

**INTEREST RATE LINKED DUAL CURRENCY  
STRUCTURED INVESTMENT PRODUCT (“SIP”) TERM SHEET<sup>1</sup>  
Principal Terms and Conditions**

**IMPORTANT:**

If you are in doubt as to any aspect of this offer, you should consult a licensed securities dealer, bank manager, solicitor, certified public accountant, tax advisor or other professional advisor.

The contents of this Term Sheet have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to this offer. If you are in any doubt about any of the contents of this Term Sheet, you should obtain independent professional advice.

If English is not your preferred language, you may request for the Chinese version of this Term Sheet from us. 倘若英文並非閣下屬意的語言，閣下可向本行索取本《條款說明書》的中文版本。

- *This is a structured product involving derivatives. The investment decision is yours but you should not invest in the product unless DBS Bank (Hong Kong) Limited (星展銀行(香港)有限公司, the “Bank”) has explained to you that the product is suitable for you having regard to your financial situation, investment experience and investment objectives.*
- Interest Rate Linked Dual Currency SIP is risk rated with Product Risk Level at **P3 or P4**, depending on the tenor, and is suitable for investors with risk profile as shown in the below table. Please refer to the Financial Needs Analysis for description of your risk profile.

Product Risk Level	Tenor	Suitable for investors whose risk profile is
<b>P3</b>	Greater than 3 months but up to 6 months	C3 or above
<b>P4</b>	Greater than 6 months but up to 1 year	C4 or above

For the Product Risk Level of a SIP, please refer to the relevant SIP Order Form.

**NOT A PROTECTED DEPOSIT:**

**THE SIP IS NOT A PROTECTED DEPOSIT AND IS NOT PROTECTED BY THE DEPOSIT PROTECTION SCHEME IN HONG KONG.**

**PRODUCT DESCRIPTION**

**1. Redemption on Maturity Date**

The Customer will receive Principal Amount on the Maturity Date in the Investment Currency or the Linked Currency as follows:

- a. in the Investment Currency, if a Conversion Event has not occurred; or
- b. in the Linked Currency, converted at the Conversion Rate and rounded to the nearest Relevant Unit (with 0.5 Relevant Unit being rounded upward), if a Conversion Event has occurred.

**2. Tenor**

The tenor of the SIP is stated under the caption “**Tenor**” in the SIP Order Form and the SIP Confirmation.

**3. Return**

The interest on the SIP is paid regularly for each Interest Period. The Interest Rate for each Interest Period is equal

<sup>1</sup> This Term Sheet is strictly confidential and may not be reproduced.

This Term Sheet is provided to you on the understanding that (i) you have sufficient knowledge, experience, and professional advice to make your own evaluation of the merits and risks of a transaction of this type and (ii) you are not relying on us or on any of our affiliates for information, advice or recommendations of any sort.

Although the information contained herein is believed to be reliable, we make no representation as to the accuracy or completeness of any information contained herein or otherwise provided by us. We are acting on a principal-to-principal basis and not acting as your advisor or agent or in any fiduciary capacity to you. This Term Sheet does not purport to identify the risks (direct or indirect) or other material considerations which may be associated with your entering into the transaction. Prior to entering into the transaction, you should have determined (after consultation with your own advisors if you deem fit), without reliance upon us or our affiliates, the economic risks and merits, as well as the legal, tax, accounting or other material characterisations and consequences of the transaction and that you are able to assume these risks.

This Term Sheet may not be distributed and does not constitute the distribution of any information or the making of any offer or solicitation by anyone in any jurisdiction in which such distribution or offer is not authorised or to any person to whom it is unlawful to distribute such a document or to make such an offer or solicitation.

to the applicable Reference Rate, but is floored at the Minimum Interest Rate and capped at the Maximum Interest Rate.

## KEY RISK FACTORS

**Please be reminded of the following key risks of investing in the SIP and refer to the section of “Risks Associated with the SIP” in this Term Sheet for details:**

- **Not a traditional deposit** - The SIP is a form of structured product that carries risks not normally associated with ordinary bank deposits. The SIP is NOT equivalent to a time deposit. The Customer should therefore not treat the SIP as a substitute for ordinary savings or time deposits. The SIP is NOT a protected deposit and is NOT protected by the Deposit Protection Scheme in Hong Kong.
- **Derivatives risk** – The SIP is embedded with interest rate options and foreign exchange rate options. Option transactions involve risks, especially when selling an option. Although the premium received from selling an option is fixed, the Customer may sustain a loss well in excess of such premium amount, and the Customer’s loss could be substantial. In respect of each Interest Period, the Interest Rate is subject to the Minimum Interest Rate and the Maximum Interest Rate. In respect of the redemption of the SIP, the Customer may receive the Principal Amount in the Investment Currency or the Linked Currency. The total payout the Customer receives for the tenor of the SIP may be less than the return or interest the Customer may otherwise have received from other investment.
- **Principal Amount received upon redemption** –
  - The Customer takes the risk that he may not receive 100% of the Principal Amount at maturity.
  - Depending on the performance of the underlying Currency Pair, the Customer must be prepared to receive the Final Redemption Amount in either the Investment Currency or the Linked Currency.
  - In case of receiving the Linked Currency, the Customer must be prepared to take delivery of the Linked Currency at the Conversion Rate, which at that point in time, will be weaker than its fixing market price, and as a result, the Customer will incur an exchange loss in the SIP. The exchange loss the Customer incurs in the SIP may offset the interest earned on the SIP and in the worst case scenario, the exchange loss the Customer incurs in the SIP could be substantial and he may lose the original Principal Amount.
- **Return on the SIP / Limited potential gain** - The return of the SIP is capped at the Maximum Interest Rate payable in the Investment Currency. The maximum potential gain is limited to the Interest Amount received in the Investment Currency.
- **Maximum potential loss** - SIP is not principal protected. Customer could lose the entire Principal Amount.
- **Not the same as buying the Linked Currency** – Investing in the SIP is not the same as buying the Linked Currency directly.
- **Market risk** – The return of the SIP is linked to the interest rate movements and movements in the exchange rates of the Investment Currency against the Linked Currency, which can be unexpected, sudden and drastic. Movements in interest rates and exchange rates can be affected by complex political and economic factors.
- **Currency risk** – Where the Customer has converted amounts from another currency (including your home currency) into the Investment Currency in order to make the investment in the SIP, the Customer should bear in mind the risk of exchange rate fluctuations that may cause a loss on conversion of the Investment Currency (if the Bank pays you the Investment Currency at maturity) or the Linked Currency (if the Bank pays you the Linked Currency at maturity) back into such other currency. You should note that such potential loss from the product could offset (or even exceed) the potential gain if the Investment Currency or the Linked Currency depreciates against the currency you converted from (including your home currency).
- **Liquidity risk** – The SIP is a commitment by the Customer for the tenor as stated under the caption “Tenor” in the SIP Order Form. No early uplift, early withdrawal or early termination by the Customer is permitted. The Customer has to maintain the SIP with the Bank up to the Maturity Date.
- **Credit risk** – The Customer is taking on the credit risk of the Bank. The SIP is not secured by any collateral. In the worst case scenario, where DBS Bank (Hong Kong) Limited (星展銀行(香港)有限公司) defaults on its payment obligations under the SIP, the Customer will receive no interest payment and lose his original investment amount.

## GENERAL TERMS

- Bank:** DBS Bank (Hong Kong) Limited (星展銀行(香港)有限公司), incorporated in 1953 in Hong Kong<sup>2</sup>, including its successors and assigns.
- Customer:** The Customer as stated under the caption “**Name(s) (in English)**” in the SIP Order Form.
- Closing Time and** 4:00 p.m. Hong Kong time on the date stated under the caption “**Closing Date**” in the SIP Order

<sup>2</sup> Registered office of DBS Bank (Hong Kong) Limited (星展銀行(香港)有限公司) : 11/F, The Center, 99 Queen’s Road Central, Hong Kong.

<b>Date of Offer:</b>	Form and the SIP Confirmation.
<b>Investment Value Date:</b>	The date stated under the caption “ <b>Investment Value Date</b> ” in the SIP Order Form and the SIP Confirmation, provided that if such day is not a Business Day, it will be the first following day that is a Business Day.
<b>Maturity Date:</b>	The date stated under the caption “ <b>Maturity Date</b> ” in the SIP Order Form and the SIP Confirmation, provided that if such day is not a Business Day, it will be the first following day that is a Business Day.
<b>Tenor:</b>	The tenor stated under the caption “ <b>Tenor</b> ” in the SIP Order Form.
<b>Minimum Principal Amount:</b>	HKD 100,000 or its equivalent in the Investment Currency as determined on the Closing Date.
<b>Minimum Offer Size:</b>	HKD 100,000, or equivalent
<b>Principal Amount:</b>	The Offer Amount (as defined below) (or part thereof, as the case may be) accepted by the Bank.
<b>Investment Currency:</b>	One of the following currencies: USD, HKD, AUD, NZD, CAD, EUR, GBP, CHF, JPY and SGD as agreed in writing on the SIP Order Form and SIP Confirmation.
<b>Linked Currency:</b>	In respect of the selected Investment Currency, one of the currencies referred to as a Linked Currency in the Currency Pairs set out in Schedule 1 or Schedule 2, as agreed in writing on the SIP Order Form and SIP Confirmation.
<b>Settlement Currency:</b>	The Investment Currency or the Linked Currency.
<b>Redemption</b>	
<b>Redemption on the Maturity Date:</b>	The Bank will pay the Final Redemption Amount to the Customer on the Maturity Date, provided that the SIP is maintained by the Customer with the Bank up to the Maturity Date.
<b>Final Redemption Amount:</b>	In respect of each Currency Pair set out in Schedule 1 or Schedule 2, the Final Redemption Amount shall be one of the following: <ul style="list-style-type: none"> <li>(i) 100% of the Principal Amount, if a Conversion Event has not occurred; or</li> <li>(ii) an amount payable in the Linked Currency (being 100% of the Principal Amount converted from the Investment Currency to the Linked Currency at the Conversion Rate and rounded to the nearest Relevant Unit, as set out in the fifth column of Schedule 1 or Schedule 2 (with 0.5 Relevant Unit being rounded upwards)), if a Conversion Event has occurred.</li> </ul>
<b>Interest</b>	
<b>Interest Payment Date(s):</b>	On the dates stated under the caption “ <b>Interest Payment Date</b> ” in the SIP Order Form and the SIP Confirmation.
<b>Interest Period:</b>	A period beginning from (and including) the Investment Value Date to (but excluding) the first Interest Payment Date, and each successive period (if any) from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.
<b>Interest Amount:</b>	In respect of each Interest Payment Date, an amount determined by the Bank as follows and rounded to the nearest Relevant Unit (with 0.5 Relevant Unit rounded upwards): <p style="text-align: center;"><math>\text{Principal Amount} \times \text{Interest Rate} \times \text{Day Count Fraction}</math></p> <p>In respect of each Currency Pair set out in Schedule 1 or Schedule 2, the Interest Amount shall be payable in the Investment Currency.</p>
<b>Interest Rate:</b>	In respect of each Interest Period, one of the following: <ul style="list-style-type: none"> <li>(a) If the Reference Rate is <b>lower than</b> the Minimum Interest Rate, the Interest Rate will be equal to the Minimum Interest Rate; or</li> <li>(b) If the Reference Rate is <b>equal to or greater than</b> the Minimum Interest Rate and <b>lower than</b> the Maximum Interest Rate, the Interest Rate will be equal to the Reference Rate; or</li> <li>(c) If the Reference Rate is <b>equal to or greater than</b> the Maximum Interest Rate, the Interest Rate will be equal to the Maximum Interest Rate.</li> </ul>

**Reference Rate:** In respect of an Investment Currency, the applicable reference rate as listed in the table below.

Investment Currency	Reference Rate
USD	USD-LIBOR-BBA
HKD	HKD-HIBOR-HKAB
AUD	AUD-BBR-BBSW
NZD	NZD-BBR-BID
CAD	CAD-BA-CDOR
EUR	EUR-EURIBOR-Reuters
GBP	GBP-LIBOR-BBA
CHF	CHF-LIBOR-BBA
SGD	SGD-SOR-Reuters
JPY	JPY-LIBOR-BBA

**Reset Date:** In respect of each Interest Period, the **Reset Date** shall be the first day of the relevant Interest Period.

**USD-LIBOR-BBA:** With respect to a Reset Date, the rate for deposits in USD for a period of 3 months which appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m., London time, on the day that is 2 London Banking Days preceding that Reset Date. If such rate does not appear on the Reuters Screen LIBOR01 Page, the rate for that Reset Date will be determined by the Bank.

**HKD-HIBOR-HKAB:** With respect to a Reset Date, the rate for deposits in HKD for a period of 3 months which appears on the Reuters Screen HKABHIBOR Page as of 11:00 a.m., Hong Kong time, on that Reset Date. If such rate does not appear on the Reuters Screen HKABHIBOR Page, the rate for that Reset Date will be determined by the Bank.

**AUD-BBR-BBSW:** With respect to a Reset Date, the average mid rate for Australian Dollar bills of exchange having a period of 3 months, which appears on the Reuters Screen BBSW page at approximately 10:10 a.m., Sydney time, on that Reset Date. If such rate does not appear on the Reuters Screen BBSW Page by 10:30a.m., Sydney time, on the Reset Date, then the rate for that Reset Date will be determined by the Bank.

**NZD-BBR-BID** With respect to a Reset Date, the rate for New Zealand Dollar bills of exchange for a period of 3 months which appears on the Reuters Screen BKBM Page opposite the caption "BID", as of 11:00 a.m., Wellington time, on that Reset Date. If such rate does not appear on the Reuters Screen BKBM Page, the rate for that Reset Date will be determined by the Bank.

**CAD-BA-CDOR** With respect to a Reset Date, the average rate for Canadian Dollar bankers acceptances for a period of 3 months which appears on the Reuters Screen CDOR Page as of 10:00 a.m., Toronto time, on that Reset Date. If such rate does not appear on the Reuters Screen CDOR Page, the rate for that Reset Date will be determined by the Bank.

**EUR-EURIBOR-Reuters** With respect to a Reset Date, the rate for deposits in EUR for a period of 3 months which appears on the Reuters Screen EURIBOR01 Page as of 11:00 a.m., Brussels time, on the day that is two Target Settlement Days preceding that Reset Date. If such rate does not appear on the Reuters Screen EURIBOR01 Page, the rate for that Reset Date will be determined by the Bank.

**GBP-LIBOR-BBA:** With respect to a Reset Date, the rate for deposits in Sterling for a period of 3 months which appears on the Reuters Screen LIBOR01 page under the heading "GBP" as at 11:00 a.m., London time, on that Reset Date. If such rate does not appear on the Reuters Screen LIBOR01, the rate for that Reset Date shall be determined by the Bank.

**CHF-LIBOR-BBA:** With respect to a Reset Date, the rate for deposits in CHF for a period of 3 months which appears on the Reuters Screen LIBOR02 Page under the heading "CHF" as of 11:00a.m., London time, 2 London Banking Days preceding the Reset Date. If such rate does not appear on the Reuters Screen Page LIBOR02, the rate for that Reset Date will be determined by the Bank.

**SGD-SOR-Reuters** With respect to a Reset Date, the rate for deposits in Singapore Dollars for a period of 3 months which appears on the Reuters Screen ABSIRFIX01 page under the heading "SGD SWAP OFFER" as of 11:00 a.m., Singapore time, on the day that is two Singapore Banking Days preceding that Reset Date. If such rate does not appear on the Reuters Screen ABSIRFIX01, the rate for that Reset Date shall be determined by the Bank.

<b>JPY-LIBOR-BBA:</b>	With respect to a Reset Date, the synthetic rate for deposits in JPY for a period of 3 months which appears on the Reuters Screen LIBOR01 Page under the heading “JPY” as of 11:00a.m., London time, 2 London Banking Days preceding the Reset Date. If such rate does not appear on the Reuters Screen Page LIBOR01, the rate for that Reset Date will be determined by the Bank.
<b>Minimum Interest Rate:</b>	With respect to each Interest Period, the relevant per annum percentage rate for that Interest Period stated under the caption “ <b>Minimum Interest Rate (p.a.)</b> ” in the SIP Order Form and the SIP Confirmation.
<b>Maximum Interest Rate:</b>	With respect to each Interest Period, the relevant per annum percentage rate for that Interest Period stated under the caption “ <b>Maximum Interest Rate (p.a.)</b> ” in the SIP Order Form and the SIP Confirmation.

### Currency Linked Provisions

<b>Currency Pair:</b>	One of the Currency Pairs set out in Schedule 1 or Schedule 2, as stated under the caption “ <b>Currency Pair</b> ” in the SIP Order Form and the SIP Confirmation.
<b>Conversion Event:</b>	In respect to a Currency Pair set out in Schedule 1, a Conversion Event has occurred if the Final Rate of Exchange is less than the Conversion Rate at the Determination Time on the Determination Date. In respect to a Currency Pair set out in Schedule 2, a Conversion Event has occurred if the Final Rate of Exchange is higher than the Conversion Rate at the Determination Time on the Determination Date.
<b>Conversion Rate:</b>	In respect of a Currency Pair set out in Schedule 1, a rate expressed as the amount of Investment Currency that can be purchased with one unit of Linked Currency, as stated under the caption “Conversion Rate” in the SIP Order Form and the SIP Confirmation. In respect of a Currency Pair set out in Schedule 2, a rate expressed as the amount of one unit of Investment Currency that can be purchased with Linked Currency, as stated under the caption “Conversion Rate” in the SIP Order Form and the SIP Confirmation.
<b>Final Rate of Exchange:</b>	The Spot Rate for the Currency Pair at the Determination Time on the Determination Date.
<b>Determination Time:</b>	3:00 p.m., Tokyo time.
<b>Determination Date:</b>	The date stated under the caption “ <b>Determination Date</b> ” in the SIP Order Form and the SIP Confirmation or, if such day is not a Business Day, the immediately succeeding Business Day.
<b>Spot Rate:</b>	In respect of a Currency Pair set out in Schedule 1, the Spot Rate is a rate expressed as the amount of Investment Currency that can be purchased with one unit of Linked Currency that is based on the price for one or more actual foreign exchange transactions in the Spot Market involving such currency pair (or cross-rates constituting such currency pair, if applicable) for settlement in accordance with the convention for such currency pair, as determined at the relevant time on the relevant date in good faith and in a commercially reasonable manner by the Bank. In respect of any Currency Pair set out in Schedule 2, the Spot Rate is a rate expressed as the amount of Linked Currency that can be purchased with one unit of Investment Currency that is based on the price for one or more actual foreign exchange transactions in the Spot market involving such currency pair (or cross-rates constituting such currency pair, if applicable) for settlement in accordance with the convention for such currency pair, as determined at the relevant time on the relevant date in good faith and in a commercially reasonable manner by the Bank.
<b>Spot Market:</b>	The global spot foreign exchange market, open continuously from 5:00 a.m. Sydney time on a Monday in any week to 5:00 p.m. New York time on the Friday of that week.
<b>Day Count Fraction:</b>	a) Actual number of days in the relevant Interest Period divided by 365 if the Investment Currency is HKD, SGD or GBP; or b) Actual number of days in the relevant Interest Period divided by 360 if the Investment Currency is USD, AUD, NZD, CAD, EUR, CHF or JPY.

### **OTHER TERMS AND CONDITIONS**

<b>No Early Withdrawal by the Customer prior to the Maturity Date:</b>	<b>The Customer is <u>not</u> entitled to terminate, withdraw or call for the payment to it or a third party, of all or any part of the Principal Amount before the Maturity Date. The SIP is <u>not</u> a negotiable or transferable instrument and there is no market for the SIP. THE CUSTOMER SHOULD INTEND TO HOLD THE SIP UP TO THE MATURITY DATE.</b>
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**Use of Funds:** The Customer agrees that the Bank may use the funds invested by the Customer in the SIP at its sole discretion in any manner, including but not limited to entering into any financial transactions and buying and selling any financial instruments or securities, as permitted by law.

**Fees & Expenses:** The Bank's fees are shown on the Bank Charges Schedule available at branches of the Bank. The Bank may at its reasonable discretion impose other service fees, facility fees and/or other charges from time to time but will provide the Customer with advance notice of any other fees or charges imposed, or of any changes to the fees or charges.

Although there are no explicit charges, any fees and charges incurred by the Bank, whether to enter into underlying investments or hedging arrangements or for operational or administrative purposes and profit margins, if any, are already inherently contained in and subsumed into the calculation of the interest rate and other variables under the SIP.

**Determinations by the Bank:** All determinations and calculations will be made by the Bank in good faith and in a commercially reasonable manner and shall (in the absence of manifest error) be binding and conclusive on the Customer.

**Business Day Convention:** If any date on which any payment is due is not a Business Day, then such payment date will be the first following day that is a Business Day, unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

**Business Day:** A day (other than Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Hong Kong and in each of the relevant financial centres ("**Financial Centres**") listed in the table below in respect of the Investment Currency and Linked Currency.

Investment Currency or Linked Currency	Financial Centre relating to Business Days
USD	New York
AUD	Sydney
NZD	Wellington
CAD	Toronto
EUR	TARGET2
GBP	London
CHF	Zurich
SGD	Singapore

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, or any successor thereto, which operates credit or transfer instructions in respect of payments in euro.

**Documentation and Inconsistencies:** The SIP will be governed by the **SIP Documents**, which means the Important Facts Statement, this Term Sheet, the Applicable Account Terms and Conditions, the SIP Order Form and the SIP Confirmation.

The "**Important Facts Statement**" is a statement which highlights the key features and key risks of the SIP.

The "**Term Sheet**" means this term sheet of the SIP setting out the principal terms and conditions of the SIP.

The "**SIP Confirmation**" means a confirmation issued by the Bank confirming its acceptance of the investment of the Offer Amount (or part thereof, as the case may be) by the Customer in the SIP.

The "**SIP Order Form**" means an order form, which shall have been completed by the Customer for the Bank (in writing or over the phone with the Bank), applying to place the Offer Amount for investment in the SIP.

The "**Applicable Account Terms and Conditions**" means the Investment Products Consolidated Terms and Conditions or Terms and Conditions for Accounts under Wealth Management Investment Portfolio (Wealth Management Accounts) (as appropriate, depending on through which account the Customer trades the SIP), a copy of which has been provided to the Customer before or when the Customer opened the SIP account with the Bank.

In the event of any inconsistency between the provisions of any of the SIP Documents, the

inconsistency will be resolved in favour of the document ranking higher in the following order of priority: (a) the SIP Confirmation, (b) the SIP Order Form, (c) this Term Sheet, (d) the Applicable Account Terms and Conditions and (e) the Important Facts Statement.

**Governing Law:**

The laws of the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**").

**No Gross-Up for Withholding Tax:**

All amounts (including the redemption amount) to be paid by the Bank to the Customer shall be paid net of any applicable withholding tax (including any U.S. federal withholding tax imposed or collected pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (a "**FATCA Withholding Tax**"). No additional amounts shall be payable by the Bank to the Customer on account of any withholding tax (including any FATCA Withholding Tax).

**APPLICATION PROCEDURES**

1. To place an order for the SIP (the "**SIP Order**"), the Customer must complete the SIP Order Form for the Bank (by submitting a completed SIP Order Form to the Bank or completing the SIP Order Form over the phone with the Bank). The parties intend and agree that the SIP Documents will be conclusive and binding on the Customer upon the Customer's confirmation of placement of that order after completion of the Pre-Investment Cooling-off Period ("**PICOP**") (where PICOP is applicable to but is not / cannot be opted out by the Customer) but is subject to final execution and acceptance by the Bank and provided that the SIP Documents may be terminated by the Bank as herein provided.
2. The amount which the Customer wishes to place in the SIP (the "**Offer Amount**") must be deposited with the Bank on or before the submission of the SIP Order Form. The deposited funds will be held in the relevant account until the Investment Value Date. If the deposited funds are held in an interest-bearing account, the relevant account will be credited with any interest accrued between the date on which the Offer Amount is deposited with the Bank and the Investment Value Date.
3. On the Investment Value Date, if the SIP Order is accepted by the Bank (whether in whole or in part), the Offer Amount (or the relevant part thereof) will be invested in the SIP on the terms set out in this Term Sheet.
4. A SIP Confirmation will normally be issued to the Customer within two Business Days from the Investment Value Date if the SIP Order is accepted by the Bank, but any failure or delay in doing so will not prejudice the binding nature of the SIP upon the Customer.
5. The Bank has the discretion not to execute or accept any SIP Order (or any part thereof) notwithstanding the SIP Order has been received by the Bank.
6. Without prejudice to the Bank's discretion as aforesaid, the Bank will not execute and will not accept SIP Orders unless the aggregate of all SIP Orders received by the Bank on or before the Closing Date of Offer is not less than the Minimum Offer Size. Further, if the market is affected by significant exchange rate, interest rate and/or other price movements and/or other unusual conditions before the Closing Date of Offer, the Bank may shorten the SIP offer period and stop receiving new SIP Orders. If a SIP Order has not yet been confirmed by the Bank as being accepted by the Bank in a SIP Confirmation and the SIP Order is not declined by the Bank (the "**Pending Orders**"), the Bank will use its reasonable efforts to execute such Pending Orders, but the Bank will otherwise have no obligation with respect to the Pending Orders.
7. In addition, even if a SIP Order has been received by the Bank, the Bank will have the right to cancel the SIP Order received if a SIP Cancellation Event occurs on or after the Closing Date of Offer and on or before the Investment Value Date.
8. If a SIP Order is not accepted or is cancelled after acceptance as provided for above, the Bank will notify the Customer of any such non-acceptance or cancellation and the termination of the SIP Documents with respect to the SIP without any liability, and then release the Offer Amount deposited (if any) to the Customer (without any interest other than as provided for in paragraph 2 above) as soon as practicable thereafter.

**SIP Cancellation**

Any of the following:

- Event:**
- (a) any event beyond the control of the Bank which, in the Bank's opinion, will make it impracticable, illegal or impossible for the Bank to perform its obligations under the SIP or to effectively hedge its obligations under the SIP; or
  - (b) notwithstanding that the Minimum Offer Size has been reached, in the Bank's opinion, changes in market conditions have made it impracticable for the Bank to effectively hedge its obligations under the SIP given the total amount of SIP Orders.

**COMPARISON WITH STANDARD TIME DEPOSIT**

In the worst-case scenario (a) where a Conversion Event has occurred and the Investment Currency has strengthened against the Linked Currency, the Customer will receive the Final Redemption Amount payable in the Linked Currency

(which will be less than 100% of the Principal Amount or, in the worst case scenario, be zero, when converted back into the Investment Currency using the prevailing exchange rates on the Maturity Date) on the Maturity Date. In such case, the Customer will incur an exchange loss; and (b) for all Interest Periods, the Reference Rate is less than the Minimum Interest Rate and the SIP will pay the Minimum Interest Rate. The interest received from the SIP may not offset any exchange loss incurred by the Customer.

In the best-case scenario, (a) where a Conversion Event has not occurred, the Customer will receive the Final Redemption Amount payable in the Investment Currency; and (b) for all Interest Periods, the Reference Rate is greater than the Maximum Interest Rate and the SIP will pay the Maximum Interest Rate.

If you wish to compare the return on the SIP with a standard time deposit, please refer to the Bank's per annum interest rate for a standard time deposit with a similar tenor and same Principal Amount as the SIP.

## RISKS ASSOCIATED WITH THE SIP

### Not a traditional deposit

- **The SIP is a form of structured product that carries risks not normally associated with ordinary bank deposits. The SIP is NOT equivalent to a time deposit. The Customer should therefore not treat the SIP as a substitute for ordinary savings or time deposits.**
- **The SIP is NOT a protected deposit and is NOT protected by the Deposit Protection Scheme in Hong Kong.**

### Suitability and concentration

- The Customer should ensure that he understands the characteristics of the SIP and the nature of the risks associated with his investment. The Customer should consider the suitability of the SIP as an investment in light of his own circumstances and financial condition.
- In particular, the Customer should note that the tenor of the SIP is stated under the caption "Tenor" in the SIP Order Form and the SIP should not form a substantial portion of his investment portfolio.

### Summary Information Only

- This document contains summary information only. It does not contain all of the terms and conditions (material or otherwise) of the SIP and the Customer is advised to review all of the documents referred to under the section headed "Documentation and Inconsistencies". If the Customer requires further information in relation to the SIP, please contact the Bank.

### Derivatives risk

- **The SIP is embedded with interest rate options and foreign exchange rate options. Option transactions involve risks, especially when selling an option. Although the premium received from selling an option is fixed, the Customer may sustain a loss well in excess of such premium amount, and the Customer's loss could be substantial. In respect of each Interest Period, the Interest Rate is subject to the Minimum Interest Rate and the Maximum Interest Rate. In respect of the redemption of the SIP, the Customer may receive the Principal Amount in the Investment Currency or the Linked Currency. The total payout the Customer receives for the tenor of the SIP may be less than the return or interest the Customer may otherwise have received from other investment.**

### SIP terms and return / Limited potential gain

- Certain parameters in respect of the SIP (e.g. Closing Time and Date of Offer) may be affected by a number of market factors, including changes in the value and volatility of the underlying asset(s), changes in foreign exchange rates and economic, financial and political events that are difficult to predict, and thus may be subject to appropriate adjustments by the Bank.
- The Customer is subject to the fluctuations in exchange rate for the Currency Pair.
- **The return of the SIP is capped at the Maximum Interest Rate payable in the Investment Currency. The maximum potential gain is the Interest Amount received in the Investment Currency.**
- The total payout the Customer receives for the tenor of the SIP may be less than the return or interest the Customer may otherwise have received from other investments.
- The SIP has investment risks. The Customer will only receive a return determined in the manner set out in this Term Sheet and the other SIP Documents. The Customer should fully understand the investment risks before making any investment in the SIP.

### Maximum potential loss

- **SIP is not principal protected. Customer could lose the entire Principal Amount.**

### Not the same as buying the Linked Currency

- **Investing in the SIP is not the same as buying the Linked Currency directly.**

### Principal Amount received upon redemption

- **The Customer takes the risk that he may not receive 100% of the Principal Amount at maturity.**
- **Depending on the performance of the underlying Currency Pair, the Customer must be prepared to receive the Final Redemption Amount in either the Investment Currency or the Linked Currency.**



- **In case of receiving the Linked Currency, the Customer must be prepared to take delivery of the Linked Currency at the Conversion Rate, which at that point in time, will be weaker than its fixing market price, and as a result, the Customer will incur an exchange loss in the SIP. The exchange loss the Customer incurs in the SIP may offset the interest earned on the SIP and in the worst case scenario, the exchange loss the Customer incurs in the SIP could be substantial and he may lose the original Principal Amount.**

#### **Market risk**

- **The return of the SIP is linked to the interest rate movements and movements in the exchange rates of the Investment Currency against the Linked Currency, which can be unexpected, sudden and drastic. Movements in interest rates and exchange rates can be affected by complex political and economic factors.**
- The SIP may not be suitable for Customers who are not familiar with the exchange rates involving the relevant Currency Pair or the factors that affect movements in the exchange rates involving the relevant Currency Pair. The exchange rates involving the relevant Currency Pair will be influenced by the complex and interrelated global and regional political, economic, financial and other factors that can affect the currency markets on which each of the Investment Currency and the Linked Currency is traded. Changes in the exchange rates for each of the currencies result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in the countries in which such currencies are circulated as legal tender, particularly relative rates of inflation, interest rate levels, the balance of payments and the extent of governmental surpluses or deficits in those countries.
- Foreign exchange rates can either be fixed by the government, allowed to float within a range of exchange rates set by the government, or left to float freely. Governments, including those issuing the currencies to which the SIP relates, use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their respective currencies. They may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, the value of the SIP and amounts payable under the SIP could be affected by the actions of sovereign governments that could change or interfere with previously freely determined currency valuations, fluctuations in response to other market forces and the movement of currencies across borders. There will be no offsetting adjustment or change made during the term of the SIP in the event that the exchange rates should become fixed (or in the case of certain currencies, become floating), or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes or in the event of other developments affecting any of the currencies to which the SIP relates, or any other currency.

#### **Currency risk**

- **Where the Customer has converted amounts from another currency (including your home currency) into the Investment Currency in order to make the investment in the SIP, the Customer should bear in mind the risk of exchange rate fluctuations that may cause a loss on conversion of the Investment Currency (or the Linked Currency, as the case may be) back into such other currency. You should note that such potential loss from the product could offset (or even exceed) the potential gain if the Investment Currency or the Linked Currency depreciates against the currency you converted from (including your home currency).**

#### **Liquidity risk**

- **The SIP is a commitment by the Customer for the tenor as stated under the caption “Tenor” in the SIP Order Form. No early uplift, early withdrawal or early termination by the Customer is permitted. The Customer has to maintain the SIP with the Bank up to the Maturity Date.**

#### **Volatility of interest rate markets**

- The relevant Reference Rates have in the past been, and may continue to be, volatile.

#### **Volatility of foreign exchange rate markets**

- The exchange rate for the Currency Pair has in the past been, and may continue to be, volatile.

#### **There are potential conflicts of interest**

- The Bank and its affiliates play a variety of roles in connection with the SIP, including acting as counterparty and calculation agent and hedging its obligations under the SIP. The Bank and/or its affiliates may also enter into, adjust and unwind transactions relating to the relevant assets or currencies, whether for its or its affiliates' proprietary accounts or for accounts under management or to facilitate transactions on behalf of Customers or otherwise. In carrying out these roles, the Bank's economic interests and those of its affiliates are potentially adverse to the Customer's interests as counterparty in the SIP.

#### **The Customer must rely on his own evaluation of the merits of the SIP**

- In the ordinary course of their businesses, the Bank and/or its affiliates may from time to time express views on expected movements in the exchange rates and/or the interest rates of the relevant currencies or other currencies. These views are sometimes communicated to clients and which are subject to change due to changes in worldwide economic, political and other developments over differing time horizons. In connection with the SIP, the Customer must make his own evaluation of the merits of the SIP and the Customer must not rely on any views which may be expressed by the Bank and/or its affiliates in the ordinary course of their businesses with respect to future price movements in the relevant currencies or other currencies.

#### **Historical information about the exchange rates and/or the interest rates for the relevant currencies may not be indicative of future values**

- Historical information on the exchange rates and/or interest rates which may be provided to the Customer is for information only, and the Customer should not regard the information as indicative of the range of, or trends in, or future fluctuations in the exchange rates and/or interest rates or the future performance of the SIP.

#### The Customer is taking on the credit risk of the Bank

- The SIP is not secured by any collateral. The Customer is taking on the credit risk of the Bank** with respect to all payments due under this SIP. For more information on the Bank, including its financial conditions, you may go to [www.dbs.com/hk](http://www.dbs.com/hk) where you can obtain its latest annual statutory accounts. A printed copy of such statutory accounts is also available upon request.
- In the worst case scenario, where DBS Bank (Hong Kong) Limited (星展銀行 (香港) 有限公司) defaults on its payment obligations under the SIP, the Customer will receive no interest payment and lose his original investment amount.**

#### Compounding of Risks

- An investment in the SIP involves risks and should only be made after assessing, for example, the direction, timing and magnitude of potential future changes in interest rates, exchange rates and the terms and conditions of the SIP. More than one risk factor may have simultaneous effects with regard to the SIP such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect, which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the SIP.

### SCHEDULE 1 – CURRENCY PAIRS

Currency Pair	Investment Currency	Linked Currency	Expression	Relevant Unit	Description
1	AUD	EUR	EUR/AUD	Cent	The amount of AUD expressed per one unit of EUR
2	AUD	GBP	GBP/AUD	Penny	The amount of AUD expressed per one unit of GBP
3	CAD	AUD	AUD/CAD	Cent	The amount of CAD expressed per one unit of AUD
4	CAD	EUR	EUR/CAD	Cent	The amount of CAD expressed per one unit of EUR
5	CAD	GBP	GBP/CAD	Penny	The amount of CAD expressed per one unit of GBP
6	CAD	NZD	NZD/CAD	Cent	The amount of CAD expressed per one unit of NZD
7	CAD	USD	USD/CAD	Cent	The amount of CAD expressed per one unit of USD
8	CHF	AUD	AUD/CHF	Cent	The amount of CHF expressed per one unit of AUD
9	CHF	CAD	CAD/CHF	Cent	The amount of CHF expressed per one unit of CAD
10	CHF	EUR	EUR/CHF	Cent	The amount of CHF expressed per one unit of EUR
11	CHF	GBP	GBP/CHF	Penny	The amount of CHF expressed per one unit of GBP
12	CHF	NZD	NZD/CHF	Cent	The amount of CHF expressed per one unit of NZD
13	CHF	USD	USD/CHF	Cent	The amount of CHF expressed per one unit of USD
14	GBP	EUR	EUR/GBP	Cent	The amount of GBP expressed per one unit of EUR
15	HKD	AUD	AUD/HKD	Cent	The amount of HKD expressed per one unit of AUD
16	HKD	CAD	CAD/HKD	Cent	The amount of HKD expressed per one unit of CAD
17	HKD	CHF	CHF/HKD	Rappen	The amount of HKD expressed per one unit of CHF
18	HKD	EUR	EUR/HKD	Cent	The amount of HKD expressed per one unit of EUR
19	HKD	GBP	GBP/HKD	Penny	The amount of HKD expressed per one unit of GBP
20	HKD	JPY	JPY/HKD	Yen	The amount of HKD expressed per one unit of JPY
21	HKD	NZD	NZD/HKD	Cent	The amount of HKD expressed per one unit of NZD
22	HKD	SGD	SGD/HKD	Cent	The amount of HKD expressed per one unit of SGD
23	HKD	USD	USD/HKD	Cent	The amount of HKD expressed per one unit of USD
24	JPY	AUD	AUD/JPY	Cent	The amount of JPY expressed per one unit of AUD
25	JPY	CAD	CAD/JPY	Cent	The amount of JPY expressed per one unit of CAD
26	JPY	CHF	CHF/JPY	Rappen	The amount of JPY expressed per one unit of CHF
27	JPY	EUR	EUR/JPY	Cent	The amount of JPY expressed per one unit of EUR
28	JPY	GBP	GBP/JPY	Penny	The amount of JPY expressed per one unit of GBP
29	JPY	NZD	NZD/JPY	Cent	The amount of JPY expressed per one unit of NZD
30	JPY	SGD	SGD/JPY	Cent	The amount of JPY expressed per one unit of SGD
31	JPY	USD	USD/JPY	Cent	The amount of JPY expressed per one unit of USD
32	NZD	AUD	AUD/NZD	Cent	The amount of NZD expressed per one unit of AUD
33	NZD	EUR	EUR/NZD	Cent	The amount of NZD expressed per one unit of EUR
34	NZD	GBP	GBP/NZD	Penny	The amount of NZD expressed per one unit of GBP
35	SGD	AUD	AUD/SGD	Cent	The amount of SGD expressed per one unit of AUD
36	SGD	CAD	CAD/SGD	Cent	The amount of SGD expressed per one unit of CAD
37	SGD	CHF	CHF/SGD	Rappen	The amount of SGD expressed per one unit of CHF

38	SGD	EUR	EUR/SGD	Cent	The amount of SGD expressed per one unit of EUR
39	SGD	GBP	GBP/SGD	Penny	The amount of SGD expressed per one unit of GBP
40	SGD	NZD	NZD/SGD	Cent	The amount of SGD expressed per one unit of NZD
41	SGD	USD	USD/SGD	Cent	The amount of SGD expressed per one unit of USD
42	USD	AUD	AUD/USD	Cent	The amount of USD expressed per one unit of AUD
43	USD	EUR	EUR/USD	Cent	The amount of USD expressed per one unit of EUR
44	USD	GBP	GBP/USD	Penny	The amount of USD expressed per one unit of GBP
45	USD	NZD	NZD/USD	Cent	The amount of USD expressed per one unit of NZD

## SCHEDULE 2 – CURRENCY PAIRS

<u>Currency Pair</u>	<u>Investment Currency</u>	<u>Linked Currency</u>	<u>Expression</u>	<u>Relevant Unit</u>	<u>Description</u>
1	AUD	CAD	AUD/CAD	Cent	The amount of CAD expressed per one unit of AUD
2	AUD	CHF	AUD/CHF	Rappen	The amount of CHF expressed per one unit of AUD
3	AUD	HKD	AUD/HKD	Cent	The amount of HKD expressed per one unit of AUD
4	AUD	JPY	AUD/JPY	Yen	The amount of JPY expressed per one unit of AUD
5	AUD	NZD	AUD/NZD	Cent	The amount of NZD expressed per one unit of AUD
6	AUD	SGD	AUD/SGD	Cent	The amount of SGD expressed per one unit of AUD
7	AUD	USD	AUD/USD	Cent	The amount of USD expressed per one unit of AUD
8	CAD	CHF	CAD/CHF	Rappen	The amount of CHF expressed per one unit of CAD
9	CAD	HKD	CAD/HKD	Cent	The amount of HKD expressed per one unit of CAD
10	CAD	JPY	CAD/JPY	Yen	The amount of JPY expressed per one unit of CAD
11	CAD	SGD	CAD/SGD	Cent	The amount of SGD expressed per one unit of CAD
12	CHF	HKD	CHF/HKD	Cent	The amount of HKD expressed per one unit of CHF
13	CHF	JPY	CHF/JPY	Yen	The amount of JPY expressed per one unit of CHF
14	CHF	SGD	CHF/SGD	Cent	The amount of SGD expressed per one unit of CHF
15	EUR	AUD	EUR/AUD	Cent	The amount of AUD expressed per one unit of EUR
16	EUR	CAD	EUR/CAD	Cent	The amount of CAD expressed per one unit of EUR
17	EUR	CHF	EUR/CHF	Rappen	The amount of CHF expressed per one unit of EUR
18	EUR	GBP	EUR/GBP	Penny	The amount of GBP expressed per one unit of EUR
19	EUR	HKD	EUR/HKD	Cent	The amount of HKD expressed per one unit of EUR
20	EUR	JPY	EUR/JPY	Yen	The amount of JPY expressed per one unit of EUR
21	EUR	NZD	EUR/NZD	Cent	The amount of NZD expressed per one unit of EUR
22	EUR	SGD	EUR/SGD	Cent	The amount of SGD expressed per one unit of EUR
23	EUR	USD	EUR/USD	Cent	The amount of USD expressed per one unit of EUR
24	GBP	AUD	GBP/AUD	Cent	The amount of AUD expressed per one unit of GBP
25	GBP	CAD	GBP/CAD	Cent	The amount of CAD expressed per one unit of GBP
26	GBP	CHF	GBP/CHF	Rappen	The amount of CHF expressed per one unit of GBP
27	GBP	HKD	GBP/HKD	Cent	The amount of HKD expressed per one unit of GBP
28	GBP	JPY	GBP/JPY	Yen	The amount of JPY expressed per one unit of GBP
29	GBP	NZD	GBP/NZD	Cent	The amount of NZD expressed per one unit of GBP
30	GBP	SGD	GBP/SGD	Cent	The amount of SGD expressed per one unit of GBP
31	GBP	USD	GBP/USD	Cent	The amount of USD expressed per one unit of GBP
32	JPY	HKD	JPY/HKD	Cent	The amount of HKD expressed per one unit of JPY
33	NZD	CAD	NZD/CAD	Cent	The amount of CAD expressed per one unit of NZD
34	NZD	CHF	NZD/CHF	Rappen	The amount of CHF expressed per one unit of NZD
35	NZD	HKD	NZD/HKD	Cent	The amount of HKD expressed per one unit of NZD
36	NZD	JPY	NZD/JPY	Yen	The amount of JPY expressed per one unit of NZD
37	NZD	SGD	NZD/SGD	Cent	The amount of SGD expressed per one unit of NZD
38	NZD	USD	NZD/USD	Cent	The amount of USD expressed per one unit of NZD
39	SGD	HKD	SGD/HKD	Cent	The amount of HKD expressed per one unit of SGD
40	SGD	JPY	SGD/JPY	Yen	The amount of JPY expressed per one unit of SGD
41	USD	CAD	USD/CAD	Cent	The amount of CAD expressed per one unit of USD
42	USD	CHF	USD/CHF	Rappen	The amount of CHF expressed per one unit of USD
43	USD	HKD	USD/HKD	Cent	The amount of HKD expressed per one unit of USD
44	USD	JPY	USD/JPY	Yen	The amount of JPY expressed per one unit of USD
45	USD	SGD	USD/SGD	Cent	The amount of SGD expressed per one unit of USD

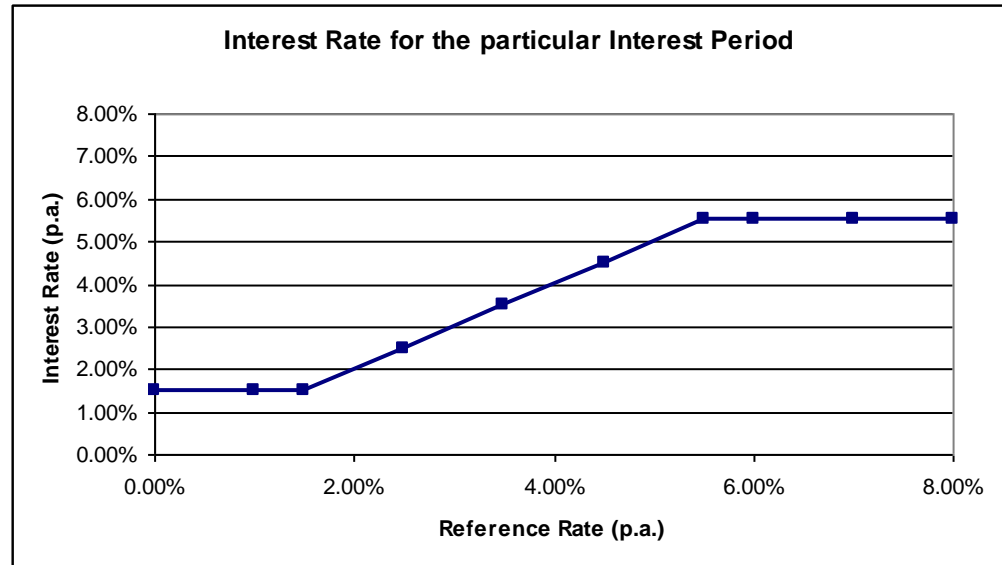
**SENSITIVITY ANALYSIS**

**(A) Sensitivity analysis in respect of the Reference Rate** The following analysis illustrates the Interest Rate for a particular Interest Period and does not illustrate movements of exchange rates and the impact of a Conversion Event. **Note: This analysis is merely an illustration for reference only and is not indicative of the future or likely performance of the Reference Rate and the SIP.**

**Assumptions:**

• Maximum Interest Rate: 5.50% p.a.	• Minimum Interest Rate: 1.50% p.a.
• Reference Rate: HKD-HIBOR-HKAB (3-Month HIBOR) or USD-LIBOR-BBA (3-Month LIBOR)	

Reference Rate (p.a.)	Interest Rate (p.a.)
0.000%	1.500%
1.000%	1.500%
1.500%	1.500%
2.500%	2.500%
3.500%	3.500%
4.500%	4.500%
5.500%	5.500%
6.000%	5.500%
7.000%	5.500%
8.000%	5.500%



- When the Reference Rate for all Interest Periods is at or above 5.50% p.a., the applicable Interest Rate for all Interest Periods will be 5.50% p.a.
- When the Reference Rate for all Interest Periods is at or above 1.50% p.a. and below 5.50% p.a., the applicable Interest Rate for all Interest Periods will be the relevant Reference Rate.
- When the Reference Rate for all Interest Periods is below 1.50% p.a., the applicable Interest Rate for all Interest Periods will be 1.50% p.a.

**(B) Sensitivity analysis in respect of the Final Rate of Exchange**

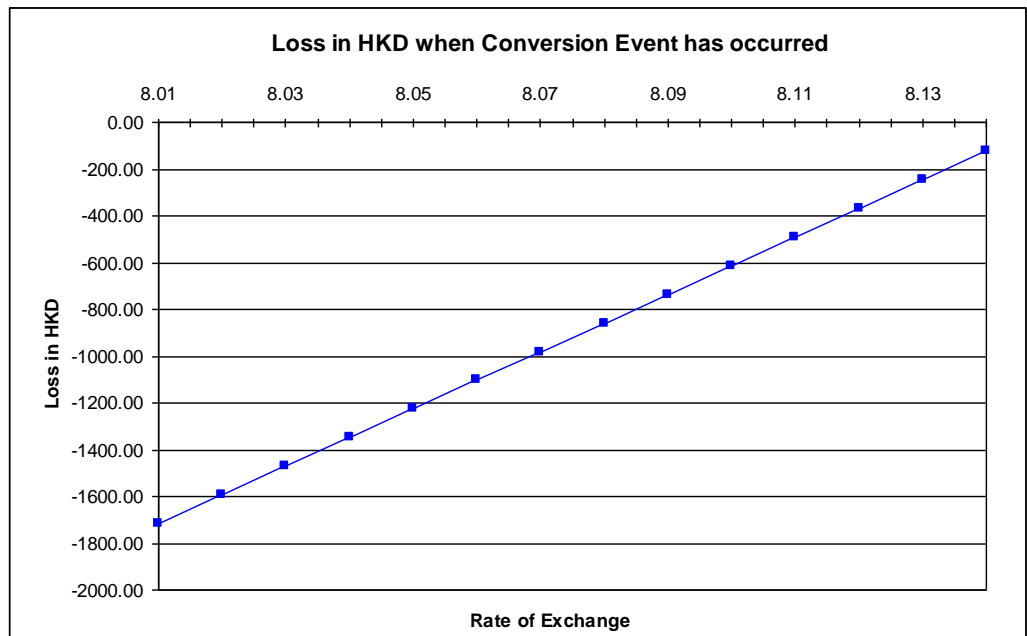
The following analysis illustrates the Interest Rate for a particular Interest Period and does not illustrate movements of exchange rates and the impact of a Conversion Event.

**Loss Analysis (Note: This analysis is merely an illustration for reference only and is not indicative of the future or likely performance of the exchange rate for the Currency Pair (assuming HKD and AUD) and the SIP.)**

- |                     |                                  |
|---------------------|----------------------------------|
| <b>Assumptions:</b> | • Principal Amount: HKD 100,000  |
|                     | • Conversion Rate: 8.1500        |
|                     | • Conversion Event has occurred. |

The following analysis illustrates the loss in HKD assuming a Conversion Event has occurred and the Customer sells back AUD at the Final Rate of Exchange on the Maturity Date.

Final Rate of Exchange	Loss in HKD
8.01	-1717.79
8.02	-1595.09
8.03	-1472.39
8.04	-1349.69
8.05	-1226.99
8.06	-1104.29
8.07	-981.60
8.08	-858.90
8.09	-736.20
8.10	-613.50
8.11	-490.80
8.12	-368.10
8.13	-245.40
8.14	-122.70



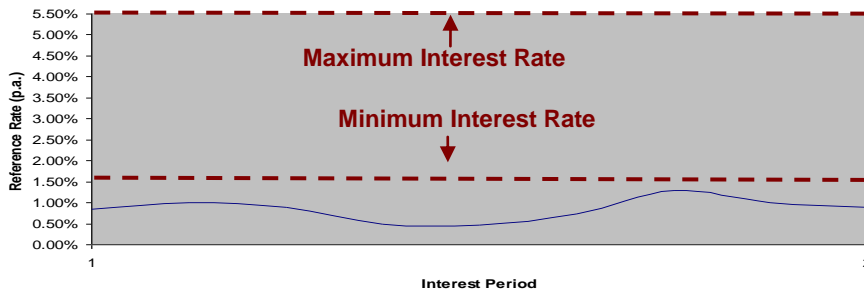
**SCENARIO ILLUSTRATIONS**

**Note: All figures below are hypothetical and merely serve as illustrations for reference only. They are not indicative of the future or likely performance of the Reference Rate and the SIP.**

**Assumptions:**

• Reference Rate: HKD-HIBOR-HKAB (3-Month HIBOR) on first day of the relevant Interest Period	• Principal Amount: HKD 100,000
• Tenor: 6 Months	• Minimum Interest Rate: 1.50% p.a.
• Maximum Interest Rate: 5.50% p.a.	• Interest Amount: Principal Amount x Interest Rate x Day Count Fraction
• Interest Payment Date: Quarterly	• Conversion Rate: 8.1500
• Currency Pair: HKD/AUD	

**Scenario 1: For all Interest Periods, Reference Rate < Minimum Interest Rate; on the Determination Date at the Determination Time, the Final Rate of Exchange > Conversion Rate**



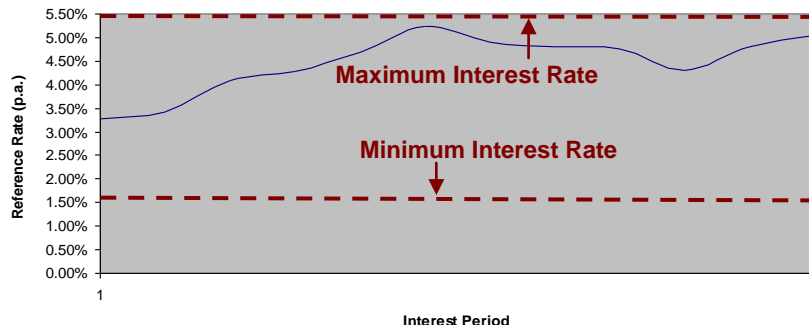
For all Interest Periods, Interest Rate = Minimum Interest Rate (i.e. 1.50% p.a.)

Interest Period	Reference Rate (p.a.)	Interest Rate (p.a.)	Interest Amount Payable Quarterly (HKD)
1 <sup>st</sup>	0.82%	1.50%	100,000 x 1.50% x 91/365 = 373.97
2 <sup>nd</sup>	0.75%	1.50%	100,000 x 1.50% x 90/365 = 369.86

On each Interest Payment Date, the Customer receives the respective Interest Amount. Assuming on the Determination Date at the Determination Time the Final Rate of Exchange is 8.2600, then on Maturity Date, the Customer will receive

- 100% of the Principal Amount in the Investment Currency since no Conversion Event has occurred and
- the Interest Amount for the 2<sup>nd</sup> Interest Period (i.e. HKD 369.86).

**Scenario 2: For all Interest Periods, Minimum Interest Rate ≤ Reference Rate < Maximum Interest Rate; on the Determination Date at the Determination Time, the Final Rate of Exchange = Conversion Rate**



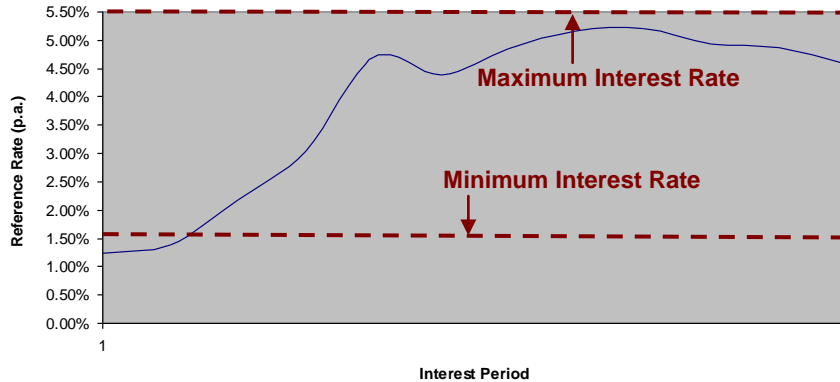
For all Interest Periods, Interest Rate = Reference Rate

Interest Period	Reference Rate (p.a.)	Interest Rate (p.a.)	Interest Amount Payable Quarterly (HKD)
1 <sup>st</sup>	3.28%	3.28%	100,000 x 3.28% x 91/365 = 817.75
2 <sup>nd</sup>	5.05%	5.05%	100,000 x 5.05% x 90/365 = 1,245.21

On each Interest Payment Date, the Customer receives the respective Interest Amount. Assuming on the Determination Date at the Determination Time the Final Rate of Exchange is 8.1500, then on Maturity Date, the Customer will receive

- 100% of the Principal Amount in the Investment Currency since no Conversion Event has occurred and
- the Interest Amount for the 2<sup>nd</sup> Interest Period (i.e. HKD 1,245.21).

**Scenario 3: For the 1<sup>st</sup> Interest Period: Reference Rate < Minimum Interest Rate;  
for the 2<sup>nd</sup> Interest Period: Minimum Interest Rate ≤ Reference Rate < Maximum Interest Rate;  
on the Determination Date at the Determination Time, the Final Rate of Exchange < Conversion Rate**



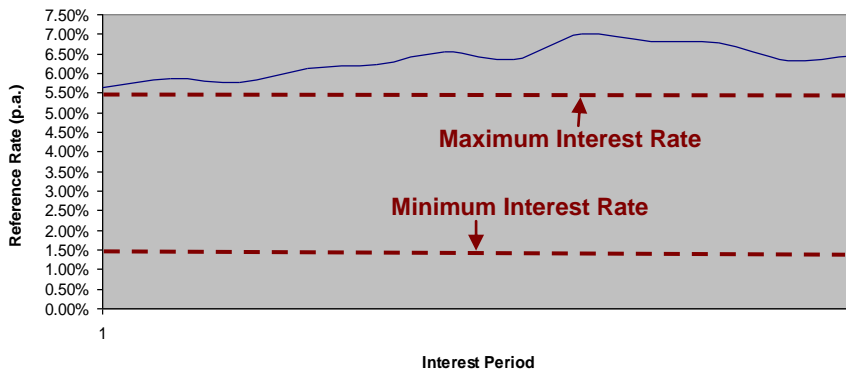
- For the 1<sup>st</sup> Interest Period, Interest Rate = Minimum Interest Rate (i.e. 1.50% p.a.)
- For the 2<sup>nd</sup> Interest Period, Interest Rate = Reference Rate

Interest Period	Reference Rate (p.a.)	Interest Rate (p.a.)	Interest Amount Payable Quarterly (HKD)
1 <sup>st</sup>	1.24%	1.50%	100,000 x 1.50% x 91/365 = 373.97
2 <sup>nd</sup>	4.57%	4.57%	100,000 x 4.57% x 90/365 = 1,126.85

On each Interest Payment Date, the Customer receives the respective Interest Amount.  
Assuming on the Determination Date at the Determination Time the Final Rate of Exchange is 8.0500, then on Maturity Date, the Customer will receive

- 100% of the Principal Amount converted into the Linked currency at the Conversion Rate since a Conversion Event has occurred:  
HKD 100,000/ 8.1500 = AUD 12,269.94 (which, if converted back into HKD at the Final Rate of Exchange, will be HKD 98,773.01, Customer will suffer an unrealized loss of HKD 1,226.99 (HKD100,000 – HKD98,773.01) in the Principal Amount.); and
- the Interest Amount for the 2nd Interest Period (i.e. HKD 1,126.85).

**Scenario 4: For all Interest Periods, Reference Rate ≥ Maximum Interest Rate  
(Even if Reference Rate is greater than 5.50%p.a., Interest Rate will be capped at 5.50% p.a.);  
on the Determination Date at the Determination Time, the Final Rate of Exchange > Conversion Rate**



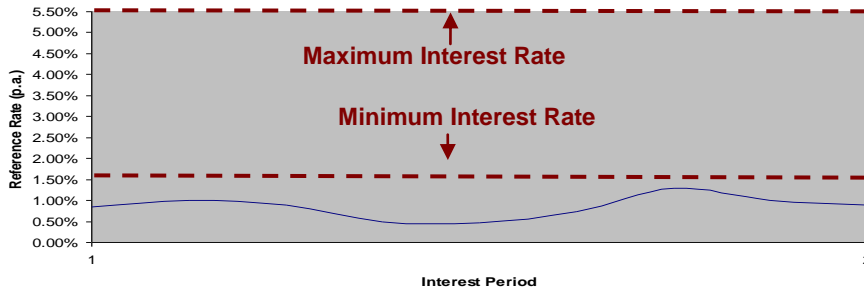
- For all Interest Periods, Interest Rate = Maximum Interest Rate (i.e. 5.50% p.a.)

Interest Period	Reference Rate (p.a.)	Interest Rate (p.a.)	Interest Amount Payable Quarterly (HKD)
1 <sup>st</sup>	5.63%	5.50%	100,000 x 5.50% x 91/365 = 1,371.23
2 <sup>nd</sup>	6.46%	5.50%	100,000 x 5.50% x 90/365 = 1,356.16

On each Interest Payment Date, the Customer receives the respective Interest Amount.  
Assuming on the Determination Date at the Determination Time the Final Rate of Exchange is 8.3600, then on Maturity Date, the Customer will receive:

- 100% of the Principal Amount in the Investment Currency since no Conversion Event has occurred and
- the Interest Amount for the 2<sup>nd</sup> Interest Period (i.e. HKD 1,356.16).

**Scenario 5: For all Interest Periods, Reference Rate < Minimum Interest Rate;  
on the Determination Date at the Determination Time, the Final Rate of Exchange < Conversion Rate**



For all Interest Periods, Interest Rate = Minimum Interest Rate (i.e. 1.50% p.a.)

Interest Period	Reference Rate (p.a.)	Interest Rate (p.a.)	Interest Amount Payable Quarterly (HKD)
1 <sup>st</sup>	0.82%	1.50%	$100,000 \times 1.50\% \times 91/365 = 373.97$
2 <sup>nd</sup>	0.75%	1.50%	$100,000 \times 1.50\% \times 90/365 = 369.86$

On each Interest Payment Date, the Customer receives the respective Interest Amount.

Assuming on the Determination Date at the Determination Time the Final Rate of Exchange is 0.0010, then on Maturity Date, the Customer will receive

- 100% of the Principal Amount converted into the Linked Currency at the Conversion Rate since a Conversion Event has occurred:  
 $\text{HKD } 100,000 / 8.1500 = \text{AUD } 12,269.94$  (which, if converted back into HKD at the Final Rate of Exchange, will be HKD 12.27, Customer will suffer an unrealized loss of HKD 99,987.73 (HKD100,000 – HKD12.27) in the Principal Amount.); and
- The Interest Amount for the 2<sup>nd</sup> Interest Period (i.e. HKD 369.86).
- 

**Scenario 6 – The Bank becomes insolvent or defaults on its obligations**

Assuming that the Bank becomes insolvent during the tenor of this product or defaults on its obligations under this product, you can only claim as its unsecured creditor. You may get nothing back and suffer a total loss of your investment amount.