

August 2006

Dear Valued Customer,

Starting from September 4, 2006, there will be no clearing and settlement facilities provided on Saturdays in Hong Kong, from which day onwards our bank would operate a 5-day clearing week ("5DCW"). Please be advised that there will be changes as to our banking services and operations in response to the implementation of 5DCW.

**1. Saturday Branch Banking**

All branches of our bank will continue to provide normal banking services except for cheques deposit on Saturdays. Should customers wish to deposit cheques, all of which may be placed into a "Cheque Pay-in Box" provided and they will only be presented for clearing on the next clearing day following the Saturday.

**2. Internet Banking Services**

- If Customers make funds transfer from our bank accounts to other local banks through internet banking between the cut-off time on Thursdays and the cut-off time on Fridays, the related crediting transaction will be effected on the next clearing day following the Saturday. If funds transfer is made between the cut-off time on Fridays and the cut-off time on Mondays, the related crediting transaction will be effected on the second clearing day following the Saturday.
- Customers can also continue to use bill payment service through Internet banking after the cut-off time on Fridays. All requests made will be treated as instructions received and processed on the next clearing day following the Saturday.

**3. Cheques Deposit, Auto Payments and CHATS Services**

**(a) Cheques Deposit**

- The value date of cheques received on Saturdays will fall on the following clearing day.
- Funds available time to customers for "Cheque Deposit" and "Autocredit" items will be amended effective September 4, 2006, please refer to item (d) below for details.

**(b) Auto Payments (autodebit, autocredit, CHATS standing instruction etc.)**

- There will be no auto crediting or debiting of customer accounts through clearing on Saturdays.
- For month-end auto payment instructions that fall on a Saturday, they will be credited to / debited from the customers' accounts on the clearing day preceding the Saturday. For other auto payment instructions that fall on a Saturday, they will be credited to / debited from the customers' accounts on the next clearing day following the Saturday.

**(c) CHATS Services**

- There will be no CHATS service involving fund transfers to other local banks provided on Saturdays.

**(d) Funds Available Time for "Cheque Deposits" and "Autocredit"**

- For cheques deposited between Monday to Friday, funds will be available at 3:00 p.m. of the next clearing day. For autocredit items received between Monday to Friday, funds will be available at 11:00 a.m. of the next clearing day.
- Saturday is a "Non-Clearing Day".

**4. Loans Drawdown / Repayment**

The date of loan drawdowns / repayments will not be set on a date that falls on Saturdays if a loan drawdown/ repayment involves interbank fund transfers.

**5. Credit Cards Repayments**

Saturday will not be set as a due date for credit cards repayments.

**6. Interest Payment / Collection on 21<sup>st</sup> which falls on a Saturday**

- For Savings deposit, if the monthly deposit interest payment date (21st) falls on a Saturday, Interest accrued will be credited to customers' accounts on the next clearing day following the Saturday.
- If the loans overdraft interest collection date (21st) falls on a Saturday, Interest accrued will be debited from customers' accounts on the next clearing day following the Saturday.

**7. Terms and Conditions for Bank Accounts and General Services**

Amendments will be made to relevant Terms & Conditions as follows and will take effect from September 4, 2006 (save these amendments, the Terms & Conditions, as may be amended from time to time, shall remain valid and binding in full force):

**(a) Part A : General Terms and Conditions**

Paragraph 1.1: the existing definition of Business Day shall be deleted and replaced with the following:

"Business Day" means any day other than a Sunday or a public holiday on which the Bank is open for business in HKSAR.

**(b) Part B: Specific Terms and Conditions**

Schedule I : Terms and Conditions for Bank Accounts

Paragraph 4.3: the existing Para. 4.3 shall be deleted and replaced with the following as new Para. 4.3:

"All Payment Orders payable in HKSAR received for collection after normal clearing time on any date will be treated as received for the Bank Account concerned on the following Business Day other than a Saturday."

Should you require more information, you could approach any of our branches to pick up a leaflet published by the HKAB about 5DCW.

Yours sincerely,

Shanghai Commercial Bank Ltd.