

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Suit No. 731 of 2009/F

Between

DEUTSCHE BANK AG
(RC No. F02238G)

... Plaintiff

And

CHANG TSE WEN
(Taiwan, Republic of China, PP No 213823364)

... Defendant

(By original action)

And Between

CHANG TSE WEN
(Taiwan, Republic of China, PP No 213823364)

... Plaintiff

And

(1) DEUTSCHE BANK AG
(RC No. F02238G)

(2) WAN FAN TING
(United States of America, PP No. 300607585)

... Defendants

(By counterclaim)

AFFIDAVIT OF EVIDENCE-IN-CHIEF OF CHANG TSE WEN

I, **CHANG TSE WEN** (Taiwan, Republic of China, PP No 213823364) care of Genomic Research Centre, Academia Sinica, 128 Academia Section 2, Nangang District, Taipei, Taiwan, do solemnly and sincerely affirm and say as follows:

1. I am the Defendant in the original action and the Plaintiff in the counterclaim of this suit. I am a Distinguished Research Fellow at the Genomic Research Centre at Academia Sinica in Taipei, Taiwan.
2. The matters stated in this affidavit that are within my personal knowledge are true. The matters stated in this affidavit that are not within my personal knowledge are true to the best of my information and belief.

PERSONAL BACKGROUND

3. I am presently 63 years old and am a Taiwanese citizen by birth.
4. I grew up in a rural area in the township of Chung-Li, about 40km south of Taipei, Taiwan. I come from a humble, low-income working class family. My father worked for the Taiwan Railroad Bureau from the age of 16 as a trainee until his retirement at the age of 62 as a mid-level clerk. My mother was a teacher in an elementary school before marrying my father. I am the second in a family with five children. My mother became

a housewife after my siblings and I were born. She also did farm work and managed the household chores for the family.

5. For as long as I can remember, my parents had always emphasized the importance of education to my siblings and me and were determined to put my siblings and me through college no matter what it took. My parents also taught my siblings and me the importance of being self-disciplined, responsible and not to be selfish towards others. Most of my siblings and their spouses were teachers in kindergarten, elementary and junior high schools and some have retired from these teaching jobs.
6. I had a keen interest in science and mathematics from a young age and did well at all levels in my school-going years. To reduce my parents' financial burden, I worked hard to receive scholarships and worked as a tutor for younger students as well as a laboratory assistant when I was in high school and college.
7. In 1966, I was admitted to the Chemistry Department at National Tsing Hua University in Hsinchu, Taiwan for undergraduate studies. After completion of college in 1970, I continued graduate studies in the same department and obtained a Master of Science Degree in 1972. During this period, I published my first scientific article in *Nature*, one of the top

science journals in the world. This helped me to obtain a 4-year fellowship from Harvard University.

8. After completing one-year military service in Taiwan, I went abroad for the first time in my life in 1973 to pursue Ph.D. studies in the Division of Medical Sciences at Harvard University. I received my Ph.D. in Cell and Developmental Biology in 1977. I also completed my post-doctoral training in immunology at the Center for Cancer Research in the Massachusetts Institute of Technology (“**M.I.T**”) from 1977 to 1980.
9. Just before I left for the United States of America (“**USA**”), I married Ms Nancy Tang (who is now known as “**Dr Nancy Chang**”) who was 2 years my junior at Tsing Hua University. Dr Nancy Chang went to the USA for further studies at the same time as me. She received her Ph.D. in Biochemistry in 1980 from Harvard University. 6 years later, we co-founded Tanox Inc (“**Tanox**”) which was acquired by Genentech Inc (“**Genentech**”) in 2007. Dr Nancy Chang is now a Senior Managing Director, Asia and Chairperson of the Asia team in Orbimed, the largest healthcare investment firm in the world.
10. Dr Nancy Chang and I have 2 grown-up daughters who live in the USA.

11. In 1990, I was naturalised as a citizen of the USA and held dual USA and Taiwan citizenships. I ceased to be a US citizen with effect from 18 December 2007 after I renounced my US citizenship voluntarily.
12. Dr Nancy Chang and I got divorced in 1992. After the divorce, Dr Nancy Chang continued to manage and run Tanox while I returned to my alma mater, National Tsing Hua University, to teach in 1996. I continued to advise Tanox' research team and served on the Tanox Board of Directors.
13. In 1995, I met Professor Carmay Lim Siow Chiow ("**Prof Lim**") on a visit to Taiwan. At that time, Prof Lim was a Joint Associate Professor in the Department of Chemistry of National Tsing Hua University and an Associate Research Fellow with the Institute of Biomedical Sciences at Academia Sinica. Prof Lim and I got engaged in January 1997 and we got married in May 2007.
14. After returning to Taiwan in 1996, I held several high-level government posts related to my scientific expertise including being appointed by the Prime Minister to be the Science and Technology Advisor of the Executive Yuan from 2002 to 2006. I joined Academia Sinica in January 2006.

15. Following from the disastrous plight that I found myself in after trusting and heeding Mr Wan Fan Ting's (who was also known as Johnny Wan) ("**Mr Wan**") and Deutsche Bank AG's ("**DB**") financial advice, Prof Lim and I got divorced in November 2008.

16. After losing most of the wealth earned from my lifetime's work as a result of my trusting and heeding Mr Wan's and DB's financial advice in 2007 and 2008, and as the probability that I would not have enough money to pay my USA taxes loomed, I became panicky and frightened. I felt that I had failed to keep my promises to Prof Lim and was too embarrassed to face her family, and my relatives, mentors, and friends. I felt that I was a failure. I got engulfed in depression and was emotionally very unstable. I did not recover until I found the strength to pursue this action against Mr Wan and DB.

MY DEDICATION TOWARDS BIOMEDICAL RESEARCH AND DRUG DISCOVERY

17. From my graduate school years at National Tsing Hua University until my post-doctoral training at M.I.T. and my current job at Academia Sinica in Taipei, Taiwan, I have been carrying out research work in the field of biomedicine consistently. The highlights of my career and achievements in research are as follows.

- (a) During the years at Harvard, I carried out research on protein degradation in muscles. At M.I.T. I started to learn immunology and monoclonal antibody technology. Since then, I have been working on immune regulation, antibody research and drug discovery for more than 30 years.
- (b) While I was at M.I.T. in 1980, I was recruited by the newly formed Division of Immunobiology in Ortho Pharmaceutical Corporation (“**Ortho**”), located in Raritan, New Jersey (of Johnson and Johnson) to be a Department Supervisor.
- (c) In 1981, I was recruited by the biotech start-up, Centocor Inc. (“**Centocor**”), in Malvern, Pennsylvania, to be a Resident Director in Immunology and later, Vice President of Research. Centocor was later acquired by Johnson and Johnson. Dr. Nancy Chang (who worked at the Roche Institute of Molecular Biology at that time), was also recruited as a Senior Scientist.
- (d) In 1986, Dr. Nancy Chang and I were recruited by Baylor College of Medicine in Houston, Texas to join the Division of Molecular Virology. I was offered full professorship, and Dr. Nancy Chang, an associate professor position. I remained in this position until 1991.

- (e) At Baylor College, Dr. Nancy Chang and I were encouraged by the school officials and local leaders to start a biotech company. Dr. Nancy Chang and I thus co-founded Tanox in March 1986 with a substantial portion of our family savings of USD250,000.
- (f) I held a part-time job as Vice President of Research and Chief Scientific Officer at Tanox from 1986 to 1991 while continuing with my research work at Baylor College. Dr. Nancy Chang took a full-time role as President and CEO of Tanox. She was also the Chairman of the Board of Tanox.
- (g) I left Baylor College and worked full-time at Tanox from 1991 to 1996.
- (h) In 1996, I returned to my alma mater, National Tsing Hua University to serve as professor and Dean of the College of Life Sciences.
- (i) From March 2000 to 2003, I was called upon by the Taiwan government to serve as the President of the Development Center for Biotechnology to help steer biotech development in Taiwan.
- (j) In 2003, I became Tsing Hua Professor of Life Science and taught at the College of Life Sciences.

- (k) In January 2006, I was appointed as a Distinguished Research Fellow in the Genomics Research Center, Academia Sinica, regarded as the top research institution in Taiwan. I continue to teach and to do research work at Academia Sinica to date.
18. Since working in Centocor in 1981, I have devoted myself to new drug discovery and development. In 1987, I invented a drug, anti-IgE (also called omalizumab with the trade name Xolair) (“**Xolair**”) to treat severe asthma and allergy. I have been working on the pharmacology and clinical development of this drug and its second-generation candidates ever since.
19. Xolair has been approved for treating severe allergic asthma in many countries including the USA, European Union and many other developed and developing countries. It has proven to be efficacious and safe for treating many other types of allergic diseases. Xolair is the first biologic drug for treating asthma and is said to be the first immunoregulatory treatment for allergic diseases since 1911.
20. For my invention of Xolair, I have been recognized with the highest honours by the most prominent societies in my profession, namely, the ACAAI (American College of Allergy, Asthma and Immunology) in 2004

and AAAAI (American Academy of Allergy Asthma and Immunology) in 2007.

21. Copies of my curriculum vitae as well as the 2 letters of award from ACAAI and AAAAI are exhibited in the bundle marked “**CTW-18**”.
22. It was extremely difficult and required painstaking effort for me to bring Xolair to fruition. Nonetheless, the goal of developing a drug to treat patients with severe asthma and allergic diseases kept me focused and determined to complete my research.
23. My lifelong dedication to biomedical research has made me an expert of the highest authority in my area of expertise. In order to achieve the results I have so far, I had to be exceptionally focused and specialized in my chosen area of research for many years. My devotion to my chosen area of research leaves me with no time to learn or to become an expert of other biomedical fields, let alone other non-scientific fields such as investments and finance.

ETHICS AND PROFESSIONALISM IN THE FIELD OF SCIENTIFIC RESEARCH

24. In the world of professional scientific research, ethics and professionalism is paramount.

25. Truthful and precise representation of research results is required without exception. Instances of scientists fabricating results or intentionally misrepresenting data or results are rare and would be severely punished. Scientists who commit such acts have to retract their papers and their wrongdoings would be publicized within the scientific community. It is likely that such scientists would be stripped of research grants and be expelled from their research institutions.

26. Trust is very important in my research work. Throughout my scientific career, I have been working in teams, either as a team member or a team leader. Every member of the team has to play his/her part and be absolutely honest about his/her work be it in the form of research, experimental results or presentations. Dishonest results or representations by one member of the team can cause the entire research programme to be rendered useless. This would cause the team to lose precious time and waste research funding.

27. I expect truthfulness and integrity from all the scientists that I work with, including my students and associates. These values were ingrained in me by my mentors and teachers under whom I trained and I continue to pass these values on to the next generation of scientists whom I am grooming.

28. Consequently, I had developed an attitude of trusting the professionalism and integrity of professionals to be true experts in their field and to be able to do their job well. To me, it is reasonable to expect this of experts from any professional field.
29. In addition, I believe in taking a team approach to things since there is synergy in a team which can lead to greater productivity and the sharing and improvement of ideas. I also believe that when a team makes a considered decision together, the decision is also less likely to be biased or wrong.

MY LIMITED INVESTMENT EXPERIENCE AND POOR KNOWLEDGE OF FINANCIAL PRODUCTS IN 2007

30. Drug research and discovery is my passion and life and as mentioned above, this leaves me little time or interest to learn much else.
31. In Academia Sinica, I supervise a group of 8 to 9 Ph.D. students. My time is spent meeting with and discussing the work of each member of the group, analyzing results, writing and getting scientific papers published and writing grants to support our research and to pay the salaries of the group members, teaching, giving talks in Taiwan and abroad, reviewing other scientists' papers and grants and serving on various committees in

Academia Sinica. I do not have time to read about investment or monitor stock markets.

32. I never had much spare cash to purchase investments too. A summary of my annual income from my past few jobs is as follows:

(a) between 1996 to 2000, I had an annual income of about NT1.3 million to NT1.4 million (including bonus) from my job at National Tsing Hua University;

(b) between 2000 to 2003, I had an annual income of about NT3 million to NT3.3 million (including bonus) from my job at the Development Center for Biotechnology in Taiwan;

(c) from 2003 to 2006, I had an annual income of about NT1.7 million to NT1.9million (including bonus) from my job at National Tsing Hua University,

where NT1 million is approximately equivalent to USD30,000.

33. Since January 2006, I earn an annual income of about NT3.8 million (including bonus) (equivalent to approximately USD102,000) from

Academia Sinica and live in a dormitory which is a 5-minute walk from my office.

34. Copies of my annual tax returns in Taiwan for the years 2003 to 2006 that I have in my possession are attached as “**CWT-19**”.
35. While my income was not much, it was sufficient for my daily needs and I was content with my simple academic lifestyle.
36. I did not have to deal with finance or investment issues in Tanox as Dr Nancy Chang was in charge of these matters. For the first 5 years after founding Tanox, I served part-time as Vice President of Research and Development of Tanox to pursue research related to Xolair, while keeping my position and laboratory at Baylor to pursue AIDS research. Even after I turned full time in 1991, my role in Tanox remained in research and development since we were working very hard to try to bring Xolair into fruition. With Dr Nancy Chang’s capability, I did not have to concern myself with the financial matters of Tanox and was happy to focus on my research and drug development work.
37. Dr Nancy Chang was responsible for bringing Tanox to IPO status in April 2000, practically without my involvement. At that time, I was already living in Taiwan and was extremely busy with my career and new

jobs. I was also busy with the transition from my role as Dean of the College of Life Sciences in National Tsing Hua University to my new role as President of the Development Center for Biotechnology.

38. Throughout my life until I met Mr Wan and opened an account with DB, I only heard about general financial or economic news from watching television or friends. I did not read business or investment updates or analysis at all. I also did not keep track of the business plans or financial status of individual companies or monitor their share prices. As such, I did not even know how to pick stocks to trade in and had to rely on a friend for advice. I also did not think much about investing my savings since it was not a large sum of money anyway.

Shares of Taiwanese listed companies

39. Prior to my first meeting with Mr Wan in March 2007, my major experience in buying or selling shares of companies other than Tanox occurred in a brief period between October 2000 and February 2002.
40. During this period, I had used a small portion of my savings to buy shares of 6 companies listed on the Taiwan Stock Exchange through my brokerage account with Bank Sinopac numbered 114103 (“**Sinopac Account**”). These companies are:

- (a) Hon Hai Precision Industry Co., Ltd ;
- (b) Taiwan Semiconductor Manufacturing Company, Limited (TSMC);
- (c) United Microelectronics Corporation (UMC);
- (d) Winbond Semiconductors, Ltd ;
- (e) VIA Technologies, Inc.; and
- (f) Marconix, Inc.

41. I had bought shares of the above 6 companies on the encouragement of a good friend of mine, Ms Alice Chang (“**Ms Chang**”). Ms Chang was a writer for *Commonwealth Magazine*, a political-economic magazine run by professional journalists in Taiwan.
42. I met Ms Chang in 1999 when the government announced my employment as the President of the Development Centre for Biotechnology. Ms Chang had interviewed me over many months for a long article about my vision for developing the biotechnology industry in Taiwan after which we became friends. Ms Chang knew that while I had a lot of Tanox shares at that time, I had little investment experience and did not have any investments in Taiwan. She said that I should learn how to invest and encouraged me to buy some shares.

43. Ms Chang recommended the 6 companies to me, all of which are very well known electronic companies in Taiwan. Ms Chang had also met or interviewed the founders of these 6 companies, all of whom were very inspiring people and had interesting success stories of their own.
44. I bought the shares of the 6 companies recommended by Ms Chang through my Sinopac Account in 2000 and intended to hold on to them. I sold some of these shares when I needed cash for my 2nd daughter's education at Stanford University. Eventually, I sold the rest of these shares as I did not want to monitor their prices. I had found shares interesting for a while but I soon lost interest as it distracted me from my research work.
45. My Sinopac Account was left dormant from February 2002 to date. Copies of my Sinopac Account statements from October 2000 to December 2008 which is in Chinese and their English translations are exhibited here as a bundle and marked "**CWT-20**"

Tanox shares

46. Tanox was the only company that I knew fairly well since I was a co-founder of the company and was heavily involved with its research work.

Dr Nancy Chang and I were the 2 biggest shareholders of the company since we were its founders. We owned stock certificates from the time we founded the company which multiplied as the stocks were split over time.

47. Between the time Tanox listed on NASDAQ in April 2000 until its acquisition by Genentech in August 2007, the price of Tanox shares fluctuated between USD7 to USD50. Genentech officially acquired Tanox at USD20 per share in August 2007.

48. Most of my ex-colleagues at Tanox with even fewer shares than me had sold their Tanox shares between 2000 and 2007 to generate cash for other investments and they suggested that I do the same. However, because I was dedicated to my scientific research and had no knowledge on how to invest the proceeds of the sale, I did not sell my Tanox shares to make other investments in these 7 years.

49. Being a co-founder and the inventor of Xolair which Tanox was developing, I bought some Tanox shares from the stock exchange in small amounts between May 2002 to October 2002 to show my confidence in the company and its management, particularly, Dr Nancy Chang. At that time, Tanox faced a period of uncertainty due to two developments. Our first and only drug application for Xolair which was submitted to the U.S. Food and Drug Administration (FDA) in 2000 was returned unapproved

in late 2001, after more than one year of review. Secondly, there was management unrest in Tanox, with a number senior employees leaving at that time which caused Dr Nancy Chang a lot of worry.

50. Between 2003 to 2005, I sold some of the Tanox shares to raise cash to pay for my 2 daughters' tuition fees, other family needs, and charity contributions. These transactions were either made through my Oppenheimer (USA) account numbered 087-52747 (which was later changed to account numbered G53-1674856 due to a change in corporate structure in Oppenheimer) ("**Oppenheimer Account**"), Citi Smith Barney (Hong Kong) account numbered 88B-2791-1863 ("**Citi SB Account**"), or my Fidelity Investments (USA) account numbered X06-118362 ("**Fidelity Account**").
51. Both my Oppenheimer and Fidelity accounts had held my original Tanox stock certificates in the USA.
52. My purchase and sale of Tanox shares were not for trading or investment purposes.

ALL MY INVESTMENTS WERE CONSERVATIVE PRIOR TO MEETING MR WAN

53. My investment experience in the 5-years leading up to my meeting with Mr Wan on 15 March 2007 was limited to mutual funds and cash deposits or money funds. A summary of these investments and the accounts they were made through are as follows:

No.	Account	Investments up to March 2007
1.	Oppenheimer Account	<ul style="list-style-type: none"> ▪ Deposited Tanox stock certificates in Dec 2001 ▪ Purchased 3 money funds in 2003 ▪ Sold some Tanox shares to get cash in Dec 2004 and Jan 2005 ▪ Bought and liquidated 1 money fund in Dec 2004 ▪ Bought 1 money fund in Dec 2004 which was liquidated in Oct 2006
2.	Fidelity Account	<ul style="list-style-type: none"> ▪ Held money funds and mutual funds bought from before 2002 ▪ Bought Tanox shares in a few tranches in 2002 (due to thin trading volume) ▪ Sold Tanox shares in a few tranches in 2003 and 2004 to raise cash (due to thin trading volume) ▪ Sold 6 mutual funds in 2006
3.	-Citi SB Account	<ul style="list-style-type: none"> ▪ Sold Tanox shares in a few tranches 2005 to raise cash (due to thin trading volume)

No.	Account	Investments up to March 2007
		<ul style="list-style-type: none"> ▪ Bought and redeemed 2 money funds in 2005 and 2006 in a few tranches
4.	Charles Schwab individual retirement account (IRA) no. 2226-3948 (USA) (“ Charles Schwab Account ”)	<ul style="list-style-type: none"> ▪ Purchased and redeemed a few money funds and purchased and sold a few mutual funds in 2002 ▪ Purchased 2 money market funds in 2004

54. Copies of the account statements of my Oppenheimer Account (November 2001 to December 2008), Fidelity Account (January 2002 to December 2008), Citi SB Account (July 2005 to December 2008) and Charles Schwab Account (October 2000 to December 2008) are exhibited as separate bundles and marked “**CTW-21**”, “**CTW-22**”, “**CTW-23**” and “**CTW-24**” respectively.
55. Before my first meeting with Mr Wan as DB’s representative on 15 March 2007, I did not have any knowledge about derivatives (in stocks or otherwise) or knew what “structured products” were. I had never purchased any call or put options or heard of the term “ultra short put option” until Mr Wan mentioned it to me in 2008.
56. In fact, I had never heard of an “accumulator” or a discount share purchase programme (“**DSPP**”) until Mr Wan introduced this product to Prof Lim and me on 15 March 2007.

MY CITIBANK SMITH BARNEY ACCOUNT

57. I wish to elaborate on the circumstances under which I opened my Citi SB Account in 2005. This account is a securities account and was my first account opened with Citibank.
58. I had opened my Citi SB Account in July 2005, about 2 years after I got to know Mr Kai Chen (“**Mr Chen**”) through the activities of the Monte Jade Science and Technology Association in Taipei. Mr Chen was fluent in both English and Mandarin and is a very polite and pleasant person. He had suggested that I open an account with Citi Smith Barney as the financial services industry in Hong Kong was more mature than Taiwan. I agreed to open an account as I thought it would be good to have an account in a financial centre near Taiwan. I was also comfortable with Mr Chen.
59. Before my Citi SB Account was opened in July 2005, my Tanox stock certificates were kept in my Oppenheimer Account, my Fidelity Account and my personal safe in Taiwan.
60. I transferred 2 Tanox stock certificates from my personal safe to my Citi SB Account after it was opened in July 2005. I had intended to transfer all

my Tanox stock certificates from my Oppenheimer and Fidelity Accounts in the USA to my Citi SB Account until I met Mr Wan and was convinced to set up an account with DB in 2007. I wanted to keep my Tanox stock certificates in Asia since I was not intending to return to the USA. Also, I thought it was more convenient and comfortable to deal with a banker in the same time zone whom I could meet in person if necessary.

MY FIRST EVER EXPERIENCE OF RECEIVING MILLIONS OF DOLLARS IN CASH AFTER THE ACQUISITION OF TANOX

61. Genentech's plan to acquire Tanox at USD20 per share was approved by its board of directions and announced on 9 November 2006. At that time, this was a major piece of news as it was Genentech's first acquisition of a company. Genentech was also considered the largest biotech company in the world.
62. Tanox shareholders subsequently approved the acquisition proposal on 15 January 2007 and the acquisition was concluded on 2 August 2007.
63. Copies of a few articles and Genentech's press releases on its acquisition of Tanox and the material announcements made in the course of 2006 and 2007 are exhibited in a bundle marked "CTW-25".

64. At that time, I held a total of 6,025,003 Tanox shares including stock options. For this, I received a total of approximately USD118 million in cash from Genentech's transfer agent in August 2007. I thought that after paying a sum of USD20 million for capital gains tax in the USA, I would have about USD100 million leftover.
65. I had never received or handled so much money in my life and had no idea how to manage such a huge sum of money. For this reason, I had made preparations before receiving the cash to open an account with DB. I thought that DB would help me to manage my new-found wealth.
66. After the completion of the Genentech acquisition of Tanox, I received USD26 million in my new account with DB and the rest in my Citi SB Account. I had planned to keep USD26 million in DB and USD70 million in my Citi SB Account. I also made a donation of USD 2 million to M.I.T. to establish the "*Eisen and Chang Professorship*" in honour of Professor Herman Eisen whom I had trained under in M.I.T. from 1977 to 1980 as a post-doctoral fellow.

MY FIRST ACQUAINTANCE WITH MR WAN IN DECEMBER 2006

67. I got to know Mr Wan on 28 December 2006 when I accompanied Prof Lim to a Standard Chartered Bank (“SCB”) branch in Central, Hong Kong. At that time, Prof Lim and I were in vacation in Hong Kong. Prof Lim therefore took the opportunity to check on her SCB account in Hong Kong.
68. I understood from Prof Lim at that time that her previous relationship manager at SCB, Mr Herbert Lim, had left the bank. Prof Lim therefore did not know who to speak to at SCB. An officer at SCB therefore arranged for us to meet Mr Wan. Before this incident, neither Professor Lim nor I had ever met Mr Wan.
69. Mr Wan spoke fluent Mandarin and English. He introduced himself and told us of his professional experience which included a few years studying and working in the banking industry in USA. Mr Wan looked around 35 to 40 years of age at that time.
70. Prof Lim requested me to sit in with her in her meeting with Mr Wan on her account and so I did.

71. The main discussion at this meeting centred on whether Prof Lim should sell the shares in Cheung Kong Holdings which her Father had bought for her in their SCB joint account many years ago. Mr Wan convinced Prof Lim to sell her Cheung Kong shares on the basis that they were currently HKD94.80 a share, near the year's all-time high. Prof Lim agreed to sell the shares. She also instructed Mr Wan to place the sale proceeds into fixed deposits.
72. After the discussion on Prof Lim's Cheung Kong shares, I told Mr Wan that I wanted to open an account with SCB. I wanted to open an account in Hong Kong so that I could keep a small sum of Hong Kong dollars and Chinese RMB there for personal use. This was useful since I could not exchange Taiwanese dollars for Chinese RMB in Taiwan at that time.
73. Mr Wan went to another room to obtain the relevant forms and instructed me to fill up the forms and sign at the relevant places which I did. He did not ask me to read the forms and I did not do so either. Mr Wan then went out of the room for a while before coming back to say that everything was fine except that I had to provide proof of address in English.
74. I told Mr Wan that I did not have this with me but I would call my research assistant to fax me the top page of my most recent monthly

statement from a bank or brokerage account and hand this to him the next day.

75. After we returned to the flat where Prof Lim and I were staying at in Hong Kong, I called Mr Donic Lu (“**Donic**”), my research assistant from Academia Sinica who had a key to my office. I instructed Donic to go to my office to take out the most recent statement for my Fidelity Account from my drawer. Donic retrieved my Fidelity Account statement for the month of August 2006 and faxed the top page of this statement to me in Hong Kong.
76. The mailing address stated on my Fidelity Account statement was my office address at Academia Sinica. The statement also showed my account balance which was around USD50 million as of 31 August 2006 (due to my Tanox stock certificate). A copy of my Fidelity Account statement for August 2006 is exhibited in “**CTW-22.**”
77. The next day, we returned to the same SCB branch in the afternoon and met Mr Wan for the second time.
78. I handed Mr Wan the original faxed top page of my August 2006 Fidelity Account statement as proof of my mailing address. Upon receipt of this, Mr Wan looked surprised that I had such a large amount of assets in my

Fidelity Account. Prof Lim thus explained to Mr Wan that I was a co-founder of a NASDAQ-listed drug development company, Tanox. Prof Lim also explained to Mr Wan that Tanox would soon be sold to Genentech.

79. After the meeting, I asked Mr Wan for directions to the US embassy. I also told him that I held a dual US-Taiwanese citizenship and wanted to check on the procedure for renouncing my US citizenship.
80. Mr Wan said that the US embassy was only about 2 blocks away and said that he would accompany me there. Along the way, Mr Wan told Prof Lim and I-me that he was moving to DB's Hong Kong branch ("DBHK") soon as his previous supervisor had moved there and had recruited him.
81. By the time we got to the US embassy, it was about to close. I therefore left after obtaining some information pamphlets.
82. I forgot all about my account opening procedure in SCB until after I instructed Singapore counsel on my claim against DB in 2009. It was only then that I realized that my account with SCB had not been opened after all.

MR WAN CAME ALL THE WAY TO TAIWAN TO SOLICIT ME AS A CUSTOMER FOR DB

83. I did not meet Mr Wan again until March 2007.
84. On 5 February 2007, Prof Lim forwarded me an email from Mr Wan to her of the same date, sent from his DB email address. Mr Wan's signature stated that he was an Assistant Vice President. In this email, Mr Wan wrote that he had left SCB to join DB for many reasons, including pay. He also wrote that he had received multiple offers from different banks such as UBS and HSBC but chose to join DB because it offers the best combination of flexibility for his clients as well as unique products. Mr Wan also wrote that he has 12 years experience in the financial service industry and had worked for Morgan Stanley, Charles Schwab and HSBC for years and his expertise and experienced can definitely add value to Prof Lim. Lastly, Mr Wan said that he would be in Taiwan at the end of the month and would like the opportunity to meet Prof Lim and me.
85. On 5 March 2007, Prof Lim forwarded me another email from Mr Wan to her of the same date and asked if we should meet him. In this email, Mr Wan wrote that he would be in Taipei for a business trip between 14 and 15 March 2007 and would like to meet us at our convenience.

86. Prof Lim replied to Mr Wan's email on 6 March 2007, copied to me, to say that she would be free to meet Mr Wan on 15 March 2007 in the afternoon. Prof Lim also said that her cash in SCB were not placed into fixed deposits as she had instructed.
87. I did not intend to meet Mr Wan initially. However, on 15 March 2007, Prof Lim phoned me at my office to tell me that Mr Wan was in her office (her office building is next to mine) and would like to meet me. I told Prof Lim that I was not free at that time and since he asked, I suggested that we have dinner with Mr Wan that night instead.
88. Copies of the emails from Mr Wan to Prof Lim and emails forwarded by Prof Lim to me mentioned in this section are exhibited here as a bundle as "CTW-26".

MY FIRST MEETING WITH MR WAN AS DB'S REPRESENTATIVE ON 15 MARCH 2007 ("1ST MEETING")

89. Since Mr Wan was a foreign guest, Prof Lim and I hosted dinner for him on 15 March 2007 at Peng Lai Restaurant in Howard Plaza Hotel, Taipei.

90. At the start of the meeting, Mr Wan handed me his new DB business card which states that he was an Assistant Vice President (“AVP”) of DBHK. Mr Wan looked very proud of his new position.
91. Mr Wan told Prof Lim and me that he knew that Tanox’s shareholders had approved the acquisition by Genentech at USD20 per share. He also asked how many Tanox shares I owned and how much cash I would receive if the acquisition was successful. I told Mr Wan that I was likely to receive around USD118 million from the acquisition if it goes through.
92. Mr Wan had brought along a laptop and he asked if he could introduce us to Deutsche Bank Private Wealth Management’s (“DBPWM”) services. We agreed to let him do so.
93. At that time, I was serious about engaging a professional to help me to manage the large amount of cash that I would receive from the Genentech acquisition. This was very important to me especially since I was going to marry Prof Lim in a few months time and I wanted to be a responsible husband.

The Presentation

94. Mr Wan made a presentation to us on DBPWM's services using a powerpoint presentation with easy to follow diagrams and words accented with different fonts, styles and colour ("**Presentation**"). The Presentation's title page stated:

**"Deutsche Bank –
Private Wealth Management**

Offering you a wealth of resources at your fingertips

Presented to you by: Mr. Johnny Wan
Assistant Vice President
Tel. +852 2203 7722
Fax. +852 2203 7326
Email. johnny.wan@db.com"

95. Given the fact that Mr Wan had travelled all the way to Taiwan to introduce DBPWM's services to Prof Lim and I coupled with the fact that the Presentation looked very formal, I understood the Presentation to be a serious and official presentation of DBPWM's services that would be provided to Prof Lim and me.
96. Mr Wan went through the Presentation emphasizing key pages which highlighted DBPWM's experience, reputation, level of service, expertise in and approach to private wealth management.

97. The following phrases were used in the Presentation to describe DBPWM's services:

““Our combination of global strength, Asian expertise and world class investments can earn you superior returns. But it is the passion of our people that will earn your trust” Rico Caduff, Head of Deutsche Bank Private Wealth Management, Asia Pacific” – at page 2 of the Presentation

“A passion to perform – as a global powerhouse, we dedicate to excellence, constantly challenging the status quo to deliver superior solutions to our customers

....

We constantly challenge the status quo to anticipate future needs and deliver innovative solutions to our clients. **We go that extra mile to create eye-level partnerships and commitments that endure.**” – at page 6 of the Presentation

“Awards are testimony of the trust our customers placed with us as well as the exceptional capabilities of our asset classes and products” – at page 8 of the Presentation

“What you can expect from us – our mission statement. Private Wealth Management is about providing customized investments and estate and wealth planning solutions to high net worth individuals. **Our mission statement is to be the lead, trusted advisor for wealthy individuals, their families and selected institutions worldwide”** – at page 12 of the Presentation

“We are truly committed to providing clients with a banking investment management, advisory and fiduciary platform that delivers proprietary and open architecture solutions of superior quality. In every aspect of our relationship with clients we dedicate ourselves to effective performance that is characterized by integrity, impartiality and complete confidentiality...” – at page 12 of the Presentation

“Our commitment and service values to our preferred customers...”

Performance driven –solution rather than product based approach to ensure an optimally positioned portfolio...

Sophistication – Intellegent & proactive process to meet new market conditions and your changing needs...

Service excellence – Experienced, long term, elite professionals who ensure your needs are met....” – at page 13 of the Presentation

“Our team approach to customer servicing help create exceptional value for our clients...Our Relationship Managers are there to provide solutions for all your requirements. They are supported by dedicated Investment Advisors and Service Assistants to provide the expertise and convenience our clients demand.” – at page 14 of the Presentation

“Our global strength reflects our ability to provide you with global and unlimited resources.” – at page 15 of the Presentation

“Access to global Deutsche Bank resources, tailored to suit local needs.” – at page 16 of the Presentation

“Private Wealth Management

Deutsche Bank Awarded*

- Best quality of client relationship management and service

...

- Best overall products and services
- ...
- Most thorough investment advisory across all products
- Best for advisory portfolio management”

“Asset allocation is the driver of performance. At Deutsche Bank, we customize to every of your investment and financial needs and goals using the best-of-breed resources.” – at page 25 of the Presentation

“Through our proprietary Investment Strategy process and state-of-the-art technology, we review each customer’s entire financial situation and create a highly customized plan that addresses all of the customer’s wealth management goals.” – at page 30 of the Presentation (*emphasis added*)”

98. The Presentation described the exact kind of assistance that I was looking for to help me to manage my wealth once the Genentech acquisition of

Tanox was completed. I was also attracted to the word “trust” which appeared several times in the Presentation.

99. More specifically, Mr Wan had stopped at page 14 of the Presentation to talk about DB’s team approach in their services. On this page, it is written that “*Our team approach to customer servicing help create exceptional value for our clients*”. Mr Wan told me that his expertise was in bonds but his team in DB’s private wealth management offered an array of other products to suit our needs and that the team had members with expertise in different areas of investment.
100. After Mr Wan finished making the Presentation, Prof Lim and I told Mr Wan that we were impressed with the Presentation and the level of and range of services provided by DBPWM. In particular, I told Mr Wan that the emphasis on the building of trust with the client and the team approach in managing the client’s wealth and investments appealed to me greatly and I could relate to it.
101. Prof Lim and I then proceeded to tell Mr Wan more about our needs and backgrounds so that he would understand where we were coming from and our expectations in a private wealth management service provider. We told Mr Wan the following main points that night.

- (a) Prof Lim and I told Mr Wan that we were interested in engaging responsible and qualified financial advisors to help us to manage our wealth.
- (b) I told Mr Wan that I did not know how to manage the cash that I was about to receive from the Genentech acquisition as I had never before received such a large sum of cash. Therefore, I was particularly interested and needed to engage a team of qualified and responsible financial advisers to work with me and to advise me on how I should manage my money and what investments I should make.
- (c) We told Mr Wan that we both had very little prior experience in making investments and dealing with financial products due to our commitments to and interest in scientific research and academia. Prof Lim explained that we are very busy people and that we do not read business news or similar material.
- (d) I explained to Mr Wan that no matter where we are, our minds would always be on our research. Even when we are not in our office or labs, we would be reading scientific papers, checking on the latest scientific news and discussing the latest developments with our peers. I explained that our level of research work required a very dedicated and focused state of mind practically all the time.

- (e) I told Mr Wan that I was very involved in the development of new medicinal drugs to combat allergy, asthma and virus infections. Prof Lim told Mr Wan that she concentrated more on basic research such as using computers to model protein structure and helping in drug development.
- (f) Prof Lim told Mr Wan that we would not want any risky products. I agreed with her. We explained that because we had very little time to manage our wealth, we avoided making investments in high risk financial products and investments and that we preferred to invest in fixed deposits or in mutual funds as these were generally low risk investments which offered some returns and which do not require much monitoring.
- (g) I told Mr Wan that I did not have any investment activities except in mutual funds and in respect of my Tanox shares in the last 5 years.
- (h) Prof Lim told Mr Wan that aside from Tanox shares, she did not own any stocks save for the Cheung Kong shares that her father had bought for her more than 10 years ago and which were sold in December 2006 on Mr Wan's advice.

(i) Prof Lim also told Mr Wan that she considered herself to be a conservative and risk adverse investor and that her investment objective was to ensure that her wealth was preserved for her retirement.

(j) I told Mr Wan that I considered myself to be a conservative a investor and that my key investment objective was to ensure that my wealth was preserved with some growth.

102. Mr Wan listened to our concerns and explanations and would nod and say that he understood as he listened. He also expressed admiration towards our dedication to scientific research. In the course of the exchange with us, Mr Wan assured us that:

(a) he fully understood our investment objectives and concerns that we had shared with him;

(b) DBPWM would be able to provide financial advice to Prof Lim and I and manage our wealth and investments in accordance with our investment objectives and needs;

(c) within DBPWM, one of his strengths was in the area of bond investments and his team members in DBPWM had strengths in other areas of investment;

(d) as a team, DBPWM would be able to meet the wealth management and investment needs of Prof Lim and me;

(e) as a team, DBPWM would be able to offer a variety of financial products which would be tailored to meet the requirements of Prof Lim and me;

(f) the services provided by DBPWM was amongst the best when compared to other international banks; and

(g) if Prof Lim and I are customers of DBPWM, he could travel to Taiwan to meet us if we needed to speak to him in person on our wealth management and investment needs.

103. I was very impressed with the description of DBPWM in the Presentation and Mr Wan's energetic and confident approach as a financial advisor. Mr Wan also told us that DBPWM ranked among the best among many international banks.

104. The Presentation left a very positive and lasting impression of DBPWM's services and reputation in my mind. The most important messages that I took home with me were that:

- (a) I could trust DB and be confident of their expertise in investments;
- (b) DB would be my lead trusted advisor on investment matters;
- (c) DB was committed to providing me with an advisory and fiduciary platform which I could rely on; and
- (d) DB uses a team approach to create exceptional value for its clients.

105. After the Presentation and discussion was over, Mr Wan asked Prof Lim and I if we would like to open accounts with DB. Prof Lim agreed to do so. I told Mr Wan that I did not have much cash at the moment and would open an account with DB after the Genentech acquisition of Tanox.

106. Mr Wan thus proceeded to ask Prof Lim a series of questions and to fill out a questionnaire on Prof Lim's financial situation, investment experience and investment objectives. In answer to Mr Wan's questions, Prof Lim told Mr Wan that:

- (a) She was a risk-adverse investor who wanted to preserve her capital for retirement;
- (b) She has little knowledge of the stock market and investment products;
- (c) She was extremely busy with and overseeing research and did not have time to follow stock markets and would need Mr Wan's advice on making very safe investments.

107. After the questionnaire was completed, Mr Wan produced a few looseleaf forms for Prof Lim to sign. Mr Wan pointed out specific blanks in the forms where Prof Lim signed without reading the forms. Prof Lim's name and details were already typed on the forms.
108. The signing was completed very quickly. Mr Wan gave Prof Lim a copy of DB's Account Opening Documentation and said that he would send her a copy of the signed documents later.
109. Mr Wan then gave each of us a neatly bound coloured print-out of the Presentation ("**Presentation Booklet**").
110. Mr Wan did not screen the last page of the Presentation entitled "Important Information" when he presented it to us on his laptop. Mr Wan also did not alert us to:
- (a) the statement that was printed in small font at the bottom of each non-title page of the Presentation which read: "Personal and Confidential – For Discussion Purpose Only. Please refer to the last page for Important Information"; and
 - (b) the statements that were printed in small font contained at page 33 of the Presentation entitled "Important Information".

111. Mr Wan did not ask Prof Lim and me to read any of the documents that Prof Lim had signed, the DB Account Opening Documentation or the Presentation Booklet at or after the 1st Meeting. He also did not point out any key features of these documents.
112. I did not refer to Presentation Booklet to check for fine print after the 1st Meeting since I had no time to do so and I had already told Mr Wan about my background and needs.
113. Prof Lim and I were therefore not aware, at any material time during the 1st Meeting or after, of the contents of the “Important Information” page of the Presentation or that DB offered different types of services to its clients depending on the type of account opened by them.
114. I relied on the representations made by DB through Mr Wan and the Presentation in deciding to open an account with DB and to heed Mr Wan’s financial advice after I received the money for my Tanox shares. I was convinced that DB and Mr Wan were my trusted financial advisors and that DB was my fiduciary and would be able to provide me with customized and impartial wealth management solutions as stated in the Presentation.

115. As a scientist, I was familiar with powerpoint presentations and encounter them frequently when giving or listening to presentations made by other scientists. It is unheard of for a scientist to give a presentation on a subject only to state in small print at the end (and without informing the audience), that the contents of the presentation are not accurate or should not be believed. Therefore, I did not have any reason to suspect that Mr Wan's words and what was written in the body of the Presentation were untrue or inaccurate.
116. Overall, the Presentation and Mr Wan's assurances gave us a very positive impression of DBPWM's services and I believed that DB would be a trusted financial advisor to help me to handle the money I would receive from the Genentech acquisition. I trusted that DB and Mr Wan would provide the high-level, fiduciary and customer-oriented private wealth management service mentioned in the Presentation to me.
117. A copy of Mr Wan's DB business card and the Presentation Booklet which I had received at the 1st Meeting are exhibited here as a bundle marked "CTW-27".

First mention of DSPPs by Mr Wan

118. In the course of our conversation at the 1st Meeting, Prof Lim asked Mr Wan whether she had sold her Cheung Kong shares too early as the share price of Cheung Kong had gone up from the time she sold them in December 2006 to an even higher price.
119. Mr Wan told Prof Lim that she could buy Cheung Kong shares back at about 15% to 20% discounts using a programme. Mr Wan then introduced a DSPP to us saying that this would be a suitable investment for us. Mr Wan explained that a DSPP would allow us to buy and accumulate shares of reputable publicly listed company at a discount over the price of the shares listed on the stock exchange.
120. Using Cheung Kong shares as an example, Mr Wan explained that:
- (a) A Cheung Kong DSPP would allow an investor to buy Cheung Kong shares on a daily basis over a period of 1 year at a discount of between 15% to 20% of its share price.
 - (b) If the price of the Cheung Kong shares fall over the life of the DSPP, the investor can purchase Cheung Kong shares through a second Cheung Kong DSPP which would also offer Cheung Kong shares at a discount over its lower market price. This would lower the average cost of the

Cheung Kong shares purchased and owned by the investor and minimize the impact of the fall in price of the shares.

121. Prof Lim had asked Mr Wan why a bank would sell stocks at a discount. Mr Wan answered that by selling stock at a fixed price lower than the current market price, the bank could design better products for its customers. Mr Wan also explained that due to the uncertainty in the price of the underlying shares of the DSPP, a DSPP benefits both the investor and the bank selling it.
122. Finally, Mr Wan said that many of DB's clients had bought shares through such programs and had made a lot of money.
123. As Mr Wan explained, Prof Lim wrote notes on the back of her newly received DB Account Opening Documentation. She wrote several lines after which Mr Wan took over and continued writing on the same page. Mr Wan did not provide Prof Lim and me with any brochures or information pamphlet about DSPPs at the 1st Meeting.
124. A copy of the abovementioned back page of Prof Lim's DB Account Opening Documentation with Prof Lim's and Mr Wan's handwriting is exhibited here and marked "**CTW-28**"

OPENING OF MY ACCOUNT WITH DB IN AUGUST 2007

125. After the 1st Meeting, I corresponded with Mr Wan intermittently through phonecalls or emails exchanged between Mr Wan and Prof Lim which were copied or forwarded to me.
126. In late July 2007, Dr Nancy Chang called to inform me that Genentech's acquisition of Tanox was going to be completed soon. She also said that I should make preparations to receive the money for my Tanox shares.
127. I therefore contacted Mr Wan to tell him that I was ready to open an account with DB and that I was expecting to receive the proceeds for my Tanox shares soon. Mr Wan sent me a short email on 27 July 2010 to say that he would send me the DB account opening pack which I should sign and courier back to him in Hong Kong.
128. I received a courier package from Mr Wan at the start of August 2007 consisting of some loose forms and an Account Opening Documentation which was in the form of a booklet ("**Account Opening Forms**"). I signed the forms which already had my personal details typed in and returned them to Mr Wan by courier in the beginning of August 2007. Mr Wan had marked out the spots in the forms that I was supposed to sign

with crosses and “sign” tabs. I did not receive a copy of the documents that I had signed from DB after that.

129. I did not read the Account Opening Forms since I thought that I had been fully informed of DBPWM’s services pursuant to Mr Wan’s presentation at the 1st Meeting. Also, Mr Wan did not tell me that I should read and understand the terms of these forms before signing them or that the terms of the forms differed from what was stated in the Presentation or conveyed by him at the 1st Meeting.
130. A copy of my DB Account Opening Documentation (including an Addendum to the Service Agreement) and the following forms that I had signed are exhibited as a bundle at “**CTW-29**”:
- (a) Account Application (Individual and Joint accounts) dated 1 August 2007;
 - (b) Nomination of DB Intermediary For Accounts Managed Outside Singapore dated 1 August 2007;
 - (c) Security Agreement – First Party dated 1 August 2007; and
 - (d) Risk Disclosure Statement dated 1 August 2007.
131. I had received copies of documents (a) to (d) above from DB through discovery in this action.

132. After my DB account numbered 6008239 (“**DB Account**”) was opened, I deposited 2 of my Tanox stock certificates into the account. After the Genentech acquisition completed, I received a total of around USD26 million for these 2 stock certificates. In the process of the redemption of my Tanox shares through a transfer agent of Genentech, Mr Wan worked with me closely and efficiently, which gave me a good impression of his attitude to his work.
133. From August 2007 to mid November 2007, the funds in my DB account were used to invest in time deposits, dual currency time deposits and bonds. Mr Wan would contact me to introduce and give me suggestions on which deposits or bonds to invest in. I usually purchased the particular time deposit or bond based on Mr Wan’s recommendation since I trusted him.
134. Copies of the emails exchanged between Mr Wan and me between 27 July 2007 and 12 November 2007 on the opening of my DB Account and the initial conservative investments made in my DB Account are exhibited as a bundle marked “**CTW- 30**”.
135. I also note that DB’s client acceptance and profile report on me dated 3 August 2007 (“**2007 DB Profile Report**”) states that my risk tolerance is “balanced”, that is to say that I am an investor who is prepared to accept

risk of infrequent or modest losses and that I was seeking total return both from income and capital appreciation.

136. The same report also states that I have “low” experience with derivatives and structured products, mutual funds, loans, FX trading, fiduciary service, alternative investment, IPOs and other. I was stated to have “medium” knowledge on bonds, stocks and managed portfolios. In the grading system, there were three levels of experience: “low”, “medium”, and “high”. Mr Wan should have known from the 1st meeting that I had no experience at all in derivatives and structured products, put and call options, FX trading and alternative investments.
137. The 2007 DB Profile Report of me is generally in line with what I had told Mr Wan at the 1st Meeting. A copy of DB’s client acceptance and profile report on me dated 3 August 2007 is exhibited here and marked “CTW-31”.

PURCHASE OF MY FIRST DSPP ON 19 NOVEMBER 2007

138. Mr Wan continued to persuade me to buy DSPPs after the 1st Meeting through a series of phone conversations and emails. The emails sent by Mr Wan to me were usually preceded by or followed up with a phonecall, which were often made through Mr Wan’s mobile phone.

139. Mr Wan would send suggestions of DSPPs to Prof Lim and me through emails which included the following:

“Thank you very much for your support and attached please find the product information we discussed in Taipei.”

- e-mail dated 19 March 2007 to Prof Lim with a document on Protected Investment Alpha Notes and a document on DSPPs attached.

“I will email you some successful case from Discount Purchase Plan from recent transaction and some high yield bonds.”

- e-mail dated 24 April 2007 to Prof Lim which Prof Lim had forwarded to me on 25 April 2010.

“I believe it is not too bad to use our discount purchase plan to buy Cheong Kong because the one year plan’s entry price is only \$92 something.... June 6 closing price for Cheong Kong is 103.2.”

- e-mail dated 6 June 2007 (6.26pm) to Prof Lim which Prof Lim had forwarded to me on 7 June 2010.

“I have found a term sheet for your reference. Normally, those stocks in this program must be Deutsche Bank recommended and must be blue chips. Here is one example. There are actually many variation, but this is a good one for now.

- email dated 21 June 2007 to Dr Chang and copied to Prof Lim with a term sheet for a China Construction Bank DSPP and a Powerpoint slide containing brief information about China Construction Bank attached

“Attached is the most recent term sheet for Cheung Kong.

12 Mth DSPPX (GEARED, KO+1) with minimum stock accrual Cheung Kong (1.HK)

Security No	PBS011584
SP HKD	102.80

SK HKD	92.7256(90.2%)
KO HKD	105.8840(103%)
Shs Per Day	300 shs
Max. Business Days	246 days
Guaranteed Period	25 Jun 07 - 20 Jul 07 (4 weeks)
Notional	HKD 7,586,640"

- e-mail dated 26 June 2007 to me and copied to Prof Lim

140. I knew of the emails sent by Mr Wan to Prof Lim as she would tell me about them or forward them to me. Sometimes, Prof Lim would also show me the emails on her large computer screen (which I could see easily since we shared an L-shaped bench in our study at home). I did not read all the emails carefully but I noted that Mr Wan was persistently recommending DSPPs to Prof Lim and me.
141. Copies of the abovementioned 5 emails on Mr Wan's recommendation on DSPPs, as well as Prof Lim's emails forwarding Mr Wan's emails to me are attached as a bundle and exhibited as "CTW-32".
142. On 21 August 2007, Mr Wan sent an email to Prof Lim to request to meet Prof Lim and me for lunch as he was in Taipei. Prof Lim replied in an email the same day, copied to me, to say that we would be pleased to meet Mr Wan for lunch as suggested. Copies of these 2 emails are exhibited in the bundle marked "CTW-30".

143. Prof Lim and I met Mr Wan for a second time in Taiwan on 22 August 2007 (“**2nd Meeting**”) at Shanghai-Shanghai Restaurant in Hsin-Kuang Mitsukoshi Shopping Mall, not far from Academia Sinica. This was a shorter meeting than the 1st Meeting and lasted for about an hour.
144. Mr Wan was in a good mood and very friendly. He even gave Prof Lim and me a MontBlanc ball pen each for our upcoming birthdays at the end of August and insisted on paying for lunch.
145. At the 2nd Meeting, Mr Wan reminded Prof Lim and I me about the emails he had sent to us regarding DSPPs and said that purchasing a DSPP on Cheung Kong shares was a suitable investment for the both of us. Prof Lim said that she did not have time to think about this matter and we did not discuss it further.
146. On many occasions between August 2007 and 19 November 2007, Mr Wan advised me over the phone and email that shares of international banks and financial institutions such as Citigroup, Bank of America, DB, Societe Generale, HSBC, Bank of China and UBS (“**International Banks**”) were good investments.
147. Mr Wan recommended and advised me several times that shares in the International Banks made good investments as:

- (a) the International Banks had a worldwide presence and were amongst the largest banks in the world in terms of asset and revenue and the '*national pride*' of their respective countries;
- (b) the International Banks offered attractive dividend yields to their shareholders in proportion to their share price;
- (c) the '*subprime problem*' which occurred in around September 2007 caused the price of shares of the International Banks to fall to levels which made them an attractive investment for me; and
- (d) the "*subprime problem*" would not have a serious or lasting negative effect on the performance of the International Banks as these banks had the resources to recover from the "*subprime problem*".

148. Alongside his oral recommendations, Mr Wan or his assistant, Ms Karen Lo ("**Ms Lo**") had sent me the following emails recommending me to buy investment products related to shares in International Banks:

- (a) An email dated 19 September 2007 (1722h) recommending me to buy preferred shares of the Royal Bank of Scotland;

(b) An email dated 3 October 2007 (1824h) recommending me to buy an equity product relating to Rabobank of the Netherlands; and

(c) An email dated 7 November 2007 (1115h) recommending me to buy preferred shares of DB.

149. I eventually bought 32,000 shares of DB and a DB equity product through my DB Account in November 2007 in reliance of Mr Wan's advice. Copies of the abovementioned emails on Mr Wan's recommendation of International Bank shares to me are exhibited as a bundle and marked "CTW-33".

150. Between August 2007 and 19 November 2007, Mr Wan also advised that I should consider purchasing shares of International Banks by way of DSPPs. Mr Wan emphasized the features of a DSPP to me along the lines of his explanation at the 1st Meeting. The points he emphasized were that:

(a) a DSPP would allow me to purchase and own shares of reputable companies at a good discount;

(b) a DSPP would allow me to purchase such shares over a period of 1 year;

(c) the discount may range between 15% to 30%;

- (d) if the price of the shares increased by a certain percentage, usually between 3% to 5%, a DSPP contract would terminate (also known as being “knocked out”); and
- (e) if a DSPP is “knocked out” within a month of entering into the DSPP, I would be awarded with additional shares to make up one month’s worth of shares at the discounted price; and
- (f) if the price of the underlying share fell by a certain percentage, I was entitled to receive more shares.

151. Mr Wan’s repeated recommendation of DSPPs made me think that perhaps DSPPs made good investments for Prof Lim and me. I was struck by how Mr Wan appeared to be very determined about recommending DSPPs to us.

152. I was essentially a student listening to Mr Wan as a teacher on investment matters and I trusted his advice. To me, DB and Mr Wan were my lead, trusted financial advisers. Moreover, Mr Wan and I had become very friendly towards each other by then. We felt free to call one another during or after work hours. We also often had more than one conversation

in a day. Since I was very busy during the day, many of our conversations were made after 9:30pm or 10.30pm, after the US markets opened.

153. On 19 November 2007, Mr Wan sent me an email at 3.38pm about the discount for a Citigroup DSPP. I also had several telephone discussions with Mr Wan about Prof Lim and I entering into a DSPP contract each for Citigroup shares. My conversations with Mr Wan about DSPPs on 19 November 2007 were similar to the other discussions that Mr Wan had with me about DSPPs for International Bank shares, save that I did not place an order until 19 November 2007.

154. In the course of our discussions on 19 November 2007, Mr Wan discussed the merits of Prof Lim and I buying a DSPP for Citigroup shares. Mr Wan said that it was a “*very good deal*”. Mr Wan advised that it was “*not possible*” for a blue chip like Citigroup to “*go under*”. And it was a “*good thing*” if its share price fell since I would be able to “*buy more shares*”. Further, in the abovementioned e-mail to me dated 19 November 2007, Mr Wan wrote:

“If Citi go up more than 3% say 35.03, then you will Guarantee to receive 4 weeks allocation and contract cancel. If Citi fall below 27.26, then you are entitled to receive double the portion (Gear Version) say 300 shares per day.” (emphasis added)

155. In reliance of Mr Wan's advice, I entered into my first DSPP on 19 November 2007 in respect of Citigroup shares. I subsequently received the term sheet for this DSPP by way of an email from Mr Wan to me dated 27 November 2007. I was therefore not aware of the existence of the termsheet or its contents when considering Mr Wan's advice.
156. Copies of the emails exchanged between Mr Wan and me on the first DSPP I purchased are exhibited in the bundle marked "CTW-34".
157. Mr Wan did not at any time during the 1st Meeting, 2nd Meeting or until my first purchase of a DSPP on 19 November 2007:
- (a) inform me of the risks and the relative degrees of risks and benefits associated with DSPPs fairly and accurately, including but not limited to the following:
- (i) the potential loss or liability that I ~~may~~ might incur under a DSPP if the underlying share price ~~falls~~ fell below 'strike price' over the life of the contract was unlimited and that the worst case scenario was that I would lose the *whole* principal amount of ~~his~~ my investment;

- (ii) the potential profit which would be derived from an equity accumulator might be relatively low by operation of the *'knock out'* features of a DSPP and had an absolute limit or cap;
 - (iii) a DSPP was a high risk financial derivative product which had the potential to lead to losses which could significantly exceed any limited gain from the product even if the shares accumulated under the DSPP were those of large financial institutions;
 - (iv) the consequences of terminating a DSPP before the expiry of the term of the DSPP, including but not limited to the estimated amount of losses that would be incurred if a DSPP was terminated early in light of the fact there was no secondary market for this product;
 - (v) a DSPP was a financial derivative product which was complex and risky and therefore was not suitable for me given my risk profile;
 - (vi) DSPPs should not make up a substantial proportion part of my investment portfolio as this was not in line with my risk profile;
- (b) alert me that I should read and understand the Term Sheet or the Confirmation for a DSPP and any other documents which may set out the

relevant information concerning the nature, benefit, risks, terms and conditions of a DSPP;

(c) inform me that Mr Wan was not acting in an advisory or fiduciary capacity when he recommended that I purchase shares through DSPPs;

(d) inform me that I ought to seek independent financial advice on the suitability of DSPPs as an investment given my risk profile;

(e) inform me that:

(i) DB would be the counterparty to me in the DSPP transactions that I enter into; and

(ii) as a counterparty to a DSPP transaction, DB would stand to profit at my expense.

(f) inform me that the purchase of shares through DSPPs would be made on margin financing (through the Margin Trading Facility) and the risks associated with margin financing that was linked to DSPPs, including but not limited to the following:

- (i) the relation between the placement of '*collateral*', '*margin financing*' and '*gearing*' such that the value of '*collateral*' put up by me may not represent my total liability;
 - (ii) that trading by way of margin financing in an investment involves the risk that adverse market movements may give rise to losses substantially in excess of the margin deposited as the amount of margin is typically small relative to the value of the transaction; and
 - (iii) that where the customer trades by way of margin financing, a relatively small market movement will have a proportionately larger impact on the funds deposited, and if the market moves against the customer's position, I may face a 'margin call' and be called upon to furnish substantial additional funds on short notice in order to maintain my position failing which my position may be liquidated at a loss and ~~he~~ I will be liable for any resulting deficit; and
- (g) Alert and advise me about concentration risk and advise me that I diversify my investment portfolio beyond purchasing DSPPs and in particular, DSPPs in a single industry with a particularly high concentration of Citibank DSPPs.

158. Consequently, as of 19 November 2007, I was led to believe and was under the reasonable impression that a DSPP was a form of investment that was suitable to me. I was not aware:

- (a) of the complexity and risks of making investments through a concentrated exposure to DSPPs in one industry and my potential liabilities that may arise thereunder;
- (b) that making investments through DSPPs were far more complex and risky than investments through purchasing time deposits, bonds or shares and that different considerations applied to making investments through DSPPs as compared to investments in time deposits, bonds or shares;
- (c) that DSPPs were financial derivative products that were unsuitable for me as they were complex and risky and did not match my conservative investment risk profile;
- (d) that DB was not acting as a fiduciary or an adviser to me at the time when Mr Wan recommended DSPPs to me;
- (e) that I ought to seek independent financial advice on whether DSPPs were suitable for me and whether I ought to make investments through DSPPs on margin financing and independent legal advice on the terms and

conditions of my banking contracts and product documentation including as to the nature and effect of those terms; since the 1st Meeting, I had not the slightest thought that I needed “independent” financial advice, as I had regarded Mr Wan and his team in DBPWM as my financial advisors who were guarding my interests diligently and responsibly; and

- (f) that the risk taken by me on my investment portfolio would be unreasonably and unwarrantedly high if DSPPs with only bank shares as the underlying asset formed a substantial part of my portfolio.

MR WAN CONVINCED ME TO ENTER INTO 34 DSPPS BETWEEN 19 NOVEMBER 2007 AND 4 FEBRUARY 2008

159. Mr Wan convinced me to buy a total of 32 DSPPs within approximately 3 weeks (19 November 2007 to 12 December 2007) and 2 more DSPPs after that (1 February 2007 and 4 February 2007).
160. Between November 2007 and March 2008, I communicated with Mr Wan very frequently, often speaking to him on his mobile phone or office phone nearly every day of the week, including even sometimes weekends, with 2 to 5 calls a day on some days. Mr Wan appeared to be knowledgeable on investment matters and was attentive to my needs. He

would also email me quotes for DSPPs and helped me to find DSPPs with good discounts.

161. Copies of my mobile phone bills for the months of November 2007 and February 2008, which shows calls made by Mr Wan to me are exhibited here as a bundle marked “CTW-35” . I was not in Taiwan during this period and therefore, Mr Wan’s calls to my mobile number were recorded in my mobile phone bills as international calls. The following telephone numbers that appear on my phone bills indicate calls from Mr Wan or his assistant, Ms Karen Lo:

- (a) 852 6277 9752 (Mr Wan’s blackberry number)
- (b) 852 2986 3866 (Mr Wan’s home number)
- (c) 852 2203 7186 (Ms Lo’s office number)
- (d) 000 (when the calls came to me through a “switch” number)

162. Being an inexperienced investor and with full trust on Mr Wan as my financial advisor, Mr Wan’s persistent and repeated recommendations on DSPP, which were sometimes strong and enthusiastic and sometimes subtle and non-pushy, had profoundly convinced me that DSPP was a form or line of investment that best suited my account. From the 1st Meeting to November 2007, Mr Wan had recommended a number of financial products other than bonds and fixed deposits, but only with

DSPP, he would repeatedly recommend. In reliance on Mr Wan's persistent advice, I entered into a total of 34 DSPP transactions in respect of shares in 4 International Banks ("**34 DSPPs**"). Of these, 75% were for shares in Citigroup. A summary of the 34 DSPPs purchased by me from DB is set out in the following table that is also found at paragraph 68(b) of my Defence & Counterclaim (Amendment No. 3).

S/No.	Date	Transaction no.	DSPP Share	"Est. Exposure" ¹
1	19 Nov 07	440602	Citigroup	US\$ 1,988,731.80
2	20 Nov 07	440792	Citigroup	US\$ 1,853,478.00
3	21 Nov 07	441313	Citigroup	US\$898,121.93
4	26 Nov 07	442224	Citigroup	US\$ 1,822,965.48
5	26 Nov 07	442226	Citigroup	US\$ 1,813,175.28
6	27 Nov 07	442600	Citigroup	US\$ 1,714,366.08
7	27 Nov 07	442599	Citigroup	US\$ 2,234,705.76
8	28 Nov 07	442952	Citigroup	US\$ 2,436,070.14
9	28 Nov 07	442958	Citigroup	US\$ 1,842,674.40
10	29 Nov 07	443420	Citigroup	US\$ 2,499,438.06
11	29 Nov 07	443601	Citigroup	US\$ 2,821,856.94

¹ For the purposes of these particulars and for reference only, the "Est. Exposure" is calculated based on available information derived from the Term Sheet or Confirmations in my possession or obtained from DB through discovery and consists of $SP \times BD \times \text{Daily Accrual}$ where (i) Daily Accrual is the number of shares purchased daily, (ii) BD is the total number of estimated business days in the term of the DSPP and (iii) SP is the strike (or forward) price.

S/No.	Date	Transaction no.	DSPP Share	“Est. Exposure” ¹
12	30 Nov 07	444000	Citigroup	US\$ 2,894,818.14
13	30 Nov 07	444002	Citigroup	US\$ 2,897,438.58
14	30 Nov 07	443998	UBS	CHF 3,431,650.77
15	3 Dec 07	444323	Citigroup	US\$ 2,824,879.50
16	3 Dec 07	444330	UBS	CHF 1,757,681.10
17	3 Dec 07	444321	UBS	CHF 1,760,792.04
18	3 Dec 07	444322	Societe Generale	EUR 4,271,162.24
19	4 Dec 07	444594	Societe Generale	EUR 1,279,036.42
20	5 Dec 07	444973	Citigroup	US\$ 2,808,422.69
21	6 Dec 07	445287	Citigroup	US\$ 12,870,432.58
22	7 Dec 07	445958	Citigroup	US\$ 2,938,349.07
23	7 Dec 07	445960	Citigroup	US\$ 2,614,907.96
24	7 Dec 07	445961	Citigroup	US\$ 1952047.08
25	7 Dec 07	445962	Citigroup	US\$ 964,608.06
26	10 Dec 07	446969	Citigroup	US\$3,082,586.22
27	10 Dec 07	446971	Citigroup	US\$3,100,353.26
28	11 Dec 07	447121	Citigroup	US\$ 2,364,754.32

S/No.	Date	Transaction no.	DSPP Share	“Est. Exposure” ¹
29	11 Dec 07	447120	Citigroup	US\$ 2,916,723.15
30	11 Dec 07	447118	UBS	CHF 3,522,956.58
31	11 Dec 07	447152	Societe Generale	EUR 1,360,546.43
32	12 Dec 07	447347	Washington Mutual	US\$ 2,171,283.03
33	1 Feb 08	461171	UBS	CHF3,390,216.84
34	4 Feb 08	461749	UBS	CHF2,630,812.50

Table 1. Table on 34 DSPPs sold by DB to me

163. Copies of the emails exchanged between Mr Wan and me between 19 November 2007 and 4 February 2007 on the quotes and recommendations given by DB to me are exhibited as a bundle and marked “**CTW-34**”.
164. I also exhibit copies of the 31 term sheets and 30 confirmations that I had received in respect of the 34 DSPPs at “**CTW-36**” and “**CTW-37**” respectively.

165. The termsheets would usually be sent to me by email while the confirmations were sent to me by post. I did not pay much attention to these documents or read them carefully. Mr Wan also did not alert me to any key features of these documents or alert me to the consequences of not reading them. In any event, my usual practice is to clear my post once every one or two months. I was under the impression that Mr Wan was managing my account very closely and that he had advised me very attentively about the best things to do for my account. I also thought that if there was any crucial matter I should know about, Mr Wan would alert me.
166. I had signed a Master Subscription Agreement dated 22 August 2007 and a Master Agreement with DB dated 23 November 2007. I also received a Loan Facility letter dated 28 November 2007 and 3 letters regarding the Master Agreement dated 28 November 2007, 12 December 2007 and 10 March 2008 by post. I do not recall the circumstances surrounding how I came to sign the Master Subscription Agreement and the Master Agreement. I had obtained a copy of the Master Subscription Agreement from DB through discovery in this action.
167. I do not recall Mr Wan asking me to read the documents mentioned in the preceding paragraph or explaining the key features of these documents to

me. Copies of the Master Subscription Agreement, Master Agreement and the 4 letters are exhibited at “**CTW-38**”.

168. At the material time from November 2007 to March 2008, I was extremely busy writing and finalising a major journal article for the *Advances in Immunology* journal which I had submitted to the editors on 27 March 2008. The article entitled “*Cumulative environmental changes, skewed antigen exposure, and the increase of allergy*”, which I consider as one of my best contributions to science in my academic career, was published in volume 98 of *Advances in Immunology* in August 2008. A copy of my email to the editor dated 27 March 2008 enclosing a copy of the article is exhibited here and marked “**CTW-39**”.

MR WAN ADVICE FOR ME TO PURCHASE PREMIUM SHARE SELLING PROGRAMMES (“PSSPs”)

169. Sometime in late December 2007, Mr Wan introduced a new product to me called a PSSP. Mr Wan had explained that PSSPs were the opposite of DSPPs and that I could sell the shares that I accumulated through DSPPs using PSSPs.
170. Besides having numerous discussions over the phone, Mr Wan had sent me an email on 9 January 2008 (1716h) regarding PSSPs involving

Citibank shares. Mr Wan emphasized the following features of a PSSP in this email:

- (a) a PSSP would allow me to sell some of his Citibank shares at a premium of 17% above market price every 2 weeks;
- (b) if the price of the closing price for Citibank shares do not fall below 93% of the spot price, the program will continue to sell the shares at a premium every 2 weeks;
- (c) The benefits of PSSPs are that there is no commission involved and matching the PSSPs with my existing DSPPs would double the returns for me in that I could sell my accumulated shares at a premium right away; and
- (d) The disadvantage of PSSPs is that my shares would be locked up and I have to sell the shares at the strike price regardless of the market price of Citibank shares. Also, the market price of Citibank shares must stay above a certain price otherwise the PSSP will terminate.

171. In reliance on Mr Wan's advice to match PSSPs with DSPPs, I did not sell my accumulated shares readily. I continued to follow Mr Wan's

advice to keep my accumulated shares through DSPPs to sell through PSSPs. A summary of the 7 PSSPs that I bought from DB are as follows.

S/No.	Date	PBS Security no.	PSSP Share	Date of confirmation
1.	10 Jan 08	P10010806CW	Citigroup	Not received
2.	10 Jan 08	P10010806DC	Citigroup	Not received
3.	30 Jan 08	P30010803CM	Citigroup	Not received
4.	1 Feb 08	P01020802DC	Citigroup	6 Feb 08
5.	29 May 08	P2950806CM	Citigroup	3 Jun 08
6.	29 Jul 08	P29070804CM	Citigroup	Error notice dated 4 Sep 08 received
7.	29 Jul 08	P29070805CM	Citigroup	Error notice dated 4 Sep 08 received

Table 2. Table of PSSPs that I bought from DB.

172. Copies of the emails between Mr Wan or Ms Lo and me on PSSPs are attached as a bundle and marked “**CTW-40**”.

173. Copies of the term sheets and confirmations that I had received from DB on the PSSPs are attached as a bundle and marked “CTW-41”. DB will be giving me a complete set of my PSSP termsheets and confirmations on 8 October 2010.
174. The coupling of PSSPs with DSSPs made DSPPs sound even more attractive. Also, this advice made me hold on to the shares accumulated by DSPPs instead of selling them directly when the prices of these shares were still attractive.
175. Mr Wan’s advice on DSPPs and PSSPs profoundly influenced my investments made in my account with Citibank.

IN RELIANCE OF MR WAN’S ADVICE, I MADE SIMILAR INVESTMENTS THROUGH MY OTHER ACCOUNTS AS WELL

176. After Mr Wan had advised that bank shares made good investments in November 2007, I bought some DB shares through my DB Account. I also bought Citibank shares through my Citi SB Account, Charles Schwab Account and Fidelity Account.

177. I was so convinced by Mr Wan's advice that DSPPs were suitable investments for me that sometime around December 2007, I asked Mr Kai Chen to source for DSPPs for me to enter into with my Citi SB Account.
178. Mr Kai Chen told me that I could not purchase DSPPs through my Citi SB Account as this product was not offered by Citibank Smith Barney. He said that I would have to open a private banking account with Citibank S.A. if I wanted to do so. Mr Kai Chen said that he could help me to open the private banking account and that he could manage this account for me since the Citi entities were related.
179. At the end of December 2007, I opened a Citibank private banking account numbered 696075 ("**Citi PB Account**") through Mr Kai Chen. This was my second and only other private banking account besides my DB Account.
180. My Citi PB Account was opened in the name of an investment company called Augusta Austwin Limited ("**AAL**"), which Mr Kai Chen had helped me to incorporate as the sole shareholder and director. I am not sure why Citibank had to open my Citi PB Account in the name of AAL but I assumed that Mr Kai Chen had reasons for this and I followed his advice.

181. Copies of the account opening documents for AAL's Citi PB Account and the incorporation documents of AAL are exhibited as a bundle and marked "CTW-42". Copies of AAL's Citi PB Account statements from December 2007 to December 2008 are exhibited as a bundle and marked "CTW-43".
182. I did not ask Mr Kai Chen for guidance about buying DSPPs since I had already received such advice from Mr Wan from DB.
183. Between January 2008 and May 2008, I entered into 32 DSPPs through Citibank in respect of shares for UBS, Societe Generale and Cheung Kong Holdings ("Citibank DSPPs"). A summary of the Citibank DSPPs is set out in the following table.

S/no.	Date	DSPP share
1	8 Jan 2008	Societe Generale
2	15 Jan 2008	Societe Generale
3	15 Jan 2008	Cheung Kong
4	15 Jan 2008	Cheung Kong
5	16 Jan 2008	Cheung Kong
6	17 Jan 2008	Cheung Kong
7	17 Jan 2008	Societe Generale
8	18 Jan 2008	Societe Generale

9	23 Jan 2008	Cheung Kong
10	25 Jan 2008	Societe Generale
11	25 Jan 2008	Societe Generale
12	25 Jan 2008	Cheung Kong
13	28 Jan 2008	Societe Generale
14	28 Jan 2008	Cheung Kong
15	31 Jan 2008	Cheung Kong
16	1 Feb 2008	Cheung Kong
17	4 Feb 2008	Societe Generale
18	4 Feb 2008	Cheung Kong
19	4 Feb 2008	UBS
20	5 Feb 2008	Societe Generale
21	5 Feb 2008	Societe Generale
22	5 Feb 2008	UBS
23	6 Feb 2008	UBS
24	12 Feb 2008	UBS
25	13 Feb 2008	Cheung Kong
26	14 Feb 2008	UBS
27	14 Feb 2008	UBS
28	22 Apr 2008	UBS
29	23 Apr 2008	UBS
30	7 May 2008	UBS

31	8 May 2008	Cheung Kong
32	28 May 2008	Cheung Kong

Table 3 Table of Citibank DSPPs

184. I had entered into DSPPs for UBS and Societe Generale shares to complement my DSPPs for these shares in my DB Account. The DSPPs for Cheung Kong was also chosen, since they were among Mr Wan's most persistent and enthusiastic recommendations. I had planned to follow Mr Wan's advice to accumulate shares to sell through PSSPs to maximize my returns. Citibank did not influence my purchase of the 34 DSPPs through DB at all.
185. Mr Kai Chen had tried to warn me about concentration risk in accumulating a single stock through my DSPPs with Citibank in his email to me dated 5 February 2008. However, I did not realize the risk I was in at that time, having believed in Mr Wan's advice that DSPPs were suitable investments for me and I trusted in Mr Wan's management of my DB portfolio which I was trying to mirror in my Citibank PB Account. I therefore replied to Mr Kai Chen on the same day to thank him for monitoring my risk.

186. Copies of the emails I had exchanged with Citibank's Mr Kai Chen on the subject of DSPPs between 3 December 2007 to 5 February 2008 are exhibited as a bundle and marked "CTW-44".

REALISATION OF MY TOTAL EXPOSURE FROM DSPPS IN MARCH 2008

187. In early December 2007, Mr Wan's assistant, Ms Karan Lo ("Ms Lo") began the practice of sending me excel files to summarise the DSPP contracts that I had purchased. She sent me the first excel file on 3 December 2007 and she would update it once or several times a week. However, my total exposure under all the existing DSPP contracts were not disclosed to me in these excel files or in anywhere else.
188. On or around 22 January 2008, I received a margin call of US\$7,153,808.33 from DB.
189. Mr Wan verbally assured me that the margin call on 22 January 2008 was a temporary event due to adverse market conditions and that I need not be unduly worried. He also persuaded me to transfer a sum of US\$5,000,000 into my DB Account to meet the margin call. Mr Wan did not highlight to or inform me of my total liability or exposure incurred as a result of the 32 DSPPs entered into in November and December 2007.

190. In reliance on Mr Wan's verbal advice and assurance, I immediately made arrangements to remit the sum of US\$5,000,000 from my Citi SB Account to my DB account. The funds were eventually received in my DB account on 25 January 2008.
191. Once the sum of US\$5,000,000 was successfully credited into my DB account, Mr Wan assured me that I did not have to be overly concerned about my investments with DBPWM as the market was looking to turn in my favour. By an e-mail dated 25 January 2008 to me, Mr Wan represented that:

“The past couple days were very challenging in terms of extreme market volatilities and I would like to express my sincere appreciation and deepest gratitude for giving us the opportunity to serve. There is a Chinese saying and I am sure that applies...

兩岸猿聲啼不住 輕舟已過萬重山²

Have a great weekend!”

192. It was only after I faced a more serious margin shortfall in early March 2008 and at my request that Mr Wan began to monitor and update me on my total exposure. By then, I had already purchased all 34 DSPPs.
193. I did not realize the extent of the exposure that I faced from purchasing the DSPPs from DB until 6 March 2008. On this day, I received a call

² “From both banks, the steady sound of shrieking monkeys fills the air. Our little boat has already carried me past thousands of hilltops” - http://en.wikisource.org/wiki/Departing_from_Baidi_in_the_Morning

from Mr Wan together with Ms Cecilia Yan from DB (“**Ms Yan**”). Ms Yan was Mr Wan’s superior and this was the first time I had spoken to her since opening my account with DB.

194. Ms Yan said that she had called to inform me that I had a margin shortfall in my account which may worsen if the prices of the shares in my account dropped. She also told me that I had a potential exposure of USD76 million as a result of the 34 DSPPs that I had bought.
195. I was completely stunned to hear the extent of my total exposure and immediately requested Mr Wan and Ms Lo to put in place better risk monitoring systems for me. Shortly after that, I sent an email to Mr Wan dated 8 March 2008 (0801h) to say that I wanted to minimize the risk I faced by prudently placing all the shares I had accumulated into PSSP contracts. I also said that I had under estimated the enormous severity of the credit crisis and asked that Mr Wan and DB helped me to carry out this plan.
196. Before Ms Yan’s call, I did not know how much my portfolio of DSPPs exposed me to and that I actually stood to lose all my assets in DB, and even more. I did not realize that the fluctuation of Citigroup shares could have such a great impact on my assets in DB.

197. As a result, Ms Lo included a column on my total exposure in the excel spreadsheets that she sent to me from 10 March 2008 onwards. However, the damage to the assets in my DB Account was already done by then.
198. Copies of a few examples of the excel spreadsheets sent by Ms Lo to me from before, on and after 10 March 2008 are exhibited as a bundle marked “**CTW-45**”. Copies of the abovementioned email from Mr Wan dated 25 January 2008 is exhibited as part of a bundle of emails marked “**CTW-46**” and my email to Mr Wan dated 8 March 2008 are exhibited as part of a bundle of documents at “**CTW-40**”.

I WAS RUINED FINANCIALLY AS A RESULT OF DB’S AND MR WAN’S ADVICE

199. After the conference call with Ms Yan on 6 March 2008, Mr Wan and I worked closely to try to improve the situation in my DB Account. Mr Wan was apologetic about the state of my account and would tell me that he would do his best to help to “[sail] through the storm safely”.
200. In reliance of on Mr Wan’s advice on PSSPs, I transferred all my Citigroup shares in my Citibank PB Account (220,000 shares) in March 2007, to deal with my margin shortfall. As mentioned in my email to Mr Wan and Ms Lo dated 7 March 2008 (1038h) (exhibited at “**CTW-40**”), I

had planned to sell all my existing Citigroup shares through PSSPs to reduce my margin shortfall as much as possible.

201. I had received a total of 7 margin call letters from DB dated 22 January 2008, 7 March 2007, 26 June 2008, 18 September 2008, 24 October 2008, 1 November 2008 and 20 November 2008. Copies of these letters are exhibited as a bundle and marked “**CTW-47**”.

202. Unfortunately, the plan to use PSSPs to generate profit to reduce my margin shortfall did not work well in the light of the worsening financial situation around the world in 2008. While I had purchased 7 PSSPs to sell my Citibank shares, these were knocked out fairly quickly. In addition, I had continued to ask Mr Wan for PSSP quotes and had made additional orders for PSSPs. However, I was unable to enter into more PSSP contracts due to the worsening financial situation in 2008. Copies of my emails exchanged with Mr Wan or Ms Lo regarding PSSPs are exhibited at “**CTW- 40**”.

203. In October 2008, I disclosed to Dr Nancy Chang for the first time about my financial problems and sought her help. Initially, I intended to transfer my assets from my DB Account to a new Morgan Stanley account which would be “supported” by collateral from Dr Nancy Chang’s account with Morgan Stanley. I informed Mr Wan about this plan in an email dated 24

October 2008 (0654h). Mr Wan replied on the same day at 7.15am and said that this is an extraordinary time and we have to do the right thing. He also requested that I do not close my account and to leave him with a small amount of shares if possible. However, this plan did not materialize in time as Dr Nancy Chang required that I must unwind all the DSPPs in DB Account and Citi PB Account before she would even consider merging my assets with some of her assets. Dr Nancy Chang regarded that the DSPPs were extremely dangerous.

204. Partly on Mr Wan's recommendation and advice and partly on Dr Nancy Chang's urging, I unwound 17 of my DSPPs between 14 March 2008 and 31 October 2008. Copies of the termination agreements for the unwound DSPPs are exhibited as a bundle and marked "CTW- 48". I also sold the shares in my DB Account.
205. Mr Wan had advised me in to purchase an ultra short option (email dated 20 March 2008) and a "perfectly hedged product" from Citibank (email dated 16 May 2008). However, I did not consider doing so as I did not yet understand these products, as Mr Wan recommended each of these products with only an email and sketchy explanation over the phone before or after the email.

206. Copies of the emails between Mr Wan and/or Ms Lo and me on finding ways to relieve the margin call of my DB Account are found at “**CTW-46**”. Emails relating to this issue and which involve PSSPs are exhibited at “**CTW- 40**”.
207. On 21 November 2008, I had a series of phone conversations with Mr Wan on the state of my DB Account. I was extremely upset with the situation and told Mr Wan that I had trusted him too much and that he had profoundly influenced me to purchase DSPPs through my DB and Citi PB Accounts. I also told Mr Wan that, as he knew, I was a novice and never had so much money before and I did not know about investor principles or realize the riskiness of DSPPs. Mr Wan said that he was very sad too and that no matter how wrong we were, or how lousy the market was, he had always wanted to help me from the beginning to the end.
208. DB liquidated all the remaining Citigroup shares I had in my DB Account that day save for 4,501 UBS AG shares to reduce my liabilities. The sale of my shares was made on a day when Citigroup shares were at ~~rock~~ ~~bottom~~ the lowest point in 2007-2008.
209. Copies of my DB account statements from August 2007 to December 2008 are exhibited as a bundle and marked “**CTW-49**”.

210. As if losing almost all of my lifetime's wealth was not enough, Ms Yan and Mr Wan called me from somewhere in Taipei on 27 November 2008 and said that they wanted to meet me. This was my 2nd conversation with Ms Yan since my DB Account was opened.
211. I told Ms Yan and Mr Wan that I was very upset that DB had brought me to this tragic situation and had no mood to meet them ~~at all~~. I also told Ms Yan that I had written letters of complaint to DB's Hong Kong and Singapore branches.
212. Ms Yan called me back 3 or 4 times and repeatedly demanded that I meet her. She even threatened me by saying that with my very high profile in Taiwan, being a prominent scientist in a top national research institution, a bankruptcy filing would be very embarrassing for me. Ms Yan's threats made me even more upset and I declined to meet her.
213. At the end of it all, there was a debt of about USD1.7 million which remained outstanding in my DB account and which DB has sued me for in this action.
214. In 2009, DB issued a statutory demand against me in the Singapore High Court which I had successfully set aside in Originating Summons No. B3 of 2009/W which was heard on 6 March 2009. I had succeeded in setting

aside the statutory demand on the basis that I had a claim against DB which would extinguish DB's claim against me.

COMPLAINTS AGAINST DB AND MR WAN

215. I was extremely unhappy and in a state of emotional distraught in 2008, when the above events occurred.
216. If DB and Mr Wan had told me upfront that they would not provide me with an investment management, advisory and fiduciary platform as stated in the Presentation, I would not have opened an account with DB. Even after I had opened my DB Account, if DB and Mr Wan had told me frankly that DB would not serve as my fiduciary or trusted investment advisor, I would not have relied on Mr Wan's advice and recommendations of investment products so readily.
217. I wrote letters of complaints to DB's Singapore and Hong Kong branches, the Monetary Authority of Singapore, the Hong Kong Monetary Authority ("**HKMA**") at the end 2008 and the Taiwanese Financial Supervisory Committee in 2009. I was aggrieved that the lax adherence to industry standards and regulations of DB had allowed Mr Wan to introduce highly leveraged and complicated DSPPs to an inexperienced and unsophisticated investor like myself.

218. DB responded in a letter dated 24 December 2008 to say, amongst others, that

(a) their investigations show that I had experience in securities and bond investments before investing in DSPPs;

(b) from 19 November 2007 onwards, I frequently engaged in trading of DSPP contracts (and had purchased 35 DSPP contracts) which shows that I had been very familiar with this product;

(c) my RM had been pro-actively and constantly providing me with updates on my account as well as market news to facilitate my decision-making; and

(d) it was unfortunate that the market had moved to my disadvantage but the bank was not liable for my investment and trading decisions.

219. I am appalled that DB has sought to justify their negligent advice and misrepresentation by the above since:

(a) securities and bonds are not similar to derivatives like DSPPs;

(b) my purchase of the 34 DSPPs were pursuant to Mr Wan's persistent and repeated advice;

(c) prior to meeting Mr Wan, I had never purchased any derivative product or heard of DSPPs in my life; and

(d) DB has admitted that Mr Wan had pro-actively provided me with market news and information but seeks to evade responsibility for the advice given by Mr Wan.

220. My complaints to the regulators in Hong Kong and Taiwan remain pending to date.

221. Copies of my complaints to the Monetary Authority of Singapore and the HKMA and the HKMA's response to me dated 5 May 2010 are exhibited as a bundle marked "CTW-50".

222. Copies of my complaints to DB and their response are DB's Singapore and Hong Kong branches and the response I received are exhibited as a bundle and marked "CTW-51".

DISCREPANCIES IN THE DSPP TERMSHEETS AND CONFIRMATIONS PRODUCED BY DB AND MR WAN IN DISCOVERY

223. I also wish to state that I did not receive the term sheets for 3 of the 34 DSPPs, even though DB claims that all the term sheets have been sent to me. In addition, all of these termsheets were sent to me after the date of the DSPP contract.
224. In addition, I noticed serious discrepancies in the DSPP confirmations which were produced by DB and Mr Wan in discovery of this action. I did not receive the confirmations for 4 of the DSPPs. Moreover, the dates of the confirmations ranged from between 1 week and 4 months after the date of the DSPP contracts.
225. I also noticed that the dates and signatures that appear on the confirmations that I received differ from those produced by DB in discovery.
226. I believe that all these facts show a serious lack of compliance with operational procedure by DB staff and severe lack of supervision by the management, and lack of care, accountability, and responsibility to me as a client of DB.

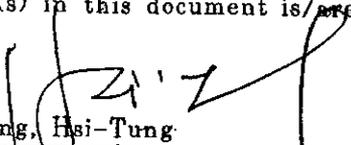
CONCLUSION

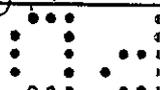
- 227. It took my lifetime's hard work and dedication to develop the technical skills, gain insight into the human immune system, conceive the idea of a novel allergy and asthma drug and achieve its successful development in Tanox before I received the financial reward at the age of 60 in 2007.
- 228. I had planned to distribute my wealth among my relatives, the schools that I attended and other charities. Yet, DB's and Mr Wan's fraudulent misrepresentations on DB's services in the 1st meeting and a series of negligent advice and misrepresentations and ill management has reduced me to this very humiliating and tragic situation. I have not only lost my fortune but suffered great mental distress.
- 229. I hope to find justice in the Singapore legal system. As an educator, I also hope that people around the world, especially in Asia, will learn from my misery and suffering as a result of misplaced trust in financial advisers.

AFFIRMED by the abovenamed
 CHANG TSE WEN on 6 October 2010
 in Taipei, Taiwan

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Before me,
 099北院認字第008

案號 Case No.	001391	日期 Date	OCT 06 2010
本文件之簽名或蓋章，於台灣台北地方法院公證處認 證。 公證人 洪 西 東			
Attested at the Notary Public Office of Taiwan Taipei District Court, R.O.C., that the signature(s)/seal(s) in this document is/are authentic.			
Notary Public  Hung, Hsi-Tung			



A NOTARY PUBLIC / CONSULAR OFFICER

This affidavit is filed on behalf of the Defendant
(also Plaintiff in counterclaim).

Index of Exhibits

Exhibit	Description
CTW-18	<ul style="list-style-type: none"> ▪ Curriculum vitae of Dr Chang Tse Wen (“Dr Chang”) ▪ Letter of Award from ACAAI ▪ Letter of Award from AAAAI
CTW-19	Dr Chang’s annual tax returns in Taiwan for the years 2003 to 2006
CTW-20	Dr Chang’s Sinopac Account statements (Oct 2002 to Dec 2008) (with English translation)
CTW-21	Dr Chang’s Oppenheimer Account statements (November 2001 to December 2008)
CTW-22	Dr Chang’s Fidelity Account statements (January 2002 to December 2008)
CTW-23	Dr Chang’s Citi SB Account statements (July 2005 to December 2008)
CTW-24	Dr Chang’s Charles Schwab IRA Account statements (October 2000 to December 2008)
CTW-25	Bundle of articles and press releases on Genentech’s acquisition of Tanox
CTW-26	Emails from Mr Wan soliciting a meeting with Dr Chang and Prof Lim Siow Chiow (“ Prof Lim ”) in Taiwan, after moving to Deutsche Bank AG (“ DB ”)
CTW-27	<ul style="list-style-type: none"> ▪ Mr Wan’s DB business card ▪ DB Presentation Booklet
CTW-28	Handwritten note on the back cover page of Prof Lim’s DB Account Opening Documentation

Exhibit	Description
CTW-29	<ul style="list-style-type: none"> ▪ DB Account Opening Documentation ▪ DB Account Application (Individual and Joint accounts) dated 1 August 2007 ▪ Nomination of DB Intermediary For Accounts Managed Outside Singapore dated 1 August 2007 ▪ Security Agreement – First Party dated 1 August 2007 ▪ Risk Disclosure Statement dated 1 August 2007.
CTW-30	Emails between DB and Dr Chang between 27 July 2007 and 12 November 2007 on the opening of Dr Chang’s DB Account and the initial conservative investments made therein
CTW-31	DB Client Acceptance & Profile Report on Dr Chang dated 3 August 2007
CTW-32	Emails on DB’s recommendation of DSPPs to Dr Chang and Prof Lim before 19 November 2007
CTW-33	Emails on DB’s recommendation of International Bank shares to Dr Chang before 19 November 2007
CTW-34	Emails on DB’s quotes and recommendations of DSPPs to Dr Chang
CTW-35	Dr Chang’s mobile phone bill dated December 2007 and March 2008 (with English translation)
CTW-36	DB’s DSPP Termsheets that Dr Chang received
CTW-37	DB’s DSPP Confirmations that Dr Chang received
CTW-38	<ul style="list-style-type: none"> ▪ DB Master Subscription Agreement ▪ DB Master Agreement ▪ Loan Facility Letter dated 28 November 2007 ▪ Master Agreement Letters dated 28 November 2007, 12 December 2007 and 10 March 2008
CTW-39	Email from Dr Chang to Kristi Anderson dated 26 March 2008 with an article entitled “ <i>Cumulative environmental changes, skewed antigen exposure, and the increase of allergy</i> ” attached

Exhibit	Description
CTW-40	Emails on DB's quotes and recommendations of PSSPs to Dr Chang
CTW-41	DB's PSSP Termsheets and Confirmations that Dr Chang received
CTW-42	<ul style="list-style-type: none"> ▪ AAL's Citi PB Account account opening documents dated 10 December 2007 ▪ Incorporation documents on AAL
CTW-43	Dr Chang's Citi PB Account statements (December 2007 to December 2008)
CTW-44	Emails between Dr Chang and Mr Kai Chen on DSPPs between 3 December 2007 and 5 February 2008
CTW-45	Excel records of Dr Chang's DSPPs and PSSPs dated 4 March 2008, 10 March 2008 (1), 10 March 2008 and 11 March 2008
CTW-46	Emails between DB and Dr Chang on coping with the losses in Dr Chang's DB Account and margin calls by DB
CTW-47	Margin call letters issued by DB to Dr Chang (7 letters)
CTW-48	Termination Agreements for Dr Chang's DSPPs
CTW-49	Dr Chang's DB Account Client Statements and Cash Account Summary Reports (August 2007 to December 2008)
CTW-50	Dr Chang's complaints to the MAS and HKMA and the HKMA's response dated 5 May 2010
CTW-51	Dr Chang's complaints to DB's Singapore and Hong Kong branches in November 2008 and the response received