

**Terms and Conditions:**

1. The base currency is the first currency quoted in a currency pair (e.g. AUD is the base currency of AUD/USD).
2. The leverage ratio is subject to review and approval by The Bank of East Asia, Limited (the "Bank" or "BEA").
3. To be eligible for the welcome offer, the customer must maintain a deposit level of at least US\$5,000 (or equivalent) in their account until the end of the Promotional Period.
4. Customers who are entitled to receive the welcome gifts will be notified by phone/SMS/letter within 1 month following the end of the Promotional Period to claim the welcome gifts at the branch where they opened their FX and Precious Metal Margin Trading Account.
5. The Bank reserves the sole right to revise or cancel all or any of the offers and/or amend or alter these Terms and Conditions at any time without prior notice. In the event of any dispute, the decision of the Bank shall be final and conclusive.
6. This promotional material is issued by the Bank; the contents have not been reviewed by the Securities and Futures Commission of Hong Kong.
7. Employees of The Bank of East Asia Group and their relatives are ineligible to participate in the Promotion. BEA reserves the sole and absolute right to interpret and determine the definition of "The Bank of East Asia Group" and "relatives".
8. Should there be any discrepancies between the English and Chinese versions of these Terms and Conditions, the English version shall apply and prevail.
9. This promotional material is for general information only and is intended only for distribution to selected customers of the Bank. It does not constitute an offer, invitation, or recommendation to enter into any transaction.

**10. Risk Disclosure**

Investment involves risks. You should recognise that the prices of precious metals and foreign exchange rates fluctuate, and may go down as well as up. Past performance is not indicative of future performance. It is possible that you may lose some or all of your investment as a result of entering into precious metal and/or leveraged foreign exchange contracts.

**Risk of Trading in Leveraged Foreign Exchange and Precious Metal Contracts**

The risk of loss in leveraged foreign exchange and precious metal trading can be substantial. You may sustain losses in excess of your initial margin funds. 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. If the amount or market value of the margins is equal to or falls below the top-up margin level, you are required forthwith, without notice or demand by the Bank, to reduce the open position or deposit additional margin funds. If the margin falls below the close-out margin level, the Bank shall be entitled, without prior notice, to liquidate your position. You will remain liable for any resulting deficit in your account. You should therefore carefully consider whether such trading is suitable for you in light of your own financial position and investment objectives.

**Risk of Margin Trading**

The risk of loss in financing a transaction by deposit of collateral is significant. You may sustain losses in excess of your cash and any other assets deposited as collateral with the Bank. Market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop-limit" orders. If the amount or market value of the margins is equal to or falls below the top-up margin level, you are required forthwith, without notice or demand by the Bank, to reduce the open position or make additional margin deposits or interest payments. If the margin falls below the close-out margin level, the Bank shall be entitled, without prior notice, to close out part or all of the outstanding transactions and 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 for you in light of your own financial position and investment objectives.

### **Risk of Electronic Trading**

Trading on an electronic trading system may differ from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instruction or is not executed at all.

### **Effect of Leverage**

Trading in leveraged foreign exchange carries a high degree of risk. Transactions are "leveraged" or "geared", meaning that the initial margin is small relative to the value of the foreign exchange contract. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of your initial margin funds and any additional funds deposited with the Bank to maintain your position. If the market value of the margins is equal to or falls below the top-up margin level, you are required forthwith, without notice or demand from the Bank, to pay additional funds to maintain your position. If you fail to pay additional funds, your position may be liquidated at a loss without notice from the Bank and you will be liable for any resulting deficit.

### **No Physical Delivery of any Precious Metal**

You should note that you will have no right to require delivery of any precious metal in any physical form in Hong Kong or elsewhere related to any precious metal transaction. You do not have any rights to, or ownership or possession of any physical precious metal under any transaction.

### **Volatility of Precious Metal Prices**

Precious metal prices are volatile and may sometimes fluctuate dramatically. You should understand that the price of a precious metal may go up and down. In the worst case, you may incur losses as a result of entering into a precious metal transaction.

### **Credit Risk of the Bank**

When you invest in any trade under a Foreign Exchange and Precious Metal Margin Trading Services Account, you are relying on the Bank's creditworthiness and that of no other person. If the Bank becomes insolvent or defaults on its obligations under the transaction, you can only claim as the Bank's unsecured creditor. In the worst case scenario, you may lose your entire investment irrespective of the terms of the transaction.

### **Conflicts of Interest**

Potential and actual conflicts of interest may arise from the different roles played by the Bank and the Bank's subsidiaries and affiliates in connection with the transaction, and the economic interests in each role may be adverse to your interest under the transaction.

### **Risk Relating to Onshore RMB ("CNY")**

You should note that the value of the renminbi ("RMB") against other currencies fluctuates and will be affected by, amongst other things, control measures taken by the government of the People's Republic of China, which may adversely affect your investments under foreign exchange margin trading. You may suffer exchange rate loss due to such fluctuation if you convert RMB into other currencies (including Hong Kong dollars).

### **Risk Relating to Offshore RMB (CNH)**

The RMB is currently not completely freely convertible. Offers can be made to personal customers to conduct conversion of RMB using offshore rates. It may occasionally not be possible to conduct conversion fully or immediately as this is subject to the RMB's position and market conditions at that time. You should understand and consider the possible impact this may have on the liquidity of RMB funds. The exchange rate for the offshore RMB market in Hong Kong may be at a premium or discount when compared to the exchange rate for the onshore RMB market, and there may be significant bid and offer spreads.