

This is an unlisted structured investment product, Time Deposits subject to any foreign exchange forward contract under Currency Switch are not protected deposits and are not protected by the Deposit Protection Scheme in Hong Kong.

This product is not principal protected.

*The contents of this statement have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution before investing in the Currency Switch. **This statement is a part of the offering documents for this product. You should not invest in this product based on this statement alone.** If you are in any doubt, you should obtain independent professional advice.*

If English is not your preferred language, you may request for the Chinese version of this statement from our sales staff. 倘若英文並非閣下屬意的語言，閣下可向本行的銷售人員索取本概要的中文版本。

This is an unlisted structured investment product involving derivatives. The investment decision is yours but you should not invest in the Currency Switch unless the intermediary who sells it to you has explained to you that the product is suitable for you having regard to your financial situation, investment experience and investment objectives.

Capitalised terms used in this statement not otherwise defined herein shall have the meanings given to them in the Terms and Conditions of Investment Account, including “Schedule VI: Currency Switch”, thereunder (“Terms and Conditions-CS”).

Quick facts:

Bank:	OCBC Bank (Hong Kong) Limited (hereafter referred to as “the Bank”)
Product name:	Currency Switch
Product type:	Currency Linked Investment

Product structure:	Single product composed of time deposit and FX forward contract(s)
Minimum transaction amount:	HKD100, 000 or its equivalent in other Available switching currencies
Investment tenor:	12 months or below
Maximum no. of FX forward contract(s) allowed during deposit tenor	Unlimited
Available switching currencies:	HKD, USD, AUD, CAD, NZD, JPY, CHF, GBP, EUR, CNY & SGD
Early termination right of the Bank:	Yes, described in the Terms and Conditions-CS
Early termination right of the Customer:	No
Embedded derivatives:	Yes, you are buying FX Forward Contract(s) from the Bank
Maximum potential gain:	Unlimited. For details, please refer to the below section headed "Scenario Analysis".
Maximum potential loss:	Principal amount plus interest of the time deposit. For details, please refer to the below section headed "Scenario Analysis".

What is this product and how does it work?

Currency Switch is an unlisted structured investment product embedded with derivative(s). Currency Switch allows you to invest in FX forward contract before time deposit matures. Please refer to the key features and scenario analysis below to understand how this product works and how you will gain/incur losses from this product.

What are the key risks?

- **Not a time deposit** – Currency Switch is **NOT** equivalent to, nor should it be treated as a substitute for, time deposit. Time Deposits subject to any foreign exchange forward contract under Currency Switch are **NOT** protected deposits and are **NOT** protected by the Deposit Protection Scheme in Hong Kong.
- **Not covered by Investor Compensation Fund** – Currency Switch is **NOT** listed on any stock exchange and is **NOT** covered by the Investor Compensation Fund established under the Securities and Futures Ordinance in Hong Kong.
- **Derivatives risk** – Currency Switch is an unlisted structured investment product embedded with derivative(s). Currency Switch allows you to invest in FX forward contract before time deposit matures.

- **No principal protection at maturity** – Currency Switch is not principal protected as mentioned in “**Maximum potential loss**” below.
- **Maximum potential loss** – Currency Switch is not principal protected. The return depends on the market conditions prevailing on the Exchange Rate. You might be subject to the risk of the fluctuation of the switched currency and could lose all of your investment, including the entire Principal Amount plus interest of the time deposit as described in the section of “**Return analysis**” below.
- **Market risk** – The return of Currency Switch is linked to the exchange rates of switched currency against the time deposit currency. Movements in exchange rates can be unpredictable, sudden and drastic, and affected by complex political and economic factors
- **No liquid secondary market** – There is no secondary market for you to sell your Currency Switch prior to its maturity. If you try to sell your Currency Switch, you may not be able to find a buyer. However, you can convert the switched currency to another currency before time deposit maturity date at your choice so and so forth.
- **Liquidity risk** – Currency Switch is designed to be held till maturity. You do not have a right to request early termination of this product before maturity.
- **Credit and insolvency risk of the Bank** – Currency Switch is not secured by any collateral. If you invest in this product, you will be relying on the Bank’s creditworthiness, internal systems, process and procedures to fulfill its obligations. If the Bank becomes insolvent or defaults on its obligations under this product, you can only claim as an unsecured creditor of the Bank. In the worst case, you could suffer a total loss of your Principal Amount plus interest of the time deposit.
- **Risks of early termination by the Bank** – The Bank has the right (but not obliged to) to terminate a Currency Switch early upon occurrence of certain events. If a Currency Switch is terminated by the Bank early, you may suffer a substantial loss under this product. Please refer to the section “**Can the Bank early terminate the product**” below.
- **Concentration issues** – You should avoid excessive investment in any single type of investment.
- **Currency risk** – If the final switched currency is not in your home currency, and you choose to convert it back to your home currency upon maturity, you may make a gain or loss due to exchange rate fluctuations.
- **Risk relating to Renminbi (applicable to Currency Switch which involves CNY)** –
 - **Market and Currency Risk:** If the switched currency involves CNY, you should note that the value of Renminbi against other currencies fluctuates and will be affected by, amongst other things, the PRC’s government control (for example, the PRC government regulates conversion between Renminbi and other currencies),

which may result in profits or losses under the Currency Switch if you subsequently convert Renminbi to another currency (including Hong Kong dollars).

- **Conversion of Renminbi:** Renminbi is currently not freely convertible. There is a limited pool of Renminbi outside the PRC and any tightening of foreign exchange control by the PRC government may adversely affect the liquidity of offshore Renminbi. Conversion of Renminbi through the Bank is subject to the restriction specified by regulatory requirements, Renminbi position of the Bank and the Bank's commercial decisions at the relevant time.
- **Different Markets of Renminbi:** Although both onshore Renminbi and offshore Renminbi are the same currency, they are traded in different and separated markets. As the two markets operate independently where the flow between them is highly restricted, onshore Renminbi and offshore Renminbi are currently traded at different exchange rates and their movements may not be in the same direction or scale. The offshore Renminbi exchange rate may deviate significantly from the onshore Renminbi exchange rate.
- **Conflicts of interest** – Potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries or affiliates in connection with our Currency Switch and our economic interests in each role may be adverse to your interests in our Currency Switch.

What are the key features?

Currency Switch is a single product composed of a fixed deposit and deliverable FX forward(s). Upon subscription, you are obligated to convert the deposit currency ("currency 1") of fixed deposit into another currency ("currency 2") at your choice, at an agreed price to be settled on a fixed forward date, which is the same as the fixed deposit maturity date. There is no limit on the number of FX forward transactions you can enter within the fixed deposit tenor (i.e. you can enter another FX forward contract to convert currency 2 into currency 3 so and so forth). If more than one FX forward contracts are entered into, all the preceding FX forward contracts will be net settled, and the final FX forward contract will be physically settled on the fixed deposit maturity date. The principal and interest of the fixed deposit will be converted to the final designated currency at the pre-determined exchange rates and credited to your settlement account.

How can you subscribe for the product?

You need to open an investment account and sign an application form or any other documents for order placement. If you place an order by phone, you have to confirm your agreement to and acceptance of the application form and any other documents as required.

To subscribe for or request for more information about Currency Switch, please visit any of the Bank's designated branches.

What are the fees and charges?

- There is no service charge for placing a Currency Switch as all related charges incurred by the Bank are already inherently contained in and subsumed into the calculation of the Forward Exchange Rate.

Can you sell the product before expiry?

- Currency Switch is NOT transferable or tradable, and you cannot make early withdrawal or amendments to the terms of the Currency Switch. However, you can convert the switched currency to another currency before time deposit maturity date at your choice so and so forth.

Scenario analysis

The following hypothetical examples are for illustrative purposes only. They do not reflect a complete analysis nor all possible factors of all possible potential gain or loss scenarios, are not based on the past performance of the exchange rates of the switched currency and must not be relied on as an indication of the actual performance of the exchange rate of the switched currency or this product. The Bank is not making any prediction on future movements of the exchange rates on the switched currency by virtue of providing the illustrative examples. You should not rely on these examples when making an investment decision.

The scenarios assume no fees and charges incurred. In addition, all calculation results below are rounded off to two decimal places except for the exchange rates, which are rounded off to six decimal places.

Example 1 (only 1 currency switching deal performed)

The customer sets up a 3-month HKD time deposit on 2 January 2021. During the deposit period, customer wants to catch up the uptrend of NZD, he sets up a FX forward contract through Currency Switch as follows:

Time deposit details	
Principal	HKD1,000,000.00
Time Deposit Start Date	Jan 2, 2021
Time Deposit Maturity Date	Mar 31, 2021
No. of days	89 days
Interest Rate	1%
Principal & Interest on Maturity	HKD1,002,438.36
Currency Switch details	
FX Forward Contract enter Date	Jan 10, 2021
Sell Currency	HKD
Sell Amount	HKD1,002,438.36
Buy Currency	NZD
Buy Currency Amount	NZD199,221.02
Forward Exchange Rate	5.031790

Return analysis

	Spot Rate on Deposit Maturity Date	Value at Maturity Date	Net gain / (loss)	Rate of Return (Actual%)
(1) Best case scenario – Switched Currency spot rate strengthens against Forward Exchange Rate on maturity date				
NZD strengthens against HKD	5.123123	NZD199,221.02 (equivalent to HKD1,020,633.79)	HKD18,195.43	1.82%
(2) Breakeven scenario – Switched Currency spot rate against Forward Exchange Rate remains unchanged on maturity date				
NZD against HKD remains unchanged	5.031790	NZD199,221.02 (equivalent to HKD1,002,438.36)	HKD 0.00	0.00%
(3) Losing scenario – Switched Currency spot rate weakens against Forward Exchange Rate on maturity date				
NZD weakens against HKD	5.019551	NZD199,221.02 (equivalent to HKD1,000,000.00)	(HKD2,438.36)	-0.24% Loss of interest of the time deposit
(4) Losing scenario – Switched Currency spot rate weakens against Forward Exchange Rate on maturity date				
NZD weakens against HKD	5.000000	NZD199,221.02 (equivalent to HKD996,105.10)	(HKD6,333.26)	-0.63%
(5) Worst case scenario – Switched Currency spot rate depreciates to zero on maturity date				
NZD depreciates to zero	0.000000 (exchange rate down turning to zero)	NZD199,221.02 (equivalent to HKD0.00)	(HKD1,002,438.36)	Loss of entire Principal Amount plus interest of the time deposit
(6) Insolvency scenario – The Bank defaults				
If the Bank becomes insolvent or goes into liquidation, you may lose the entire Principal Amount plus interest of the time deposit.				

Remarks:

- i) The interest of HKD is calculated on the basis of 365 days per year.
- ii) Net gain / (loss) will only be realized if customer switched the amount back to time deposit currency on Deposit Maturity Date.

Example 2 (Multiple currency switching deals performed)

The customer sets up a 6-month USD fixed deposit on 2 March 2021. During the deposit period, customer intends to make use the fluctuation of FX to capture extra potential return, he sets up FX forward contracts through Currency Switch as follows:

Time deposit details			
Principal		USD100,000.00	
Time Deposit Start Date		Mar 2, 2021	
Time Deposit Maturity Date		Aug 31, 2021	
No. of days		182 days	
Interest Rate		2%	
Principal & Interest on Maturity		USD101,011.11	
Currency Switch details			
FX Forward Contract enter Date	Transaction details	Forward Exchange Rate	Maturity Date / Settlement Date
Mar 20, 2021	Sell USD101,011.11	7.752450	Aug 31, 2021
	Buy HKD783,083.58		
Apr 20, 2021	Sell HKD783,083.58	5.934420	Aug 31, 2021
	Buy AUD131,956.21		
Jun 30, 2021	Sell AUD131,956.21	1.789626	Aug 31, 2021
	Buy GBP73,733.96		
Jul 15, 2021	Sell GBP73,733.96	1.131959	Aug 31, 2021
	Buy EUR83,463.82		

Return analysis

	Spot Rate on Deposit Maturity Date	Value at Maturity Date	Net gain / (loss)	Rate of Return (Actual%)
(1) Best case scenario – Switched Currency spot rate strengthens against Forward Exchange Rate on maturity date				
EUR strengthens against USD	1.222525	EUR83,463.82 (equivalent to USD102,036.61)	USD1,025.50	1.02%
(2) Breakeven scenario – Switched Currency spot rate against Forward Exchange Rate remains unchanged on maturity date				
EUR against USD remains unchanged	1.210238	EUR83,463.82 (equivalent to USD101,011.09)	(USD 0.02)	0.00%
(3) Losing scenario – Switched Currency spot rate weakens against Forward Exchange Rate on maturity date				
EUR weakens against USD	1.198124	EUR83,463.82 (equivalent to USD100,000.00)	(USD1,011.11)	-1.00% Loss of interest of the time deposit
(4) Losing scenario – Switched Currency spot rate weakens against Forward Exchange Rate on maturity date				
EUR weakens against USD	1.189898	EUR83,463.82 (equivalent to USD99,313.43)	(USD1,697.68)	-1.68%
(5) Worst case scenario – Switched Currency spot rate depreciates to zero on maturity date				
EUR depreciates to zero	0.000000 (exchange rate down turning to zero)	EUR83,463.82 (equivalent to HKD0.00)	(USD101,011.11)	Loss of entire Principal Amount plus interest of the time deposit
(6) Insolvency scenario – The Bank defaults				
If the Bank becomes insolvent or goes into liquidation, you may lose the entire Principal Amount plus interest of the time deposit.				

Remarks:

- i) The interest of USD is calculated on the basis of 360 days per year.
- ii) Net gain / (loss) will only be realized if customer switched the amount back to time deposit currency on Deposit Maturity Date.

Can the Bank early terminate the product?

- If an Event of Default has occurred, the Bank may early terminate the relevant Currency Switch. Please refer to Terms and Conditions-CS for more details.
- Upon occurrence of certain events (such as a revaluation of the switched currency, or a replacement of the time deposit currency or switched currency by another currency as the lawful currency of the relevant jurisdiction, etc.), the Bank may in its sole and absolute discretion adjust the terms of the Currency Switch to account for the effect of such event.
- Such adjustments or early termination events may negatively affect your return or may cause you substantial loss under the product. Please refer to Terms and Conditions-CS for details of the adjustment and early termination events, conditions for application and the effect thereof.

Pre-Investment Cooling-off Period for Retail Customers

Pre-Investment Cooling-off Period (“**PICOP**”) is applicable to each particular dealing of Currency Switch if you are one of the following retail customer (other than sole proprietors, partnerships and small and medium enterprises):

- (1) A non-elderly customer, who is a first-time buyer of relevant currency linked product types AND your asset concentration* is 20% or above; or
- (2) An elderly customer aged 65 or above, who is a first-time buyer of relevant currency linked product types. However, if your asset concentration* is below 20%, you can opt out from the PICOP arrangement..

* For the purpose of determining whether PICOP is applicable, asset concentration refers to the percentage of total net worth (excluding real estate properties) to be invested in this transaction.

Continuing disclosure obligations

- The Bank will give notice to you of any changes in our financial condition or other circumstances which could reasonably be expected to have a material adverse effect on our ability to fulfil our commitment in connection with our Currency Switch.

Information of the Bank

OCBC Bank (Hong Kong) Limited

Telephone: 3199 9188

**Address: OCBC Centre, 161 Queen's Road Central,
Hong Kong**

Website: www.ocbc.com.hk

OCBC Bank (Hong Kong) Limited, incorporated in Hong Kong with limited liability, is a licensed bank regulated by the Hong Kong Monetary Authority. You can find out more information on the Bank and access the Bank's latest annual report and any interim report from our website www.ocbc.com.hk.

Offering documents for the product

This statement, the Terms and Conditions-CS, the OCBC Bank (Hong Kong) Limited Terms and Conditions for All Accounts and Related Services, Currency Switch Application Form (collectively refer to as "Offering Documents") contain detailed information about the Bank and the terms of the product. You should read, understand, and agree all of the Offering Documents before deciding whether to invest in the product.

Important Notice

- Investment involves risks. Before investing in our Currency Switch, you should obtain independent financial and legal advice and fully understand this product and its associated risks. This statement contains important facts only and, if standalone, it is not an offer, a solicitation of an offer, or any advice or recommendation to enter into a transaction. The hypothetical examples given in this statement are given as an illustration only and should be read subject to the full Offering Documents governing the issue of a Currency Switch, and you are advised to read and understand the contents of all the Offering Documents governing or relating to this product.

Additional information

- Your application will be subject to acceptance or rejection by the Bank in its sole and absolute discretion.
- The Bank is acting as the principal of this Currency Switch.
- The Bank is NOT an independent intermediary because the Bank is the issuer of the product and the Bank receives fees or other monetary benefits relation to the sale of the Currency Switch to you.