

Letter to Surety

To :

Dear Sir/Madam,

Re : Borrower :
Mortgagor / Chargor :
Guarantor :
Security :
Lender : **The Bank of East Asia, Limited**

The Borrower has applied to us for certain banking or credit facilities or financial accommodation to be granted to the Borrower. The Borrower has informed us that you may be prepared to provide the Security as security for the indebtedness of the Borrower.

It is necessary for us to know from you the following:

1. Whether you seek independent legal advice

Please refer to the Warning Notice below before you make a decision on whether you seek independent legal advice. After you have read the Warning Notice, please complete the Nomination below to indicate if you will instruct a solicitor to act for you.

2. Whether you choose the Security to be for a limited or unlimited amount

The Borrower told us that the Security would be :

- for an unlimited amount including the principal amount of the facilities or accommodation, interest accruing on the principal and all costs, expenses and other monies payable by the Borrower to us as stipulated in the Security;
- for a limited amount of HK\$_____ in respect of the principal amount of the facilities or accommodation, together with all interest accruing on the principal, costs, expenses and other monies payable by the Borrower to us as stipulated in the Security.

Please note that you have an option to choose whether the Security should be limited or unlimited in amount. Kindly indicate your choice by ticking the appropriate box in the Endorsement below.

Where the Security is a Guarantee, you may at any time by notice in writing determine the Security and the Security will cease on and from a date not less than six calendar months after the receipt by the Lender of the said notice of determination ("Cessation Date") provided that you shall remain liable under the Security (i) in respect of the obligations and all other liabilities of the Borrower outstanding at the Cessation Date and (ii) in respect of all monies liabilities and obligations which will or may become due to the Lender (1) prior to the Cessation Date or (2) on or after the Cessation Date pursuant to any commitment, express or implied, assumed or undertaken by the Lender to or on account of the Borrower on or prior to the Cessation Date and (iii) for all legal and other costs, charges and expenses in full which the Lender may incur.

Kindly acknowledge receipt of the Warning Notice, complete the Nomination and Endorsement and sign and return the duplicate copy of this letter to us.

(06/2016)

WARNING NOTICE

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- (a) The Borrower has applied to us for certain banking or credit facilities or financial accommodation to be granted to the Borrower. The Borrower has proposed that you provide the Security in favour of our Bank to secure the obligations of the Borrower.
- (b) Before you sign the security documents which you have to sign if you go on with the transaction you should instruct a solicitor to protect your interests and to ensure that your rights and liabilities under the security documents are properly protected.
- (c) **YOU ARE RECOMMENDED TO INSTRUCT YOUR OWN SOLICITOR** who will be able at every stage of the transaction to protect your interest and to give you independent legal advice.
- (d) You may also instruct our Bank's solicitors to advise you in this transaction. But if a conflict arises between you and our Bank and the other party to the transaction, our Bank's solicitors will not be able to protect your interests and you will then have to instruct your own solicitor, in which case the total fees you will have to pay may be higher than the fees which you would have paid had you instructed your own solicitor in the first place.
- (e) If you do not instruct your own solicitor or our Bank's solicitors, you will be required to attend the office of our Bank solely to sign and execute the security documents and our Bank will only explain and witness your signing and execution of the security documents. Our Bank does not act as your legal counsel and will not be giving you any legal advice regarding the security documents.
- (f) **YOU ARE STRONGLY ADVISED** to obtain the financial information of the Borrower, the Mortgagor/Chargor, the Guarantor, co-Borrower, co-Mortgagor/Chargor and co-Guarantor* and engage your own financial adviser to advise you on such financial information before signing and executing the security documents.
- (h) Your liability under the Security will be as stated in Point 2 above if you decide to go on with the transaction by signing and executing the security documents.
- (i) You also have the choice not to proceed with the transaction in connection with the banking or credit facilities or financial accommodation to be granted to the Borrower.
- (j) Please think carefully before deciding whether to instruct your own independent solicitor, or our Bank's solicitors to protect your interests and whether to proceed with the transaction. You are free to choose whichever option you prefer.

For and on behalf of
The Bank of East Asia, Limited

Authorised Signature(s)

Date :

Acknowledgement

I/We acknowledge receipt of the Warning Notice given above and fully understand the contents thereof.

Nomination

- I/We will seek independent legal advice and will instruct the following solicitor to act on my behalf :

Name of Solicitor : _____

Name and Address of the Solicitors' Firm : _____

Telephone No. : _____

Fax No. : _____

- I/We do not want to seek independent legal advice and shall attend your Bank's office to sign and execute the security documents. I/We understand that paragraph (e) of the above Warning Notice will apply.

Endorsement

- I/We confirm that the Security should be limited to the amount and in the manner mentioned in Point 2 above.
- I/We confirm that the Security should be for an unlimited amount in the manner mentioned in Point 2 above.

Signed by

Date: