



Appendix – Risk Disclosure and Other Information

This Appendix describes some of the key risk factors concerning the GBA Northbound WMC Remittance Account Service. This Appendix is not exhaustive and does not disclose all the risks or other significant aspects of the GBA Northbound WMC Remittance Account Service. The Client should ensure that he/she understands the risks and the nature of the GBA Northbound WMC Remittance Account Service before registering for the GBA Northbound WMC Remittance Account Service. The Client should consider carefully and consult his/her own advisers where necessary.

Capitalized terms used in this Appendix shall have the same meanings as those defined in the Terms and Conditions for GBA WMC Remittance Account Service unless otherwise defined herein.

1 Respective roles and responsibilities of Mainland Partner Banks and Hong Kong banks

Standard Chartered Bank (Hong Kong) Limited ("Bank") carries out cross-border remittance of funds through a dedicated remittance account and Mainland Partner Bank will act as agent for the Client in relation to relevant transactions in products distributed by the Mainland Partner Bank under the Investment Fund Services and as agent for the issuer of the relevant products ("Issuer") (or the person authorised to appoint the Bank as distributor) in relation to the distribution of the relevant products (including the opening of a dedicated investment account for qualified investors in Hong Kong).

2 Designation of a Dedicated Northbound WMC Remittance Account

To register for the GBA Northbound WMC Remittance Account Service, the Client must follow the procedures and requirements as the Bank may specify from time to time, including designation of a Dedicated Northbound WMC Remittance Account for funds remittance to and from the Dedicated Northbound WMC Investment Account. The Client can only designate one Dedicated Northbound WMC Remittance Account and cannot change such designated account. The Dedicated Northbound WMC Remittance Account must be opened and maintained with the Bank. The operation of the Dedicated Northbound WMC Investment Account is subject to the terms and conditions applicable to such account provided by the Mainland Partner Bank. The Client shall understand the terms and risks associated with the operation of the Dedicated Northbound WMC Remittance Account and Dedicated Northbound WMC Investment Account.

3 Restrictions on fund transfer and remittance

All funds transfer and remittance under the GBA Northbound WMC Remittance Account Service are restricted and subject to the Applicable Requirements and other requirements as the Bank may specify from time to time. The Client can only effect cross-border fund remittance in RMB under the GBA Northbound WMC Remittance Account Service under a closed-loop mechanism by pairing his/her Dedicated Northbound WMC Remittance Account and his/her Dedicated Northbound WMC Investment Account. The Client shall only deposit funds into the Dedicated Northbound WMC Investment Account by way of cross-border fund remittance in RMB from the Dedicated Northbound WMC Remittance Account, subject to any applicable aggregate and individual investor quota(s) imposed by the Applicable Requirements and/or other requirements as the Bank may specify from time to time.

The Client can only make fund transfer between his/her Dedicated Northbound WMC Remittance Account to any other accounts within the Bank through designated channel specified by the Bank from time to time. The Applicable Requirements may be subject to change.

The Bank reserves the right to reject the Client's instructions for funds remittances from Hong Kong to the Mainland under the GBA Northbound WMC Remittance Account Service, as the Bank reasonably considers appropriate / as a result of the aggregate / individual quota being used up, while remittances from the Mainland to Hong Kong and investment instructions using funds already remitted to the Dedicated Northbound WMC Investment Account will not be affected. There is no assurance that the Client's instruction can be successfully processed in time or at all.

4 Complaint Handling Mechanism

Northbound investors are protected by the laws, regulations and regulatory regime of Mainland China in respect of their transactions in the Dedicated Northbound WMC Investment Account. Complaints relating to the Northbound WMC products and services can be directed to the Bank's website at <https://www.sc.com/hk/zh/help/contact-us/#sc-lb-module-need-module-1> or our dedicated comment line at (852) 2282 - 6099 or by mail to the Client Experience Department at P.O. Box 21, General Post Office, Standard Chartered Bank (Hong Kong) for follow-up. Upon receipt of such complaints, the Bank will also address them as soon as possible and reply to the Client after studying and investigating the comments made. For complaints relating to the Northbound investment service, the Bank will assist in referring the complaint to the Mainland Partner Bank and provide appropriate assistance to the investor. After referral, the Bank will also follow up as appropriate to ensure that the complaint is properly handled and responded to by the Mainland Partner Bank within a reasonable period of time.

5 Compliance with the Applicable Requirements

Use of the GBA Northbound WMC Remittance Account Service is subject to all the Applicable Requirements, including the applicable laws and regulations issued by the Authorities in Mainland China. The Applicable Requirements may be subject to change from time to time. The Bank may vary the scope of, suspend or terminate the GBA Northbound WMC Remittance Account Service without giving prior notice for compliance with the Applicable Requirements. Any change in the Applicable Requirements may have an adverse impact on the use or operation of the GBA Northbound WMC Remittance Account Service (such as imposition of restriction on, or suspension of, the use of the GBA Northbound WMC Remittance Account Service). The Bank is not liable for any loss incurred or suffered by the Client or any third party, arising from or in connection with the use of the GBA Northbound WMC Remittance Account Service.

6 Limitations on RMB conversion

RMB is subject to foreign exchange control and restrictions by the Mainland Chinese central government. There may be additional rules, regulations and restrictions under contemplation or to be issued by any Authorities in Mainland China that may be relevant to RMB conversion. The Client should take reasonable steps to check for updates and details before giving instructions for RMB conversion.

7 RMB exchange rate risks

The exchange rate of RMB may vary from time to time. There is no guarantee that RMB will not depreciate. The exchange rate of RMB traded outside Mainland China ("Offshore RMB") will be affected by, amongst other things, foreign exchange control imposed by the Mainland Chinese central government from time to time. The Client will incur currency conversion costs (being the spread between the purchase and sale of Offshore RMB) and be subject to exchange rate fluctuation risks in any such currency conversion.

8 Disclosure of data

The Bank may provide or disclose information about the Client (including the profile, and the type and value of the transactions under the GBA Northbound WMC Remittance Account Service) to: (i) the Mainland Partner Bank for the purpose of the GBA Northbound WMC Remittance Account Service; or (ii) the Bank's group members or any Authorities (incl. cross-border regulation bodies) to comply with the Applicable Requirements. The Client agrees and consents to such disclosure as set out in the Notice to Clients and Other Individuals relating to the Personal Data (Privacy) Ordinance and the Code of Practice on Consumer Credit Data.

9 GBA Northbound WMC Remittance Account Service channel and operational hours

The Bank has an absolute discretion to determine from time to time the service channel and operational hours of the GBA Northbound WMC Remittance Account Service. The Client should be aware of the risk of price fluctuations in the Eligible Investment Products during the time when the GBA Northbound WMC Remittance Account Service is not available.

10 Suspension or termination of GBA Northbound WMC Remittance Account Service

The Bank may suspend or terminate the Client's use of the GBA Northbound WMC Remittance Account Service at any time without giving the Client notice or reason.

Without limiting the generality aforementioned, the Bank has the right to suspend or terminate the Client's use of the GBA Northbound WMC Remittance Account Service if:

- a. the Bank finds out that the Client has acquired the GBA Northbound WMC Remittance Account Services from more than one banks at the same time, or has more than one dedicated Northbound WMC accounts (including settlement account and investment account) at the same time.
- b. the Bank is of the view that the Client is in breach or may be in breach of any Applicable Requirements;
- c. the provision of the GBA Northbound WMC Remittance Account Service by the Bank becomes or will become illegal or impracticable due to the change in Applicable Requirements.
- d. the Bank has reason to believe that the Bank's failure to terminate the GBA Northbound WMC Remittance Account Services may render the Bank or another member of the Group in breach of any applicable regulations or subject to prosecution or censure by such authorities.

If the Client's Dedicated Northbound WMC Investment Account or Dedicated Northbound WMC Remittance Account is cancelled or closed for any reason, the GBA Northbound WMC Remittance Account Service shall be automatically terminated.

The Client shall not apply for termination of the GBA Northbound WMC Remittance Account Services until the Client's Dedicated Northbound WMC Investment Account has been cancelled or closed. The Client shall not apply for cancellation or closure of the Dedicated Northbound WMC Remittance Account until the GBA Northbound WMC Remittance Account Service has been terminated.

The Client may terminate its use of the GBA Northbound WMC Remittance Account Service through the relevant channels and in such manner as may be announced by the Bank from time to time. In order to terminate the GBA Northbound WMC Remittance Account Service, the Client should ensure that there are no investment products and funds in the Dedicated Northbound WMC Investment Account and that the Dedicated Northbound WMC Investment Account has already been cancelled or closed.

The Bank is not responsible for any losses caused by the suspension or termination of the Client's use of the GBA Northbound WMC Remittance Account Service.

11 Taxation

The Client is fully responsible for any taxes in respect of transactions conducted under the GBA Northbound WMC Remittance Account Service, and agrees to indemnify the Bank on demand from and against all taxes which the Bank may incur in connection with any Eligible Investment Products which the Client holds or otherwise deals in. The Bank assumes no responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with the GBA Northbound WMC Remittance Account Service, and the Bank will not provide any service or assistance in this regard. Prior to entering into transactions under GBA the Northbound WMC Service, the Client is strongly recommended to obtain independent tax advice on the possible tax consequences.

12 Investor Responsibility

Prior to opening the dedicated remittance/investment account, investors should have a thorough understanding of the following:

- a. Details of the whole scheme (including the respective roles and obligations of Hong Kong banks and Mainland partner banks, funding and remittance arrangements, closed-loop funds flow and two-way fund transfer management requirements and quota management, complaint handling mechanism);
- b. Associated risks of investments; and
- c. Handling of non-compliance or breaches by investors.

Prior to making an investment decision, investors should:

- a. Ensure that they understand the rules and procedures relevant to the Mainland investment product market, nature and risks of the investment and have the ability to bear potential losses;

Ask questions and seek clarifications from the banks if in doubt and make sure they fully understand the features and risks of the investment products; and Select products that suit their personal circumstances.

13 Different market conventions and practices on the Mainland and in Hong Kong

The classification and naming of Mainland investment products may differ from those in Hong Kong (including SFC-authorized funds). Investors should refer to the offer documents of Mainland investment products and contact the Mainland banks concerned for details on the features and investment strategies of the investment products, and should not rely solely on the product name or classification in making an investment decision.

14 Concentration risk/Mainland market risk

Mainland investment products are mainly those invested in Mainland market-related securities and may face additional concentration risks. Investing in the Mainland market may involve different risks, including policy, taxation, economic, foreign exchange, legal, regulatory, and liquidity risks.