

PRINCIPAL BROCHURE

CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED (the “Bank”)

Gold Trading
15 May 2020

(a licensed bank incorporated in Hong Kong with limited liability and regulated by the Hong Kong Monetary Authority and registered with the Securities and Futures Commission as a registered institution for carrying on Types 1 and 4 regulated activities under the Securities and Futures Ordinance)

The Securities and Futures Commission (“SFC”) has authorized the issue of this Principal Brochure as part of the offering documents for Gold Trading (the “Scheme”).

The Bank assumes full responsibility for the accuracy of the information contained in the offering documents of the Scheme and confirms that, having made all reasonable enquiries, to the best of its knowledge and belief, there are no other facts the omission of which would make any statement in the offering documents misleading.

The SFC does not take any responsibility for the contents of the offering documents of the Scheme, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss or damage howsoever arising from or in reliance upon the whole or any part of the contents of the offering documents of the Scheme.

The SFC’s authorization of the offering documents of the Scheme is not an endorsement or recommendation of the Scheme nor does it guarantee the commercial merits of the Scheme or its performance. It does not mean the Scheme is suitable for all investors nor it is an endorsement of its suitability for any particular investor or class of investors.

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PART 1

THE KEY FEATURES OF THE SCHEME

You should read and understand all the key features of the Scheme prior to deciding whether or not to invest in the Scheme.

What is Gold Trading?

Securities and Futures (Collective Investment Schemes) Notice prescribes the arrangements for the purchase of gold with certain specified characteristics as “paper gold schemes”. Such schemes are to be regarded as collective investment schemes and are subject to the regime under Part IV of the Securities and Futures Ordinance (“SFO”) (Cap. 571, Laws of Hong Kong).

What is the Scheme about?

The Scheme is an investment instrument offered by the Bank (as principal) for investors who desire to buy and sell paper gold pursuant to a contractual term without requiring any physical delivery of gold. You will be required to open a Gold Trading Account (“**Account**”) with the Bank to undertake buy or sell transaction under the Scheme. The amount receivable by the Bank from you as an investor or payable by the Bank to you is calculated on the basis of the number of units you bought or sold of the Scheme. The Bank’s buying price and selling price per unit of the Scheme in HK Dollar (“**HKD**”) are calculated with reference to the price of Loco London Gold (“**Reference Asset**”) as explained below. These prices have already incorporated the Bank’s profit margins.

Reference Asset of the Scheme

The Reference Asset is Loco London Gold representing the basis for international trading and settlement in gold in the London bullion market. It is a global over-the-counter gold trading market without geographical constraint. Prices are quoted by market dealers based on US Dollar (“**USD**”) per ounce. The fineness is not less than 99.5%.

Quotation Unit Mechanism of the Scheme

The quotation unit of the Scheme is one unit. One unit of the Scheme is equal to one ounce of the Reference Asset. The quotation price of one unit of the Scheme is equal to Loco London Gold price based on USD per ounce after converting into HKD and is subject to the Bank’s profit margins. The quotation price of one unit of the Scheme is set out below.

The Price of One Unit of the Scheme

The price per unit of the Scheme is quoted by the Bank as the “**Bank’s Selling Price**” or the “**Bank’s Buying Price**”.

The Bank’s Selling Price is the price you pay if you wish to buy one unit of the Scheme from the Bank. The Bank’s Selling Price is the aggregate of (i) the prevailing offer price of one ounce of the Reference Asset (as provided by market dealers in USD which will be converted into HKD using the spot telegraphic transfer foreign currency exchange rate quoted by the Bank, as determined by the Bank at its sole discretion in good faith and commercially reasonable manner) and (ii) the Bank’s profit margins. The Bank’s profit margin would not exceed 1% of the Bank’s Selling Price per unit of the Scheme from time to time (e.g. if the offer price of one ounce of the Reference Asset is HKD9,900.00, the Bank’s profit margin will not exceed HKD100.00 and the Bank’s Selling Price will not exceed HKD10,000.00).

The Bank’s Buying Price is the price you receive if you wish to sell one unit of the Scheme to the Bank. The Bank’s Buying Price is the prevailing bid price of one ounce of the Reference Asset (as provided by market dealers in USD which will be converted into HKD using the spot telegraphic transfer foreign currency exchange rate quoted by the Bank, as determined

by the Bank at its sole discretion in good faith and commercially reasonable manner) less the Bank's profit margins. The Bank's profit margin would not exceed 1% of the Bank's Buying Price per unit of the Scheme from time to time (e.g. if the bid price of one ounce of the Reference Asset is HKD10,100.00, the Bank's profit margin will not exceed HKD100.00 and the Bank's Buying Price will not be below HKD10,000.00).

The Bank's Selling Price and Buying Price are rounded to 2 decimal places with 0.005 or above being rounded upwards and with below 0.005 being rounded downwards (e.g. if the Bank's Selling Price is HKD10,000.037, it will be quoted as HKD10,000.04 and if the Bank's Selling Price is HKD10,000.032, it will be quoted as HKD10,000.03).

NO Physical Delivery of Gold

Under the Scheme, no physical delivery of gold is required from you, and you cannot demand physical delivery of gold. Further, you have no right, ownership and possession of any physical gold. The allocation of units in your Account under the Scheme is notional. The unit price of the Scheme is calculated with reference to the price of Reference Asset and incorporates the Bank's profit margins.

NOT Principal Protected

Your investments in the Scheme are NOT principal protected. In the worst case scenario, you may lose your entire principal.

Delivery and Realization

There will be NO physical delivery of gold for each transaction under the Scheme. The Bank will not hold any physical gold under the Scheme. Realisation of your investment is effected through the sale of units of the Scheme and the sales proceeds will be credited to your Account with the Bank on the day the sale order is executed.

Amendment to the Terms and Conditions of the Scheme

The Bank reserves the right to amend the terms and conditions of the Scheme as set out in the Bank's Terms and Conditions for Gold Trading (as amended from time to time. Any amendment will be made by the Bank in its absolute discretion (acting in good faith and in a commercially reasonable manner) with at least 1 month's prior written notice to you. Copies of the Bank's Terms and Conditions for Gold Trading are available at the Bank's branches and website (www.asia.ccb.com) free of charge.

Governing Law of the Scheme

The Scheme is governed by the laws of Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**").

The Major Features of the Scheme

Product Name:	Gold Trading
Product Type:	Paper gold scheme
Account Type:	A non-interest bearing account
Account Mechanism:	Your investments in the Scheme will be made through a non-interest bearing Account under the Scheme in units. The purchase of units of the Scheme will be credited to this Account, and the sale of units of the Scheme will be debited from it. The transactions under the Scheme are executed by the Bank as principal.

Currency Denomination:	The selling and buying prices per unit of the Scheme are denominated in HKD.
Reference Asset:	Loco London Gold. It represents the basis for international trading and settlement in gold in the London bullion market and is a global over-the-counter gold trading market without geographical limitation, where quotes are made by market dealers based on USD per ounce. The fineness is not less than 99.5%.
Quotation Unit Mechanism:	The quotation unit of the Scheme is one unit. One unit of the Scheme is equal to one ounce of the Reference Asset. The quotation price of one unit of the Scheme is equal to Loco London Gold price based on USD per ounce after converting into HKD and is subject to the Bank's profit margins.
Pricing Mechanism:	<p>The price per unit of the Scheme is quoted by the Bank as the "Bank's Selling Price" and the "Bank's Buying Price" respectively.</p> <p>The Bank's Selling Price is the price you pay if you wish to buy one unit of the Scheme from the Bank. The Bank's Selling Price is the aggregate of (i) the prevailing offer price of one ounce of the Reference Asset (as provided by market dealers in USD which will be converted into HKD using the spot telegraphic transfer foreign currency exchange rate quoted by the Bank, as determined by the Bank at its sole discretion in good faith and commercially reasonable manner) and (ii) the Bank's profit margins. The Bank's profit margin would not exceed 1% of the Bank's Selling Price per unit of the Scheme from time to time (e.g. if the offer price of one ounce of the Reference Asset is HKD9,900.00, the Bank's profit margin will not exceed HKD100.00 and the Bank's Selling Price will not exceed HKD10,000.00).</p> <p>The Bank's Buying Price is the price you receive if you wish to sell one unit of the Scheme to the Bank. The Bank's Buying Price is the prevailing bid price of one ounce of the Reference Asset (as provided by market dealers in USD which will be converted into HKD using the spot telegraphic transfer foreign currency exchange rate quoted by the Bank, as determined by the Bank at its sole discretion in good faith and commercially reasonable manner) less the Bank's profit margins. The Bank's profit margin would not exceed 1% of the Bank's Buying Price per unit of the Scheme from time to time (e.g. if the bid price of one ounce of the Reference Asset is HKD10,100.00, the Bank's profit margin will not exceed HKD100.00 and the Bank's Buying Price will not be below HKD10,000.00).</p> <p>The Bank's Selling Price and Buying Price are rounded to 2 decimal places, with 0.005 or above being rounded upwards and with below 0.005 being rounded downwards (e.g. if the Bank's Selling Price is HKD10,000.037, it will be quoted as HKD10,000.04 and if the Bank's Selling Price is HKD10,000.032, it will be quoted as HKD10,000.03).</p>
Minimum Transaction Amount:	Minimum transaction amount is one unit (or in multiples thereof for each increment)

Maximum Transaction Amount:	Maximum transaction amount for online banking (including mobile banking) is HKD6,000,000 per transaction.
Fees and Charges:	No separate handling fee or charge will be levied on any transactions under the Scheme. In a sale by you, the Bank's profit margin would not exceed 1% of the Bank's Buying Price per unit of the Scheme as applicable from time to time. In a purchase by you, the Bank's profit margin would not exceed 1% of the Bank's Selling Price per unit of the Scheme as applicable from time to time. The Bank may vary or impose fees and charges by giving at least 1 month's prior written notice.
Trading Channels:	Through online banking (including mobile banking). Before placing orders to buy or sell units of the Scheme, you can obtain information on the prevailing unit prices of the Scheme through the Bank's branches, phone or online banking (including mobile banking).
Trading Time:	Online banking (including mobile banking) 9:00 am on Monday to 4:00 am on Saturday (except US and UK public holidays).

PART 2

THE RISKS ASSOCIATED WITH THE SCHEME

You should read and understand the nature of all risks before deciding whether to invest in the Scheme.

Understanding Suitability Before Making Investment

This is an investment product. The investment in the Scheme is your own decision but you should not invest in it unless the Bank has explained to you that the Scheme is suitable to you having regard to your financial situation, investment experience and investment objectives.

Risks Relating to the Scheme

- **NOT Principal Protected**

Your investments in the Scheme are NOT principal protected. In the worst case scenario, you may lose your entire principal.

- **NOT a Bank Deposit**

Your investments in the Scheme are NOT and are NOT equivalent to a bank deposit.

- **NOT an Interest-Bearing Account**

The Account through which your investments in the Scheme are conducted is not an interest-bearing account and provides no yield.

- **NOT Protected Deposit**

Your investments in the Scheme are NOT protected deposits and are not protected by the Deposit Protection Scheme in Hong Kong.

- **NO Physical Delivery of Gold**

The Scheme does NOT involve any physical delivery of gold. You do not have any right, ownership and possession of any physical gold. The allocation of units in your Account is notional. The unit prices of the Scheme are calculated with reference to the price of the Reference Asset and incorporate the Bank's profit margins.

- **There is NO collateral**

The Scheme is NOT secured on any assets or any collateral of the Bank.

- **NO Guarantee**

The Scheme does NOT guarantee your capital invested nor any return on the capital.

- **NOT the Same as Investment in the Reference Asset**

Investing in the Scheme is NOT the same as investing directly in the Reference Asset. Price changes in the Reference Asset might not be reflected exactly in the price changes of the Scheme due to the mechanism set out in the paragraph entitled "Pricing Mechanism" under the section "The Major Features of the Scheme" on page 4 of this Principal Brochure.

- **Volatility of Price**

The unit prices of the Scheme are calculated with reference to the price of the Reference Asset and incorporate the Bank's profit margins. You should recognize that the unit prices of the Scheme are volatile due to price changes in the Reference Asset which may depend on the demand and supply of the Reference Asset and may go up and down. You will bear potential losses due to fluctuations in the unit prices of the Scheme. Such price fluctuations may exceed your expectation and the losses may substantially reduce your capital invested and earnings (if any).

- **Market Risk**

The price of the Reference Asset may go up and down due to movements in macroeconomic factors which include but are not limited to interest rates, inflation, economic growth and geopolitical tension. The unit prices of the Scheme are calculated with reference to the price of the Reference Asset and incorporate the Bank's profit margins, your investments in the Scheme are therefore subject to market risk.

- **Concentration Risk**

You have to be aware of concentration risk in investing in one Reference Asset and are reminded to avoid over-concentration of investment in the Scheme.

- **Investment Risk**

Investment involves risks and the prices of the Reference Asset may fluctuate. The value of your investments in the Scheme may go up or down, sometimes dramatically. Your investments in the Scheme may even become valueless. In the worst case scenario, losses will be incurred rather than profit made.

- **NOT Listed on any Stock Exchange**

The Scheme is NOT listed on any stock exchange.

Risks relating to the Reference Asset

- **Demand and Supply**

The Reference Asset of the Scheme is Loco London Gold. Gold is a physical commodity and its supply is limited. The price of gold is subject to demand and supply. The demand and supply of gold will thus have an impact on the prices of the Scheme.

Risks relating to the Bank

- **Credit Risk of the Bank**

Your investments in the Scheme are subject to the credit risk of the Bank. Material adverse changes in the financial position of the Bank may impair or affect its ability to meet its obligations under the Scheme.

- **Insolvency Risk of the Bank**

There is no assurance of protection against a default by the Bank in respect of its payment obligations. If you invest in the Scheme, you are relying upon the creditworthiness of the Bank and of no other person. If the Bank becomes insolvent or default in its obligations under the Scheme, you can only claim as the Bank's unsecured creditor. In the worst case scenario, you may lose your capital invested and all earnings (if any).

- **Early Termination Risk**

Termination of Scheme

The Bank has the right to terminate the Scheme in good faith and in a commercially reasonable manner with at least 3 months' prior written notice to you.

Termination of Account

The Bank may terminate your Account in good faith and in a commercially reasonable manner by giving at least 1 month's prior notice in writing to you.

The Bank also has the right to terminate your Account at any time in good faith and in a commercially reasonable manner in the circumstances as described under the Bank's Terms and Conditions for Gold Trading. The circumstances are as follows: (i) if the Account is suspected of being used for illegal activities or if any change of law prohibits or renders illegal the maintenance or operation of the Scheme and/or the Account; (ii) if, in the opinion of the Bank, you commit any material breach of the Bank's Terms and Conditions for Gold Trading; (iii) if any acknowledgement, representation or warranty by you is or becomes materially incorrect (including if you become a U.S. person after opening your Account); or (iv) if the Account carries a zero balance for the minimum period determined by the Bank from time to time.

U.S. persons are those within the meaning of Regulation S under the Securities Act of the United States (which includes any person resident in the United States of America and any partnership or corporation organized or incorporation organized or incorporated under the laws of the United States of America), and a U.S. citizen or resident for U.S. tax purposes.

In such scenarios as stated above for termination of Account and/or Scheme, if you could not sell your units in the Scheme back to the Bank before the termination date, the amount payable by the Bank back to you on such termination will be the prevailing Bank's Buying Price of your units in the Scheme as quoted by the Bank at the date of termination, which may be substantially less than your capital invested in the Scheme.

- **Hedging Activities Risk relating to the Bank's Hedging Activities**

The Bank may enter into gold hedging transactions, which typically involve the establishment of long and/or short positions in the Reference Asset, with its respective hedging counterparties in the market. It is likely that these hedging transactions could adversely affect the price of the Reference Asset if the size of hedging transactions is substantial. In the circumstances, the unit prices of the Scheme, which are calculated with reference to the price of the Reference Asset, will be affected as well. The value of your investments in the Scheme may be adversely affected.

- **Set-off and Lien**

The Bank has the right to combine or consolidate any credit balances in your Account with the Bank to set-off any indebtedness owed by you to the Bank. Under the Bank's Terms and Conditions for Gold Trading (as amended from time to time), if you fail to pay the Bank any amount due to the Bank within 5 business days after demand, the Bank may sell all or so much of the units held in your Account and apply the sale proceeds to discharge your liability to the Bank. Copies of the Bank's Terms and Conditions for Gold Trading are available at the Bank's branches and website (www.asia.ccb.com) free of charge.

- **Conflicts of Interest**

Potential and actual conflicts of interest may arise from the different roles played by the Bank and its subsidiaries and affiliates in connection with the Scheme, for example, the Bank's hedging activities as described under the section "Hedging Activities Risk relating to the Bank's Hedging Activities" above. Although the Bank's economic interests in each role may be adverse to your interest in the Scheme, the Bank establishes necessary regulatory information barriers among its different business areas as well as formulates policies and procedures for minimizing and managing such conflicts of interest, so as to comply with applicable laws and regulations, and to ensure the Bank's transactions or dealings will be transacted at arm's length.

- **Force Majeure Events**

The Bank is not liable for any failure or delay to meet its obligations due to any causes beyond its control including local or international happenings such as natural disaster, fire, storms, riots, strikes, wars, government intervention, restriction or prohibition, closure of markets, capital market crash, technical failure of any equipment, power failures, blackouts or any other causes which result or are likely to result in the erratic behavior of gold prices, the closure of international gold markets, or exchanges of gold, or and any other cause affecting the operation of your Account.

- **Regulatory action(s) by resolution authorities under the Financial Institutions (Resolution) Ordinance in the event that the Bank is failing could adversely affect its ability to meet its payment obligations under the Scheme**

The Financial Institutions (Resolution) Ordinance (Cap. 628, the Laws of Hong Kong) ("FIRO") was enacted by the Legislative Council of Hong Kong in June 2016. In July 2017, the FIRO (except Part 8, section 192 and Division 10 of Part 15 thereof) came into operation.

The FIRO provides a regime for the orderly resolution of financial institutions with a view to avoiding or mitigating the risks otherwise posed by their non-viability to the stability and effective working of the financial system of Hong Kong, including the continued performance of critical financial functions. The FIRO seeks to provide the relevant resolution authorities with a range of powers to bring about timely and orderly resolution in order to stabilize and secure continuity for a failing authorised institution in Hong Kong. In particular, it is envisaged that subject to certain safeguards, the relevant resolution authority would be provided with powers to affect contractual and property rights as well as payments (including in respect of any priority of payment) that creditors would receive in resolution, including but not limited to powers to write off, or convert into equity, all or a part of the liabilities of the failing financial institution.

As an authorised institution incorporated in Hong Kong, the Bank is subject to and bound by the FIRO. The exercise of any resolution power by the relevant resolution authority under the FIRO in respect of the Bank may have a material adverse effect on its ability to meet its payment obligations under the Scheme. In the worst case scenario, you could lose your entire principal.

This is a complicated area of law, and if you have any doubt or wish to understand more, you should seek independent professional advice.

U.S. Persons / U.S. Foreign Account Tax Compliance Act

- **The Scheme is NOT Available to U.S. Persons**

The Scheme is not available to U.S. persons. If you become a U.S. person after opening your Account, the Bank may terminate your Account. Please refer to the sub-section "Termination of Account" on page 9 of this Brochure for definition of U.S. person.

In such scenario, if you could not sell your units in the Scheme back to the Bank before the termination date, the amount payable by the Bank back to you on such termination will be the prevailing Bank's Buying Price of your units in the Scheme as quoted by the Bank at the date of termination, which may be substantially less than your capital invested in the Scheme.

- **U.S. Foreign Account Tax Compliance Act**

Under the U.S. Foreign Account Tax Compliance Act ("FATCA"), a foreign financial institution ("FFI") is required to report to the U.S. Internal Revenue Service ("IRS") certain information on U.S. persons that hold accounts with that FFI outside the U.S. and to obtain their consent to the FFI passing that information to the IRS. An FFI which does not sign or agree to comply with the requirements of an agreement with the IRS ("FFI Agreement") in respect of FATCA and/or which is not otherwise exempt from doing so (a "nonparticipating FFI") will face a 30% withholding tax on all "withholdable payments" (as defined under FATCA) derived from U.S. sources (initially including dividends, interest and certain derivative payments).

The U.S. and Hong Kong have substantially concluded discussions on an inter-governmental agreement ("IGA") to facilitate compliance by FFIs in Hong Kong with FATCA and which creates a framework for Hong Kong FFIs to rely on streamlined due diligence procedures to (i) identify U.S. indicia, (ii) seek consent for disclosure from its U.S. Scheme participants, and (iii) report relevant tax information of those participants to the IRS.

FATCA applies to the Bank and this Scheme. The Bank is a participating FFI. The Bank is obligated to comply with FATCA. To do so, the Bank requires you to:-

- (i) provide to the Bank certain information including, as applicable, your U.S. identification details (e.g. name, address, the U.S. federal taxpayer identifying numbers, etc.); and
- (ii) consent to the Bank reporting this information and your account information (such as account balance or value, and payments made with respect to the account) to the IRS.

If you fail to comply with these obligations, the Bank is required to report aggregate account balances, aggregate payment amounts and number of non-consenting U.S. accounts to the IRS.

You should seek independent professional tax advice on the impact FATCA may have on you or your investment in the Scheme.

PART 3

GENERAL INFORMATION IN RELATION TO THE SCHEME

The Documentation of the Scheme

The offering documents of the Scheme comprise:

- (i) This Principal Brochure for the Scheme dated 15 May 2020; and
- (ii) The Product Key Facts Statement dated 15 May 2020.

The offering documents of the Scheme contain detailed information in respect of the Bank and the Scheme. You should read all such documents before deciding whether or not to invest in the Scheme.

The Bank has the obligation to distribute to you ALL of the above documents in English or Chinese as you may prefer. Copies of the offering documents of the Scheme are available at the Bank's branches free of charge.

Record of Transactions under the Scheme

Your Account statement will contain the prevailing value of your investments in the Scheme. The value of your investments in the Scheme is calculated by multiplying the number of unit(s) of the Scheme in your Account with the prevailing unit mid-price of the Scheme as quoted by Bank at the relevant time. Unit mid-price of the Scheme is determined by the Bank by taking the average of the Bank's buying and selling prices per unit of the Scheme at the relevant time.

Suspension of Dealing of Units

The Bank may suspend any dealing of unit of the Scheme at any time in good faith and in a commercial reasonable manner in the event of any technical failure of trading channel, unavailability of price quote or a Force Majeure Event (which is defined under Part 2 of this Principal Brochure to mean, among others, closure of markets, capital market crash, technical failure of any equipment, power failures, blackouts or any other causes which result or are likely to result in the erratic behavior of gold prices, the closure of international gold markets, or exchanges of gold, or any other cause affecting the operation of your Account, etc...).

In case of a suspension of dealing of units of the Scheme, the Bank shall inform Scheme participants as soon as reasonably practicable (including posting a relevant notice at the Bank's website (www.asia.ccb.com)).

Financial Information about the Bank

You can access the latest financial statements of the Bank from its website at http://www.asia.ccb.com/hongkong/aboutus/financial_results/financial_results.html or at its branches.

Ongoing Obligations

The Bank will notify the SFC and you as soon as reasonably practicable if the Bank ceases to meet any requirements of the Overarching Principles Section of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products or, to the extent permitted by any applicable laws, changes in the Bank's financial condition or other circumstances which could reasonably be expected to have a material adverse effect on the Bank's ability to fulfil its commitment under the Scheme. For enquires, please contact any branches of the Bank.

The Bank will submit any proposed changes to the Scheme in respect of the following to the SFC for prior approval:

- (a) changes to constitutive documents (including, without limitation, the terms and conditions of the Scheme);
- (b) changes of key operators and their regulatory status and controlling shareholder;
- (c) changes in investment objectives, policies and restrictions, fee structure and dealing and pricing arrangements; and
- (d) any other changes that may materially prejudice Scheme participants' rights or interests.

The Bank will inform you of the above changes by giving you at least 1 month's prior written notice (or such other period of notice in compliance with applicable laws and regulations).

The Bank shall inform Scheme participants as soon as reasonably practicable of any information concerning the Scheme which is necessary to enable Scheme participants to appraise the position of the Scheme, including without limitation:

- (a) any changes to the Scheme that do not require the SFC's prior approval as mentioned above; and
- (b) any material adverse change in the financial conditions or business of the Bank, or any other key counterparty to the Scheme, that it is aware of.

If the Scheme is to be terminated or withdrawn from authorization, in addition to following any procedures set out in the Scheme constitutive documents or governing law, written notice must be given to Scheme participants as determined by the SFC. Such notice (which should be at least 3 months) should be submitted to the SFC for prior approval and contain the reasons for the termination or withdrawal from authorization, the relevant provisions under the constitutive documents that enable such termination or withdrawal from authorization, the consequences of the termination or withdrawal from authorization and its effects on existing Scheme participants, the alternatives (if any) available to Scheme participants, the estimated costs of the termination or withdrawal from authorization and who is expected to bear them.

Persons Responsible for the Offering Documents of the Scheme

The Bank assumes full responsibility for the accuracy of the information contained in the offering documents and confirms that, having made all reasonable enquiries, to the best of its knowledge and belief, there are no other facts the omission of which would make any statement in the offering documents misleading.

Contact Details for Enquiries / Complaints

If you have any enquiries or complaints regarding the Scheme, you can visit any of our branches or call our Customer Services Hotline at (852) 2779 5533 or fax us at (852) 3718 3273.

Date: 15 May 2020

PART 4

SCENARIO ANALYSIS

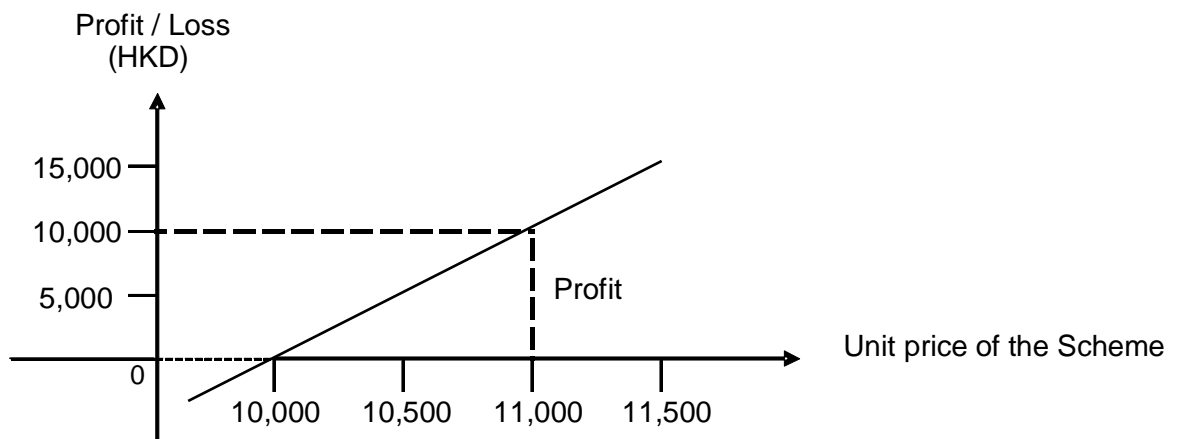
The following hypothetical examples are for illustrative purposes only. They do not reflect a complete analysis of all possible potential gain or loss scenarios and must not be relied on as an indication of the actual performance of the unit prices under the Scheme. You should not rely solely on these analyses when making investment decision.

Scenario 1 – Rise in unit prices of the Scheme (Gain Scenario)

Assuming the investor bought 10 units of the Scheme at HKD 10,000 per unit. Thereafter, the unit prices under the Scheme go up. The investor sold all the units at HKD 11,000 per unit. The purchase of units was reflected as a credit while the sale of units was reflected as a debit respectively in investor's Account.

Realized profit:

$$\begin{aligned} &= (\text{HKD } 11,000 - \text{HKD } 10,000) \text{ per unit} \times 10 \text{ units} \\ &= \text{HKD } 10,000 \end{aligned}$$

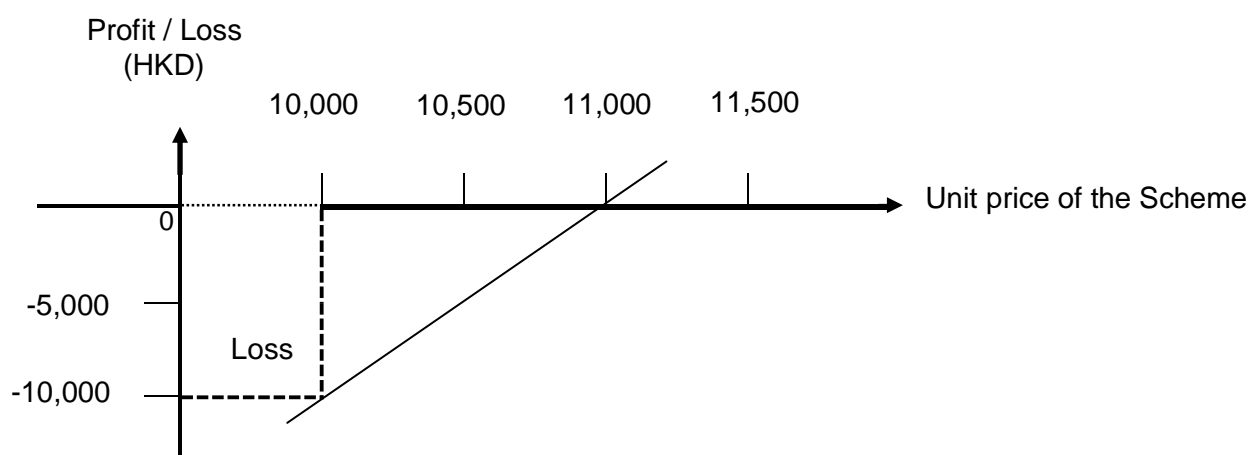


Scenario 2 – Fall in unit prices of the Scheme (Loss Scenario)

Assuming the investor bought 10 units of the Scheme at HKD 11,000 per unit. Thereafter, the unit prices under the Scheme go down. The investor sold all the units at HKD 10,000 per unit. The purchase of units was reflected as a credit while the sale of units was reflected as a debit respectively in investor's Account.

Realized loss:

$$\begin{aligned} &= (\text{HKD } 10,000 - \text{HKD } 11,000) \text{ per unit} \times 10 \text{ units} \\ &= -\text{HKD } 10,000 \end{aligned}$$



Scenario 3 – The Bank's Buying Price of the Scheme is Zero (Worst Case Scenario)

Assuming the investor bought 10 units of the Scheme at HKD 10,000 per unit. Thereafter, the Bank's Buying Price of the Scheme goes down to be zero per unit. In that event, investor suffers a loss of entire capital invested of HKD 100,000.

Scenario 4 – The Bank Becomes Insolvent or Defaults (Insolvent or Default Scenario)

Assuming the Bank becomes insolvent or defaults on its obligations under the Scheme, the investor can only claim as one of the Bank's unsecured creditors. In the worst case scenario, the investor may lose his/her entire capital invested and any earnings.