



*Dah Sing Financial Centre,  
108 Gloucester Road,  
Hong Kong*

15<sup>th</sup> November 2010

~~Private and Confidential~~

Your Ref: CB1/HS/1/08

BY HAND

Clerk to Subcommittee  
Legislative Council Secretariat  
3<sup>rd</sup> Floor, Citibank Tower  
3 Garden Road, Central  
Hong Kong

Attn: Miss Polly Yeung

Dear Sirs,

**Re: Subcommittee to Study Issues Arising from Lehman Brothers-related  
Minibonds and Structured Financial Products (the "Subcommittee")**

I refer to your letter dated 10 November 2010 referring to the order made by the Chairman of the Subcommittee at the Subcommittee's hearing on 9 November 2010 (the "Hearing") that I provide written answers to certain questions as set out in the Appendix to your letter.

I set out below my response to those questions. Unless otherwise stated, I shall adopt the same defined terms as our Bank's Managing Director and Chief Executive Officer, Mr. Derek Wong Hon-hing ("Mr. Wong"), has used in his witness statement dated 15 October 2010 (the "Witness Statement").

1. **With regard to the "Instruction for Private Placement Notes (PPN) Purchase Order" form under Appendix 31(i) of W44 (C), please clarify the expression "Min.(Minimum) 65" under the column "no. (number) of notes".**
  - 1.1 The presence of the expression "Min.(Minimum) 65" in the form was due to an administrative oversight. In collating the appendices to the "Branch Operations Guidelines for Bonds/Notes Services", the Bank's staff obtained a sample purchase order form used for a specific investment product and modified the form by deleting any product specific references. The expression "Min.(Minimum) 65" was a product specific reference which should have been deleted from the form.
  - 1.2 On behalf of the Bank, I apologise for any confusion this had caused to the Subcommittee.
2. **Please provide a copy of the current version of Risk Assessment Form used by DSB for conducting customer risk profiling and the date on which the current version was put into use.**

2.1 Please see enclosed as Appendix 2.1.

Should you have any queries to the above, please do not hesitate to contact our Mr. Derek Chan or Mr. Richard Li.

Yours faithfully,



Lam Cheung-wah, John  
Executive Director and Head of Retail Banking Division  
Dah Sing Bank, Limited

Encl.