

DBS Bank (Hong Kong) Limited
 星展銀行(香港)有限公司

**Interest Rate Performance Structured Investment Product (the “SIP”)
 TERM SHEET¹
 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.*
- The SIP is risk rated with Product Risk Level at **P1**, and is suitable for investors with risk profile as **C1 or above**. Please refer to the Financial Needs Analysis for description of your risk profile.

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. Interest Rate-Linked SIP

- The SIP is a structured product denominated in the Investment Currency involving an interest rate option.

2. Tenor

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

¹This 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 the Bank or on any of the Bank’s affiliates for information, advice or recommendations of any sort.

Although the information contained herein is believed to be reliable, the Bank makes no representation as to the accuracy or completeness of any information contained herein or otherwise provided by the Bank. The Bank is 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 all of 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 the Bank or the Bank’s 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.

The transaction may be subject to the risk of loss of the entire principal or notional amount of the transaction, the risk that the Bank will fail to perform obligations when due and/or where applicable, given that the transaction is or may be linked to the credit of one or more entities, the deterioration of the credit of any of these entities may result in the loss of your principal or notional amount. Further, the transaction may leverage exposures to currency exchange rates, interest rates, indices or the prices of certain securities and, as a result, any changes in the value of the underlying securities, currency exchange rates, interest rates, indices or prices may cause proportionally greater (positive or negative) movements in the value of the transaction, pose convexity or gamma risk, volatility risk, time decay (theta) risk, basis risk, correlation risk, amortisation risk and/or prepayment risk, any or all of which may affect the payments received or made by you and could result in loss to you.

The Bank, and/or the Bank’s affiliates, may hold, or trade, or act as market-maker, in any securities or other financial instruments mentioned in this Term Sheet or related derivatives. The Bank, and/or the Bank’s affiliates conduct many businesses and activities that may relate to issuers mentioned in this Term Sheet and may provide broking, banking and other financial services to such issuers.

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.

3. Redemption

- The Bank will pay 100% of the Principal Amount to the Customer on the Maturity Date in the Settlement Currency, provided that the SIP is maintained by the Customer with the Bank up to the Maturity Date.

4. Interest

- The interest on the SIP is paid regularly on each Interest Payment Date.
- For the first Interest Period, interest is fixed at an amount calculated by reference to Minimum Interest Rate. For subsequent Interest Periods, interest will be variable with a potential upside but floored at an amount calculated by reference to the Minimum Interest Rate. There will be potential upside if the Reference Rate exceeds the Strike Rate and the amount of the potential upside will be calculated by reference the excess of the Reference Rate over the Strike Rate, multiplied by the Participation Ratio. The higher the Reference Rate, the more interest will be paid under the SIP.

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/ time 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 an interest rate option. Option transactions involve risks. For the first Interest Period, interest is fixed at an amount calculated by reference to Minimum Interest Rate. For subsequent Interest Periods, interest will be variable with a potential upside but floored at an amount calculated by reference to the Minimum Interest Rate. 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 will receive 100% of the Principal Amount in Settlement Currency on the Maturity Date only if the Customer holds the SIP up to the Maturity Date.
- **Return on the SIP** - The return of the SIP is determined by Reference Rate.
- **Market risk** – The return of the SIP is linked to interest rate movements, which can be unexpected, sudden and drastic. Movements in interest rates can be affected by complex political and economic factors.
- **Currency risk** – Where the Customer has converted amounts from another currency (including customer’s 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 Settlement Currency (that is the currency the Bank pays you at maturity) back into such other currency. The Customer should note that such potential loss from the product could offset (or even exceed) the potential gain if the Settlement Currency depreciates against the currency the Customer converted from (including the Customer’s 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 and the SIP Confirmation. 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 with respect to all payments due under the SIP. 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) is insolvent or 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 ² , including its successors and assigns.
Customer:	The Customer as stated under the caption “Name(s) (in English)” in the SIP Order Form.

² 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.

Closing Time and Date of Offer:	4:00 p.m. Hong Kong time on the date stated under the caption “ Closing Date ” in the SIP Order Form and the SIP Confirmation (or such other date as may be determined by the Bank in its sole discretion).
Investment Value Date:	The date stated under the caption “ Investment Value Date ” 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.
Maturity Date:	The date stated under the caption “ Maturity Date ” 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.
Tenor:	The tenor stated under the caption “ Tenor ” in the SIP Order Form and the SIP Confirmation.
Minimum Principal Amount:	Please refer to the second column in Table 1 below in respect of the corresponding Investment Currency.
Investment Multiples:	Please refer to the third column in Table 1 below in respect of the corresponding Investment Currency.
Minimum Offer Size:	Please refer to the fourth column in Table 1 below in respect of the corresponding Investment Currency.

Table 1

Investment Currency	Minimum Principal Amount	Investment Multiples	Minimum Offer Size
AUD	AUD 10,000	AUD 1,000	AUD 600,000
CAD	CAD 10,000	CAD 1,000	CAD 600,000
CHF	CHF 10,000	CHF 1,000	CHF 500,000
EUR	EUR 10,000	EUR 1,000	EUR 500,000
GBP	GBP 10,000	GBP 1,000	GBP 500,000
HKD	HKD 100,000	HKD 10,000	HKD 4,000,000
JPY	JPY 1,000,000	JPY 500,000	JPY 50,000,000
NZD	NZD 10,000	NZD 1,000	NZD 600,000
SGD	SGD 10,000	SGD 1,000	SGD 600,000
USD	USD 10,000	USD 1,000	USD 500,000

Principal Amount:	The Offer Amount (as defined below) (or part thereof, as the case may be) accepted by the Bank.
Investment Currency:	The currency stated under the caption “ Investment Currency ” in the SIP Order Form and the SIP Confirmation.
Settlement Currency:	Investment Currency
<u>Redemption</u>	
Redemption on the Maturity Date:	The Bank will pay 100% of the Principal Amount in Settlement Currency to the Customer on the Maturity Date, provided that the SIP is maintained by the Customer with the Bank up to the Maturity Date.
<u>Interest</u>	
Interest Payment Date(s):	On the dates stated under the caption “ Interest Payment Date ” in the SIP Order Form and the SIP Confirmation, subject to adjustment in accordance with Business Day Convention.
Interest Period:	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, provided that for the purposes of determining Interest Period, Interest Payment Dates shall be the scheduled dates in the SIP Order Form and the SIP Confirmation, without subject to any adjustment in accordance with Business Day Convention.

Interest Amount: In respect of each Interest Payment Date, an amount in Settlement Currency determined by the Bank as follows and rounded to the nearest Relevant Unit (with 0.5 Relevant Unit rounded upwards):

$$\text{Principal Amount} \times \text{Interest Rate} \times \text{Day Count Fraction}$$

Interest Rate: In respect of the 1st Interest Period, Minimum Interest Rate.
In respect of each subsequent Interest Periods following the 1st interest Period, Minimum Interest Rate + Max [0, (Reference Rate – Strike Rate) x Participation Ratio]

Reference Rate: In respect of each Interest Payment Date, USD-LIBOR-BBA for the relevant Reset Date

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 two London Banking Days preceding that Reset Date. If such rate does not appear on the Reuters Screen LIBOR01 Page at the relevant time, the rate for that Reset Date will be determined by the Bank.

London Banking Day: A day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

Minimum Interest Rate: With respect to each Interest Period, the relevant percentage rate for that Interest Period stated under the caption “**Minimum Interest Rate**” in the SIP Order Form and the SIP Confirmation.

Strike Rate: With respect to each Interest Period, the relevant percentage rate for that Interest Period stated under the caption “**Strike Rate**” in the SIP Order Form and the SIP Confirmation.

Participation Ratio: With respect to each Interest Period, the relevant percentage rate for that Interest Period stated under the caption “**Participation Ratio**” in the SIP Order Form and the SIP Confirmation.

Reset Date: In respect of each Interest Period other than the first Interest Period, the first day of the relevant Interest Period, subject to adjustment in accordance with Business Day Convention.

Day Count Fraction: a) Actual number of days in the relevant Interest Period divided by 365 if the Investment Currency is GBP, HKD or, SGD; or
b) Actual number of days in the relevant Interest Period divided by 360 if the Investment Currency is AUD, CAD, CHF, EUR, JPY, NZD or USD.

OTHER TERMS AND CONDITIONS

No Early Withdrawal by the Customer prior to the Maturity Date: **The Customer is not 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 not 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.

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.

The Bank is acting as principal and not as your advisor or agent. The Bank will benefit from your purchase of this product. 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.

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 second column of Table 2 below in respect of the Settlement Currency.

Relevant Unit:

In respect of each Settlement Currency, as provided in the third column of Table 2 below.

Table 2

Settlement Currency	Financial Centre	Relevant Unit
AUD	Sydney	Cent
CAD	Toronto	Cent
CHF	Zurich	Rappen
EUR	TARGET2	Cent
GBP	London	Cent
HKD	Hong Kong	Cent
JPY	Tokyo	Yen
NZD	Wellington	Cent
SGD	Singapore	Cent
USD	New York	Cent

“**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).
Additional Selling Restrictions:	<p>This product is not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA").</p> <p>For these purposes, a retail investor means a person who is one (or more) of:</p> <ul style="list-style-type: none"> (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"). <p>Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling this product or otherwise making it available to retail investors in the EEA has been prepared and therefore offering or selling this product or otherwise making it available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.</p>

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 the 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 of the particular Investment Currency. 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 Event:

Any of the following:

- (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

The Customer will receive 100% of the Principal Amount on the Maturity Date and Interest Amount on each Interest Payment Date. 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 the same Principal Amount as the SIP.

RISKS ASSOCIATED WITH THE SIP

Not a traditional deposit / time 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 Confirmation 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 an interest rate option. Option transactions involve risks. For the first Interest Period, interest is fixed at an amount calculated by reference to Minimum Interest Rate. For subsequent Interest Periods, interest will be variable with a potential upside but floored at an amount calculated by reference to the Minimum Interest Rate. 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

- 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 interest rates and economic, financial and political events that are difficult to predict, and thus may be subject to appropriate adjustments by the Bank.
- The return of the SIP is floored at the Minimum Interest Rate payable in the Settlement 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.

Principal Amount received upon redemption

- The Customer will receive 100% of the Principal Amount on the Maturity Date only if the Customer holds the SIP up to the Maturity Date.

Market risk

- The return of the SIP is linked to interest rate movements, which can be unexpected, sudden and drastic. Movements in interest rates can be affected by complex political and economic factors.

Currency risk

- Where the Customer has converted amounts from another currency (including customer's 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 Settlement Currency (that is the currency the Bank pays you at maturity) back into such other currency. The Customer should note that such potential loss from the product could offset (or even exceed) the potential gain if the Settlement Currency depreciates against the currency the Customer converted from (including the Customer's 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 and the SIP Confirmation. 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 Reference Rates have in the past been, and may continue to be, volatile.

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 [or future interest rate movement].

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 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) is insolvent or 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.

SENSITIVITY ANALYSIS

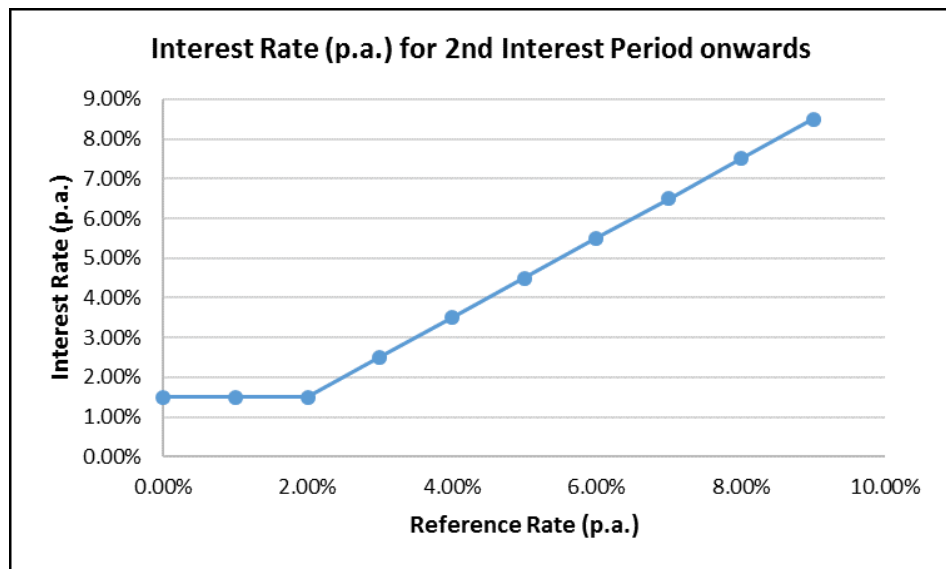
Sensitivity analysis in respect of the Reference Rate

The following analysis illustrates the Interest Rate for the 2nd Interest Period onwards. **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:

- Minimum Interest Rate: 1.50% p.a.
- Participation Ratio: 100%
- Strike Rate: 2.00% p.a.
- Reference Rate: USD-LIBOR-BBA on first day of the relevant Interest Period
- Interest Rate: For the 1st Interest Period, Minimum Interest Rate,
For the 2nd Interest Period onwards, Minimum Interest Rate +
Max [0, (Reference Rate – Strike Rate) x Participation Ratio]

Reference Rate (p.a.)	Interest Rate (p.a.)
0.000%	1.500%
1.000%	1.500%
2.000%	1.500%
3.000%	2.500%
4.000%	3.500%
5.000%	4.500%
6.000%	5.500%
7.000%	6.500%
8.000%	7.500%
9.000%	8.500%



- When the Reference Rate for 2nd Interest Period onwards is at or above 2.00% p.a., the applicable Interest Rate for that Interest Period will be [1.50% + (the relevant Reference Rate – 2.00%) x Participation Ratio] p.a..
- When the Reference Rate for 2nd Interest Period onwards is below 2.00% p.a., the applicable Interest Rate for that Interest Period will be 1.50% p.a.

SCENARIO ILLUSTRATIONS

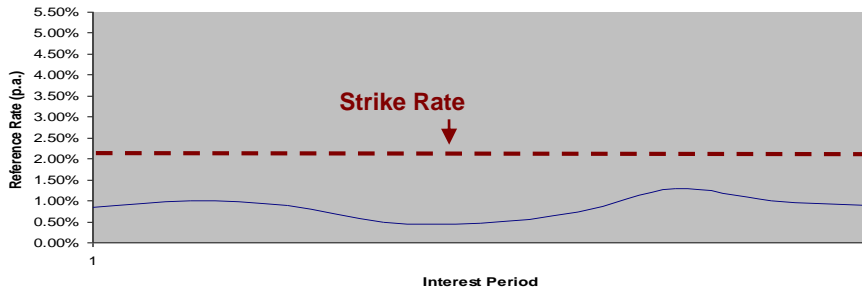
Note: All figures below are hypothetical and merely serve as illustrations for reference only. The illustrative examples do not reflect a complete analysis of all possible potential return or loss scenarios. They are not indicative of the future or likely performance of the Reference Rate and the SIP. You should not rely on these illustrative examples when making an investment decision.

Assumptions:

- Principal Amount: USD 100,000
- Tenor: 6 Months
- Minimum Interest Rate: 1.50% p.a.
- Strike Rate: 2.00% p.a.
- Participation Ratio: 100%
- Interest Amount: Principal Amount x Interest Rate x Day Count Fraction
- Interest Payment Date: Quarterly
- Days in each Interest Period: 90 in the 1st Interest Period; 90 days in the 2nd Interest Period

• Interest Rate:	For the 1 st Interest Period, Minimum Interest Rate; For 2 nd Interest Period on wards, Minimum Interest Rate + Max [0, (Reference Rate – Strike Rate) x Participation Ratio]
• Reference Rate:	USD-LIBOR-BBA on first day of the relevant Interest Period

Scenario 1: For the 2nd Interest Period, Reference Rate ≤ Strike Rate



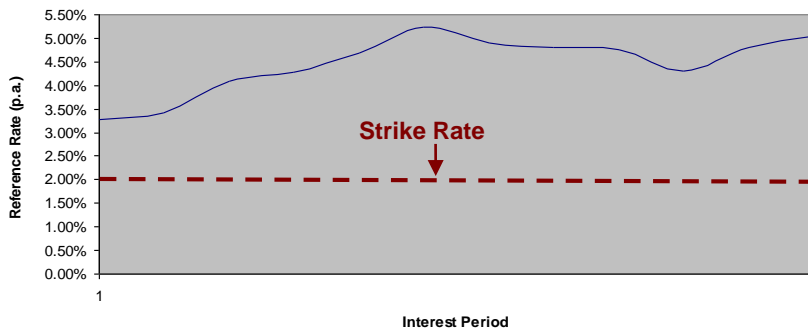
Interest Period	Reference Rate (p.a.)	Interest Rate (p.a.)	Interest Amount (USD)
1 st	N.A.	1.50%	$100,000 \times 1.50\% \times 90/360 = 375$
2 nd	0.75%	$1.50\% + \text{Max}[0, (0.75\% - 2.0\%) \times 100\%] = 1.50\%$	$100,000 \times 1.50\% \times 90/360 = 375$

On the first Interest Payment Date, the Customer receives the relevant Interest Amount (i.e. USD 375).

On Maturity Date, the Customer will receive:

- 100% of the Principal Amount in the Settlement Currency; and
- the Interest Amount for the 2nd Interest Period (i.e. USD 375).

Scenario 2: For the 2nd Interest Period, Reference Rate > Strike Rate;



Interest Period	Reference Rate (p.a.)	Interest Rate (p.a.)	Interest Amount (USD)
1 st	N.A.	1.50%	$100,000 \times 1.50\% \times 90/360 = 375$
2 nd	5.05%	$1.50\% + \text{Max}[0, (5.05\% - 2.0\%) \times 100\%] = 4.55\%$	$100,000 \times 4.55\% \times 90/360 = 1,137.50$

On the first Interest Payment Date, the Customer receives the relevant Interest Amount (i.e. USD 375).

On Maturity Date, the Customer will receive:

- 100% of the Principal Amount in the Settlement Currency; and
- the Interest Amount for the 2nd Interest Period (i.e. USD 1,137.50).

Scenario 3: 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.