

## Knock Out Dual Currency Structured Investment Product

Investment product is not a deposit, the product carries risk, investor should act prudently.

This product is a high risk investment product without principal protection. You may suffer principal loss due to market movement. You need to fully understand the risks involved and invest cautiously.

Knock In Dual Currency Structured Investment Product is a variant product of Dual Currency Investment. The same is Dual Currency Investment, it is a non-principal protected investment product .

Knock Out Dual Currency Structured Investment Products are investment products under which you select an Investment Currency, Tenor and an Alternate Currency. You give an option to the Bank , if Knock Out Barrier Event has occurred, Principal Amount and Return Amount will be paid on Maturity Date in the Investment Currency ; If Knock Out Barrier Event has not occurred, the Investment Amount and the Return Amount in either the Investment Currency or in the Alternate Currency (as converted by applying the Strike Rate, at the Expiry Date of the Investment Product). There is potential for an enhance yield. However, if the Principal Amount and the Return Amount are paid to you in the Alternate Currency, you may suffer losses on the Principal Amount and Return Amount if you choose to convert such amount back to the Investment Currency.

### Key Risks

Principal at Risk

Liquidity Risk

Foreign Exchange Risk

Principal and Return Risk

Customer's own due diligence

Choice of Strike Rate

## An example

**Note:** The hypothetical scenarios set forth below are for illustrative purposes only, and are not representative of historical, actual or future performance.

You place USD 50,000 in a 30-day Dual Currency Investment. You choose AUD as the Alternate Currency.

|                         |                                                                                                                                                                                     |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment Currency     | USD                                                                                                                                                                                 |
| Alternate Currency      | AUD                                                                                                                                                                                 |
| Principal Amount        | USD 50,000                                                                                                                                                                          |
| Tenor                   | 30 Days                                                                                                                                                                             |
| Strike                  | 0.9350                                                                                                                                                                              |
| Barrier                 | 0.9500                                                                                                                                                                              |
| Potential Yield (p.a)   | 8.00%                                                                                                                                                                               |
| Knock Out Barrier Event | The Knockout Barrier Event is determined to have occurred if underlying has ever touched the Barrier Level from Trade Date Trade time to the Expiration Time on the Expiration Date |

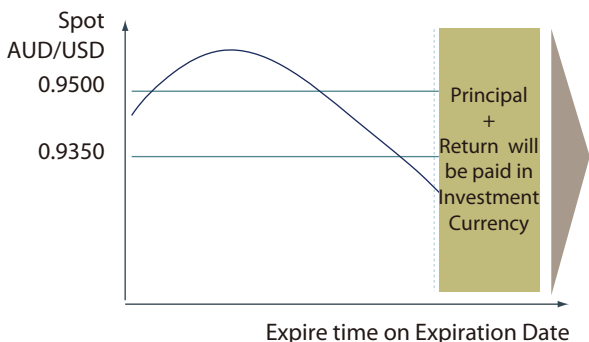
## Scenario One

Knock Out Barrier Event has occurred, Principal Amount and Return Amount will be paid on Maturity Date in the Investment Currency, regardless if Fixing Rate is above or below Strike Rate.

Principal: USD 50,000

Return:  $\text{USD } 50,000 \times 8.00\% \times 30 / 360 = \text{USD } 333.33$

Total: USD 50,333.33



## Scenario Two

Knock Out Barrier Event has not occurred:

A) If the prevailing market rate at expiry is above the Strike rate, say 0.9400, you will receive your principal and return in USD.

Principal: USD 50,000

Return:  $\text{USD } 50,000 \times 8.00\% \times 30 / 360 = \text{USD } 333.33$

Total: USD 50,333.33

B) If the prevailing market rate at expiry is equal to or below the Strike rate, say 0.8000, you will receive your principal and return in AUD converted at the Strike rate and if taking "Spot rate at maturity = 0.8000" as an example (Worst Case Scenario)

Principal: USD 50,000

Return in Investment Currency:

$\text{USD } 50,000 \times 8.00\% \times 30 / 360 = \text{USD } 333.33$

Maturity Payment to customer:

$\text{USD } 50,333.33 / 0.9350 = \text{AUD } 53,832.43$

If you decide to convert the AUD back to USD immediately at the prevailing market exchange rate, you will experience a principal loss:

$\text{AUD } 53,832.43 \times 0.8000 = \text{USD } 43,065.94$

Principal loss = USD 6,934.06

If you decide to hold the AUD, you may suffer much more losses, if the AUD further depreciates against USD.

