an entry in the passbook.</u></p> <p>2.7 — No alterations or amendments whatsoever shall be made to the passbook by the Customer.</p> <p>3. Termination</p> <p>3.1 — The Bank shall be entitled to terminate a Savings Account in accordance with the provisions of Clause 10.1 in Section II. In such an event, the Bank shall close such Savings Account and pay to the Customer any credit funds in any manner it deems fit or in the manner directed or requested by the Customer.</p> <p>3.2 — The Customer shall be entitled to terminate a Savings Account at any time without reason by giving the Bank prior notice in writing or by request in person at any branch of the Bank, and the Bank shall in either case close such Savings Account and pay to the Customer any credit funds in the manner as directed thereunder.</p>
<p>SECTION III. ACCOUNTS AND SERVICES</p> <p>F. SPECIFIC TERMS FOR THE SECURITIES ACCOUNT</p>	<p>25.15 Derivative Warrants, Callable Bull/Bear Contracts, Exchange Traded Funds, Synthetic Exchange Traded Funds, <u>Leveraged and Inverse Products</u> Investment Suitability</p> <p>The risk of loss in investing Derivative Warrants, Callable Bull/Bear Contracts (“CBBC”), Exchange Traded Funds (“ETFs”), Synthetic Exchange Traded Funds (“Synthetic ETFs”), <u>Leveraged and Inverse Products</u> (“L&I Products”) can be substantial. The Customer should be prepared to sustain a total loss of their investment. The Customer should therefore firstly, study and understand the structure of the Derivative Warrants, CBBC, ETFs, Synthetic ETFs, <u>L&I Products</u> before they place an order and secondly, carefully consider whether the Derivative Warrants, CBBC, ETFs, Synthetic ETFs, <u>L&I Products</u> are suitable in light of the Customer’s financial position and investment objectives. If the Customer provides irrevocable instructions to Fubon, the Customer does so at their own risk and has not relied on the Bank’s advice and recommendation.</p> <p><u>25.15.5 Leveraged and Inverse Products (L&I Products)</u></p> <p><u>Investment risk</u></p> <p><u>Trading L&I Products involves investment risk and are not intended for all investors. There is no</u></p>

guarantee of repaying the principal amount.

Volatility risk

Prices of L&I Products may be more volatile than conventional exchange traded funds (ETFs) because of using leverage and the rebalancing activities.

Unlike conventional ETFs

L&I Products are different from conventional ETFs. They do not share the same characteristics and risks as conventional ETFs.

Long-term holding risk

L&I Products are not intended for holding longer than the rebalancing interval, typically one day. Daily rebalancing and the compounding effect will make the L&I Product's performance over a period longer than one day deviate in amount and possibly direction from the leveraged/inverse performance of the underlying index over the same period. The deviation becomes more pronounced in a volatile market.

As a result of daily rebalancing, the underlying index's volatility and the effects of compounding of each day's return over time, it is possible that the leveraged product will lose money over time while the underlying index increases or is flat. Likewise, it is possible that the inverse product will lose money over time while the underlying index decreases or is flat.

Risk of rebalancing activities

There is no assurance that L&I Products can rebalance their portfolios on a daily basis to achieve their investment objectives. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the rebalancing activities.

Liquidity risk

Rebalancing typically takes place near the end of a trading day (shortly before the close of the underlying market) to minimize tracking difference. The short interval of rebalancing may expose L&I Products more to market volatility and higher liquidity risk.

Intraday investment risk

Leverage factor of L&I Products may change during a trading day when the market moves but it will not be rebalanced until day end. The L&I Product's return during a trading day may be greater or less than the leveraged/opposite return of the underlying index.

Portfolio turnover risk

Daily rebalancing causes a higher levels of portfolio transaction when compared to conventional ETFs, and thus increases brokerage and other transaction

costs.

Correlation risk

Fees, expenses, transactions cost as well as costs of using financial derivatives may reduce the correlation between the performance of the L&I Product and the leveraged/inverse performance of the underlying index on a daily basis.

Termination risk

L&I Products must be terminated when all the market makers resign. Termination of the L&I Product should take place at about the same time when the resignation of the last market maker becomes effective.

Leverage risk (For leveraged products only)

The use of leverage will magnify both gains and losses of leveraged products resulting from changes in the underlying index or, where the underlying index is denominated in a currency other than the leveraged product's base currency, from fluctuations in exchange rates.

Unconventional return pattern (For inverse products only)

Inverse products aim to deliver the opposite of the daily return of the underlying index. If the value of the underlying index increases for extended periods, or where the exchange rate of the underlying index denominated in a currency other than the inverse product's base currency rises for an extended period, inverse products can lose most or all of their value.

Inverse products vs short selling (For inverse products only)

Investing in inverse products is different from taking a short position. Because of rebalancing, the performance of inverse products may deviate from a short position in particular in a volatile market with frequent directional swings.

Please note that the above amendments set out in this Notice shall be binding on you if you continue to use or retain your Account(s) and/or Service(s) on or after the Effective Date. If you do not accept the above amendments, you have the right to terminate your account(s) and/or service(s) in accordance with the relevant clauses under the existing "Global Terms and Conditions for Accounts and Services" before the Effective Date. Should you have any query or wish to terminate any of the account(s) and/or service(s), please visit any branches of the Bank or call Fubon Bank Integrated Customer Service Hotline at 2566 8181 (press 3 after language selection) during business hours*.

*Business hours of Fubon Bank Integrated Customer Service Hotline are from 9:00am to 7:00pm, Monday through Friday, and from 9:00am to 1:00pm on Saturday (except public holidays).

Remarks: The Bank reserves the right to revise and/or introduce any terms and conditions of various services from time to time. Should there be any inconsistency between the English and Chinese versions of this Notice, the English version shall prevail.