



## Terms and Conditions for Investment Products via online investment platform (“Terms and Conditions”)

The following terms and conditions shall apply to the use of and all orders or instructions placed via Citibank Online and Citi® Mobile App (each, an “online investment platform”). In case of any discrepancies between the English and Chinese versions, the English version shall prevail.

Unless otherwise defined in these Terms and Conditions, the terms and expressions defined in “Terms and Condition for Account and Services” have the same meanings herein.

In these Terms and Conditions, “**Investment Products**” includes, without limitation, Debt Securities and Mutual Funds; “**Debt Securities**” include, without limitation, Bonds and Certificate of Deposits.

### A. Applicable to Citi Plus customers in relation to Mutual Funds

The actual number of mutual fund providers and fund options may vary from time to time subject to the Bank’s sole discretion.

The above mentioned arrangement(s) do not constitute recommendation by Citigroup Organization on the mutual fund provider(s) and/or the mutual fund options.

### B. Applicable to all Transactions or Instructions in relation to Investment Products

1. I/We understand that Investment Products are not deposits or other obligations of, guaranteed or insured or protected by any Citigroup Organization, or by any local government or insurance agency or Deposit Protection Scheme. Investment Products involve risks, including the possible loss of the principal amount invested.
2. I/We authorize the Bank to process the Investment Products application and debit / credit the settlement amount from / into me/our settlement account which is maintained at the Bank as indicated in me/our Citibank online account summary.
3. I/We hereby instruct the Bank to act on me/our behalf to place the Investment Products order with details stated on order confirmation page, to the Issuer(s).
4. I/We hereby acknowledge I/We have read and understand the Issuer’s offering documents, including but not limited to prospectus, product key facts and latest financial reports (“**Offering Documents**”) and fees and charges in relation to the Investment Products, and that I/we understood the nature, structure and risks of the Investment Products and all relevant contents in the Offering Documents. I/We make all necessary representations and warranties set forth in the Offering Documents and undertake to be bound by the same. I/We understand that a copy of the Offering Documents shall be made available upon me/our request. The Bank will exercise best effort in providing the Offering Documents. I/We have been advised to read and understand the Offering Documents prior to subscription. However, in the event that such documents are not available, I/we SHOULD NOT proceed with the subscription. I/We have placed instructions and understand this instruction is irrevocable and binding on me/us.
5. Although the Bank is authorized to subscribe, switch or redeem the Investment Products based on me/our instructions and in doing so will be acting in the capacity of me/our agent, I/we understand the Bank reserves the right to refuse to carry out me/our instructions if, in its opinion, there are grounds for such refusal.

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6. I/We understand that me/our instructions for orders will only be processed, if:
  - (i) in the case of subscription orders, there are sufficient funds in me/our settlement account (in Investment Products denomination currency) at the time of placing of the order; and
  - (ii) in the case of redemption orders, I/we have a settlement account in the Investment Products currency for the receipt of the redemption proceeds.
7. I/We hereby acknowledge I/we have been provided with the Terms and Conditions for Accounts and Services and adequate time to read the same. I/We hereby confirm that I/we understand and agree to be bound by the Terms and Conditions for Accounts and Services.
8. I/We understand that US persons are not eligible to subscribe any the Investment Products. By placing an instruction, I/We represent and warrant that I/We are not US person(s) nor domiciled in nor resident in nor a national of a jurisdiction in which there is any restriction on me/us on purchasing or dealing in these Investment Products, and further that I/We are not otherwise subject to any other restriction or prohibition in respect of the purchasing of, or dealing in, these Investment Products.
9. 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 me/us out of the selling process of any Investment Product by the Bank as agent for the issuer(s) or the processing of the related transaction, the Bank will enter into a financial dispute resolution scheme process with me/us in accordance with the applicable rules. However, any dispute over the contractual terms of the Investment Products should be resolved directly between the issuer(s) and me/us.
10. I/We comply with all applicable laws, rules and regulations, and satisfy all standards for investors in the Investment Products imposed by the jurisdiction of me/our residence or otherwise applicable to me/our purchasing or selling of the Investment Products. These investments are not available for U.S. persons and might not be available for customers in other jurisdictions.
11. I/We also understand the risk level of the Investment Products may change after this instruction due to various factors, such as changes in market condition and changes in credit rating of the issuer.
12. I/We confirm that me/our purchase of the Investment Products do not result in a significant exposure of me/our total net worth to the Investment Products and in the event of complete loss of me/our investment in the Investment Products, me/our livelihood will not be affected.
13. For investment made for the purpose of application of the Capital Investment Entrant Scheme ("CIES"), I/we understand that it is not the responsibility of the Bank to ensure that the investments satisfy the requirements under the Rules for the Capital Investment Entrant Scheme and the Bank does not make any representation that the investments satisfy the requirements under the Rules for the Capital Investment Entrant Scheme. For all CIES-related information including the permissible investment products, customer should refer to the Immigration Department of the HKSAR Government for the most complete and up-to-date rules governing the Scheme.
14. Portfolio diversification is an important element for an individual to consider when making investment decisions. Concentrated positions may entail greater risks than a diversified portfolio. Certain factors that affect the assessment of whether me/our overall investment portfolio is sufficiently diversified may not be evident from a review of me/our account(s) with the Bank. It therefore is important that I/We carefully review me/our entire investment portfolio to ensure that it meets me/our investment goals and is within me/our risk tolerance, including





me/our objectives for asset and issuer diversification. To discuss asset allocation and potential strategies to reduce the risk and/or volatility of a concentrated position, I/We may contact me/our Relationship Manager or branches.

15. I/We understand and accept that Investment Products and services available on the online investment platform may be limited.
16. If the transaction is advised by the Bank but the transaction classification stated on the order confirmation page states otherwise, or if I / we have any questions about the risks involved and/or whether or not such product is suitable for me / us, I / we should not proceed with this transaction and I / we should contact my / our Citibank relationship manager or visit the Bank's branches for further assistance.
17. I/We understand that my instruction placed may not be executed in case of system downtime. I/We can contact the Bank through any of the following channels to place the orders: CitiPhone Banking hotline or visit the Bank's branches
18. Before submitting me/our investment instruction, I / we acknowledge that I / we have reviewed my / our circumstances and information that was provided to the Bank and confirmed that the relevant information is accurate and up-to-date; if there is any change in the relevant information, I/we should notify the Bank immediately.

### **C. Applicable to all Transactions or Instructions in relation to Mutual Funds.**

1. All information provided on online investment platform is for informational purposes only and does not intend to constitute investment solicitation or recommendation, excluding transaction that is classified as advised by the Bank. For transaction that is classified as advised by the Bank, it refers to a transaction that is recommended or advised by the Bank.
2. I/We understand that investment in the above fund(s) is not a bank deposit and involves risks, including the possible loss of the principal amount invested. Prices may go down as well as up. Past performance is not indicative of future performance. Investment in funds denominated in non-local currency is subject to the risk of exchange rate fluctuations that may cause a loss of principal. Unless specified, these investments are not obligations of, or guaranteed or insured or protected by any Citigroup Organization, or by any local government or insurance agency or Deposit Protection Scheme.
3. I/We understand that funds are products of the issuer and that the Bank is acting as agent in subscription / switching / redemption of the funds based on me/our instructions. I/We understand that one or more Citigroup Organization(s) may act in different capacities in connection with the subscription / switching / redemption of the funds and in consideration of the sales activities undertaken by the Bank relating to the funds, certain commissions may be paid by the fund house / counterparty to the Bank. Calculation of such commissions will depend on each specific fund. Salespersons and employees of Citigroup Organization may also make or receive a fee, commission and/or other compensation (in cash or in kind) in connection with me/our subscription / switching / redemption of the funds.
4. I/We understand that the Bank is not an independent intermediary because the Bank may receive fees, commissions, rebates or other monetary benefits from other parties (which may include fund houses) in relation to the distribution of Investment Products to me/us. For details, I/we should refer to the disclosure on monetary benefits which the Bank is required to deliver to me/us prior to or at the point of entering into any transaction in Investment Products. The





Bank may also receive non-monetary benefits from other parties, or have close links or other legal or economic relationships with them.

5. Mutual Fund is usually for medium to long term investment, unless otherwise stated by the fund house.
6. I/We understand the risks involved in investments. These include but are not limited to market risk, concentration risk, medium / smaller companies risk, risks related to debt securities, risks relevant to high-yield bonds, risk relevant to bond with special features, prepayment and extension risk, emerging markets risk, derivatives risk, counterparty risk, liquidity risk, currency risk, currency hedged class risk, capital growth risk, dividend distribution related risks, risks relating to the fund strategy etc.:
  - a. The fund price may fluctuate as a result of a variety of changes in the market and the economy, including but not limited to changes in interest rates, exchange rate, credit rating of the issuer or guarantor, inflation and a general decline in the investment market as a whole.
  - b. The fund may have concentrated exposure to one or more countries, industry sectors, and/or particular types of specialized investment instruments, which may reduce risk diversification. Consequently, the net asset value of the fund may be more volatile than a diversified fund.
  - c. Some funds may invest in medium / smaller companies. Performance of these funds may fluctuate in value more than those of other funds because of the greater potential volatility of share prices of medium / smaller companies.
  - d. Some funds may invest in loans and bonds issued by companies, governments and other entities and the fund will be subject to the risk that a particular issuer or guarantor may not fulfill its payment or other obligations in respect of such debt securities.
  - e. Changes in market interest rates will affect the value of debt securities held by the fund. Generally, the market value of debt securities will decrease when interest rates rise.
  - f. In the event of a down-grading of the credit rating of a debt security or its issuer/guarantor that the fund invests in due to adverse market conditions, the value of the fund may be adversely affected.
  - g. Some debt securities may not have active secondary markets and it would be difficult or impossible for funds investing in those debt securities to sell the debt securities before maturity.
  - h. Some funds may invest in unrated or non-investment grade bonds which are generally accompanied by a higher degree of interest rate risk, credit risk and liquidity risk. It may be subject to wider fluctuations in yield, wider bid-offer spreads, greater liquidity premium and consequently greater fluctuations in market values than higher rated bonds.
  - i. Some funds may invest in mortgage and/or asset-backed securities, where the principal is paid back over the life of the security, and the maturity might be shortened or extended as interest rate levels change.
  - j. Some funds may invest in emerging markets, which are subject to higher risks (for example, liquidity risk, currency risk, political risk, regulatory risk and economic risk) and hence higher volatility than portfolios investing in developed market. Fluctuations in currency exchange rates may negatively affect the value of the investment or reduce returns - these risks are magnified in emerging or developing markets.
  - k. Some funds may invest in financial derivatives or structured products such as credit-linked securities, swaps (including credit default swaps and total return swaps), futures, forwards,

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and options which may expose the fund to higher counterparty, liquidity and market risks. The fund's use of derivatives in hedging or efficient portfolio management may become ineffective and cause the fund to suffer significant losses. Prior to investing in the fund, investors should assure they have sufficient net worth to be able to bear the risks and potential losses.

- l. Investments may be subject to the credit risk and default risk of the issuer or guarantor.
  - m. The fund may invest in instruments where the volume of transactions may fluctuate significantly depending on market sentiment. There is a risk that investments made by the fund may become less liquid in response to market developments or adverse investor perceptions.
  - n. The fund may hold the assets denominated in non-local currency and be subject to the risk of exchange rate.
  - o. Each currency hedged class may hedge the fund's denominated currency back to its currency of denomination. The costs and resultant profit or loss on the hedging transaction will be reflected in the net asset value of the relevant currency hedged classes. There is no guarantee that the hedging strategy if used, will achieve its desired results.
  - p. Some funds with dividend distribution may have fees and/or dividends paid out of capital. As a result, the capital that the fund has available for investment in the future and capital growth may be reduced.
  - q. Some funds may not distribute dividends, but instead reinvest the dividends into the fund or alternatively, the investment manager may have discretion on whether or not to make any distribution out of income and/or capital of the fund. Also, a high distribution yield does not imply a positive or high return on the total investment.
  - r. The performance of the fund is dependent on the success of the asset allocation strategy applied and other investment decisions made by the Investment Manager, but there is no guarantee that this strategy or decision will produce the desired results.
  - s. The fund will be subject to the risk of early termination which may result in substantial losses to the fund at the time of sale or distribution.
  - t. Some funds may pay performance fee to the Investment Manager. This performance fee may be paid out of unrealized gains and may create an incentive for the Investment Manager to make riskier or speculative investments.
7. I/We acknowledge, when dealing in the units of the Fund, I/we may have to pay subscription fee, switching fee, redemption fee, management fee, custodian fee, trustee fee, performance fee, administration fee, registration fee, and other fees and charges that are described in the Fund's prospectus.
  8. I/We understand the Bank may receive full rebate of the actual (after discount, if any) Front-end load charge on subscription of Class A funds from the asset management company. The Bank may receive a rebate of up to 4% of the subscription amount on subscription of Class B funds from the asset management company. The Bank may receive up to 60% of the fund's annual management fees as ongoing rebate every year throughout the term of me/our investment. This rebate is based on the average net asset value of me/our holdings in the Fund. The Bank may receive the marketing sponsorship from the asset management company. I/We may receive discount of the front-end load charge on subscription of Class A funds and institutional & high net worth share class funds at the Bank's discretion. No interest will be paid for the required amount debited from the date of this order
  9. I/We understand the actual trade date, settlement date, dividend record date, dividend rate





and net asset value of an Investment Product shall be subject to the relevant fund house's final announcement.

10. I/We understand that most retail products are of risk rating 1 to 4. Retail leveraged products are of risk rating 5. Investments Products of risk rating 5 or 6 are available to Professional Investors (as defined in the Securities and Futures Ordinance (Cap. 571) and any rules made thereunder) only.

#### 11. For High-Yield Bond Funds Only

I/We understand that me/our investment in high-yield bond funds will be subject to below risks:

##### Risk Relevant to High Yield Bonds

- a. High-yield bond funds are subject to risks associated with investments in bonds.
- b. Funds investing in loans and investment grade, non-investment grade and unrated bonds issued by companies, governments and other entities will be subject to the risk that a particular issuer or guarantor may not fulfill its payment or other obligations in respect of such debt securities.
- c. Changes in market interest rates will affect the value of debt securities held by the fund. Generally, the market value of debt securities will decrease when interest rates rise.
- d. In the event of a down-grading of the credit rating of a debt security or its issuer/guarantor that the fund invests in due to adverse market conditions, the value of the fund may be adversely affected.
- e. During economic downturns, high yield bonds typically fall more in value than investment grade bonds as (i) investors become more risk adverse and (ii) default risk rises.
- f. Some debt securities may not have active secondary markets and it would be difficult or impossible for funds investing in those debt securities to sell the debt securities before maturity.
- g. High-yield bonds are typically unrated or rated below investment grade and hence are generally accompanied by a higher degree of interest rate risk, credit risk and liquidity risk. It may be subject to wider fluctuations in yield, wider bid-offer spreads, greater liquidity premium and consequently greater fluctuations in market values than higher rated bonds.
- h. Some high-yield bond funds may have fees and/or dividends paid out of capital. As a result, the capital that the fund has available for investment in the future and capital growth may be reduced.
- i. Some high-yield bond funds may not distribute dividends, but instead reinvest the dividends into the fund or alternatively, the investment manager may have discretion on whether or not to make any distribution out of income and/or capital of the fund. Also, a high distribution yield does not imply a positive or high return on the total investment.

##### Risk Relevant to Bonds with Special Features

- a. Some high-yield bond funds may invest in bonds with special features and risks that warrant special attention. These include (but not limited to) bonds like Perpetual Bonds, Subordinated Bonds, Callable Bonds, Convertible Bonds, etc. Some may have variable and/or deferrable interest payment terms, or extendable maturity dates. Some may have contingent write down or loss absorption features.





## 12. For Subscription or Switching in of Fidelity/ Invesco/ AllianceBernstein/ Janus Funds Only

I/We acknowledge that the Bank is required by the fund houses to monitor me/our trades on their funds. I/We may be blocked from further purchases or switches of their funds if trades are carried out frequently in a short period of time.

## 13. For Same Fund House Switching with Cross Currency Transaction Only

In addition to the risks associated with investing in Mutual Fund, switching to another currency class of the same Mutual Fund may result in additional foreign exchange risk. Currency rates may be affected by a number of market factors like interest rate, inflation outlook and the economic as well as political conditions of the country of the relevant currency. I/We may suffer severe loss if the foreign currency trend reverses.

Apart from 'Same Fund House Switching with cross currency switching transaction', I/we understand that the Bank offers other foreign exchange products such as 'Premium Account' or 'Foreign Exchange Trading'. I/We understand that 'same fund house switching with cross currency switching transaction' will be charged for a fee at 1% of the switching fund value, which is higher than the cost that I/we incur in a 'Premium Account' or 'Foreign Exchange Trading' transaction.

Currency rate and conversion time involved in fund switching are subject to the relevant fund house's decision and may be different from the market spot rate.

## 14. For RMB-Denominated Funds Only

I/We acknowledge that there is a possibility of not receiving the full amount in RMB upon redemption. The issuer may not be able to obtain sufficient amount of RMB in a timely manner due to the exchange controls and restrictions applicable to the currency. I/We understand that investments are susceptible to interest rate fluctuations, which may adversely affect the return and performance of the RMB products. I/We understand that RMB is currently not freely convertible and conversion of RMB through banks in Hong Kong is subject to certain restrictions. The actual conversion arrangement will depend on the prevailing restrictions at the relevant time and the liquidity of the Investment Product denominated in Renminbi may be adversely affected. The exchange rate of RMB can go up and down. Exchange controls imposed by the relevant authorities may also adversely affect the applicable exchange rate. I/We are offered offshore ("CNH") rates for RMB conversion. Currency rate and conversion time involved in the fund switching is subject to respective fund house's decision and may be different from the market spot rate. For RMB products that do not have access to direct investment in Mainland China, their available choices of underlying investments denominated in RMB outside Mainland China may be limited. This may adversely affect the return and performance of such RMB products.

## D. For Funds Managed And/ Or Issued By Citigroup Organization Only

I/We acknowledge that the Investment Product is issued and/or managed by Citigroup Organization.





**E. Applicable to Mutual Funds Application Initiated by Customers “WITHOUT Recommendations/ or Solicitation by Citibank” or “WITH Recommendations/ Solicitation by Citibank”**

1. I/We acknowledge that this online investment platform is an automated system which processes orders and instructions. I/We confirm that me/our orders and instructions placed on the online investment platform are based on me/our own initiative and financial judgement. I/We have carefully considered the risks involved in this investment. I/We understand that if I/we am/ are uncertain about the risks involved in investing in this fund or whether such fund is suitable for me/us, I/we should not proceed with the relevant orders or instructions. If there is any doubt, I/we should contact the Bank for assistance.
2. For transaction that is classified as not advised by the Bank (i.e. “Citibank (Non-advised)”), it refers to a transaction that is initiated by me/us without any recommendations or advice by the Bank, and I/we acknowledge and confirm the following terms:
  - a. I/We do not wish to receive any financial advice from the Bank, and I/we understand that the Bank does not represent or guarantee that any Investment Product ordered or transacted on the online investment platform is suitable for me/us. Notwithstanding the foregoing, I/we would like the Bank to execute me/our instructions for Mutual Funds.
  - b. Neither the Bank nor its agents / employees provided me/us with any recommendations or advice on the Mutual Funds. The Bank is acting based on me/our instructions.
  - c. I/We understand that the Mutual Funds are subject to risks including but not limited to the risks disclosed in Terms and Conditions for Accounts and Services.
  - d. I/We are acting entirely on the basis of me/our investigations and independent assessment / evaluation of the Mutual Funds, and have not relied on any representation, warranty or information that may have been given or made by or on behalf of the Bank.
3. For transaction that is classified as advised by the Bank (i.e. “Citibank (Advised)”), it refers to a transaction that is recommended by or advised by the Bank, and I/we acknowledge and confirm the following terms:
  - a. The Bank has only introduced Mutual Funds that have product risk ratings equal to or below me/our Investor Profile and Product Tenors match with me/our Investment Time Horizon in the Investment Risk Profiling Questionnaire. The Mutual Funds recommended or advised by the Bank have been selected based on a set of objective qualitative and quantitative criteria. Such criteria may be reviewed by the Bank from time to time.
  - b. I/We am/ are free to either follow or disregard any recommendation or advice rendered by the Bank, in whole or in part, and I/we am/ are solely responsible for deciding whether to accept such recommendation or advice (as the case may be) and whether to subscribe for the Mutual Funds recommended or advised by the Bank, and any transaction entered into by me/us is solely based on me/our own judgment and evaluation.
  - c. The annualized return of recommended portfolio are based on past performance and are indicative for reference only.
  - d. The percentage allocations to the introduced Mutual Funds are based on the Bank’s recommended asset allocation appropriate for the corresponding Investor Profiles. I/We acknowledge and accept the limitation that such allocation recommendation has not taken into account (i) any of me/our existing holdings held within and/or outside the Bank; (ii) any subsequent changes of me/our holdings due to any further trading activities or market movement; (iii) any changes of me/our investment objective or risk







tolerance; (iv) any fund price movement which may result in a different portfolio allocation than is originally suggested by the Bank.

#### **F. Applicable to all Transactions or Instructions in relation to debt securities**

1. Unless otherwise stated, I/we understand Debt Securities are products of the issuer and that the Bank is acting as agent in purchasing or selling Debt Securities based on me/our instructions, and will receive a transaction fee/ profit in respect of this transaction in an aggregate amount not exceeding the specified percentage (as stated in Bond transaction page) of the market price for zero coupon Debt Securities/ Strips and not exceeding the specified percentage (as stated in Bond transaction page) of the nominal price on other Debt Securities and hybrid securities. The prices illustrated are inclusive of this fee. One or more Citigroup Organization's entity may act in different capacities in connection with the purchase or sale of the Debt Securities and may receive benefits or profits either directly or indirectly in connection with these transactions.
2. I/We understand that I/we may receive discount on transactions of Debt Securities at the discretion of the Bank. The Bank is not an independent intermediary because it may receive fees, commissions, rebates or other monetary benefits from other parties (which may include product issuers) in relation to the distribution of Investment Products to me/us. For details, I/we should refer to the disclosure on monetary benefits which the Bank is required to deliver to me/us prior to or at the point of entering into any transaction in Investment Products. The Bank may also receive non-monetary benefits from other parties, or have close links or other legal or economic relationships with them.
3. I/We agree and acknowledge that while the Bank will use its reasonable endeavours to execute the Debt Securities transaction on me/our behalf, Citigroup Organization shall not be liable to me/us for any interest or compensation if the Bank is unable to purchase or sell the Debt Securities (for any reason whatsoever). Therefore, I/we agree and acknowledge that in such an event, the Bank will i) in a purchase transaction instructed by me/us, only return the nominal amount (as stated above) to me/us (without interest accrued or compensation) and/or ii) in a sale transaction instructed by me/us, only return the Debt Securities to me/us (without compensation).
4. By investing in this transaction, I/We confirm that I/we have accepted all the risks associated with this investment. I/We also confirm that I/we have received, read and understood the details and risks in the indicative Debt Securities term sheet and Issuer's offering documents (including the Issuer's Prospectus).
5. I/We have read and understood the risks associated with an investment in the Debt Securities as set out on the Investment risks page. I/We acknowledge that the said risk disclosures are not an exhaustive description of the risks involved in this transaction, therefore I/we should refer to the Issuer's offering documents (including the Issuer's Prospectus) to understand all risks associated with an investment in the Debt Securities.
6. I am/ We are capable of evaluating the risks and merits of an investment in the Debt Securities, have taken the advice as I/we deem necessary, have sufficient financial resources to bear the risks of the Debt Securities and consider an investment in Debt Securities is appropriate and suits me/our investment objectives, financial profile and personal circumstances.
7. I/We also agree that without limiting the rights of the Bank under the terms and conditions applicable to the Bond Brokerage Account and the designated Bonds settlement account,

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subject to any restriction pursuant to applicable laws or regulations, the Bank is entitled to take a security interest in, or impose other restrictions on the Debt Securities credited to me/our Bond Brokerage Account or to exercise a lien, right of set off or similar claim against me/us in respect of monies held in any of me/our accounts maintained with the Bank to secure any amount which may be owing by me/us to the Bank.

8. For investing in Debt Securities issued by a financial institution, I/we understand that (1) several international and local regulatory changes, including but not limited to Basel III and Solvency II, are in progress and have in some jurisdictions been implemented, and that such regulations would give resolution authorities bail-in power over financial institutions which are declared to be non-viable by the relevant resolution authority; (2) where such powers are exercised, the resolution authority will determine which liabilities of the financial institution are within the scope of their authority, whether debt issued prior to the enactment of such regulatory changes might be affected and the extent to which each will be impacted, given consideration of various factors including but not limited to the prevailing regulation in the relevant jurisdiction and the seniority of the Debts Securities within the capital structure of CHKL or banking group (with subordinated Debt Securities, in general, carrying higher risk as they are ranked junior to senior Debts Securities) (3) consequently, the exercise of such powers could result in the Debts Securities being 'bailed in', that is, written-off partially or in full (in which event, I/we will have no further claims in respect of the amount so written-off) or converted into common equity (which equity could also be subject to any future application of the general bail-in powers of the resolution authority), subject to certain conditions being met, at the sole discretion of the relevant resolution authority; and I/we accept that due to such regulatory changes, (a) I/we may lose a part of or all of my initial investment, and/or some or all of my rights to any coupon / interests and/or any further claim under the Debt Securities even if an event of default has not occurred under the terms and conditions of the Debt Securities; (b) the market price and liquidity of the Debt Securities may be unfavorably impacted and (c) the consequences of such regulatory changes may not be the same between Debt Securities issued in different jurisdictions.
9. "Yield to Maturity" is a hypothetical rate of return if investors were to hold the security until maturity, and is solely for reference purpose. It is calculated using the indicative offer price, and is based on several assumptions including a) the issuer will redeem the security on the reference maturity date and b) all coupon and principal payments will be made in full and on schedule; and c) coupon payments are reinvested at the "Yield to Maturity". In addition, for variable coupon/ floating rate securities, this calculation uses a series of projected coupons based on an assumed reference rate fixings for each relevant coupon period. For securities with no stated maturity dates such as perpetual bonds, this calculation uses an assumed "Calculation Maturity Date". This calculation does not take into account coupon deferral or non-cumulative features and/or situations where the issuer may exercise discretion over coupon payments. Investors should be aware that the actual return may be significantly less than the calculated return (or even suffering from a loss), given that the calculation is based on various assumptions aforementioned which may not be met in actual case.

## **G. Applicable to Debt Securities from Primary Market Issuance**

1. I/We acknowledge and understand that the final terms of the Debt Securities are not available on the date of this order and that the terms of the Debt Securities, including the coupon, will





- be finalized only on the Issue Date.
2. I/We acknowledge and agree that me/our subscription for the Debt Securities is subject to availability.
  3. I/We understand that in the case of offerings jointly underwritten by Citigroup Global Markets Asia Limited or other underwriting entity within Citigroup Organization with other underwriter (s): (i) such Citi entity is an affiliate of the Bank and has agreed to purchase, or procure purchasers for, a portion of the relevant Debt Securities being offered by the Issuer and (ii) the Bank is legally and factually separate from such Citi entity, and that the interests of such Citi entity, as a joint underwriter in relation to the Debt Securities, may differ from me/our interests as a subscriber for such Debt Securities.
    4. I/We understand that the Bank may consolidate Debt Securities primary market issuance application from its customers and allocate the Debt Securities at its discretion using such criteria it deems appropriate. Accordingly, I/we understand and agree that I/we may receive no allocation or partial allocation of me/our application. In the case of partial allocation, I/we request the Bank to proceed with making such partial allocation on me/our behalf, if applicable, without seeking any further instructions from me/us. In connection with the foregoing, I/we acknowledge and agree that if me/our Expected Yield (excluding fee) specified in this order cannot be met by the Debt Securities (determined based on the final terms on Issue Date), the Bank will not make any allocation of Debt Securities to me/us.
  5. Any representations and warranties made by me/us with respect to the subscription for Debt Securities shall be deemed to be confirmed by me/us at the time of each subscription. Also, I/we authorize the Bank to make such representations and warranties on me/our behalf to the Issuer and Lead Manager/ Sponsor/ Underwriter.
  6. I/We have received, read and understood the contents of the relevant Issuer's Offering Documents and acknowledges that the Bank has not reviewed any Offering Documents, has not performed any due diligence on any Issuer or offering, and makes no representation regarding the contents of any Offering Documents. In particular, the Bank does not represent that the information in any Offering Documents is complete, accurate, clear, fair and not misleading. Save to the extent provided otherwise in the Terms and Conditions for Accounts and Services or other applicable terms and conditions, neither the Bank, the Lead Manager / Sponsor / Underwriter nor their respective affiliates, controlling persons, directors or employees accepts any liability for, or makes any representation as to the accuracy of, the contents of any Offering Documents.
  7. I/We acknowledge that the obligation of the Lead Manager / Sponsor / Underwriter to sell the Debt Securities is subject to the execution (and not termination) of the relevant placing agreement by the parties thereto.
  8. I/We hereby agree to execute such additional placing letters and documentation as the Bank may request in connection with me/our subscription for Debt Securities, including without limitation such documentation as may be provided to the Bank by the Lead Manager / Sponsor / Underwriter. I/We acknowledge that upon giving its instructions to the Bank to subscribe for the Debt Securities, me/our obligation to subscribe and pay for the Debt Securities that are allocated to me/us shall be complete and binding on me/us. I/We further acknowledge and agree that if I/we fail to execute or complete any additional placing letter or documentation requested by the Bank in connection with me/our subscription for Debt Securities, within the timeframe required by the Bank, the Bank may in its sole discretion choose to reject me/our instruction to subscribe for such Debt Securities and the Bank shall be entitled to reimbursement from me/us for any losses and costs incurred in connection with such rejected subscription.
  9. I/We will on demand indemnify and keep indemnified the Bank, the Lead Manager /





Sponsor / Underwriter and their respective affiliates, officers, agents and employees for losses or liabilities incurred by any of them arising out of or in connection with any breach of any of the applicable selling restrictions or transfer restrictions, or the contract to subscribe for or purchase the Debt Securities, or any other breach of me/our obligations hereunder. I/We will, absent fraud, gross negligence or willful default by the Bank, further indemnify the Bank against any loss, expense or liability that the Bank may incur or suffer in relation to any statement or indemnity given by the Bank to the Issuer or Lead Manager / Sponsor / Underwriter in relation to any subscription by me/us.

10. I/We acknowledge that in addition to any fee and/or commission payable by me/us, the Bank may also receive remuneration from the Lead Manager / Sponsor / Underwriter with respect to Debt Securities purchased by me/us.

#### **H. Applicable to Debt Securities Application Initiated by Customers “WITHOUT Recommendations or Solicitation by the Bank”**

1. I/We do not wish to receive any financial advice, and would like the Bank to execute me/our instructions for the Debt Securities. Neither the Bank nor its agents / employees provided me/us with any recommendations or advice on the Debt Securities. The Bank is acting based on me/our instructions.
2. I/We understand that the Debt Securities are subject to risks including but not limited to the risks disclosed in these Terms and Conditions and the account opening form.
3. I am / We are acting entirely on the basis of me/our investigations and independent assessment / evaluation of the Debt Securities, and have not relied on any representation, warranty or information given or made by or on behalf of the Bank.

#### **I. No Third Party Rights**

I/We understand and accept that nothing in these Terms and Conditions or any other agreement, document, terms or conditions relating to me/our use of and all orders or instructions placed by me/us via the online investment platform, whether expressed or implied, is intended to, or will, confer on any person any benefit or any right to enforce any term which such person would not have but for the Contracts (Rights of Third Parties) Ordinance (Cap.623 of the Laws of Hong Kong).

