

Re: Implementation of Severe Weather Trading of Hong Kong Securities and Derivatives Markets

According to the Consultation Conclusions on Severe Weather Trading of Hong Kong Securities and Derivatives Markets published by Hong Kong Exchanges and Clearing Limited ("HKEX"), arrangements to maintain normal operations of the Hong Kong securities and derivatives markets during severe weather conditions (severe weather trading or "SWT"), including Stock Connect Northbound and Southbound trading, will be implemented on 23 September 2024 ("Effective Date"). Severe weather ("SW") refers to the scenario where a typhoon signal No. 8 or above or a black rainstorm warning is issued by the Hong Kong Observatory, or where an "extreme conditions" announcement is made by the HKSAR Government.

However, to ensure public safety, banks, including The Bank of East Asia ("BEA"), will not open their public-facing outlets and will only provide partial banking services, such as money transfer via electronic channels on SWT day in accordance with the expectations of the Hong Kong Association of Banks and the Hong Kong Interbank Clearing Limited. Customers should pay attention to the service adjustment notices issued by Banks.

As such, it is recommended that you use electronic trading and money transfer, including FPS (Faster Payment System), CHATS and Telegraphic Transfer on SWT day, and ensure that electronic transfer limits are adequate for meeting the settlement and margin requirements (where applicable) on SWT day. Note that adjustment of funds transfer limits and registration of third party payees will continue to be available via BEA online platforms on SWT day. If you anticipate any difficulties in meeting your payment obligations using electronic fund transfer, you may consider other alternatives such as pre-funding or depositing additional collaterals..

During full-day of SW when bank branches are not opened, cheques will neither be collected nor cleared. However, funds from cheques deposited on the working day before SWT day will be available on SWT Day. If it is not a full-day of SW, cheques deposited after branches are opened will be collected. Funds of cheques deposited before hoisting or after lowering SW will be cleared on the SWT day and be available on the next working day (SWT day +1). Meanwhile, cheque return arrangements will remain unchanged and rejected cheques deposited on the working day before SWT day will be returned to the issuers' banks on SWT day.

Finally, BEA reiterates that since the Hong Kong securities and derivatives markets will maintain normal operations on SWT day from the Effective Date, BEA will, as far as practicable, perform its daily operations as usual, including but not limited to, requesting customers to fulfil their payment obligations arising from the settlement of securities transactions or to comply with the margin call requirements if applicable. If any customers



fail to meet the payment obligations within the specified time on SWT day, BEA may exercise its discretion to force the sale of the securities or collaterals maintained or liquidate the open position contract.

Please visit the HKEX official website for more details on the implementation of SWT.

If you want to understand more on the above matter, please check out our Frequently Asked Questions for SWT arrangements on the BEA website, https://www.hkbea.com/pdf/en/2024/SWT_FAQ_en.pdf . Alternatively, you may contact us on our Customer Services Hotline (852) 2211 1333.

Yours faithfully,

The Bank of East Asia, Limited