



SUMMARY OF ANTI-MONEY LAUNDERING AND KNOW YOUR CUSTOMER-POLICIES

October 13, 2023

Banque Internationale à Luxembourg SA

Banque Internationale à Luxembourg SA (BIL) is a fully licensed Luxembourg bank, founded in 1856 and operating under the laws of the Grand Duchy of Luxembourg. Since July 13, 2018, the shareholders of BIL are:

- **Legend Holdings Corporation (89,98%)**
- **The Grand Duchy of Luxembourg (9,99%).**

Founded in 1984, Legend Holdings¹ is a leading diversified investment holding group, headquartered in Beijing, China and listed on the Hong Kong Stock Exchange.

Applicable legal provisions and Regulating Body

Luxembourg is one of the charter members of the Financial Action Task Force on Money Laundering (“FATF”) and, as a member of the European Union, is subject to EU regulations concerning anti money laundering and the prevention of terrorism financing (“AML/CTF”). Therefore, Luxembourg has established laws and regulations designated to combat Money Laundering and Financing of Terrorism in line with FATF standards and recommendations.

As an authorised credit institution under the Banking Law dated 5th April, 1993, BIL is regulated by the “Commission de Surveillance du Secteur Financier” (“CSSF”), the official regulator in charge of overseeing all banks and other institutions and professionals active in Luxembourg financial sector in the Grand Duchy of Luxembourg. As evidence for our banking licence, please refer to the CSSF website: <https://www.cssf.lu/en/credit-institutions/>.

The 5th European Anti Money Laundering Directive (2018/843) has been transposed into domestic Law by the Law dated 25 March 2020, amending the Law of 12 November 2004 on the fight against money laundering and terrorist financing. As a regulating body, the CSSF has issued a number of regulations and circulars outlining the obligations of Luxembourg banks with regard to anti money laundering and fight against terrorism financing (please refer to the CSSF website: <https://www.cssf.lu/en/regulatory-framework/>).

¹ http://www.legendholdings.com.cn/index_en.aspx



Translation of legal and regulatory obligations into procedures

We have established policies and procedures regarding Know-Your-Customer (“KYC”), which include identifying and verifying the identity of the customers and of the beneficial owners based on documents, data or information obtained from reliable and independent sources. The records used to identify the customers will be retained for a period of ten years after the relationship with the customer has ended. We do not allow anonymous nor numbered accounts.

Moreover, we pay special attention to:

- understand the ownership and control structure of our customers;
- obtain information on the purpose and intended nature of business relationship; and
- monitor the business relationships, including scrutiny of transactions to ensure consistency of transactions with obtained information about purpose and intended nature of business relationship.

The respect of these procedures is checked on a regular basis by the Compliance Department and Internal Audit as well as by our external auditors. They are required to report annually to the CSSF on the bank’s AML/CTF- and KYC-policies.

All legal and regulatory documents related to the Luxembourg AML/CTF framework have been transposed into internal written procedures and they are regularly reviewed and updated. These mandatory policies and procedures are compliant with the FATF standards. BIL maintains an AML/CTF program that encompasses tax crimes as a predicate offence. The CSSF may assess, at any time and at its own discretion, our policies and internal procedures as well as their practical application in our daily activities.

The AML/CTF procedures and policies have been approved by our Management Board.

BIL acting as Nominee for and on behalf of our clients

Whenever we subscribe as Nominee for and on behalf of our own customers (“Investors”) in a fund or a similar financial instrument, the Investors are known to us and we will retain information for a period of 10 years after the relationship has ended. We hereby confirm that we undertake to notify immediately the relevant Luxembourgish authorities of any concerns that we may have in connection with the investors in the context of relevant money laundering legislation/regulations, or in the event of any suspicious circumstances relating to any investors which may come to our attention.

In addition, we confirm that in carrying out our function as Nominee, we will observe and comply with the provisions of the prospectus relating to the fund or a similar financial instrument.

Acceptance of new business relations

For all new account opening requests, our front-office employees are required to fill out a detailed questionnaire asking for precise information about prospective customers, their type of business, the source of wealth, the source of funds and the type of operations they wish to conduct with the bank, etc.

Prospective client’s names as well as clients’ names are screened in an ongoing process through official and internal lists in order to avoid to enter into relationship with individuals or



institutions which appear on applicable lists of terrorists or terrorist organisations, or against whom sanctions have been imposed by the EU, the United Nations or the United States of America (OFAC list); or with someone suspected being or having been involved in criminal activities.

We have procedures in place for the identification and the monitoring of politically exposed persons (PEPs), their family members and close associates. Enhanced customer due diligence is conducted on these customers. In accordance with a risk-based approach, account openings requested by prospects considered as requiring an enhanced due diligence (such as PEP, clients resident in medium or high risk country from a AML/CTF perspective, clients having a high risk professional activity, etc) have to be formally approved by the "Account Opening Committee" operated by the Compliance Department. The bank does not enter knowingly into any business relation with a shell bank.

Any new business relation with a potential banking correspondent in a country with non equivalent EU-AML/CTF measures must be approved at Compliance level on the basis of a duly motivated request and a thorough analysis of the identity, the reputation and the AML process of that particular correspondent (for instance via the Wolfsberg questionnaire). We do not allow direct use of correspondent accounts by third parties (payable through account).

The Compliance Officer has complete discretion to terminate unilaterally an existing client relationship.

Monitoring of transactions

We use dedicated AML tools to detect suspicious transactions and to filter incoming and outgoing payments. The detection of suspicious transactions will trigger an in-depth investigation of the customer account by Compliance Department who analyses deeply the situation. The bank filters transfer messages and screens its clients database against official lists (provided by "World-Check") and internal lists. We pay the utmost attention to respect all embargoes and restrictive measures decided and published by the CSSF, the Luxembourg FIU, the FATF, the EU, the United Nations and OFAC.

Employee AML/CTF training and employee screening

A mandatory Compliance awareness and training program has been implemented in order to provide training and information to relevant employees taking into account the level of risk exposure of their function and to comply with the legal requirements. These trainings include introductory training for new employees as well as ongoing training for existing employees, either face-to-face or through other means. In case of legal or regulatory changes, supplementary training and information are provided "ad hoc".

We apply due diligence measures on our employees and our legal representatives (if any) and carry out regular controls on them with respect to the applicable lists of restrictive measures in financial matters. As far as we are aware, none of our employees or our legal representatives (if any) is currently on a sanction list applicable to us.

Responsibility of subsidiaries and associated entities (branches)

BIL has a network of subsidiaries and associated entities across the world. As head office company, we have instructed all subsidiaries and associated entities to respect the Group

standards regarding AML/CTF and KYC. General principles of corporate governance and group policies concerning AML/CTF are available to the employees of our network on our intranet site. All BIL entities have appointed Local Compliance Officers, who have a functional reporting line to BIL's Compliance Officer. Furthermore, each Local Compliance Officer must file a bi-annual activity report to be submitted to the BIL Group Chief Compliance Officer. The reported facts and figures of the network are included in the global semi-annual Compliance activity report presented to the executive Board, the Board of Directors and the Audit Committee.

Our Internal Audit Department is auditing on a regular basis our entities and their procedures and practices from AML/CTF perspective. In parallel, Compliance is also performing controls and assessments of the entities' procedures and their practical application.

Cooperation with authorities and suspicious transaction report

Our final aim is to prevent, detect and report suspected money laundering or terrorism financing activities to the Luxembourg Financial Intelligence Unit (FIU).

The BIL Chief Compliance Officer directly reports to the CEO, has a permanent access right to the Chairman of the Board of Directors and has the legal obligation to report, within a complete autonomous and independent function, suspicious transactions to the Luxembourg Financial Intelligence Unit ("FIU").

In accordance with applicable laws and regulations, including privacy and data protection laws, BIL fully co-operates with governmental and law enforcement authorities. We are strictly complying with any information request from those authorities to which client information and documentation may be made available upon request.

Please find hereunder the information concerning the responsible AML Officers:

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Signature



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