

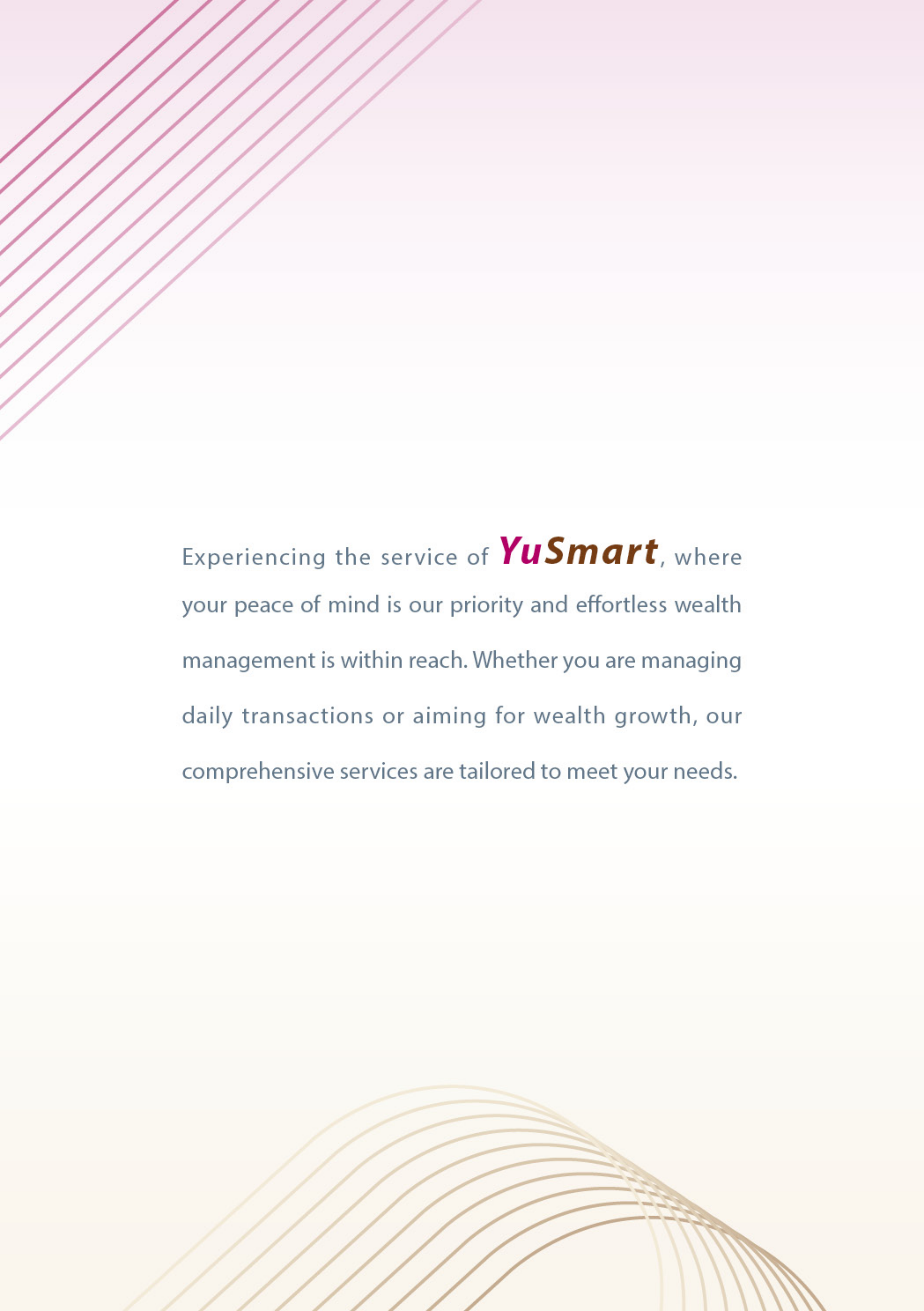


# Service Guide



**集友銀行**  
Chiyu Banking Corporation Ltd.





Experiencing the service of ***YuSmart***, where your peace of mind is our priority and effortless wealth management is within reach. Whether you are managing daily transactions or aiming for wealth growth, our comprehensive services are tailored to meet your needs.





## **Flexible Wealth Management via Diverse Channels**

- Mobile Banking / Internet Banking
- ATM Network
- Branch Network

## **Support by Dedicated Professional Team**

- Professional Financial Services Team
- Online Chat Service
- *YuSmart* Hotline

## **Wealth Management with Comprehensive Solutions**

- Deposits and Foreign Exchange
- Daily Transaction Services
- UnionPay QuickPass
- Investment and Insurance Services
- Loans Services
- e-Alert Service
- Consolidated Monthly Statement

## **Total Relationship Balance Requirements**

## **Important Information**





# Flexible Wealth Management via Diverse Channels

*YuSmart* offers seamless, comprehensive wealth management tailored to your needs. With diverse service channels at your fingertips, you can manage your daily finances, plan your financial strategies, and achieve your goals.

## Simple and Convenient Digital Banking

### Mobile Banking / Internet Banking<sup>1</sup>

- **Fully Functional:** Comprehensive banking services, including inquiries, fund transfers, bill payments, fund management, foreign currencies and securities trading.
- **Real-Time Information:** To help you stay informed about market information and the latest updates beyond financial transactions, including Hong Kong dollar and foreign currency deposit rates, foreign exchange rates, precious metal prices, stock quotes, ATM and branch network details, promotional offers, and more.
- **Safe and Reliable:** Enjoy peace of mind with our robust security technology, knowing that your transactions are conducted safely.

**Download the Chiyu Bank Mobile App now**  
**Experience the privileges of online banking**






### Remarks:

- <sup>1</sup> *YuSmart* customers aged from 11 can enjoy the following services through Internet Banking, Mobile Banking and Phone Banking: account balance enquiry and electronic statement enquiry (only applicable to Internet Banking). *YuSmart* customers aged from 16 even can enjoy the service of foreign currency exchange, time deposit placement and payment for designated bill (only applicable to Internet Banking) etc through Internet Banking, Mobile Banking and Phone Banking. *YuSmart* customers can enjoy the full range of Internet Banking, Mobile Banking and Phone Banking services automatically at the age of 18.



## Extensive Network, Exceptional Convenience

### ATM Network

- **Easy Transactions:** Withdraw cash smoothly, check your balance, transfer funds, and more with a single ATM card<sup>2</sup> at ATMs featuring the  or  logo across Mainland China, Hong Kong, and Macau.
- **Global Withdrawals:** Access your funds at any ATM with  UnionPay logo, at any time.

### Branch Network

- **Branch Network:** Our branch network covers all districts in Hong Kong, allowing the customers to deal with financial management in person.

#### Remarks:

- 2 Only applicable to customers aged 16 or above. The daily cash withdrawal limit of an *YuSmart* customer is HK\$/ RMB30,000 depending on the currency of the transaction. The daily cash withdrawal limit can be adjusted (in multiple of 1,000) from HK\$/ RMB10,000 to HK\$/ RMB30,000 upon the customer's request.

# Support by Dedicated Professional Team

*YuSmart* provides round-the-clock online and offline services, offering efficient and attentive services from daily inquiries to financial planning, ensuring your peace of mind and trust.

## Achieving with Your Financial Goals

### Professional Financial Services Team

- Our professional team attentively listen to your needs and tailor suitable financial advice to help you gaining an early advantage, seizing opportunities, and accumulating wealth.
- Our experienced credit managers are dedicated to assisting you in planning and analyzing early when facing significant life decisions, determining the most appropriate financial solutions to achieve your life goals.

### Online Chat Service<sup>3</sup>

- Our customer service representatives are ready to assist you in real time through the online banking interactive platform, offering 24-hour online chat services to address all your inquiries and difficulties without time or geographical constraints, providing support at all times.

### *YuSmart* Hotline

- Our 24-hour *YuSmart* Hotline (852) 2232 3638 provides a one-stop telephone banking services including account inquiries, conduct securities to investment transactions and make enquiries about other banking services, allowing you to enjoy seamless and flexible banking experience.

#### Remarks:

3 Only applicable to customers who take up *YuSmart* service in sole-name.



# Wealth Management with Comprehensive Solutions

*YuSmart* offers comprehensive financial services, allowing you to oversee your savings, investments, and daily expenses through an integrated account. Our diversified products suit your needs at different milestones and assist you to achieve your dreams.

## Handle Daily Transactions

### Deposits and Foreign Exchange

- **Hong Kong Dollar Savings Account**
- **Multi-Currency Savings Account<sup>4</sup>**
  - Foreign Currency Exchange offers<sup>5</sup>.
  - Set up standing instructions to exchange currency at specified times and rates.
- **Current Account<sup>6</sup>**
  - Auto-Sweeping Service<sup>7</sup> provides you with protection of cheque issuance.
- **Time Deposit Account<sup>4</sup>**
  - Take advantage of preferential interest rates on time deposits.
  - Automatic renewal service available for your convenience.
- **Monthly Deposit Savings Plan<sup>4</sup>**
  - Start saving with Club deposit for a minimum monthly contribution as low as HK\$500 in HKD or RMB.

#### Remarks:

4 Only applicable to customer aged 16 or above.

5 This offer is not applicable to foreign currency banknotes exchange.

6 Only applicable to customer aged 18 or above.

7 *YuSmart* customers can apply for HKD, USD and RMB "Auto-Sweeping Service". The pre-set maximum limit of Auto-Sweeping is HK\$5,000 (for HKD account), US\$600 (for USD account) and RMB4,000 (for RMB account). Customers can re-set the maximum limit, the self-designated maximum limit of Auto-Sweeping is HK\$50,000 (for HKD account), US\$6,000 (for USD account) and RMB40,000 (for RMB account). "Auto-Sweeping Service" is only applicable to the designated Current Account with insufficient fund to settle the cheque at the cut-off time of any Bank's working date, provided the transfer sum does not exceed the maximum limit prescribed by the Bank from time to time or the maximum limit designated by customers. If the total transfer sum exceeds the maximum limit, this "Auto-Sweeping Service" will not be executed even though the amount of one of the cheques is below the maximum limit. If the transfer sum under this "Auto-Sweeping Service" successfully covers the overdraft principal, the overdraft principal will be subject to interest charges at the standard overdraft rates published by the Bank from time to time. Customers are required to pay the accrued interest prior to the day specified by the Bank.



## Daily Transaction Services<sup>4</sup>



### ▪ Payroll Services

- You will receive your salary on payday regardless of the Bank used by your employer.
- Changing your payroll account is easy.

### ▪ Payment Services

- **Direct Debit Authorization** - Easily set up a direct debit authorization to automatically transfer funds to designated merchants or institutions from your chosen account on a regular basis.
- **Bill Payment** - You can make bill payment through our Internet Banking or Mobile Banking including public bills, tax payment, tuition fee, etc. You can also set instructions to forward dated bill payments or regular payments. The bills paid will automatically display in "My Bill List" for easy tracking and pay through again in the future.

## UnionPay QuickPass

- **Seamless Card Payments<sup>8</sup>** - Using a ATM card with the  'UnionPay QuickPass' logo, you can make payments at any point of sale displaying the  "UnionPay QuickPass" logo in Hong Kong or abroad. Enter your password to complete the transaction without card insertion, saving time and avoiding the hassle of cash.

## Seize the Opportunities for Diversified Products

## Investment and Insurance Services<sup>6</sup>

### ▪ Securities Trading

- Access a wide range of local securities trading channels, including Internet Banking, Mobile Banking, Automated Stock Trading Hotline, Manned Investment Trading Hotline, and designated branches.
- **Securities Club<sup>9</sup>** - Provides professional securities services and exclusive privileges to help you seize investment opportunities.

### Remarks:

4 Only applicable to customers aged 16 or above.

6 Only applicable to customers aged 18 or above.

8 Only applicable to ATM cards with "UnionPay QuickPass" function.

9 "Securities Club" comprises four tiers of membership, namely Diamond Star, Gold Star, Silver Star and Bright Star. Customers who maintain securities accounts with Chiyu Banking Corporation Ltd (the "Bank") will automatically become Bright Star members of the Securities Club and their memberships can be upgraded to Diamond Star, Gold Star or Silver Star to enjoy professional securities services and privileges if their accumulated securities transaction amounts or Investment Assets Values can fulfil the specific requirements. For details, please contact the staff of the Bank.



- **Monthly Stock Savings Plan** - Provides various options of selected stocks including RMB denominated securities at your choice. You can choose up to 10 stocks in each plan with contribution amount of as low as HK\$1,000. The preferential transaction fee<sup>10</sup> is charged per plan. You may also enjoy waivers on safe custody and collection fees of shareholder entitlements. You can also sell odd lot stocks at market price.
- **Family Securities Accounts** - You can manage individual family accounts to plan for your family financial management goals.
- **Funds Investment**
  - Explore a comprehensive range of fund and benefit from preferential subscription fees<sup>11</sup> when you invest through Internet Banking or at our branches.
  - **Monthly Funds Savings Plan** - The monthly contribution can be as low as HK\$1,000, flexible and convenient.
- **Diversified Investment Products**
  - We offer a wide range of investment products, including bonds, structured products, foreign exchanges, and precious metals, to suit your investment needs and diversify your asset allocation.
- **Insurance Services<sup>12</sup>**
  - **Life Insurance** - Retirement Protection, Endowment Insurance, and Multi-Currency Insurance Plans.
  - **General Insurance** - Travel Insurance, Medical Insurance and Home Insurance Plan.

#### Remarks:

- 10 A handling fee equivalent to 0.25% of the total monthly contribution amount is charged for each plan. The minimum charge is HK\$/RMB50 per month (including brokerage fee, stamp duty, transaction levy charged by the Securities and Futures Commission of Hong Kong and trading fee charged by Hong Kong Exchanges and Clearing Limited).
- 11 The offer is not applicable to the funds which are entitled with subscription fee waiver of the funds transferred with the same fund house and/or subscribed via "Monthly Funds Savings Plan". The offer is subject to relevant terms and conditions, please contact the staff of the Bank for details. The Bank reserves the right to amend, suspend and to terminate the above products, services, promotional offers, and amend the terms and conditions at any time at its sole discretion without prior notice to customers. In case of any disputes, the decision of the Bank shall be final.
- 12 The related Insurance Plan is underwritten by related Insurance Company, the Bank is an appointed insurance agent for distribution of the Plan. The Plan is a product of related Insurance Company but not the Bank. In respect of an eligible dispute (as defined in the Terms of Reference for the Financial Dispute Resolution Centre in relation to the Financial Dispute Resolution Scheme) arising between the Bank and the customer out of the selling process or processing of the related transaction, the Bank is required to enter into a Financial Dispute Resolution Scheme process with the customer; however any dispute over the contractual terms of the Plan should be resolved between directly related insurance company and the customer. Details of the insurance plans (including detailed terms, conditions and other matters) are subject to the policy of the relevant insurance company.



## Flexible Loans to Achieve Your Dreams

### Loans Services<sup>6</sup>

- Mortgage Services
- Personal Loan

**To borrow or not to borrow? Borrow only if you can repay!**

## Important Information, Real-Time Reminders

### e-Alert Service<sup>13</sup>

- Stay informed with our customised e-alerts, delivered via email or SMS. Receive immediate notifications for important updates, such as payroll dates and time deposit maturity dates.
- Get real-time alerts on stock prices, information about IPOs, foreign exchange transactions, and more, keeping you on top of market dynamics so you can manage your financial decisions with ease.

## Clear and Concise Comprehensive Statements

### Consolidated Monthly Statement

- A detailed overview of all your registered accounts, including balances and transaction records, to review your personal financial status at a glance. You can also access your environmentally-friendly electronic statements through Internet Banking conveniently.

#### Remarks:

6 Only applicable to customers aged 18 or above.

13 Please login to Internet Banking for details of e-Alert service and e-Subscription service.



# Total Relationship Balance<sup>14</sup>

## Requirements

At YuSmart, you can enjoy a wide range of services and offers simply by maintaining a “Total Relationship Balance” of HK\$10,000 or more.

### Total Relationship Balance

- **Includes the monthly value of the following items under the customer’s name:**
  - The average amount of the total day-end balance of the deposit balance in the savings and current accounts
  - The principal amount of time deposits
  - Contributed amounts of the Club Deposits
  - Value of the investment assets<sup>15</sup> (including Securities, Securities Margin, Bonds, Funds, Equity Linked Investments, Currency Linked Investments, FX Margin, Precious Metals)
  - Utilised overdraft balance under the current accounts
  - Cash value of the life insurance plans<sup>16</sup>
  - Outstanding balance of other loans<sup>17</sup>
  - The vested balance of the Mandatory Provident Funds (“MPFs”) <sup>18</sup>
  - Mortgage Payments<sup>19</sup>
  - The “Total Relationship Balance” of the Master Customer of “Business Integrated Account”<sup>20</sup>
- The “Total Relationship Balance” under the customer’s name includes the “Total Relationship Balance” of all his/her sole-name and joint-name accounts.
- Actual monthly calculation period starts from the last business day of the previous month to the day before last business day of the prevailing month.
- All foreign currency balances are calculated based on exchange rates quoted by the Bank from time to time.
- The relevant calculation results shall be subject to the Bank’s records.

#### Remarks:

- 14 For details of “Total Relationship Balance”, please contact the staff of the Bank or visit our website [www.chiyubank.com](http://www.chiyubank.com) (Home>Personal Banking>Service Charges).
- 15 The Bank calculates the daily market value according to the features of investment products. Unsettled bought quantities of the stock are excluded while securities collateral is included.
- 16 Only apply to life insurance plans distributed by the Bank as an insurance agent. Cash value of the policy is subject to the relevant insurance policy provisions.
- 17 Other loans refer to the loan products provided by the Bank excluding the overdraft under the current accounts and mortgage loans.
- 18 Only apply to the MPFs with BOCI-Prudential Trustee Limited as the Trustee.
- 19 (i) Excludes any prepayment amount; (ii) For the “Chiyu Ideal” Mortgage Scheme, the next monthly minimum payment will be counted.
- 20 Only apply to the sole proprietorships owned by the personal customers (for sole-name account only) who maintain “Wealth Management” service with the Bank. Such sole proprietorship holds the “Business Integrated Account” with the Bank and the customer has registered with the Bank to add the “Total Relationship Balance” of the Master Customers to his/her individual “Total Relationship Balance”. For the details of “Total Relationship Balance” of “Business Integrated Account”, please refer to the relevant product leaflets, and terms and conditions for the services.



# Important Information

You can contact us by using the following information:

## Contact Information

Chiyu Banking Corporation Ltd website	www.chiyubank.com
YuSmart Customer Service Hotline	(852) 2232 3638
Manned Trading Hotline	(852) 2232 3882
24-hour ATM Card Services Hotline	(852) 2232 3233

## Getting Started with Banking Services

### First-Time login to Internet Banking and Mobile Banking

- After receiving the password of Internet Banking, you can login to Internet Banking via Chiyu Bank's website [www.chiyubank.com](http://www.chiyubank.com). By following the instruction, you may change the default password to enjoy our Internet Banking and Mobile Banking services.

### Activate ATM Card Service

- After receiving the password of ATM card, you can easily activate your ATM service. Simply follow the instructions to change the default password via ATMs of Chiyu Banking Corporation Limited or **Jetco** network.

## Self-service Banking Information

### Daily transaction limit for Self-service Banking

- Maximum Daily Limit of Cash Withdrawal

Default Daily Cash Withdrawal Limit	Limit for Adjustment
30,000 <sup>(Note 1)</sup>	10,000 to 30,000 <sup>(Note 1)</sup> (per 1,000)

Note 1: The daily cash withdrawal limit is based on HKD (for HKD or non-RMB foreign currency cash withdrawal) or RMB, depending on the currency of transaction. The exchange rates for calculation of the limit for cash withdrawal of foreign currencies (excluding RMB) at ATMs outside Hong Kong are subject to the daily exchange rates prescribed by network service provider at the time of the transaction.






- Daily limits for transfers to other accounts of the same currency, and for EPS and UnionPay POS:

Default Daily Limit	Limit for Adjustment
50,000 <sup>(Note 2)</sup>	0 to 50,000 <sup>(Note 2)</sup> (per 1,000)

Note 2: Depending on the transaction currency, the daily limit to other accounts of the same currency other than the card, and the card spending limit for EPS and UnionPay, are calculated in HKD or RMB.

- **Daily transfers limit among registered account:**  
No daily limit for transfer in same currency among registered accounts.
- **Daily bill payments limit:**  
Daily bill payments limit via "JET PAYMENT" and "PPS" is HK\$100,000 (not applicable to the ATM Card (RMB) and RMB accounts linked to ATM Card).
- **ATM cash withdrawal outside Hong Kong and withdrawal limit:**  
Prior to perform ATM cash withdrawal outside Hong Kong, customers are required to activate their ATM Card in used, as well as to set up the valid day range and cash withdrawal limit (depending on region, card type and ATM networks). The maximum withdrawal limit of each of the ATM Card owned by customers must be lower than the daily cash withdrawal limit of the customers.

## Table of Service Charges

Type of Transaction		Service Charges	
ATM cash withdrawal in the Mainland of China and Macau via "JETCO 		HK\$20 per withdrawal	
ATM Card	Cash withdrawal <b>outside Hong Kong</b> via ATMs of "UnionPay  " network (Also applicable to "UnionPay QRC Withdrawal" via other bank's ATMs).*	Cash withdraw from RMB account	RMB 50 per transaction
		Cash withdraw from HKD account	HK\$ 50 per transaction
	Cash withdrawal <b>within Hong Kong</b> via ATMs of "UnionPay  " network (Also applicable to "UnionPay QRC Withdrawal" via other bank's ATMs).*	Cash withdraw from RMB account	RMB 15 per transaction
		Cash withdraw from HKD account	HK\$ 15 per transaction

\*For transaction conducted via the UnionPay network, if the transaction currency is HKD or RMB, the transaction amount will be converted at the exchange rates set by the Bank at the time of the transaction (exchange rate can be checked at the Bank's website). If the transaction currency involves currency other than HKD or RMB, the transaction amount will be converted directly at the daily exchange rates set by China UnionPay at the time of the transaction (exchange rate can be checked at the website of China UnionPay).



## **To borrow or not to borrow? Borrow only if you can repay!**

### **General Terms and Conditions:**

- *YuSmart* service is only applicable to personal customer in sole name.
- The above products, services and offers are subject to the relevant terms.
- This Service Guide offers a brief summary of the relevant products, services and offers provided by *YuSmart*. For details of the products, services, offers and the relevant terms and conditions, please contact the staff of the Bank or visit [www.chiyubank.com](http://www.chiyubank.com).
- Unless otherwise specified, the above offers cannot be used in conjunction with other privileges that are not stipulated in this Service Guide.
- The Bank is the insurance agent of the above-mentioned insurance services.
- The Bank reserves the right to amend, suspend or terminate the above products, services and offer, and to amend the relevant terms and the Service Guide at any time at its sole discretion without prior notice.
- In case of any dispute, the decision of the Bank shall be final.
- Should there be any discrepancy between the Chinese and English versions of this Service Guide, the Chinese version shall prevail.

### **Terms and Conditions of Auto-Sweeping Service (the “Terms”):**

“Auto-Sweeping Service” is a service available to the customer’s designated current account with insufficient fund to settle cheque(s) at the cut-off time specified by the Bank and where there is cheque clearing service. The Bank will automatically transfer a sum equal to the shortfall from the customer’s designated savings account to the designated current account on the following day after a cheque is cleared, provided that the transfer sum does not exceed the maximum limit prescribed by the Bank from time to time or the maximum limit designated by the customer and subject to the terms and conditions as set out in Clause 1.1 to 1.10 below. If the total transfer sum exceeds the maximum limit, the “Auto-Sweeping Service” will not be executed even though the amount of one of the cheques is below the maximum limit.

#### **1. “Auto-Sweeping Service”**

##### **1.1. Definitions and Interpretation**

- 1.1.1. “Account Holder(s)” means the holder(s) of the Funds Recipient Account and the Funds Source Account;
- 1.1.2. “Business Day” shall mean a day other than a Saturday, Sunday or public holiday on which (a) banks are open for business in Hong Kong or (b) to the extent a particular service is concerned, such service is made available by the Bank;
- 1.1.3. “Cut-off Time” means such time of the Business Day designated by the Bank from time to time for determination of the Overdrawn Principal;
- 1.1.4. “Overdrawn Principal” means the total amount of principal overdrawn on the “Funds Recipient Account” as at the Cut-off Time of the Business Day, or the total amount of cheques debited from the “Funds Recipient Account” on that Business Day, whichever is lower;
- 1.1.5. “Funds Recipient Account” means such current account under the name of the Account Holder(s) held with the Bank, which is designated by the Account Holder(s) and accepted by the Bank as “Funds Recipient Account”;
- 1.1.6. “Funds Source Account” means such savings account in the same currency as that of the “Funds Recipient Account” under the name of the Account Holder(s) held with the Bank, which is designated by the Account Holder(s) and accepted by the Bank as “Funds Source Account”.



- 1.2. Subject to these Terms, the Bank shall provide this Auto-Sweeping Service to the Account Holder(s).
- 1.3. If the "Funds Recipient Account" is overdrawn by cheque(s) at the Cut-off Time on any Business Day, the Bank will automatically transfer a sum equal to the Overdrawn Principal ("Transfer Sum") from the "Funds Source Account" to the "Funds Recipient Account" on the following day after a cheque is cleared, upon fulfilling the following conditions:
  - (a) before such transfer, the amount of the available secured overdraft facility in "Funds Recipient Account" is lower than the Overdrawn Principal (if applicable) or there is no secured overdraft facility in "Funds Recipient Account"; and
  - (b) the amount of the available cleared funds in the "Funds Source Account" is greater than or equal to the Overdrawn Principal before such transfer; and
  - (c) the Overdrawn Principal must not exceed the maximum limit prescribed by the Bank from time to time at its absolute discretion, or the maximum limit designated by the Account Holder(s) from time to time.
- 1.4. The Overdrawn Principal will be subject to interest charges at the standard overdraft rates published by the Bank from time to time. Customers are required to pay the accrued interest prior to the day specified by the Bank.
- 1.5. For the avoidance of doubt, this Auto-Sweeping Service is only applicable to overdraft of the "Funds Recipient Account" due to any drawing of cheque(s) from that account. However, despite any automatic transfer effected by the Bank through this Auto-Sweeping Service, the Bank is not obliged to transfer any part of the Transfer Sum from the "Funds Recipient Account" back to the "Funds Source Account" if any cheque drawn on the "Funds Recipient Account" cannot be cleared for whatever reason.
- 1.6. It is the Account Holder(s)' responsibility to monitor and maintain sufficient available cleared funds in the "Funds Source Account" from time to time in order that all applicable instructions, obligations and liabilities on the "Funds Source Account" owed to the Bank or any third party (including any Autopay or direct debit instructions) can be met and/or discharged when any automatic transfer is effected by the Bank from time to time through this Auto-Sweeping Service.
- 1.7. Without prejudice to the generality of the foregoing provisions, the Bank may refuse to perform this Auto-Sweeping Service at any time without notice and without liability if the "Funds Recipient Account" or/and the "Funds Source Account" is/are frozen for any reason.
- 1.8. Accounts registered for this Auto-Sweeping Service must be accounts held with the Bank.
- 1.9. Subject to these Terms, if the relevant transfers are not qualified for this Auto-Sweeping Service, any other arrangements which have already been in existence between the parties regarding "Funds Recipient Account", "Funds Source Account", or other accounts or services will be implemented by the Bank accordingly. For the avoidance of doubt, and without prejudice to anything provided hereof, the transfers rendered under this Auto-Sweeping Service are governed by these Terms, and that any transfer or transaction provided or rendered under any other arrangements are to be governed by the existing agreements entered into between the parties.
- 1.10. If you are having Auto-Sweeping service, the daily Overdrawn Principal limit will be determined by the highest customer class you maintained in our bank.

Remark: Auto-Sweeping Service is only applicable to customers designated by the Bank from time to time. Please contact the staff of the Bank for details of designated customers.



## Risk Disclosure / Important Notes:

### Risk Disclosure of Trading of Listed RMB Products:

- **Investment / Market Risk:** Like any investments, RMB equity products are subject to investment risk. The price of the RMB equity products in the secondary market may move up or down. Losses may incur as a result of investing in the products even if the RMB appreciates against HKD or other currencies.
- **Currency Risk:** If you are a non-Mainland investor who holds a local currency other than RMB, you will be exposed to currency risk if you invest in RMB equity products. You will incur currency conversion costs, being the spread between buying and selling of RMB, at the time of conversion between your local currency and RMB for the purchase or sale of an RMB equity product. Even if the price of the RMB equity products you are holding remains unchanged, you may not receive the same amount of HKD when you sell the products due to the spread between buying and selling of RMB. RMB is a restricted currency and is subject to foreign exchange controls. Although the Chinese Central Government has relaxed the restrictions by allowing banks in Hong Kong to conduct RMB business in a specified scope, RMB is still not freely convertible in Hong Kong. You may not be able to convert RMB at your preferred time and/or in your preferred amount or conversion cannot be made, which may lead to investment losses. The policies of the Central Government of the PRC on foreign exchange control are subject to change, and your investment may be adversely affected.
- **Exchange Rate Risk:** RMB equity products that are traded and settled in RMB are exposed to exchange rate risk. The fluctuation in the exchange rate of RMB may result in losses in the event that the customer converts RMB into HKD or other foreign currencies. Moreover, there is no guarantee that RMB will not depreciate. Any devaluation of RMB could adversely affect the value of your investment in the RMB equity products. RMB equity products are not an investment instrument for speculating on RMB/HKD exchange rate movements.
- **Default Risk & Credit Risk:** In general, RMB equity products are exposed to the usual kind of default risks that might be associated with equity products denominated in other currencies. The performance of RMB equity products is affected by the underlying business performance and a variety of other factors in connection with the issuers, and is subject to the credit risks associated with the special profile or special business strategy that the issuers may have.
- **Emerging Market Risk:** RMB equity products associating with the market of the Mainland of China are particularly subject to risks that may arise from the relevant market/industry/sector and other factors such as change in government policies, taxation and political development in the Mainland.
- **Conversion Limitation Risk of RMB:** RMB investments are subject to exchange rate fluctuations which may provide both opportunities and risks. The fluctuation in the exchange rate of RMB may result in losses in the event that the customer converts RMB into HKD or other foreign currencies. RMB is currently not fully freely convertible. Individual customers can be offered CNH rate to conduct conversion of RMB through bank accounts and may occasionally not be able to do so fully or immediately, for which it is subject to the RMB position of the banks and their commercial decisions at that moment. Customers should consider and understand the possible impact on their liquidity of RMB funds in advance. Investors should note the risks of concentration of investment in a single country/region or market.

### Risk Disclosure of Securities Trading:

The prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profits made as a result of buying and selling securities.



### Risk Disclosure of Securities Margin Service:

- The risk of loss in financing a transaction by deposit of collateral is significant. Due to the prices of securities fluctuate, sometimes dramatically, you may sustain losses in excess of your cash and any other assets deposited as collateral with us. Market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop-limit" orders so as to limit your losses. You may be called upon at short notice to make additional margin or interest payments. If the required margin or interest payments are not made within the prescribed time, your collateral may be liquidated without your consent. Moreover, you will remain liable for any resulting deficit in your account and interest charged on your account. You should therefore carefully consider whether such a financing arrangement is suitable in light of your own risk tolerance, investment experience, financial situation, investment objectives, investment horizon and investment knowledge. It is likely that losses will be incurred rather than profits made as a result of buying and selling securities.
- You are reminded to understand the relevant details, risks, charges and important notes before investing in Shanghai A shares or Shenzhen A shares. For details, please read the "Important Notice of Trading China A Shares and A Shares Margin Trading via Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect" in our website or contact the staff of the Bank.

### Risk Disclosure of Trading A Shares via Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect:

- **Not protected by Investor Compensation Fund:** Investors should note that any SH Northbound Trading or SZ Northbound Trading under Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. Also, China Securities Investor Protection Fund will not protect any SH Northbound Trading and SZ Northbound Trading as well.
- **Quotas used up:** When the daily quota is used up, acceptance of the corresponding buy orders will also be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will be continued to be accepted.
- **Trading day difference:** As mentioned above, Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect will only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So, it is possible that there are occasions when it is a normal trading day for the Mainland China market but Hong Kong investors cannot carry out any A-share trading. Investors should take note of the days Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect is open for business and decide according to their own risk tolerance capability whether or not to take on the risk of price fluctuations in A-shares during the time when Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect is not trading.
- **Restrictions on selling imposed by front-end monitoring:** For investors who usually keep their A-shares outside of their brokers, if they want to sell certain A-shares they hold, they must transfer those A-shares to the respective accounts of their brokers before the market opens on the day of selling (T day). If they fail to meet this deadline, they will not be able to sell those A-shares on T day.
- **The recalling of eligible stocks:** When a stock is recalled from the scope of eligible stocks for trading via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect for above-mentioned reasons, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of investors. Investors should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by both Exchanges.



- **Risks of client assets received or held outside Hong Kong:** Client assets received or held by the licensed or registered person outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance (Cap.571) and the rules made thereunder. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

#### **Risk Disclosure of Foreign Currency Trading:**

Foreign currency investments are subject to exchange rate fluctuations which may provide both opportunities and risks. The fluctuation in the exchange rate of foreign currency may result in losses in the event that the customer converts the foreign currency into HKD or other foreign currencies. Currency exchange is also subject to cost (being the spread between the buy and sell of relevant currencies).

#### **Risk Disclosure in respect of FX Margin Trading:**

The risk of loss in leveraged foreign exchange trading can be substantial. You may sustain losses in excess of your initial cash margin. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily 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 deposit additional cash margin. If the required cash 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 cash 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.

#### **Risk Disclosure of Currency Linked Investments:**

Currency Linked Investment is designed to be held till maturity. Once the transaction for this product is confirmed, no partial or full withdrawal will be allowed before maturity. Currency Linked Investment is not secured by any collateral. You will be taking the credit risk of the Bank. In the worst case, you could suffer a total loss of your principal amount and the potential interest amount. Investing in Currency Linked Investment is not the same as buying the linked currency directly. Currency Linked Investment - Dual Currency Investment is not principal protected. In the worst case scenario, you could lose all of the principal amount and the interest amount. Currency Linked Investment - Option Linked Investment is principal protected only if held till maturity. Currency Linked Investment is a structured product involving derivatives. The investment decision is yours but you should not invest in this product unless the intermediary who sells it to you has explained to you that this product is suitable for you having regard to your financial situation, investment experience and investment objectives. Currency Linked Investment is NOT equivalent to, nor should it be treated as a substitute for, time deposit. This product is not a protected deposit and is not protected by the Deposit Protection Scheme in Hong Kong.

#### **Risk Disclosure of Fund:**

- Investment in Investment Funds involves significant risks. It is impossible to describe every risk associated with such an investment that is relevant to you. Before making your investment decision, you should carefully read the offering documents of the relevant Investment Fund including, in particular, the sections about risks and ensure you fully understand the nature and all the risks associated with an investment in the relevant Investment Fund and are willing to assume such risks.
- Before making any investment decision, customers should assess their own financial position, investment objectives and experience, willingness and ability to bear risks and understand the nature and risk of the relevant product. Customers should seek advice from an independent financial adviser.



- Although investment may bring about profit opportunities, each type of investment product or service comes with its own risks. Due to the fluctuating nature of the markets, the prices of products may rise or fall beyond customers' expectations and customers' investment funds may increase or decrease in value as a result of selling or purchasing investment products. Loss may equal or exceed the amount of the initial investment. Income yields may also fluctuate.
- Due to market conditions, some investments may not be readily realizable.
- Investment in Investment Funds is different to placing moneys on deposit with us or anywhere else. The Investment Funds are not our or any of our affiliates' deposit or other obligations, nor are they guaranteed by us or any of our affiliates.
- Certain Investment Funds may invest in higher yielding securities rated lower than investment grade (i.e. debt securities rated below BBB- by Standard & Poor's or below Baa3 by Moody's). Below investment grade securities may be considered speculative and can include securities that are unrated or in default. As a result, investment in those Investment Funds is subject to a higher degree of credit risk than investment in higher rated, lower yielding securities.
- Prior to investing in any Investment Fund, you should carefully consider (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange control requirements which you might encounter under the laws of the countries of your incorporation, citizenship, residence or domicile which might be relevant to the purchase, sale, subscription, holding, switching or disposal of the shares or units in Investment Funds.
- The returns of the investment fund are calculated in its base currency. If your home currency is different from the Investment Fund currency or the Investment Fund's reference currency, changes in currency exchange rates may erode your investment gains or widen your investment losses.
- Foreign currencies / RMB investments are subject to exchange rate fluctuations which may provide both opportunities and risks. The fluctuation in the exchange rate of foreign currencies / RMB may result in losses in the event that the customer converts the foreign currencies / RMB into HKD or other foreign currencies.

### **Risk Disclosure of Debt Securities Trading:**

The prices of debt securities fluctuate, sometimes dramatically. The price of a debt security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling debt securities.

### **Risk Disclosure of Equity Linked Investments:**

Our ELIs are complex products. ELIs are not time deposits and are unlisted structured investment products containing derivatives, they are not covered by the Investor Compensation Fund. ELIs are not principal protected, so you could lose all of the principal amount and the interest amount. You should exercise caution in relation to our ELIs. Before you decide whether to invest in our ELIs, you should read this information memorandum, the financial disclosure document, the relevant product booklet and the relevant indicative term sheet (including any addendum to this information memorandum, the financial disclosure document and/or the relevant product booklet as set out in the relevant indicative term sheet) (together "Offer Documents"), be willing to assume the risks associated with such an investment, and seek independent professional advice when needed.



### **Risk Disclosure of Precious Metals:**

The market in precious metals is volatile and a loss may be incurred from transacting in precious metals. Precious metals do not bear interest. Your purchase of precious metals for the account does not represent a purchase of physical metals or a deposit of money. You will not have any interest in any precious metals owned or held by us or be entitled to physical delivery of precious metals. Although investment may bring about profit opportunities, each kind of investment tool comes with its own risks. Due to the fluctuating nature of the precious metals markets, the prices of precious metals may rise or fall beyond your expectations and your investment funds may increase or decrease in value as a result of selling and purchasing of precious metals. Before making any investment decision, you should assess your own willingness and ability to bear risks and are advised to seek advice from an independent financial advisor.

### **Important Notes of Insurance:**

- The life insurance plan that is underwritten by BOC Group Life Assurance Company Limited ("BOC Life") /China Life Insurance (Overseas) Company Limited ("China Life (Overseas)"). The general insurance plan that is underwritten by Bank of China Group Insurance Company Limited ("BOCGI")/ China Taiping Insurance (HK) Company Limited ("CTPI(HK)"). The Bank is the major insurance agency appointed by corresponding insurers.
- BOC Life / China Life (Overseas) / BOCGI / CTPI(HK) ('insurers') are authorised and regulated by the Insurance Authority to carry on long term life insurance business and general insurance business in the Hong Kong Special Administrative Region of the People's Republic of China.
- The Bank is granted an insurance agency licence under the Insurance Ordinance (Cap. 41 of the Laws of Hong Kong) by Insurance Authority in Hong Kong SAR. (insurance agency licence no. FA2899).
- Insurers reserve the right to decide at its sole discretion to accept or decline any application for the Plan according to the information provided by the proposed Insured and the applicant at the time of application. The Plan and the supplementary riders are subject to the formal policy documents and provisions issued by Insurers. Detailed terms and conditions are subject to the official policy document issued by Insurers. Please refer to the relevant policy documents and provisions for details of the insured items and coverage, provisions and exclusions.
- The Bank is the appointed insurance agency of insurers for distribution of life / general insurance products. The life / general insurance product is a product of insurers but not the Bank.
- Insurers reserve the right to amend, suspend or terminate the Plan at any time, and to amend the relevant terms and conditions. In case of dispute(s), the decision of Insurers shall be final.
- In respect of an eligible dispute (as defined in the Terms of Reference for the Financial Dispute Resolution Centre in relation to the Financial Dispute Resolution Scheme) arising between the Bank and the customer out of the selling process or processing of the related transaction, the Bank is required to enter into a Financial Dispute Resolution Scheme process with the customer; whilst any dispute over the contractual terms of the Plan should ultimately be resolved between the Insurance Company and the customer, where practicable and appropriate, the Bank will provide reasonable assistance to the customer in the dispute resolution process.

### **Risk Disclosure of RMB Insurance Services:**

RMB policies are subject to exchange rate risk. The exchange rate between RMB and HKD may rise as well as fall. Therefore, if calculated in HKD, premiums, fees and charges (where applicable), account value/surrender value and other benefits payable under RMB policy will vary with the exchange rate. The exchange rate between RMB and HKD will be the market-based prevailing exchange rate determined by insurer from time to time, which may not be the same as the spot



rate of banks. The fluctuation in exchange rate may result in losses if a customer chooses to pay premiums in HKD, or requests the insurer to pay the account value/surrender value or other benefits payable in HKD, for RMB policy. RMB is currently not fully freely convertible. Individual customers can be offered CNH rate to conduct conversion of RMB through bank accounts and may occasionally not be able to do so fully or immediately, for which it is subject to the RMB position of the banks and their commercial decisions at that moment. Customers should consider and understand the possible impact on their liquidity of RMB funds in advance.

**Important Notes:**

The above risk disclosure statements cannot disclose all the risks involved. You should undertake your own research and study before your trade or invest. You should carefully consider whether trading or investment is suitable in light of your own financial situation, investment experience, investment objectives, risk tolerance and ability to understand the nature and risks of the relevant product. You are advised to seek independent financial and professional advice before you trade or invest. You should seek independent professional advice if you are uncertain of or have not understood any aspect of the following risk disclosure statements or the nature and risks involved in trading or investment.

The investment decision is by yours but you should not invest in any investment product unless the intermediary who sells such investment product to you has explained to you that the product is suitable for you having regard to your financial situation, investment experience and investment objective. Investments (include RMB investments) involve risks, you should read carefully the relevant offering documents and risk disclosures of the relevant products for details.

This Service Guide does not constitute any offer, solicitation, recommendation, comment or any guarantee to buy, subscribe, or trade of any investment product or service.

This Service Guide is issued by Chiyu Banking Corporation Ltd. and the contents have not been reviewed by the Securities and Futures Commission of Hong Kong.