

CHONG HING BANK LIMITED (“Bank”)
Account Rules – Amended Clauses

With effect from 3 June 2011, the Bank’s Account Rules will be amended as follows:

1. Amendments to Clause 1 of Section I – Definitions

(i) The following new definitions shall be added to Clause 1.1 :

- **“Additional Settlement Account”** means an account opened and maintained by a Direct Participant with SI as specified in Rule 3.1.1 of the US Dollar Clearing House Rules which (a) is in addition to the Settlement Account; (b) has the characteristics set out in the Operating Procedures; (c) complies with the provisions contained in the Operating Procedures; and (d) is for the purpose of making or receiving certain types of payment identified as being the account to or from which the payment is made by the code in the payment instruction for that payment;
- **“Articles”** means Paper Cheques, ECG items and Credit Card items;
- **“CCASS”** means the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited (or any successor system operated by any person);
- **“Card Agent”** means a Direct Participant who is appointed by a Credit Card Company to (a) act as its agent bank to present the settlement file of its Credit Card items to the Clearing House for processing; and/or (b) act as a settlement agent for the Credit Card Company as the case may be;
- **“Credit Card Company”** means China Unionpay Co., Ltd or any other Credit Card Companies permitted by SI and MA and as notified by HKICL to Members from time to time, and “Credit Card Companies” means China Unionpay Co., Ltd and any other Credit Card Companies permitted by SI and MA and as notified by HKICL to Members from time to time;
- **“Credit Card items”** means payment instructions for net settlement regarding transactions processed by a Credit Card Company for its members, generated by a Credit Card Company’s Card Agent;
- **“Designated Settlement Account”** means in respect of any payment (a) the Settlement Account; or (b) the Additional Settlement Account which in either case is identified as being the account to or from which the payment is made by the code in the payment instruction for that payment;
- **“Direct Participant”** means a Member which maintains a Settlement Account with SI;
- **“ECG”** means the various types of electronic payments to be cleared and settled through CHATS on a bulk clearing basis as provided by the US Dollar Clearing House Rules, including for the time being CCASS Items (but excluding Credit Card items);
- **“ICU”** means an institution (other than a Member) whose CHATS Transactions (including CHATS Transactions in respect of Credit Card items but excluding other Articles) are cleared and settled through a Direct Participant and “its ICU” means, in relation to a Direct Participant, an ICU with respect to whom it is agreed with that Direct Participant that its CHATS Transactions (including CHATS Transactions in respect of Credit Card items but excluding other Articles) be settled through such Direct Participant’s Designated Settlement Account;
- **“Indirect Participant”** means a Member other than a Direct Participant; and “its Indirect Participant” means, in relation to a Direct Participant, an Indirect Participant with respect to whom it is agreed with that Direct Participant that its payments be settled through such Direct Participant’s Designated Settlement Account;
- **“Indirect Participating Card Member”** means a member of a Credit Card Company who is not a Direct Participant, Indirect Participant or ICU, and whose Credit Card items are settled through a Direct Participant which acts as a Settlement Agent and “its Indirect-participating Card Member” means, in relation to a Direct Participant, an Indirect-participating Card Member with respect to whom it is agreed with that Direct Participant that its Credit Card items be settled through such Direct Participant’s Settlement Account;
- **“Operating Procedures”** means the operating procedures issued by HKICL pursuant to Rule 2.5 of the US Dollar Clearing House Rules and for the time being in force;
- **“Regional CHATS Payments”** means payment instructions relating to cross-border transactions (as identified by designated payment codes for such transactions) input by a Direct Participant in favour of a Service Provider (which, for the avoidance of doubt, may include that Direct Participant), effected through CHATS;
- **“Service Provider”** means a Direct Participant who registers with HKICL as such and authorizes HKICL to provide its correspondent banks’ information in accordance with Rule 6.8 of the US Dollar Clearing House Rules to enable Direct Participants to effect Regional CHATS Payments through CHATS to that Direct Participant for its onward transmission to the correspondent bank designated by the relevant Direct Participants;
- **“Settlement Account”** means the account opened and maintained by a Direct Participant with SI as provided in Rule 3.1.1 of the US Dollar Clearing House Rules and which complies with the requirements contained in the Operating Procedures;
- **“Settlement Agent”** means a Direct Participant which settles Credit Card items of (a) its Indirect Participants, (b) its ICUs and/or (c) its Indirect-participating Card Members, as the case may be, through its Settlement Account.

(ii) The term “PDPO Notice” in Clause 1.1 shall be amended to “PICS Notice”.

2. Amendments to Clause 20 of Section I – Privacy Policy and Disclosure of Information

(i) The existing Clause 20.1 (a) shall be deleted.

(ii) The existing Clause 20.1 (b) shall be renumbered as 20.1.

(iii) The existing Clause 20.2 shall be deleted.

(iv) The existing Clause 20.3 shall be renumbered as 20.2 and amended as follows :

“The Customer confirms having received, read and understood the Bank’s Notice to Customers and other Persons relating to the Personal Data (Privacy) Ordinance and data policies of the Bank. The Customer agrees to be bound by it. Without prejudice to Clause 20.2, the Customer agrees to be bound by the terms and conditions in the PDPO Notice, a copy of which the Customer has received and to the use of personal data about him in the manner referred to in the PDPO Notice, and agrees that the provisions of the PDPO Notice shall apply generally to the Bank’s treatment of personal data about him. If the Customer is not an individual it shall ensure that all individual agents and staff members who in the course of their dealings with the Bank with respect to the operation and maintenance of the Customer’s Accounts are or may be obliged to provide their personal data to the Bank have read, understood and agreed to the provisions of the PICS PDPO Notice.”

(v) The existing Clause 20.4 shall be deleted.

(vi) The existing Clause 20.5 shall be renumbered as 20.3.

3. Amendments to Part B of Section II – Individual Renminbi savings Accounts, fixed deposit Accounts and Services

(i) Clause 1.1 shall be amended as follows :

“The Individual Renminbi Services are regulated by the People’s Bank of China, the State Administration of Foreign Exchange of the People’s Republic of China, the Hong Kong Monetary Authority and/or other authorities or entities (as the case may be) specified by the Bank from time to time, together with the rules, regulations and guidelines promulgated by these authorities, entities and the clearing bank for Renminbi in Hong Kong from time to time. Any changes to those rules, regulations and guidelines may have immediate effect if so required by any regulator or other authority in Hong Kong or the Mainland China or by the clearing bank for Renminbi clearing and settlement services in Hong Kong. The Bank reserves the right to amend these terms and conditions should there be any change to those rules, regulations and guidelines and will notify the Customer of any such amendment as soon as practicable.”

- (ii) Clause 1.4 shall be amended as follows :
 “All Renminbi Accounts are denominated in Renminbi and all funds transferred or otherwise credited thereto shall be first converted into Renminbi at the spot rate of exchange adopted by the Bank subject to such other rules and limits as the Bank may stipulate from time to time. Conversions from Hong Kong Dollars (or any other currency) to Renminbi shall be subject to any daily maximum limit as the Bank may from time to time specify. The Bank may refuse to facilitate any direct currency exchange ~~otherwise than~~ between Renminbi and ~~Hong Kong Dollars~~ another currency.”
- (iii) The following new Clause 1.7 shall be inserted after the existing Clause 1.6 in Part B of Section II :
 “The Bank may:
 (a) take any action, with or without notice to the Customer, to comply with any requirements of the clearing bank for Renminbi clearing and settlement services in Hong Kong, any agent bank in mainland China through which the Bank conducts Renminbi clearing and settlement services, or any regulator or other authority in Hong Kong or mainland China;
 (b) without prejudice to clause 1.7 (a) above, provide any information about the Customer, its accounts and transactions to any entity referred to in clause 1.7(a) above;
 (c) delay or decline, without giving reason and without liability, to execute any instructions of the Customer or to accept any Renminbi deposit; and
 (d) at any time in any way vary, suspend, withdraw or terminate all or any part of the Individual Renminbi Services, or impose any conditions or restrictions, whether or not any such action applies to any other customers of the Bank.”
- (iv) Clause 2.1 shall be amended as follows :
 “~~The Bank only accepts Renminbi banknotes for cash deposit into saving Accounts and may refuse to accept any Renminbi banknotes-funds to be deposited into a Renminbi savings Account without giving any reason. Deposits may also be made by transfer of funds from other Renminbi Accounts maintained with the Bank or by way of crediting into the Renminbi savings Account any Renminbi fund converted from Hong Kong Dollars in which case the amount so converted shall be subject to any daily maximum limit as the Bank may from time to time specify.~~”
- (v) Clause 2.2 shall be amended as follows :
 “Withdrawal or transfer of funds can be made in Renminbi or Hong Kong Dollars (after conversion into Hong Kong Dollars at the spot rate of exchange adopted by the Bank). Withdrawal of Renminbi banknotes shall be subject to availability at different branch offices of the Bank or prior arrangement. ~~Transfer of funds in Renminbi shall only be facilitated if the transferee account is maintained with the Bank.~~ Any withdrawal or transfer in Hong Kong Dollars shall be subject to any daily maximum limit as the Bank may from time to time specify. The Bank may refuse to transfer any Renminbi funds or part at its sole discretion without giving any reason or prior notice.”
- (vi) Clause 5.2 shall be amended as follows :
 “~~If the amount of conversion exceeds the daily maximum limit as the Bank may from time to time specify, each transfer of Renminbi fund shall be equal to the daily maximum limit (or integral multiples thereof) as the Bank may from time to time specify. If the transfer amount is larger than the applicable daily maximum limit, the Bank may, without notice to the Customer, refuse to execute the standing instruction or execute the standing instruction for such number of consecutive Business Days as the Bank may reasonably require. The Bank may, without notice to the Customer, postpone to execute a standing instruction where to do so will exceed the daily maximum limit of Renminbi fund which the Customer is allowed to convert. Subject to clause 5.3 below, a standing instruction will cease to have any effect if the transfer amount has been deposited into the Renminbi savings Account.~~”
- (vii) Clause 5.3 shall be amended as follows :
 “The Bank may, without notice to the Customer, terminate any standing instruction if ~~the transfer amount (or the balance thereof) is less than the daily maximum limit as the Bank may from time to time specify or there is insufficient funds in the designated Hong Kong Dollars Account.~~”

4. Amendments to Part C of Section II –Merchant Customers Renminbi savings Accounts, fixed deposit Accounts and Services

- (i) The words “Merchant Customers” appearing in the first paragraph shall be replaced by “Designated Business Customers (“Merchant Customers”).
- (ii) Clause 1.1 shall be amended as follows :
 “The Renminbi Note exchange service, an one-way currency exchange service from Renminbi to Hong Kong Dollars (but not vice versa), and other Merchant Customers Renminbi Services rendered to the Merchant Customers, are subject to regulation or control by the People’s Bank of China, the State Administration of Foreign Exchange of the People’s Republic of China, the Hong Kong Monetary Authority and other authorities (as the case may be) specified by the Bank from time to time, together with the rules, regulations and guidelines promulgated by these authorities, entities and the clearing bank for Renminbi in Hong Kong from time to time. Any changes to those rules, regulations and guidelines may have immediate effect if so required by any regulator or other authority in Hong Kong or the Mainland China or by the clearing bank for Renminbi clearing and settlement services in Hong Kong. The Bank reserves the right to amend these terms and conditions should there be any change to those rules, regulations and guidelines and will notify the Customer of any such amendment as soon as practicable.”
- (iii) Clause 1.4 shall be amended as follows :
 “All Renminbi Accounts are denominated in Renminbi and are subject to such other rules and limits as the Bank may stipulate from time to time. The Bank may in its sole discretion refuse to facilitate any direct-currency exchange ~~otherwise than from Renminbi to Hong Kong Dollars.~~”
- (iv) Clause 2.1 shall be amended as follows :
 “The Bank ~~only accepts Renminbi banknotes for cash deposit and may refuse to accept any Renminbi banknotes-funds to be deposited into a Renminbi Account~~ without giving any reason. ~~Deposits may also be made by transfer of funds from other Renminbi Accounts maintained by the same Customer with the Bank which shall be subject to any daily maximum limit as the Bank may from time to time specify.~~”
- (v) Clause 2.2 shall be amended as follows :
 “Withdrawal or transfer of funds can be made in Renminbi or Hong Kong Dollars (after conversion into Hong Kong Dollars at the spot rate of exchange adopted by the Bank). Withdrawal of Renminbi banknotes shall be subject to availability at different branch offices of the Bank or prior arrangement. ~~Transfer of funds in Renminbi shall only be facilitated if the transferee account (which shall be held under the name of the same Customer) is maintained with the Bank.~~ The Bank may refuse to transfer any Renminbi funds or part at its sole discretion without giving any reason or prior notice.”

5. Amendments to Section III –Terms and Conditions For Current Accounts

- (i) The word “Individual” appearing before the words “Renminbi current Accounts” in the second paragraph of Section III shall be deleted.
- (ii) The words “HKD and USD Current Account” appearing in the first paragraph of Clause 16 shall be replaced by “HKD / USD / RMB Current Account”
- (iii) The words “HKD Current Account” appearing in Clause 16 (c) shall be replaced by “HKD / USD / RMB Current Account”.
- (iv) Clause 17.1 (e) shall be amended as follows :
 “The Customer agrees to the provisions of Rule 2.3.5 of the US Dollar Clearing House Rules (as amended or replaced from time to time) ~~in force~~ to the extent that such Rule is applicable or refers to the Customer or to transactions of the Customer. The Customer acknowledges that the provisions of Rule 2.3.5 of the US Dollar Clearing

House Rules (subject to modification from time to time) are currently as follows:

“ The Hong Kong Monetary Authority shall not be liable to SI, HKICL, any Member, any ICU, any Indirect-participating Card Members, any correspondent bank of a Service Provider or any other person in respect of any claim, loss, damage or expense (including without limitation, loss of business, loss of business opportunity, loss of profit, special, indirect or consequential loss, ~~)(even if the Hong Kong Monetary Authority knew or ought reasonably to have known of their possible existence)~~ of any kind or nature whatsoever arising in whatever manner directly or indirectly from or as a result of anything done or omitted to be done by the Hong Kong Monetary Authority bona fide or by SI, HKICL, or any Member, any ICU, any Indirect-participating Card Members, any correspondent bank of a Service Provider or any other person in the management, operation or use (including without limitation, the termination and/or suspension of SI, the Clearing Facilities or any Member) of the US Dollar Clearing House or the Clearing Facilities or any part of any of them. SI and each Member shall jointly and severally indemnify and hold the Hong Kong Monetary Authority harmless in respect of any liability, claim, loss, damage or expense hereinbefore described in this Rule 2.3.5, such indemnity to survive the expiry or termination of any Member’s use of the US Dollar Clearing House or Clearing Facilities” .”

(v) The following new Clause 17.1 (g) shall be inserted after the existing Clause 17.1 (f) :

“The Customer shall fully indemnify the Bank forthwith on demand in respect of any liability, claim, loss, damages, charges, costs and expense which the Bank may suffer or incur under Rule 2.3.5 of the US Dollar Clearing House Rules by reason of any instruction, request, act or omission of the Customer or otherwise in relation to the Customer’s Account.”

(vi) The existing Clause 17.1 (g) shall be renumbered as 17.1 (h).

(vii) Clause 17.2 (a) shall be amended as follows :

“The terms and conditions in paragraphs ~~1.1, 1.2, 1.3, 1.4, 1.5 and 1.6~~ 1 of Section II (Part B) are applicable, with necessary modification, to an RMB current Account, in addition and without prejudice to the terms and conditions in this paragraph.”

(viii) Clause 17.2 (b) shall be amended as follows :

“Opening and maintenance of RMB current Account are subject to such additional rules and provisions (including the maintenance of a multi-currency / RMB savings Account under the name of the same Customer) as the Bank may specify at its sole discretion from time to time, which may be posted at the Bank’s website and/or branches in Hong Kong. In case of any breach or non-compliance (in the opinion of the Bank) of the Account Rules or such additional rules and provisions, the Bank is entitled ~~or deemed as irrevocably authorized by the Customer~~ to suspend and/or terminate the Customer’s RMB current Accounts and/or other RMB Services, to stop honouring any cheque and/or to take such other actions without notice to the Customer as the Bank may absolutely see fit.”

(ix) Clause 17.2 (c) shall be amended as follows :

“Deposit of cheque, draft or money order denoted in RMB ~~will not be accepted~~ may be rejected at the Bank’s sole discretion without giving any reason or prior notice.”

(x) Clause 17.2 (f) shall be amended as follows :

“The Customer agrees to the provisions of Rule 2.3.5 of the RMB Clearing House Rules (as amended or replaced from time to time)~~in force~~ to the extent that such Rule is applicable or refers to the Customer or to transactions of the Customer. The Customer acknowledges that the provisions of Rule 2.3.5 of the RMB Clearing House Rules (subject to ~~modification~~ amendments or replacements from time to time) are currently as follows:

“ MA shall not be liable to CB, HKICL, any Member or any other person in respect of any claim, loss, damage or expense (including without limitation, loss of business, loss of business opportunity, loss of profit, special, indirect or consequential loss, ~~)(even if MA knew or ought reasonably to have known of their possible existence)~~ of any kind or nature whatsoever arising in whatever manner directly or indirectly from or as a result of anything done or omitted to be done by MA bona fide or by CB, HKICL, or any Member or any other person in the management, operation or use (including without limitation, the termination and/or suspension of CB, the Clearing Facilities or any Member) of the Clearing House or the Clearing Facilities or any part of any of them. CB and each Member shall jointly and severally indemnify and hold MA harmless in respect of any liability, claim, loss, damage or expense hereinbefore described in this Rule 2.3.5, such indemnity to survive the expiry or termination of any Member’s use of the Clearing House or Clearing Facilities” .”

(xi) Clause 17.2 (h) shall be amended as follows :

“The Customer shall fully indemnify the Bank forthwith on demand in respect of any liability, claim, loss, damage, ~~charges, costs or and~~ expense which the Bank may ~~suffer or~~ incur under Rule 2.3.5 of the RMB Clearing House Rules by reason of any instruction, request, act or omission of the Customer or otherwise in relation to the Customer’s Account.”

(xii) Clause 17.2 (j) shall be amended as follows :

“The Customer may only open such number of RMB current Account(s) and may only draw cheques on it for such purpose(s) as from time to time determined by the Bank, subject to such daily limit per account, if any, as the Bank may from time to time determine. The Bank may decline to honour any one cheque exceeding the daily limit, if any. ~~The day end balance of the RMB current Account may not exceed the daily limit, and the Bank may transfer any excess to the Customer’s RMB savings Account. No overdraft facility will be allowed. The Bank may decline to honour any one cheque exceeding the daily limit;~~”

(xiii) The remaining part of the existing Clause 17.2 (j) shall be renumbered as Clause 17.2 (k) such that the new Clause 17.2 (k) shall read as follows :

“~~¶~~The Customer authorizes the Bank to transfer funds from the Customer’s other Renminbi Account(s) with the Bank designated in writing by the Customer to cover any shortfall in cheque(s) drawn on the RMB current Account and agrees to pay such fee for ~~the each such~~ funds transfer as determined by the Bank from time to time. Notwithstanding this authorization, the Bank may bounce ~~decline~~ any cheque(s) drawn on the RMB current Account without liability to the Customer. The Bank has the sole discretion to determine whether to allow overdraft facility.”

6. Amendments to Section VII –Terms and Conditions For Internet Banking Services

(i) The existing Clause 8.1 and 8.2 shall be deleted while Clause 8.3 and 8.4 shall be renumbered as 8.1 and 8.2 respectively.

*** For your easy reference, we have underlined the newly added words and crossed out those deleted words in the amended Clauses.***