



DBS BANK LTD, HONG KONG BRANCH

(DBS Bank Ltd is a company incorporated with limited liability under the laws of Singapore with Company Registration Number: 196800306E and regulated by the Monetary Authority of Singapore, a licensed bank regulated by the Hong Kong Monetary Authority and an institution registered under the Securities and Futures Ordinance of Hong Kong to carry out Types 1, 4 and 6 regulated activities)

as Issuer

Product Booklet for Non-Principal Protected Unlisted Equity Linked Investments Linked to a Basket of Securities with Step-down Call Feature and Optional Knock-in Feature ("SDC Basket ELIs")

DBS BANK LTD, HONG KONG BRANCH

as Product Arranger

Our SDC Basket ELIs are NOT equivalent to and should not be treated as substitutes for time deposits and are NOT principal protected. They are unlisted structured investment products embedded with derivatives. **You may sustain a total loss in your investment.**

If you are in any doubt about any of the contents of the SDC Basket ELI offering documents (as defined on the next page), you should seek independent professional advice.

The Securities and Futures Commission ("SFC") has authorised the SDC Basket ELIs under Section 104A(1) of the Securities and Futures Ordinance (Cap. 571, the Laws of Hong Kong) ("SFO") and the issue of this product booklet and the indicative term sheet based on the standard format set out in Appendix A to this product booklet as part of the SDC Basket ELI offering documents under Section 105(1) of the SFO. The SFC takes no responsibility for the SDC Basket ELIs and the contents of this product booklet, makes no representation as to their accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this product booklet. The SFC's authorisation does not imply the SFC's endorsement or recommendation of the SDC Basket ELIs referred to in this product booklet nor does it imply that the SFC guarantees the commercial merits of the SDC Basket ELIs or their performance. The SFC's authorisation does not mean the SDC Basket ELIs are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors. Interested persons should consider obtaining independent professional advice before investing in the SDC Basket ELIs.

IMPORTANT

Our SDC Basket ELIs are complex products. You should exercise caution in relation to our SDC Basket ELIs. You are warned that the market value of our SDC Basket ELIs may fluctuate and you may sustain a total loss of your investment. You should therefore ensure that you understand the nature of our SDC Basket ELIs and carefully study the risk warnings set out in this product booklet (as may be amended, varied and/or supplemented from time to time by any addendum to this product booklet) and the other SDC Basket ELI offering documents (as defined below) and, where necessary, seek independent professional advice, before you decide whether to invest in our SDC Basket ELIs.

The offering documents for each series of our SDC Basket ELIs (the “**SDC Basket ELI offering documents**”) comprise the programme memorandum dated 10 January 2022, the financial disclosure document (as specified in the relevant indicative term sheet), this product booklet (including any addendum to these documents as specified in the relevant indicative term sheet), and the relevant indicative term sheet for that series.

All references to “we”, “our” or “us” in this product booklet are references to DBS Bank Ltd, Hong Kong Branch (“**DBS, HK Branch**”) as the issuer, unless the context requires otherwise. All references to “you” or “investors” in this product booklet have been used to describe the individual retail investors purchasing our SDC Basket ELIs from a distributor and holding our SDC Basket ELIs in their securities or investment account with a distributor. Our SDC Basket ELIs are offered on the basis that they will be held by you through your securities or investment account with your distributor. We do not act as a distributor of our SDC Basket ELIs and do not accept any responsibility for the provision of services (including custody services) directly to you by your distributor, even if your distributor is our affiliate, as we and our affiliates are separate entities.

The SDC Basket ELI offering documents include particulars given in compliance with the Code on Unlisted Structured Investment Products (the “**Code**”) issued by the SFC for the purpose of giving information with regard to DBS Bank Ltd (“**DBS**”), our SDC Basket ELIs and the non-principal protected unlisted equity linked investment programme (the “**Programme**”). DBS, HK Branch (as the issuer and the product arranger) accepts full responsibility for the contents of, and the completeness and accuracy of the information contained in the SDC Basket ELI offering documents and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there is no untrue or misleading statement, or other facts the omission of which would make any statement in the SDC Basket ELI offering documents untrue or misleading. DBS, HK Branch (as the issuer and the product arranger) also confirms that it complies with the respective eligibility requirements of the issuer and the product arranger under the Code and the SDC Basket ELIs comply with the Code. DBS, HK Branch, as the product arranger, is the “Product Arranger” for the purpose of the Code.

The SDC Basket ELIs constitute general, unsecured and unsubordinated contractual obligations of DBS, HK Branch, and of no other person. We are not a separate entity from DBS and if you invest in our SDC Basket ELIs, you are relying upon DBS’ creditworthiness and have no rights under the terms of our SDC Basket ELIs against the issuers of the reference assets. Our obligations under our SDC Basket ELIs are the same in terms of your legal recourse whether our SDC Basket ELIs were issued by DBS, HK Branch or the head office of DBS.

Post-sale cooling-off period pursuant to Part IV of the Code applies to our SDC Basket ELIs with an investment period of more than one year. For further details, please refer to pages 115 to 116 of this product booklet.

A Chinese version of this product booklet is also available from your distributor and/or from the offices of DBS, HK Branch at 18/F, The Center, 99 Queen’s Road Central, Hong Kong.

本產品手冊的中文版本可於閣下的分銷商及/或星展銀行香港分行之辦事處(地址為香港皇后大道中99號中環中心18樓)索取。

In this product booklet, all references to “**PRC**” are to the People’s Republic of China, “**HKD**” are to Hong Kong dollars and “**RMB**” are to Renminbi.

TABLE OF CONTENTS

	Page
KEY FACTS STATEMENT (A)	
Non-Principal Protected Unlisted Equity Linked Investments Linked to a Basket of Securities with Step-Down Call Feature but No Knock-in Feature (“SDC Basket ELIs with No Knock-in”)	4
KEY FACTS STATEMENT (B)	
Non-Principal Protected Unlisted Equity Linked Investments Linked to a Basket of Securities with Step-Down Call Feature and Final Fixing Date Knock-in Feature (“SDC Basket ELIs with Final Fixing Date Knock-in”)	14
KEY FACTS STATEMENT (C)	
Non-Principal Protected Unlisted Equity Linked Investments Linked to a Basket of Securities with Step-Down Call Feature and Daily Knock-in Feature (“SDC Basket ELIs with Daily Knock-in”)	24
RISK WARNINGS	34
HYPOTHETICAL EXAMPLE FOR OUR SDC BASKET ELIS WITHOUT KNOCK-IN FEATURE.	51
HYPOTHETICAL EXAMPLE FOR OUR SDC BASKET ELIS WITH KNOCK-IN FEATURE.	62
HYPOTHETICAL EXAMPLE FOR OUR SDC BASKET ELIS ISSUED IN FOREIGN CURRENCY	75
OUR SDC BASKET ELIS — EXTRAORDINARY EVENTS, ADJUSTMENTS, SUBSTITUTION, EARLY TERMINATION, ADJUSTMENTS TO KEY DATES AND OCCURRENCE OF AN RMB DISRUPTION EVENT	81
HOW DO OUR SDC BASKET ELIS WORK? — A FLOWCHART DESCRIPTION	89
GLOSSARY — THE MEANING OF THE KEY TERMS OF OUR SDC BASKET ELIS	91
MORE INFORMATION ABOUT DELIVERY OF THE PHYSICAL SETTLEMENT AMOUNT	107
MORE INFORMATION ABOUT OUR SDC BASKET ELIS	110
APPENDIX A FORM OF TERM SHEET	122
APPENDIX B TERMS AND CONDITIONS	143
APPENDIX C FORM OF PRICING SUPPLEMENT FOR THE SDC BASKET ELIS	168

KEY FACTS STATEMENT (A)

Non-Principal Protected Unlisted Equity Linked Investments Linked to a Basket of Securities with Step-Down Call Feature but No Knock-in Feature (“SDC Basket ELIs with No Knock-in”)

**issued by
DBS Bank Ltd, Hong Kong Branch**

There are three variations of our SDC Basket ELIs. This key facts statement provides you with key information about only one variation of our SDC Basket ELIs that we may issue — SDC Basket ELIs with No Knock-in. It does not contain all the information that may be important to you as an investor in our SDC Basket ELIs with No Knock-in and your investment decision should not be made solely on the basis of the information contained in this key facts statement. You should read the remaining sections of this product booklet (in particular, the section headed “Risk Warnings”) and the other SDC Basket ELI offering documents before deciding whether to invest in our SDC Basket ELIs with No Knock-in.

Important Risk Warnings

- **Structured investment products**

Our SDC Basket ELIs with No Knock-in are NOT equivalent to and should not be treated as substitutes for time deposits. They are unlisted structured investment products embedded with derivatives.

- **Not principal protected**

Our SDC Basket ELIs with No Knock-in are not principal protected: **you could lose all of your investment.**

- **Limited maximum potential gain**

The maximum potential gain from our SDC Basket ELIs with No Knock-in is limited to the potential call distribution amount. It is possible that you may not receive any potential call distribution amount at all.

- **No collateral**

Our SDC Basket ELIs with No Knock-in are not secured on any of DBS’ assets or any collateral.

- **Limited market making arrangements**

Our SDC Basket ELIs with No Knock-in are designed to be held to their expiry. Limited market making arrangements are available on a bi-weekly basis only for our SDC Basket ELIs with No Knock-in with an investment period of over 6 months. For SDC Basket ELIs with No Knock-in with an investment period of 6 months or less, we may, but are not under any obligation to, provide market making arrangements at any time upon request by your distributor, and so there may be no market making arrangements and you may not be able to sell your SDC Basket ELIs with No Knock-in at all. If you sell your SDC Basket ELIs with No Knock-in back to us before the relevant final fixing date, you may receive an amount which is substantially less than your initial investment amount.

- **Potential gain or loss determined by reference to the worst performing reference asset**

The potential gain or loss under our SDC Basket ELIs with No Knock-in is determined by reference to the performance of the worst performing reference asset on each relevant scheduled trading day. If any of the reference assets in the basket performs poorly against your expectation, you will not benefit from the performance of the other reference assets in the basket even if they perform well and may suffer a loss under our SDC Basket ELIs with No Knock-in.

- **Not the same as investment in the reference assets**

Investing in our SDC Basket ELIs with No Knock-in **is not** the same as buying the reference assets in the basket. Unless and until the worst performing reference asset which forms the physical settlement amount is determined on the final fixing date to be deliverable, you have no rights in the reference assets in the basket. Changes in the market prices of the reference assets in the basket may not lead to a corresponding change in the market value and/or potential return of the SDC Basket ELIs with No Knock-in.

- **Re-investment risk**

Our SDC Basket ELIs with No Knock-in contain a callable condition. If the callable condition is satisfied before expiry, the SDC Basket ELIs with No Knock-in will be terminated before expiry. You may not be able to enjoy the same rate of return if you re-invest in other investments with similar risk parameters.

- **Not covered by Investor Compensation Fund**

Our SDC Basket ELIs with No Knock-in are not listed on any stock exchange and are not covered by the Investor Compensation Fund in Hong Kong.

- **DBS' creditworthiness**

The SDC Basket ELIs with No Knock-in constitute DBS, HK Branch's general, unsecured and unsubordinated contractual obligations, and of no other person (including the ultimate holding company of our group, DBS Group Holdings Ltd). We are not a separate entity from DBS and if you purchase our SDC Basket ELIs with No Knock-in, you are relying upon DBS' creditworthiness and have no rights under the terms of the SDC Basket ELIs with No Knock-in against the issuers of the reference assets. **If we become insolvent or default on our obligations under the SDC Basket ELIs with No Knock-in, in the worst case scenario, you could lose all of your investment.**

- **Custodial risk**

You will have to hold the SDC Basket ELIs with No Knock-in you have purchased through your securities or investment account with your distributor, who will act as your custodian. Your distributor will in turn hold the SDC Basket ELIs with No Knock-in in an account at the relevant clearing system, either directly or indirectly through one or more sub-custodians or intermediaries. Your distributor, any sub-custodian or intermediary and the nominee and/or operators of the relevant clearing system may become insolvent or default on their obligations. **In the worst case scenario, you could lose all of your investment.**

- **You do not have direct contractual rights to enforce our SDC Basket ELIs with No Knock-in**

You do not have direct contractual rights to enforce our SDC Basket ELIs with No Knock-in against us. To enforce your rights in respect of any SDC Basket ELIs with No Knock-in, you will have to rely on your distributor to take legal action against us directly or indirectly (through any sub-custodian or intermediary and the nominee of the relevant clearing system through which your distributor holds the SDC Basket ELIs with No Knock-in). **If you do not understand the arrangements with your distributor or you would like to know the steps to enforce your rights under the SDC Basket ELIs with No Knock-in, you should obtain independent professional advice.**

- **Enforcement of judgments**

A large portion of DBS' businesses, assets and operations are located outside Hong Kong. If you or your distributor (directly or indirectly through any sub-custodian or intermediary and the nominee of the relevant clearing system) have or has obtained judgment against us in a Hong Kong court and DBS' assets in Hong Kong are not sufficient to satisfy all the claims under our SDC Basket ELIs with No Knock-in, you or your distributor (directly or indirectly through any sub-custodian or intermediary and the nominee of the relevant clearing system) may have to enforce the Hong Kong judgment against DBS' assets located outside Hong Kong and may experience difficulties or delay in enforcing the judgment or may not be able to enforce it at all. **In the worst case scenario, you could lose all of your investment.**

- **English version of the terms and conditions prevails over Chinese version**

The global certificate representing a series of SDC Basket ELIs with No Knock-in and the terms and conditions of such series of SDC Basket ELIs with No Knock-in will be issued in English only for the purpose of lodgement with the relevant clearing system. If there is any inconsistency between the Chinese version of the terms and conditions of our SDC Basket ELIs with No Knock-in and the English version, the English version will prevail over the Chinese version. If you do not understand the English version, you should obtain independent professional advice.

- **You will be exposed to the risks associated with the SDC Basket ELIs with No Knock-in from the trade date**

As you will be subject to the terms and conditions of our SDC Basket ELIs with No Knock-in from the trade date, you will be exposed to the risks associated with the SDC Basket ELIs with No Knock-in from the trade date.

- **Conflicts of interest**

You should note that conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with our SDC Basket ELIs with No Knock-in. Our economic interests in each role may be adverse to your interests in our SDC Basket ELIs with No Knock-in.

- **Additional risks for RMB-denominated SDC Basket ELIs with No Knock-in and/or SDC Basket ELIs with No Knock-in linked to RMB-quoted reference asset(s)**

- (i) **Limited pool of RMB outside mainland China** — RMB is subject to foreign exchange control by the PRC central government. There is currently a limited pool of RMB outside mainland China and any tightening of foreign exchange control may adversely affect the liquidity of offshore RMB, and the market value and potential return of our RMB-denominated SDC Basket ELIs with No Knock-in and our SDC Basket ELIs with No Knock-in linked to RMB-quoted reference asset(s).
- (ii) **Offshore RMB exchange rate and interest rate risks** — If our SDC Basket ELIs with No Knock-in are denominated in RMB but the underlying currency of the worst performing reference asset as at the final fixing date is HKD or if our SDC Basket ELIs with No Knock-in are denominated in a settlement currency other than RMB but the underlying currency of the worst performing reference asset as at the final fixing date is RMB, we will use offshore RMB exchange rate in our calculations for our SDC Basket ELIs with No Knock-in. You should note that the offshore RMB exchange rate we use for SDC Basket ELIs with No Knock-in may deviate significantly from the onshore RMB exchange rate. Changes in the offshore RMB exchange rate may adversely affect the number of shares or units of the worst performing reference asset as at the final fixing date deliverable to you (and the value of such number of shares or units of the worst performing reference asset as at the final fixing date in its underlying currency) in the case of physical settlement. There is no guarantee that RMB will not depreciate. In addition, interest rates for onshore RMB are controlled by the PRC central government. The PRC central government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation of interest rates for onshore RMB may occur and may influence the interest rate for offshore RMB. Any fluctuation in interest rates for offshore RMB may adversely affect the market value and potential return of our RMB-denominated SDC Basket ELIs with No Knock-in and our SDC Basket ELIs with No Knock-in linked to RMB-quoted reference asset(s).
- (iii) **Payment postponement for RMB disruption event** — If the settlement currency of our SDC Basket ELIs with No Knock-in is RMB and an RMB disruption event occurs on, or prior to and is continuing on, a scheduled date of payment, payment will be postponed and may be made in a HKD equivalent amount. We will not pay any extra amount (such as interest) for such postponed payment. You may also suffer a loss in HKD terms if RMB depreciates against HKD following the occurrence of an RMB disruption event.

Commissions

We may pay a commission to the distributor(s). Distributor(s)' commissions and other transaction costs including our cost of hedging are factored into the commercial terms of the SDC Basket ELIs with No Knock-in.

What are our SDC Basket ELIs with No Knock-in?

(A) Overview

- A SDC Basket ELI with No Knock-in is an unlisted structured investment product which has an embedded **conditional put option** over a basket of reference assets. If you purchase a SDC Basket ELI with No Knock-in, you will be selling a **conditional put option** over a basket of reference assets to us. If certain conditions are met, you will be obliged to buy the worst performing reference asset as of the final fixing date from us at its exercise price at expiry.
- Potential payout under the SDC Basket ELIs with No Knock-in is linked to the performance of the worst performing reference asset. The basket of reference assets will consist of a minimum of two and a maximum of five reference assets, which will be shares in a company or units in a fund (being a real estate investment trust or an exchange traded fund) listed on the Main Board of The Stock Exchange of Hong Kong Limited (such exchange, “**HKEX**”) and quoted in an underlying currency of either HKD or RMB. The basket of reference assets may comprise a mixture of reference assets quoted in HKD and RMB. Not all Hong Kong-listed shares or funds can be used as reference assets for our SDC Basket ELIs with No Knock-in — please ask your distributor what reference assets our SDC Basket ELIs with No Knock-in may be linked to.
- We may issue and settle our SDC Basket ELIs with No Knock-in in HKD or US dollar or other non-restricted and freely convertible currencies or RMB as specified in the relevant indicative term sheet.

(B) How will we determine the worst performing reference asset in the basket?

- The reference asset in the basket with the lowest “performance” on a particular scheduled trading day will be the worst performing reference asset for that scheduled trading day. **The worst performing reference asset on each scheduled trading day may be different.** We will use the following formula to determine the “performance” of each reference asset on a scheduled trading day (rounded to four decimal places, with 0.00005 or above rounded upwards):

$$\text{Performance} = \frac{\text{Closing price of the reference asset on a scheduled trading day}}{\text{Initial spot price of the reference asset}} \times 100\%$$

- If there are two or more reference assets with the same lowest “performance” on a particular scheduled trading day, we will, in our sole and absolute discretion acting in good faith and in a commercially reasonable manner, decide which one is the worst performing reference asset for that scheduled trading day.
- The price performance of the worst performing reference asset on each relevant scheduled trading day will be used to determine (1) whether the callable condition has been satisfied and (2) the final settlement payout.

(C) Callable Condition

- Our SDC Basket ELIs with No Knock-in include a callable condition. The callable condition is satisfied if the closing price of the worst performing reference asset on a call fixing date is **at or above** its call price in respect of such call fixing date. Each call fixing date will be set out in the relevant indicative term sheet, and the last call fixing date will always be the final fixing date.

- The call price of each reference asset in respect of a call fixing date will be determined based on a specified pre-determined percentage of its initial spot price on the trade date and such percentage will be specified in the relevant indicative term sheet. The specified pre-determined percentage used to calculate the call prices of all reference assets in the basket in respect of a call fixing date will be the same. But the specified pre-determined percentage used to calculate the call prices in respect of each call fixing date will be different and will always decrease (i.e. step down) over the investment period of the SDC Basket ELIs with No Knock-in. The call price of each reference asset in respect of a call fixing date may be set at a level which is **at, above or below** its exercise price.
- If the callable condition is satisfied on a call fixing date, we will terminate the SDC Basket ELIs with No Knock-in on that call fixing date. You will receive the call settlement amount which is equal to the nominal amount and the potential call distribution amount (less any cash settlement expenses).
- The potential call distribution amount for each SDC Basket ELI with No Knock-in will be calculated according to the following formula:

Nominal amount x the pre-determined call distribution rate corresponding to the call fixing date on which the callable condition is satisfied
- The pre-determined call distribution rate in respect of each call fixing date will be set out in the relevant indicative term sheet.

(D) Final Settlement Payout

- The exercise price of each reference asset in the basket will be determined based on a specified pre-determined percentage of its initial spot price on the trade date and such percentage will be specified in the relevant indicative term sheet. Such percentage will be the same for all the reference assets in the basket.
- If the callable condition has not been satisfied on any call fixing date (including the final fixing date) and the SDC Basket ELIs with No Knock-in are not otherwise early terminated, the final settlement payout will be as follows:
 - (1) If the closing price of the worst performing reference asset on the final fixing date is **at or above** its exercise price, you will receive on the expiry date a cash amount which equals to the nominal amount (less any cash settlement expenses).
 - (2) If the closing price of the worst performing reference asset on the final fixing date is **below** its exercise price, you will receive on the expiry date the physical settlement amount (the delivery of which is subject to your payment of physical settlement expenses) which comprises:
 - (i) an integral number of shares or units of the worst performing reference asset as at the final fixing date, calculated by rounding down the result of the physical settlement formula to the nearest whole number; and
 - (ii) a cash amount in respect of any fractional share or unit of the worst performing reference asset as at the final fixing date (calculated based on its closing price on the final fixing date) resulting from the physical settlement formula.

The physical settlement formula for each SDC Basket ELI with No Knock-in is set out below:

Nominal amount (converted into the underlying currency of such worst performing reference asset at the exchange rate specified in the relevant indicative term sheet if the settlement currency is not the same as the underlying currency of such worst performing reference asset)

Exercise price of the worst performing reference asset as at the final fixing date

You may suffer a loss in your invested amount as the market value of the physical settlement amount you receive (calculated based on the closing price of the worst performing reference asset on the final fixing date) could be less than your initial investment amount. In an extreme case, the physical settlement amount you receive could be worth nothing if the market price of the worst performing reference asset as at the final fixing date drops to zero.

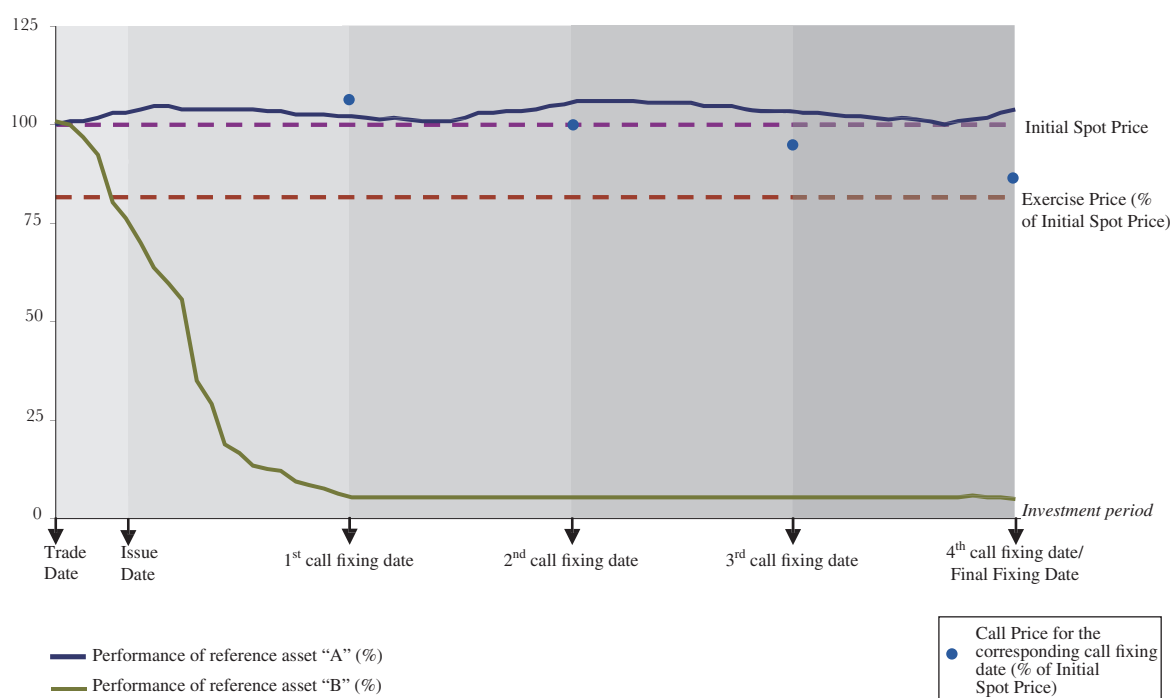
If the physical settlement amount is determined on the final fixing date to be deliverable, the worst performing reference asset as at the final fixing date will only be delivered to you (via the distributors) on the expiry date (being the third business day after the final fixing date and, if such date is not a clearing system business day, the next clearing system business day which is also a business day, subject to the occurrence of a settlement disruption event). **Therefore, you will be exposed to the price movement of the worst performing reference asset as at the final fixing date during the period between the final fixing date and the expiry date. Also, if you choose not to sell the worst performing reference asset as at the final fixing date on the expiry date, you will be exposed to the market risks of holding such worst performing reference asset.**

Worst Case Scenario

The hypothetical example below does not reflect a complete analysis of all possible gain or loss scenarios. You must not rely on it as an indication of the actual performance of the reference assets in the basket or the total payout on our SDC Basket ELIs with No Knock-in.

The example below illustrates the worst case scenario where the worst performing reference asset performs poorly during the investment period of the SDC Basket ELIs with No Knock-in.

Performance of Reference Asset (%)



The above example assumes that:

- (1) there are four call fixing dates; and
- (2) there are only two reference assets in the basket.

The above example illustrates that:

- (i) reference asset "B" is the worst performing reference asset throughout the investment period;

- (ii) since the closing price of the worst performing reference asset on each call fixing date is below its relevant call price for such call fixing date, **the callable condition is not satisfied. You will not receive any potential call distribution amount;** and
- (iii) since the closing price of the worst performing reference asset on the final fixing date is below its exercise price, you will receive on the expiry date the physical settlement amount (subject to your payment of physical settlement expenses). **You will suffer a loss in your invested amount as the market value of the physical settlement amount (calculated based on the closing price of the worst performing reference asset on the final fixing date) you receive will be less or substantially less than your initial investment amount. In the worst case scenario, you could lose all of your investment if the market price of the worst performing reference asset as at the final fixing date drops to zero.**

Adjustment to the Terms and Conditions, Substitution of the Reference Asset(s), Early Termination, Adjustment to Key Dates and Occurrence of an RMB Disruption Event

Upon the occurrence of certain extraordinary events, we can adjust some of the terms and conditions of our SDC Basket ELIs with No Knock-in to account for that event so as to preserve the economic equivalence of the SDC Basket ELIs with No Knock-in.

In the case of (a) a merger event or tender offer, if we determine that no adjustment is able to account for such event so as to preserve the economic equivalence of our SDC Basket ELIs with No Knock-in or (b) certain other extraordinary unforeseeable events (such as an insolvency or a delisting), we will try to substitute each affected reference asset with shares of another company or units of another fund and make any further adjustments to the relevant terms as we think fit to account for that event. If we determine that substitution is not appropriate to account for that event, we will early terminate our SDC Basket ELIs with No Knock-in.

We will also early terminate our SDC Basket ELIs with No Knock-in if we are required by Hong Kong or Singapore law to deduct or withhold any taxes, or are prevented by Hong Kong or Singapore law from making any payments.

Upon the occurrence of certain disruption events, we can adjust some of the key dates relevant to the terms of our SDC Basket ELIs with No Knock-in.

In addition, if our SDC Basket ELIs with No Knock-in are denominated in RMB, payments under such SDC Basket ELIs with No Knock-in will be postponed and may be made in a HKD equivalent amount if an RMB disruption event occurs on, or prior to and is continuing on, a scheduled date of payment.

Any adjustment, substitution of the reference asset(s) and/or early termination will be made by us in our sole and absolute discretion acting in good faith and in a commercially reasonable manner.

If we early terminate our SDC Basket ELIs with No Knock-in, we will pay you a fair market value of each SDC Basket ELI with No Knock-in, which may be less than your initial investment amount and may be as low as zero.

Please refer to pages 81 to 88 of this product booklet for further details.

What charges do you have to pay?

Cash settlement expenses which, if applicable, will be deducted from any cash amount you may receive. Currently, no cash settlement expenses are payable. No cash settlement expenses will be payable for any potential call distribution amount and cash payment of any fractional shares or units of the worst performing reference asset as at the final fixing date.

Physical settlement expenses will have to be paid by you before the physical settlement amount will be delivered to you on the expiry date (if you are to receive the worst performing reference asset as at the final fixing date at expiry of the SDC Basket ELIs with No Knock-in).

Distributor's charges. Please contact your distributor for details of any charges you need to pay. Please refer to pages 105 to 106 of this product booklet for further details.

You should note that any cash settlement expenses, physical settlement expenses and distributor's charges will reduce the gain or increase the loss on your investment.

How can you buy the SDC Basket ELIs with No Knock-in?

If you would like to buy the SDC Basket ELIs with No Knock-in, you must contact one of the distributors for that series during the offer period. Please refer to the section “How can you buy the SDC Basket ELIs?” on pages 113 to 114.

How is the initial spot price determined?

The initial spot price of each reference asset in the basket may be (i) its closing price on the trade date, or (ii) its prevailing market price as quoted by HKEX at the time your purchase order is executed on the trade date provided that such price has satisfied your pre-set criteria that is set out in the indicative term sheet, or (iii) its prevailing market price as quoted by HKEX at the time your purchase order is executed on the trade date.

In the case of (ii),

- you will need to choose at the time you place your purchase order:
 - (a) one of the reference assets in the basket as the designated reference asset; and
 - (b) a price for the designated reference asset,both of which will be specified in the indicative term sheet.
- your purchase order will only be executed if the prevailing market price of such designated reference asset on the trade date is at or lower than the chosen price in (b).
- if your purchase order is executed, the initial spot price of each reference asset in the basket will be its prevailing market price at the time your purchase order is executed.
- if your purchase order is not executed, your purchase order will be cancelled. The issue price (which includes your distributor’s commission (if any)) will not be deducted from your designated cash account with your distributor on the issue date.

In the case of (iii), we will execute your purchase order as soon as practicable after you placed your purchase order.

We will decide prior to the offer period whether method (i), (ii), or (iii) will be used to determine the initial spot prices of all reference assets in the basket for a particular series of SDC Basket ELIs with No Knock-in and such method will be specified in the relevant indicative term sheet.

You should note that the initial spot price of each reference asset in the basket will only be recorded and determined on the trade date after you have placed your purchase order for the SDC Basket ELIs with No Knock-in. As certain commercial variables in relation to each reference asset in the basket (i.e. the call price and the exercise price) will be expressed as a specified pre-determined percentage of its initial spot price in the relevant indicative term sheet, the actual prices of such commercial variables will also only be recorded and determined after you have placed your purchase order. A copy of the final term sheet containing all the finalised commercial terms will be sent to your distributor two business days after the relevant trade date. Please contact your distributor for details of how they will provide to you such final term sheet.

Is there a post-sale cooling-off period for our SDC Basket ELIs with No Knock-in?

Post-sale cooling-off period applies to our SDC Basket ELIs with No Knock-in with an investment period of more than one year. You can contact your distributor during the period from the date you place your purchase order to the fifth business day after the order date (both dates inclusive) (the “post-sale cooling-off period”) to cancel or unwind (as the case may be) your order (in whole but not in part). To cancel or unwind (as the case may be) your order, you will need to submit your instruction to your distributor **prior to 11:00 a.m.** on a business day, such instruction being a “valid instruction”.

If you submit a valid instruction to cancel your order to your distributor before your purchase order is executed on the trade date as specified in the indicative term sheet, the issue price (which includes your distributor’s commission (if any)) will not be deducted from your designated cash account with your distributor on the issue date, and (if our SDC Basket ELIs with No Knock-in are denominated in RMB) will not be subject to an RMB disruption event.

If you submit a valid instruction to unwind your purchase order to your distributor after your purchase order is executed on the trade date, the issue price (which includes your distributor's commission (if any)) will still be deducted from your designated cash account with the distributor on the issue date and we will arrange to return to you through your distributor the issue price less any market value adjustment and handling fee that may be charged by us. Your distributor's commission (if any) will also be returned to you in full. **The cash amount returned to you will be capped at and may be substantially less than your initial investment amount.** If our SDC Basket ELIs with No Knock-in are denominated in RMB, and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment under the post-sale cooling-off period unwinding arrangement, the cash amount payable to you will be postponed and may be made in a HKD equivalent amount.

Your distributor may charge you a handling fee when you cancel or unwind (as the case may be) your order — please ask your distributor for details.

Please refer to pages 115 to 116 for further details.

Please note that your right to cancel or unwind (as the case may be) your purchase order during the post-sale cooling-off period **DOES NOT** apply to SDC Basket ELIs with No Knock-in with an investment period of one year or less.

Is there any market making arrangement for our SDC Basket ELIs with No Knock-in before the relevant final fixing date?

For SDC Basket ELIs with No Knock-in with an investment period of more than six months, we will provide limited market making arrangements **bi-weekly on every other Wednesday** (each, a “market making day”) after the issue date up to the third business day before the final fixing date.

If you choose to sell your SDC Basket ELIs with No Knock-in, you can only sell them on a market making day. You must contact your distributor **prior to 11:00 a.m.** on a market making day to request a firm bid price. **You must contact your distributor for the detailed application procedures.**

If you sell your SDC Basket ELIs with No Knock-in back to us before the relevant final fixing date, you may receive an amount which is substantially less than your initial investment amount. Your distributor may also charge you a handling fee when you sell your SDC Basket ELIs with No Knock-in to us on a market making day and such fee will reduce the amount you receive on your investment.

Please also note that indicative bid prices and/or firm bid prices and/or market making arrangements may not be available on a market making day if certain events occur.

If our SDC Basket ELIs with No Knock-in are denominated in RMB, any payment to you under the market making arrangement will be postponed and may be made in a HKD equivalent amount if an RMB disruption event occurs.

For SDC Basket ELIs with No Knock-in with an investment period of six months or less, we may provide market making arrangements at any time upon request by your distributor. However, we are not under any obligation to do so. There may be no market making arrangements and you may not be able to sell your SDC Basket ELIs with No Knock-in at all.

Please refer to pages 116 to 117 for further details.

Additional Information

(A) SDC Basket ELI offering documents

The following SDC Basket ELI offering documents contain detailed information about DBS and the SDC Basket ELIs with No Knock-in. You should read all of these documents before deciding whether to invest in our SDC Basket ELIs with No Knock-in:

- (i) the programme memorandum dated 10 January 2022 together with any addendum as specified in the relevant indicative term sheet;
- (ii) the financial disclosure document together with any addendum as specified in the relevant indicative term sheet;

- (iii) this product booklet together with any addendum as specified in the relevant indicative term sheet; and
- (iv) the relevant indicative term sheet for the series of the SDC Basket ELIs with No Knock-in you would like to buy.

The distributor(s) has an obligation to distribute to you ALL of the above documents in English or Chinese as you may prefer.

(B) Ongoing disclosure

DBS, HK Branch (as the issuer and the product arranger) will keep the SFC and the distributor(s) informed as soon as reasonably practicable if (a) DBS, HK Branch (as the issuer and the product arranger) ceases to meet the eligibility requirements applicable to issuer and/or product arranger under the Code and, (b) to the extent permitted by any applicable law, there are changes in the financial condition or other circumstances of DBS which could reasonably be expected to have a material adverse effect on DBS, HK Branch's ability (as the issuer) to fulfil its commitments in connection with the SDC Basket ELIs with No Knock-in. Your distributor will in turn inform you. Please contact your distributor for further details.

If you would like to enquire about our SDC Basket ELIs with No Knock-in, please visit any designated branches of the appointed distributor(s) for the SDC Basket ELIs with No Knock-in.

KEY FACTS STATEMENT (B)

Non-Principal Protected Unlisted Equity Linked Investments Linked to a Basket of Securities With Step-Down Call Feature and Final Fixing Date Knock-In Feature (“SDC Basket ELIs with Final Fixing Date Knock-in”)

**issued by
DBS Bank Ltd, Hong Kong Branch**

There are three variations of our SDC Basket ELIs. This key facts statement provides you with key information about only one variation of our SDC Basket ELIs that we may issue — SDC Basket ELIs with Final Fixing Date Knock-in. It does not contain all the information that may be important to you as an investor in our SDC Basket ELIs with Final Fixing Date Knock-in and your investment decision should not be made solely on the basis of the information contained in this key facts statement. You should read the remaining sections of this product booklet (in particular, the section headed “Risk Warnings”) and the other SDC Basket ELI offering documents before deciding whether to invest in our SDC Basket ELIs with Final Fixing Date Knock-in.

Important Risk Warnings

- **Structured investment products**

Our SDC Basket ELIs with Final Fixing Date Knock-in are NOT equivalent to and should not be treated as substitutes for time deposits. They are unlisted structured investment products embedded with derivatives.

- **Not principal protected**

Our SDC Basket ELIs with Final Fixing Date Knock-in are not principal protected: **you could lose all of your investment.**

- **Limited maximum potential gain**

The maximum potential gain from our SDC Basket ELIs with Final Fixing Date Knock-in is limited to the potential call distribution amount or the potential final distribution amount. It is possible that you may not receive any potential call distribution amount or potential final distribution amount at all.

- **No collateral**

Our SDC Basket ELIs with Final Fixing Date Knock-in are not secured on any of DBS’ assets or any collateral.

- **Limited market making arrangements**

Our SDC Basket ELIs with Final Fixing Date Knock-in are designed to be held to their expiry. Limited market making arrangements are available on a bi-weekly basis only for our SDC Basket ELIs with Final Fixing Date Knock-in with an investment period of over 6 months. For SDC Basket ELIs with Final Fixing Date Knock-in with an investment period of 6 months or less, we may, but are not under any obligation to, provide market making arrangements at any time upon request by your distributor, and so there may be no market making arrangements and you may not be able to sell your SDC Basket ELIs with Final Fixing Date Knock-in at all. If you sell your SDC Basket ELIs with Final Fixing Date Knock-in back to us before the relevant final fixing date, you may receive an amount which is substantially less than your initial investment amount.

- **Potential gain or loss determined by reference to the worst performing reference asset**

The potential gain or loss under our SDC Basket ELIs with Final Fixing Date Knock-in is determined by reference to the performance of the worst performing reference asset on each relevant scheduled trading day. If any of the reference assets in the basket performs poorly against your expectation, you will not benefit from the performance of the other reference assets in the basket even if they perform well and may suffer a loss under our SDC Basket ELIs with Final Fixing Date Knock-in.

- **Not the same as investment in the reference assets**

Investing in our SDC Basket ELIs with Final Fixing Date Knock-in **is not** the same as buying the reference assets in the basket. Unless and until the worst performing reference asset which forms the physical settlement amount is determined on the final fixing date to be deliverable, you have no rights in the reference assets in the basket. Changes in the market prices of the reference assets in the basket may not lead to a corresponding change in the market value and/or potential return of the SDC Basket ELIs with Final Fixing Date Knock-in.

- **Re-investment risk**

Our SDC Basket ELIs with Final Fixing Date Knock-in contain a callable condition. If the callable condition is satisfied before expiry, the SDC Basket ELIs with Final Fixing Date Knock-in will be terminated before expiry. You may not be able to enjoy the same rate of return if you re-invest in other investments with similar risk parameters.

- **Not covered by Investor Compensation Fund**

Our SDC Basket ELIs with Final Fixing Date Knock-in are not listed on any stock exchange and are not covered by the Investor Compensation Fund in Hong Kong.

- **DBS' creditworthiness**

The SDC Basket ELIs with Final Fixing Date Knock-in constitute DBS, HK Branch's general, unsecured and unsubordinated contractual obligations, and of no other person (including the ultimate holding company of our group, DBS Group Holdings Ltd). We are not a separate entity from DBS and if you purchase our SDC Basket ELIs with Final Fixing Date Knock-in, you are relying upon DBS' creditworthiness and have no rights under the terms of the SDC Basket ELIs with Final Fixing Date Knock-in against the issuers of the reference assets. **If we become insolvent or default on our obligations under the SDC Basket ELIs with Final Fixing Date Knock-in, in the worst case scenario, you could lose all of your investment.**

- **Custodial risk**

You will have to hold the SDC Basket ELIs with Final Fixing Date Knock-in you have purchased through your securities or investment account with your distributor, who will act as your custodian. Your distributor will in turn hold the SDC Basket ELIs with Final Fixing Date Knock-in in an account at the relevant clearing system, either directly or indirectly through one or more sub-custodians or intermediaries. Your distributor, any sub-custodian or intermediary and the nominee and/or operators of the relevant clearing system may become insolvent or default on their obligations. **In the worst case scenario, you could lose all of your investment.**

- **You do not have direct contractual rights to enforce our SDC Basket ELIs with Final Fixing Date Knock-in**

You do not have direct contractual rights to enforce our SDC Basket ELIs with Final Fixing Date Knock-in against us. To enforce your rights in respect of any SDC Basket ELIs with Final Fixing Date Knock-in, you will have to rely on your distributor to take legal action against us directly or indirectly (through any sub-custodian or intermediary and the nominee of the relevant clearing system through which your distributor holds the SDC Basket ELIs with Final Fixing Date Knock-in). **If you do not understand the arrangements with your distributor or you would like to know the steps to enforce your rights under the SDC Basket ELIs with Final Fixing Date Knock-in, you should obtain independent professional advice.**

- **Enforcement of judgments**

A large portion of DBS' businesses, assets and operations are located outside Hong Kong. If you or your distributor (directly or indirectly through any sub-custodian or intermediary and the nominee of the relevant clearing system) have or has obtained judgment against us in a Hong Kong court and DBS' assets in Hong Kong are not sufficient to satisfy all the claims under our SDC Basket ELIs with Final Fixing Date Knock-in, you or your distributor (directly or indirectly through any sub-custodian or intermediary and the nominee of the relevant clearing system) may have to enforce the Hong Kong judgment against DBS' assets located outside Hong Kong and may experience difficulties or delay in enforcing the judgment or may not be able to enforce it at all. **In the worst case scenario, you could lose all of your investment.**

- **English version of the terms and conditions prevails over Chinese version**

The global certificate representing a series of SDC Basket ELIs with Final Fixing Date Knock-in and the terms and conditions of such series of SDC Basket ELIs with Final Fixing Date Knock-in will be issued in English only for the purpose of lodgement with the relevant clearing system. If there is any inconsistency between the Chinese version of the terms and conditions of our SDC Basket ELIs with Final Fixing Date Knock-in and the English version, the English version will prevail over the Chinese version. If you do not understand the English version, you should obtain independent professional advice.

- **You will be exposed to the risks associated with the SDC Basket ELIs with Final Fixing Date Knock-in from the trade date**

As you will be subject to the terms and conditions of our SDC Basket ELIs with Final Fixing Date Knock-in from the trade date, you will be exposed to the risks associated with the SDC Basket ELIs with Final Fixing Date Knock-in from the trade date.

- **Conflicts of interest**

You should note that conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with our SDC Basket ELIs with Final Fixing Date Knock-in. Our economic interests in each role may be adverse to your interests in our SDC Basket ELIs with Final Fixing Date Knock-in.

- **Additional risks for RMB-denominated SDC Basket ELIs with Final Fixing Date Knock-in and/or SDC Basket ELIs with Final Fixing Date Knock-in linked to RMB-quoted reference asset(s)**

(i) **Limited pool of RMB outside mainland China** — RMB is subject to foreign exchange control by the PRC central government. There is currently a limited pool of RMB outside mainland China and any tightening of foreign exchange control may adversely affect the liquidity of offshore RMB, and the market value and potential return of our RMB-denominated SDC Basket ELIs with Final Fixing Date Knock-in and our SDC Basket ELIs with Final Fixing Date Knock-in linked to RMB-quoted reference asset(s).

(ii) **Offshore RMB exchange rate and interest rate risks** — If our SDC Basket ELIs with Final Fixing Date Knock-in are denominated in RMB but the underlying currency of the worst performing reference asset as at the final fixing date is HKD or if our SDC Basket ELIs with Final Fixing Date Knock-in are denominated in a settlement currency other than RMB but the underlying currency of the worst performing reference asset as at the final fixing date is RMB, we will use offshore RMB exchange rate in our calculations for our SDC Basket ELIs with Final Fixing Date Knock-in. You should note that the offshore RMB exchange rate we use for SDC Basket ELIs with Final Fixing Date Knock-in may deviate significantly from the onshore RMB exchange rate. Changes in the offshore RMB exchange rate may adversely affect the number of shares or units of the worst performing reference asset as at the final fixing date deliverable to you (and the value of such number of shares or units of the worst performing reference asset as at the final fixing date in its underlying currency) in the case of physical settlement. There is no guarantee that RMB will not depreciate. In addition, interest rates for onshore RMB are controlled by the PRC central government. The PRC central government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation of interest rates for onshore RMB may occur and may influence the interest rate for offshore RMB. Any fluctuation in interest rates for offshore RMB may adversely affect the market value and potential return of our RMB-denominated SDC Basket ELIs with Final Fixing Date Knock-in and our SDC Basket ELIs with Final Fixing Date Knock-in linked to RMB-quoted reference asset(s).

(iii) **Payment postponement for RMB disruption event** — If the settlement currency of our SDC Basket ELIs with Final Fixing Date Knock-in is RMB and an RMB disruption event occurs on, or prior to and is continuing on, a scheduled date of payment, payment will be postponed and may be made in a HKD equivalent amount. We will not pay any extra amount (such as interest) for such postponed payment. You may also suffer a loss in HKD terms if RMB depreciates against HKD following the occurrence of an RMB disruption event.

Commissions

We may pay a commission to the distributor(s). Distributor(s)' commissions and other transaction costs including our cost of hedging are factored into the commercial terms of the SDC Basket ELIs with Final Fixing Date Knock-in.

What are our SDC Basket ELIs with Final Fixing Date Knock-in?

(A) Overview

- A SDC Basket ELI with Final Fixing Date Knock-in is an unlisted structured investment product which has an embedded **conditional put option** over a basket of reference assets. If you purchase a SDC Basket ELI with Final Fixing Date Knock-in, you will be selling a **conditional put option** over a basket of reference assets to us. If certain conditions are met, you will be obliged to buy the worst performing reference asset as of the final fixing date from us at its exercise price at expiry.
- Potential payout under the SDC Basket ELIs with Final Fixing Date Knock-in is linked to the performance of the worst performing reference asset. The basket of reference assets will consist of a minimum of two and a maximum of five reference assets, which will be shares in a company or units in a fund (being a real estate investment trust or an exchange traded fund) listed on the Main Board of The Stock Exchange of Hong Kong Limited (such exchange, "HKEX") and quoted in an underlying currency of either HKD or RMB. The basket of reference assets may comprise a mixture of reference assets quoted in HKD and RMB. Not all Hong Kong-listed shares or funds can be used as reference assets for our SDC Basket ELIs with Final Fixing Date Knock-in — please ask your distributor what reference assets our SDC Basket ELIs with Final Fixing Date Knock-in may be linked to.
- We may issue and settle our SDC Basket ELIs with Final Fixing Date Knock-in in HKD or US dollar or other non-restricted and freely convertible currencies or RMB as specified in the relevant indicative term sheet.

(B) How will we determine the worst performing reference asset in the basket?

- The reference asset in the basket with the lowest "performance" on a particular scheduled trading day will be the worst performing reference asset for that scheduled trading day. **The worst performing reference asset on each scheduled trading day may be different.** We will use the following formula to determine the "performance" of each reference asset on a scheduled trading day (rounded to four decimal places, with 0.00005 or above rounded upwards):

$$\text{Performance} = \frac{\text{Closing price of the reference asset on a scheduled trading day}}{\text{Initial spot price of the reference asset}} \times 100\%$$

- If there are two or more reference assets with the same lowest "performance" on a particular scheduled trading day, we will, in our sole and absolute discretion acting in good faith and in a commercially reasonable manner, decide which one is the worst performing reference asset for that scheduled trading day.
- The price performance of the worst performing reference asset on each relevant scheduled trading day will be used to determine (1) whether the callable condition has been satisfied; (2) whether a knock-in event has occurred and (3) the final settlement payout.

(C) Callable Condition

- Our SDC Basket ELIs with Final Fixing Date Knock-in include a callable condition. The callable condition is satisfied if the closing price of the worst performing reference asset on a call fixing date is **at or above** its call price in respect of such call fixing date. Each call fixing date will be set out in the relevant indicative term sheet, and the last call fixing date will always be the final fixing date.

- The call price of each reference asset in respect of a call fixing date will be determined based on a specified pre-determined percentage of its initial spot price on the trade date and such percentage will be specified in the relevant indicative term sheet. The specified pre-determined percentage used to calculate the call prices of all reference assets in the basket in respect of a call fixing date will be the same. But the specified pre-determined percentage used to calculate the call prices in respect of each call fixing date will be different and will always decrease (i.e. step down) over the investment period of the SDC Basket ELIs with Final Fixing Date Knock-in. The call price of each reference asset in respect of a call fixing date may be set at a level which is **at, above or below** its exercise price.
- If the callable condition is satisfied on a call fixing date, we will terminate the SDC Basket ELIs with Final Fixing Date Knock-in on that call fixing date. You will receive the call settlement amount which is equal to the nominal amount and the potential call distribution amount (less any cash settlement expenses).
- The potential call distribution amount for each SDC Basket ELI with Final Fixing Date Knock-in will be calculated according to the following formula:

Nominal amount x the pre-determined call distribution rate corresponding to the call fixing date on which the callable condition is satisfied

- The pre-determined call distribution rate in respect of each call fixing date will be set out in the relevant indicative term sheet.

(D) Final Settlement Payout

- Our SDC Basket ELIs with Final Fixing Date Knock-in contain a final fixing date knock-in feature. A knock-in event will have occurred if the closing price of the worst performing reference asset on the final fixing date is **at or below** its knock-in price (which will always be set at a level that is lower than its exercise price).
- The knock-in price of each reference asset in the basket will be determined based on a specified pre-determined percentage of its initial spot price on the trade date and such percentage will be specified in the relevant indicative term sheet. Such percentage will be the same for all the reference assets in the basket.
- If the callable condition has not been satisfied on any call fixing date (including the final fixing date) and the SDC Basket ELIs with Final Fixing Date Knock-in are not otherwise early terminated, the final settlement payout will be as follows:
 - (1) If a **knock-in event has not occurred**, you will receive on the expiry date a cash amount which equals to the nominal amount and the potential final distribution amount (less any cash settlement expenses). The potential final distribution amount for each SDC Basket ELI with Final Fixing Date Knock-in will be calculated according to the following formula:

Nominal amount x Pre-determined final distribution rate

- (2) If a **knock-in event has occurred**, you will receive on the expiry date the physical settlement amount (the delivery of which is subject to your payment of physical settlement expenses) which comprises:
 - (i) an integral number of shares or units of the worst performing reference asset as at the final fixing date, calculated by rounding down the result of the physical settlement formula to the nearest whole number; and
 - (ii) a cash amount in respect of any fractional share or unit of the worst performing reference asset as at the final fixing date (calculated based on its closing price on the final fixing date) resulting from the physical settlement formula.

The physical settlement formula for each SDC Basket ELI with Final Fixing Date Knock-in is set out below:

Nominal amount (converted into the underlying currency of such worst performing reference asset at the exchange rate specified in the relevant indicative term sheet if the settlement currency is not the same as the underlying currency of such worst performing reference asset)

Exercise price of the worst performing reference asset as at the final fixing date

You may suffer a loss in your invested amount as the market value of the physical settlement amount you receive (calculated based on the closing price of the worst performing reference asset on the final fixing date) could be less than your initial investment amount. In an extreme case, the physical settlement amount you receive could be worth nothing if the market price of the worst performing reference asset as at the final fixing date drops to zero.

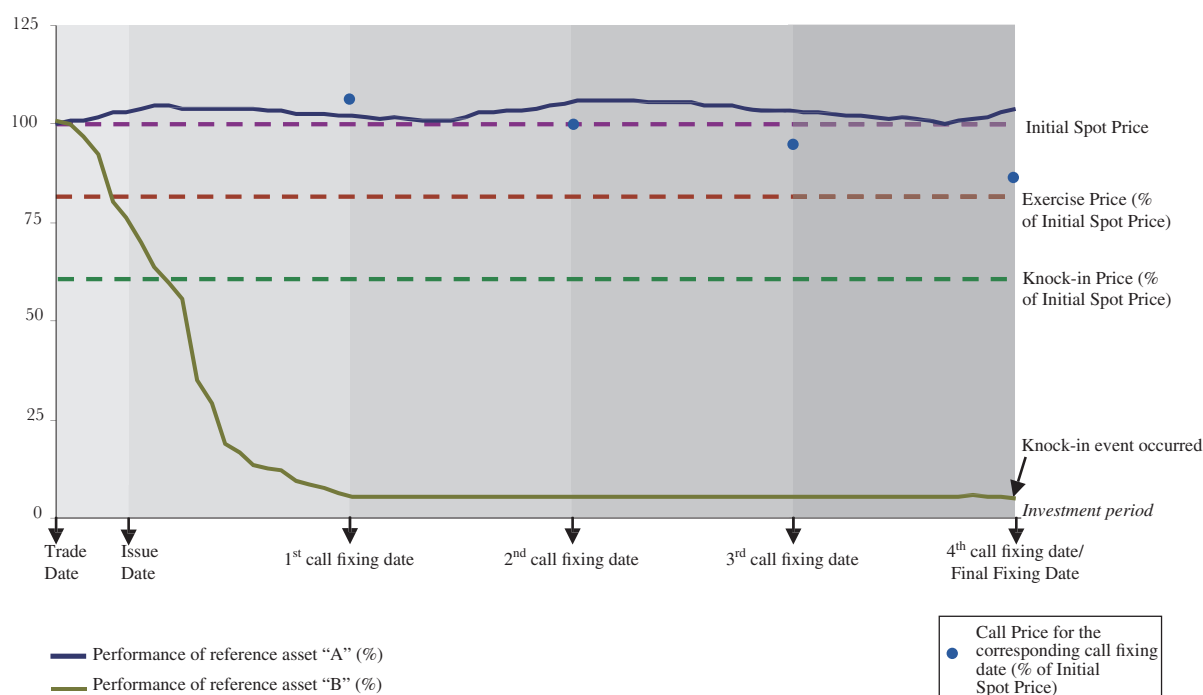
If the physical settlement amount is determined on the final fixing date to be deliverable, the worst performing reference asset as at the final fixing date will only be delivered to you (via the distributors) on the expiry date (being the third business day after the final fixing date and, if such date is not a clearing system business day, the next clearing system business day which is also a business day, subject to the occurrence of a settlement disruption event). **Therefore, you will be exposed to the price movement of the worst performing reference asset as at the final fixing date during the period between the final fixing date and the expiry date. Also, if you choose not to sell the worst performing reference asset as at the final fixing date on the expiry date, you will be exposed to the market risks of holding such worst performing reference asset.**

Worst Case Scenario

The hypothetical example below does not reflect a complete analysis of all possible gain or loss scenarios. You must not rely on it as an indication of the actual performance of the reference assets in the basket or the total payout on our SDC Basket ELIs with Final Fixing Date Knock-in.

The example below illustrates the worst case scenario where the worst performing reference asset performs poorly during the investment period of the SDC Basket ELIs with Final Fixing Date Knock-in.

Performance of Reference Asset (%)



The above example assumes that:

- (1) there are four call fixing dates; and
- (2) there are only two reference assets in the basket.

The above example illustrates that:

- (i) reference asset “B” is the worst performing reference asset throughout the investment period;
- (ii) since the closing price of the worst performing reference asset on each call fixing date is below its relevant call price for such call fixing date, **the callable condition is not satisfied. You will not receive any potential call distribution amount;** and
- (iii) since the closing price of the worst performing reference asset on the final fixing date is below its knock-in price (i.e. the knock-in event has occurred), you will receive on the expiry date the physical settlement amount (subject to your payment of physical settlement expenses). **You will not receive any potential final distribution amount. You will suffer a loss in your invested amount as the market value of the physical settlement amount (calculated based on the closing price of the worst performing reference asset on the final fixing date) you receive will be less or substantially less than your initial investment amount. In the worst case scenario, you could lose all of your investment if the market price of the worst performing reference asset as at the final fixing date drops to zero.**

Adjustment to the Terms and Conditions, Substitution of the Reference Asset(s), Early Termination, Adjustment to Key Dates and Occurrence of an RMB Disruption Event

Upon the occurrence of certain extraordinary events, we can adjust some of the terms and conditions of our SDC Basket ELIs with Final Fixing Date Knock-in to account for that event so as to preserve the economic equivalence of the SDC Basket ELIs with Final Fixing Date Knock-in.

In the case of (a) a merger event or tender offer, if we determine that no adjustment is able to account for such event so as to preserve the economic equivalence of our SDC Basket ELIs with Final Fixing Date Knock-in or (b) certain other extraordinary unforeseeable events (such as an insolvency or a delisting), we will try to substitute each affected reference asset with shares of another company or units of another fund and make any further adjustments to the relevant terms as we think fit to account for that event. If we determine that substitution is not appropriate to account for that event, we will early terminate our SDC Basket ELIs with Final Fixing Date Knock-in.

We will also early terminate our SDC Basket ELIs with Final Fixing Date Knock-in if we are required by Hong Kong or Singapore law to deduct or withhold any taxes, or are prevented by Hong Kong or Singapore law from making any payments.

Upon the occurrence of certain disruption events, we can adjust some of the key dates relevant to the terms of our SDC Basket ELIs with Final Fixing Date Knock-in.

In addition, if our SDC Basket ELIs with Final Fixing Date Knock-in are denominated in RMB, payments under such SDC Basket ELIs with Final Fixing Date Knock-in will be postponed and may be made in a HKD equivalent amount if an RMB disruption event occurs on, or prior to and is continuing on, a scheduled date of payment.

Any adjustment, substitution of the reference asset(s) and/or early termination will be made by us in our sole and absolute discretion acting in good faith and in a commercially reasonable manner.

If we early terminate our SDC Basket ELIs with Final Fixing Date Knock-in, we will pay you a fair market value of each SDC Basket ELI with Final Fixing Date Knock-in, which may be less than your initial investment amount and may be as low as zero.

Please refer to pages 81 to 88 of this product booklet for further details.

What charges do you have to pay?

Cash settlement expenses which, if applicable, will be deducted from any cash amount you may receive. Currently, no cash settlement expenses are payable. No cash settlement expenses will be payable for any potential call distribution amount, potential final distribution amount and cash payment of any fractional shares or units of the worst performing reference asset as at the final fixing date.

Physical settlement expenses will have to be paid by you before the physical settlement amount will be delivered to you on the expiry date (if you are to receive the worst performing reference asset as at the final fixing date at expiry of the SDC Basket ELIs with Final Fixing Date Knock-in).

Distributor's charges. Please contact your distributor for details of any charges you need to pay. Please refer to pages 105 to 106 of this product booklet for further details.

You should note that any cash settlement expenses, physical settlement expenses and distributor's charges will reduce the gain or increase the loss on your investment.

How can you buy the SDC Basket ELIs with Final Fixing Date Knock-in?

If you would like to buy the SDC Basket ELIs with Final Fixing Date Knock-in, you must contact one of the distributors for that series during the offer period. Please refer to the section "How can you buy the SDC Basket ELIs?" on pages 113 to 114.

How is the initial spot price determined?

The initial spot price of each reference asset in the basket may be (i) its closing price on the trade date, or (ii) its prevailing market price as quoted by HKEX at the time your purchase order is executed on the trade date provided that such price has satisfied your pre-set criteria that is set out in the indicative term sheet, or (iii) its prevailing market price as quoted by HKEX at the time your purchase order is executed on the trade date.

In the case of (ii),

- you will need to choose at the time you place your purchase order:
 - (a) one of the reference assets in the basket as the designated reference asset; and
 - (b) a price for the designated reference asset,both of which will be specified in the indicative term sheet.
- your purchase order will only be executed if the prevailing market price of such designated reference asset on the trade date is at or lower than the chosen price in (b).
- if your purchase order is executed, the initial spot price of each reference asset in the basket will be its prevailing market price at the time your purchase order is executed.
- if your purchase order is not executed, your purchase order will be cancelled. The issue price (which includes your distributor's commission (if any)) will not be deducted from your designated cash account with your distributor on the issue date.

In the case of (iii), we will execute your purchase order as soon as practicable after you placed your purchase order.

We will decide prior to the offer period whether method (i), (ii), or (iii) will be used to determine the initial spot prices of all reference assets in the basket for a particular series of SDC Basket ELIs with Final Fixing Date Knock-in and such method will be specified in the relevant indicative term sheet.

You should note that the initial spot price of each reference asset in the basket will only be recorded and determined on the trade date after you have placed your purchase order for the SDC Basket ELIs with Final Fixing Date Knock-in. As certain commercial variables in relation to each reference asset in the basket (i.e. the call price, the knock-in price and the exercise price) will be expressed as a specified pre-determined percentage of its initial spot price in the relevant indicative term sheet, the

actual prices of such commercial variables will also only be recorded and determined after you have placed your purchase order. A copy of the final term sheet containing all the finalised commercial terms will be sent to your distributor two business days after the relevant trade date. Please contact your distributor for details of how they will provide to you such final term sheet.

Is there a post-sale cooling-off period for our SDC Basket ELIs with Final Fixing Date Knock-in?

Post-sale cooling-off period applies to our SDC Basket ELIs with Final Fixing Date Knock-in with an investment period of more than one year. You can contact your distributor during the period from the date you place your purchase order to the fifth business day after the order date (both dates inclusive) (the “post-sale cooling-off period”) to cancel or unwind (as the case may be) your order (in whole but not in part). To cancel or unwind (as the case may be) your order, you will need to submit your instruction to your distributor **prior to 11:00 a.m.** on a business day, such instruction being a “valid instruction”.

If you submit a valid instruction to cancel your order to your distributor before your purchase order is executed on the trade date as specified in the indicative term sheet, the issue price (which includes your distributor’s commission (if any)) will not be deducted from your designated cash account with your distributor on the issue date, and (if our SDC Basket ELIs with Final Fixing Date Knock-in are denominated in RMB) will not be subject to an RMB disruption event.

If you submit a valid instruction to unwind your purchase order to your distributor after your purchase order is executed on the trade date, the issue price (which includes your distributor’s commission (if any)) will still be deducted from your designated cash account with the distributor on the issue date and we will arrange to return to you through your distributor the issue price less any market value adjustment and handling fee that may be charged by us. Your distributor’s commission (if any) will also be returned to you in full. **The cash amount returned to you will be capped at and may be substantially less than your initial investment amount.** If our SDC Basket ELIs with Final Fixing Date Knock-in are denominated in RMB, and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment under the post-sale cooling-off period unwinding arrangement, the cash amount payable to you will be postponed and may be made in a HKD equivalent amount.

Your distributor may charge you a handling fee when you cancel or unwind (as the case may be) your order — please ask your distributor for details.

Please refer to pages 115 to 116 for further details.

Please note that your right to cancel or unwind (as the case may be) your purchase order during the post-sale cooling-off period **DOES NOT** apply to SDC Basket ELIs with Final Fixing Date Knock-in with an investment period of one year or less.

Is there any market making arrangement for our SDC Basket ELIs with Final Fixing Date Knock-in before the relevant final fixing date?

For SDC Basket ELIs with Final Fixing Date Knock-in with an investment period of more than six months, we will provide limited market making arrangements **bi-weekly on every other Wednesday** (each, a “market making day”) after the issue date up to the third business day before the final fixing date.

If you choose to sell your SDC Basket ELIs with Final Fixing Date Knock-in, you can only sell them on a market making day. You must contact your distributor **prior to 11:00 a.m.** on a market making day to request a firm bid price. **You must contact your distributor for the detailed application procedures.**

If you sell your SDC Basket ELIs with Final Fixing Date Knock-in back to us before the relevant final fixing date, you may receive an amount which is substantially less than your initial investment amount. Your distributor may also charge you a handling fee when you sell your SDC Basket ELIs with Final Fixing Date Knock-in to us on a market making day and such fee will reduce the amount you receive on your investment.

Please also note that indicative bid prices and/or firm bid prices and/or market making arrangements may not be available on a market making day if certain events occur.

If our SDC Basket ELIs with Final Fixing Date Knock-in are denominated in RMB, any payment to you under the market making arrangement will be postponed and may be made in a HKD equivalent amount if an RMB disruption event occurs.

For SDC Basket ELIs with Final Fixing Date Knock-in with an investment period of six months or less, we may provide market making arrangements at any time upon request by your distributor. However, we are not under any obligation to do so. There may be no market making arrangements and you may not be able to sell your SDC Basket ELIs with Final Fixing Date Knock-in at all.

Please refer to pages 116 to 117 for further details.

Additional Information

(A) SDC Basket ELI offering documents

The following SDC Basket ELI offering documents contain detailed information about DBS and the SDC Basket ELIs with Final Fixing Date Knock-in. You should read all of these documents before deciding whether to invest in our SDC Basket ELIs with Final Fixing Date Knock-in:

- (i) the programme memorandum dated 10 January 2022 together with any addendum as specified in the relevant indicative term sheet;
- (ii) the financial disclosure document together with any addendum as specified in the relevant indicative term sheet;
- (iii) this product booklet together with any addendum as specified in the relevant indicative term sheet; and
- (iv) the relevant indicative term sheet for the series of the SDC Basket ELIs with Final Fixing Date Knock-in you would like to buy.

The distributor(s) has an obligation to distribute to you ALL of the above documents in English or Chinese as you may prefer.

(B) Ongoing disclosure

DBS, HK Branch (as the issuer and the product arranger) will keep the SFC and the distributor(s) informed as soon as reasonably practicable if (a) DBS, HK Branch (as the issuer and the product arranger) ceases to meet the eligibility requirements applicable to issuer and/or product arranger under the Code and, (b) to the extent permitted by any applicable law, there are changes in the financial condition or other circumstances of DBS which could reasonably be expected to have a material adverse effect on DBS, HK Branch's ability (as the issuer) to fulfil its commitments in connection with the SDC Basket ELIs with Final Fixing Date Knock-in. Your distributor will in turn inform you. Please contact your distributor for further details.

If you would like to enquire about our SDC Basket ELIs with Final Fixing Date Knock-in, please visit any designated branches of the appointed distributor(s) for the SDC Basket ELIs with Final Fixing Date Knock-in.

KEY FACTS STATEMENT (C)

Non-Principal Protected Unlisted Equity Linked Investments Linked to a Basket of Securities with Step-Down Call Feature and Daily Knock-in Feature ("SDC Basket ELIs with Daily Knock-in")

issued by
DBS Bank Ltd, Hong Kong Branch

There are three variations of our SDC Basket ELIs. This key facts statement provides you with key information about only one variation of our SDC Basket ELIs that we may issue — SDC Basket ELIs with Daily Knock-in. It does not contain all the information that may be important to you as an investor in our SDC Basket ELIs with Daily Knock-in and your investment decision should not be made solely on the basis of the information contained in this key facts statement. You should read the remaining sections of this product booklet (in particular, the section headed "Risk Warnings") and the other SDC Basket ELI offering documents before deciding whether to invest in our SDC Basket ELIs with Daily Knock-in.

Important Risk Warnings

- **Structured investment products**

Our SDC Basket ELIs with Daily Knock-in are NOT equivalent to and should not be treated as substitutes for time deposits. They are unlisted structured investment products embedded with derivatives.

- **Not principal protected**

Our SDC Basket ELIs with Daily Knock-in are not principal protected: **you could lose all of your investment.**

- **Limited maximum potential gain**

The maximum potential gain from our SDC Basket ELIs with Daily Knock-in is limited to the potential call distribution amount or the potential final distribution amount. It is possible that you may not receive any potential call distribution amount or potential final distribution amount at all.

- **No collateral**

Our SDC Basket ELIs with Daily Knock-in are not secured on any of DBS' assets or any collateral.

- **Limited market making arrangements**

Our SDC Basket ELIs with Daily Knock-in are designed to be held to their expiry. Limited market making arrangements are available on a bi-weekly basis only for our SDC Basket ELIs with Daily Knock-in with an investment period of over 6 months. For SDC Basket ELIs with an investment period of 6 months or less, we may, but are not under any obligation to, provide market making arrangements at any time upon request by your distributor, and so there may be no market making arrangements and you may not be able to sell your SDC Basket ELIs with Daily Knock-in at all. If you sell your SDC Basket ELIs with Daily Knock-in back to us before the relevant final fixing date, you may receive an amount which is substantially less than your initial investment amount.

- **Potential gain or loss determined by reference to the worst performing reference asset**

The potential gain or loss under our SDC Basket ELIs with Daily Knock-in is determined by reference to the performance of the worst performing reference asset on each relevant scheduled trading day. If any of the reference assets in the basket performs poorly against your expectation, you will not benefit from the performance of the other reference assets in the basket even if they perform well and may suffer a loss under our SDC Basket ELIs with Daily Knock-in.

- **Not the same as investment in the reference assets**

Investing in our SDC Basket ELIs with Daily Knock-in **is not** the same as buying the reference assets in the basket. Unless and until the worst performing reference asset which forms the

physical settlement amount is determined on the final fixing date to be deliverable, you have no rights in the reference assets in the basket. Changes in the market prices of the reference assets in the basket may not lead to a corresponding change in the market value and/or potential return of the SDC Basket ELIs with Daily Knock-in.

- **Re-investment risk**

Our SDC Basket ELIs with Daily Knock-in contain a callable condition. If the callable condition is satisfied before expiry, the SDC Basket ELIs with Daily Knock-in will be terminated before expiry. You may not be able to enjoy the same rate of return if you re-invest in other investments with similar risk parameters.

- **Not covered by Investor Compensation Fund**

Our SDC Basket ELIs with Daily Knock-in are not listed on any stock exchange and are not covered by the Investor Compensation Fund in Hong Kong.

- **DBS' creditworthiness**

The SDC Basket ELIs with Daily Knock-in constitute DBS, HK Branch's general, unsecured and unsubordinated contractual obligations, and of no other person (including the ultimate holding company of our group, DBS Group Holdings Ltd). We are not a separate entity from DBS and if you purchase our SDC Basket ELIs with Daily Knock-in, you are relying upon DBS' creditworthiness and have no rights under the terms of the SDC Basket ELIs with Daily Knock-in against the issuers of the reference assets. **If we become insolvent or default on our obligations under the SDC Basket ELIs with Daily Knock-in, in the worst case scenario, you could lose all of your investment.**

- **Custodial risk**

You will have to hold the SDC Basket ELIs with Daily Knock-in you have purchased through your securities or investment account with your distributor, who will act as your custodian. Your distributor will in turn hold the SDC Basket ELIs with Daily Knock-in in an account at the relevant clearing system, either directly or indirectly through one or more sub-custodians or intermediaries. Your distributor, any sub-custodian or intermediary and the nominee and/or operators of the relevant clearing system may become insolvent or default on their obligations. **In the worst case scenario, you could lose all of your investment.**

- **You do not have direct contractual rights to enforce our SDC Basket ELIs with Daily Knock-in**

You do not have direct contractual rights to enforce our SDC Basket ELIs with Daily Knock-in against us. To enforce your rights in respect of any SDC Basket ELIs with Daily Knock-in, you will have to rely on your distributor to take legal action against us directly or indirectly (through any sub-custodian or intermediary and the nominee of the relevant clearing system through which your distributor holds the SDC Basket ELIs with Daily Knock-in). **If you do not understand the arrangements with your distributor or you would like to know the steps to enforce your rights under the SDC Basket ELIs with Daily Knock-in, you should obtain independent professional advice.**

- **Enforcement of judgments**

A large portion of DBS' businesses, assets and operations are located outside Hong Kong. If you or your distributor (directly or indirectly through any sub-custodian or intermediary and the nominee of the relevant clearing system) have or has obtained judgment against us in a Hong Kong court and DBS' assets in Hong Kong are not sufficient to satisfy all the claims under our SDC Basket ELIs with Daily Knock-in, you or your distributor (directly or indirectly through any sub-custodian or intermediary and the nominee of the relevant clearing system) may have to enforce the Hong Kong judgment against DBS' assets located outside Hong Kong and may experience difficulties or delay in enforcing the judgment or may not be able to enforce it at all. **In the worst case scenario, you could lose all of your investment.**

- **English version of the terms and conditions prevails over Chinese version**

The global certificate representing a series of SDC Basket ELIs with Daily Knock-in and the terms and conditions of such series of SDC Basket ELIs with Daily Knock-in will be issued in English only for the purpose of lodgement with the relevant clearing system. If there is any

inconsistency between the Chinese version of the terms and conditions of our SDC Basket ELIs with Daily Knock-in and the English version, the English version will prevail over the Chinese version. If you do not understand the English version, you should obtain independent professional advice.

- **You will be exposed to the risks associated with the SDC Basket ELIs with Daily Knock-in from the trade date**

As you will be subject to the terms and conditions of our SDC Basket ELIs with Daily Knock-in from the trade date, you will be exposed to the risks associated with the SDC Basket ELIs with Daily Knock-in from the trade date.

- **Conflicts of interest**

You should note that conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with our SDC Basket ELIs with Daily Knock-in. Our economic interests in each role may be adverse to your interests in our SDC Basket ELIs with Daily Knock-in.

- **Additional risks for RMB-denominated SDC Basket ELIs with Daily Knock-in and/or SDC Basket ELIs with Daily Knock-in linked to RMB-quoted reference asset(s)**

(i) **Limited pool of RMB outside mainland China** — RMB is subject to foreign exchange control by the PRC central government. There is currently a limited pool of RMB outside mainland China and any tightening of foreign exchange control may adversely affect the liquidity of offshore RMB, and the market value and potential return of our RMB-denominated SDC Basket ELIs with Daily Knock-in and our SDC Basket ELIs with Daily Knock-in linked to RMB-quoted reference asset(s).

(ii) **Offshore RMB exchange rate and interest rate risks** — If our SDC Basket ELIs with Daily Knock-in are denominated in RMB but the underlying currency of the worst performing reference asset as at the final fixing date is HKD or if our SDC Basket ELIs with Daily Knock-in are denominated in a settlement currency other than RMB but the underlying currency of the worst performing reference asset as at the final fixing date is RMB, we will use offshore RMB exchange rate in our calculations for our SDC Basket ELIs with Daily Knock-in. You should note that the offshore RMB exchange rate we use for SDC Basket ELIs with Daily Knock-in may deviate significantly from the onshore RMB exchange rate. Changes in the offshore RMB exchange rate may adversely affect the number of shares or units of the worst performing reference asset as at the final fixing date deliverable to you (and the value of such number of shares or units of the worst performing reference asset as at the final fixing date in its underlying currency) in the case of physical settlement. There is no guarantee that RMB will not depreciate. In addition, interest rates for onshore RMB are controlled by the PRC central government. The PRC central government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation of interest rates for onshore RMB may occur and may influence the interest rate for offshore RMB. Any fluctuation in interest rates for offshore RMB may adversely affect the market value and potential return of our RMB-denominated SDC Basket ELIs with Daily Knock-in and our SDC Basket ELIs with Daily Knock-in linked to RMB-quoted reference asset(s).

(iii) **Payment postponement for RMB disruption event** — If the settlement currency of our SDC Basket ELIs with Daily Knock-in is RMB and an RMB disruption event occurs on, or prior to and is continuing on, a scheduled date of payment, payment will be postponed and may be made in a HKD equivalent amount. We will not pay any extra amount (such as interest) for such postponed payment. You may also suffer a loss in HKD terms if RMB depreciates against HKD following the occurrence of an RMB disruption event.

Commissions

We may pay a commission to the distributor(s). Distributor(s)' commissions and other transaction costs including our cost of hedging are factored into the commercial terms of the SDC Basket ELIs with Daily Knock-in.

What are our SDC Basket ELIs with Daily Knock-in?

(A) Overview

- A SDC Basket ELI with Daily Knock-in is an unlisted structured investment product which has an embedded **conditional put option** over a basket of reference assets. If you purchase a SDC Basket ELI with Daily Knock-in, you will be selling a **conditional put option** over a basket of reference assets to us. If certain conditions are met, you will be obliged to buy the worst performing reference asset as of the final fixing date from us at its exercise price at expiry.
- Potential payout under the SDC Basket ELIs with Daily Knock-in is linked to the performance of the worst performing reference asset. The basket of reference assets will consist of a minimum of two and a maximum of five reference assets, which will be shares in a company or units in a fund (being a real estate investment trust or an exchange traded fund) listed on the Main Board of The Stock Exchange of Hong Kong Limited (such exchange, “HKEX”) and quoted in an underlying currency of either HKD or RMB. The basket of reference assets may comprise a mixture of reference assets quoted in HKD and RMB. Not all Hong Kong-listed shares or funds can be used as reference assets for our SDC Basket ELIs with Daily Knock-in — please ask your distributor what reference assets our SDC Basket ELIs with Daily Knock-in may be linked to.
- We may issue and settle our SDC Basket ELIs with Daily Knock-in in HKD or US dollar or other non-restricted and freely convertible currencies or RMB as specified in the relevant indicative term sheet.

(B) How will we determine the worst performing reference asset in the basket?

- The reference asset in the basket with the lowest “performance” on a particular scheduled trading day will be the worst performing reference asset for that scheduled trading day. **The worst performing reference asset on each scheduled trading day may be different.** We will use the following formula to determine the “performance” of each reference asset on a scheduled trading day (rounded to four decimal places, with 0.00005 or above rounded upwards):

$$\text{Performance} = \frac{\text{Closing price of the reference asset on a scheduled trading day}}{\text{Initial spot price of the reference asset}} \times 100\%$$

- If there are two or more reference assets with the same lowest “performance” on a particular scheduled trading day, we will, in our sole and absolute discretion acting in good faith and in a commercially reasonable manner, decide which one is the worst performing reference asset for that scheduled trading day.
- The price performance of the worst performing reference asset on each relevant scheduled trading day will be used to determine (1) whether the callable condition has been satisfied; (2) whether a knock-in event has occurred and (3) the final settlement payout.

(C) Callable Condition

- Our SDC Basket ELIs with Daily Knock-in include a callable condition. The callable condition is satisfied if the closing price of the worst performing reference asset on a call fixing date is **at or above** its call price in respect of such call fixing date. Each call fixing date will be set out in the relevant indicative term sheet, and the last call fixing date will always be the final fixing date.
- The call price of each reference asset in respect of a call fixing date will be determined based on a specified pre-determined percentage of its initial spot price on the trade date and such percentage will be specified in the relevant indicative term sheet. The specified pre-determined percentage used to calculate the call prices of all reference assets in the basket in respect of a call fixing date will be the same. But the specified pre-determined

percentage used to calculate the call prices in respect of each call fixing date will be different and will always decrease (i.e. step down) over the investment period of the SDC Basket ELIs with Daily Knock-in. The call price of each reference asset in respect of a call fixing date may be set at a level which is **at, above or below** its exercise price.

- If the callable condition is satisfied on a call fixing date, we will terminate the SDC Basket ELIs with Daily Knock-in on that call fixing date. You will receive the call settlement amount which is equal to the nominal amount and the potential call distribution amount (less any cash settlement expenses).
- The potential call distribution amount for each SDC Basket ELI with Daily Knock-in will be calculated according to the following formula:

Nominal amount x the pre-determined call distribution rate corresponding to the call fixing date on which the callable condition is satisfied

- The pre-determined call distribution rate in respect of each call fixing date will be set out in the relevant indicative term sheet.

(D) Final Settlement Payout

- Our SDC Basket ELIs with Daily Knock-in contain a daily knock-in feature. A knock-in event will have occurred if the closing price of the worst performing reference asset on any scheduled trading day during the period from (but excluding) the trade date to (and including) the final fixing date is **at or below** its knock-in price (which will always be set at a level that is lower than its exercise price).
- The knock-in price of each reference asset in the basket will be determined based on a specified pre-determined percentage of its initial spot price on the trade date and such percentage will be specified in the relevant indicative term sheet. Such percentage will be the same for all the reference assets in the basket and will remain the same throughout the investment period of the SDC Basket ELIs with Daily Knock-in.
- If the callable condition has not been satisfied on any call fixing date (including the final fixing date) and the SDC Basket ELIs with Daily Knock-in are not otherwise early terminated, the final settlement payout will be as follows:

- (1) If a **knock-in event has not occurred**, you will receive on the expiry date a cash amount which equals to the nominal amount and the potential final distribution amount (less any cash settlement expenses). The potential final distribution amount for each SDC Basket ELI with Daily Knock-in will be calculated according to the following formula:

Nominal amount x Pre-determined final distribution rate

- (2) If a **knock-in event has occurred** and the closing price of the worst performing reference asset on the final fixing date is **at or above** its exercise price, you will receive on the expiry date a cash amount which equals to the nominal amount (less any cash settlement expenses).
- (3) If a **knock-in event has occurred** and the closing price of the worst performing reference asset on the final fixing date is **below** its exercise price, you will receive on the expiry date the physical settlement amount (the delivery of which is subject to your payment of physical settlement expenses) which comprises:
 - (i) an integral number of shares or units of the worst performing reference asset as at the final fixing date, calculated by rounding down the result of the physical settlement formula to the nearest whole number; and
 - (ii) a cash amount in respect of any fractional share or unit of the worst performing reference asset as at the final fixing date (calculated based on its closing price on the final fixing date) resulting from the physical settlement formula.

The physical settlement formula for each SDC Basket ELI with Daily Knock-in is set out below:

Nominal amount (converted into the underlying currency of such worst performing reference asset at the exchange rate specified in the relevant indicative term sheet if the settlement currency is not the same as the underlying currency of such worst performing reference asset)

Exercise price of the worst performing reference asset as at the final fixing date

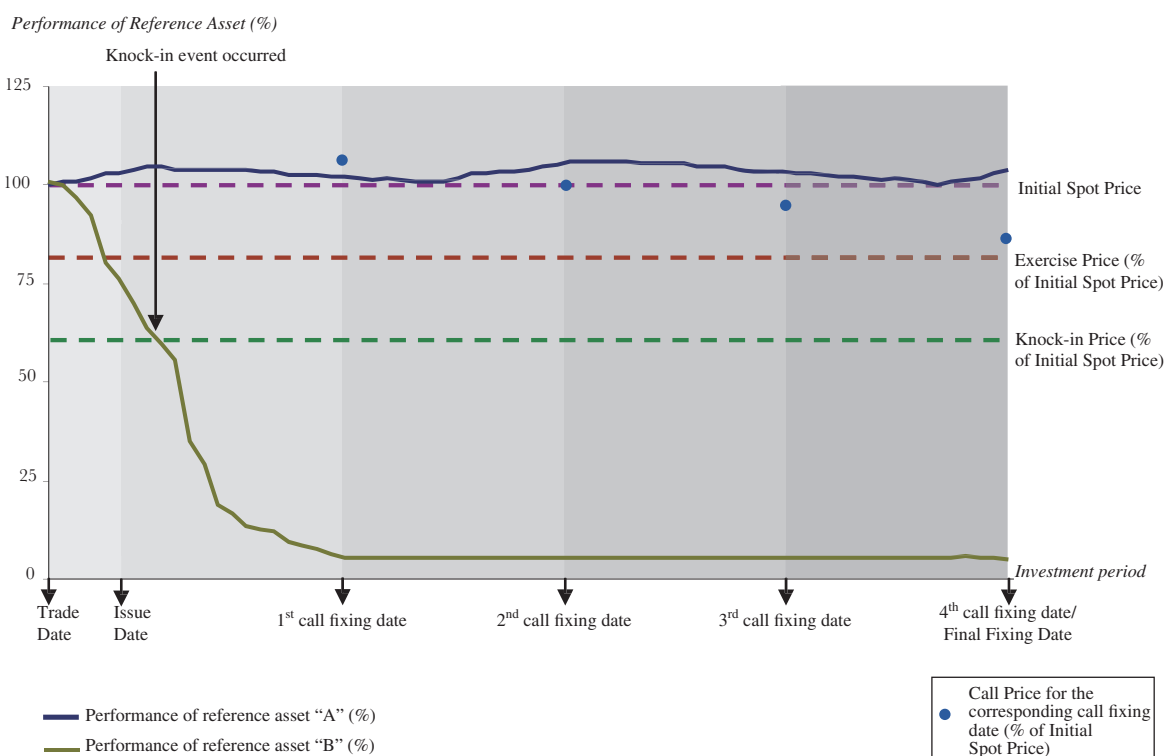
You may suffer a loss in your invested amount as the market value of the physical settlement amount you receive (calculated based on the closing price of the worst performing reference asset on the final fixing date) could be less than your initial investment amount. In an extreme case, the physical settlement amount you receive could be worth nothing if the market price of the worst performing reference asset as at the final fixing date drops to zero.

If the physical settlement amount is determined on the final fixing date to be deliverable, the worst performing reference asset as at the final fixing date will only be delivered to you (via the distributors) on the expiry date (being the third business day after the final fixing date and, if such date is not a clearing system business day, the next clearing system business day which is also a business day, subject to the occurrence of a settlement disruption event). **Therefore, you will be exposed to the price movement of the worst performing reference asset as at the final fixing date during the period between the final fixing date and the expiry date. Also, if you choose not to sell the worst performing reference asset as at the final fixing date on the expiry date, you will be exposed to the market risks of holding such worst performing reference asset.**

Worst Case Scenario

The hypothetical example below does not reflect a complete analysis of all possible gain or loss scenarios. You must not rely on it as an indication of the actual performance of the reference assets in the basket or the total payout on our SDC Basket ELIs with Daily Knock-in.

The example below illustrates the worst case scenario where the worst performing reference asset performs poorly during the investment period of the SDC Basket ELIs with Daily Knock-in.



The above example assumes that:

- (1) there are four call fixing dates; and
- (2) there are only two reference assets in the basket.

The above example illustrates that:

- (i) reference asset “B” is the worst performing reference asset throughout the investment period;
- (ii) since the closing price of the worst performing reference asset on each call fixing date is below its relevant call price for such call fixing date, **the callable condition is not satisfied. You will not receive any potential call distribution amount;** and
- (iii) since the closing price of the worst performing reference asset on a scheduled trading day during the period from (but excluding) the trade date to (and including) the final fixing date has been **at or below** its knock-in price (i.e. the knock-in event has occurred) and the closing price of the worst performing reference asset on the final fixing date is below its exercise price, you will receive on the expiry date the physical settlement amount (subject to your payment of physical settlement expenses). **You will not receive any potential final distribution amount. You will suffer a loss in your invested amount as the market value of the physical settlement amount (calculated based on the closing price of the worst performing reference asset on the final fixing date) you receive will be less or substantially less than your initial investment amount. In the worst case scenario, you could lose all of your investment if the market price of the worst performing reference asset as at the final fixing date drops to zero.**

Adjustment to the Terms and Conditions, Substitution of the Reference Asset(s), Early Termination, Adjustment to Key Dates and Occurrence of an RMB Disruption Event

Upon the occurrence of certain extraordinary events, we can adjust some of the terms and conditions of our SDC Basket ELIs with Daily Knock-in to account for that event so as to preserve the economic equivalence of the SDC Basket ELIs with Daily Knock-in.

In the case of (a) a merger event or tender offer, if we determine that no adjustment is able to account for such event so as to preserve the economic equivalence of our SDC Basket ELIs with Daily Knock-in or (b) certain other extraordinary unforeseeable events (such as an insolvency or a delisting), we will try to substitute each affected reference asset with shares of another company or units of another fund and make any further adjustments to the relevant terms as we think fit to account for that event. If we determine that substitution is not appropriate to account for that event, we will early terminate our SDC Basket ELIs with Daily Knock-in.

We will also early terminate our SDC Basket ELIs with Daily Knock-in if we are required by Hong Kong or Singapore law to deduct or withhold any taxes, or are prevented by Hong Kong or Singapore law from making any payments.

Upon the occurrence of certain disruption events, we can adjust some of the key dates relevant to the terms of our SDC Basket ELIs with Daily Knock-in.

In addition, if our SDC Basket ELIs with Daily Knock-in are denominated in RMB, payments under such SDC Basket ELIs with Daily Knock-in will be postponed and may be made in a HKD equivalent amount if an RMB disruption event occurs on, or prior to and is continuing on, a scheduled date of payment.

Any adjustment, substitution of the reference asset(s) and/or early termination will be made by us in our sole and absolute discretion acting in good faith and in a commercially reasonable manner.

If we early terminate our SDC Basket ELIs with Daily Knock-in, we will pay you a fair market value of each SDC Basket ELI with Daily Knock-in, which may be less than your initial investment amount and may be as low as zero.

Please refer to pages 81 to 88 of this product booklet for further details.

What charges do you have to pay?

Cash settlement expenses which, if applicable, will be deducted from any cash amount you may receive. Currently, no cash settlement expenses are payable. No cash settlement expenses will be payable for any potential call distribution amount, potential final distribution amount and cash payment of any fractional shares or units of the worst performing reference asset as at the final fixing date.

Physical settlement expenses will have to be paid by you before the physical settlement amount will be delivered to you on the expiry date (if you are to receive the worst performing reference asset as at the final fixing date at expiry of the SDC Basket ELIs with Daily Knock-in).

Distributor's charges. Please contact your distributor for details of any charges you need to pay.

Please refer to pages 105 to 106 of this product booklet for further details.

You should note that any cash settlement expenses, physical settlement expenses and distributor's charges will reduce the gain or increase the loss on your investment.

How can you buy the SDC Basket ELIs with Daily Knock-in?

If you would like to buy the SDC Basket ELIs with Daily Knock-in, you must contact one of the distributors for that series during the offer period. Please refer to the section "How can you buy the SDC Basket ELIs?" on pages 113 to 114.

How is the initial spot price determined?

The initial spot price of each reference asset in the basket may be (i) its closing price on the trade date, or (ii) its prevailing market price as quoted by HKEX at the time your purchase order is executed on the trade date provided that such price has satisfied your pre-set criteria that is set out in the indicative term sheet, or (iii) its prevailing market price as quoted by HKEX at the time your purchase order is executed on the trade date.

In the case of (ii),

- you will need to choose at the time you place your purchase order:
 - (a) one of the reference assets in the basket as the designated reference asset; and
 - (b) a price for the designated reference asset,both of which will be specified in the indicative term sheet.
- your purchase order will only be executed if the prevailing market price of such designated reference asset on the trade date is at or lower than the chosen price in (b).
- if your purchase order is executed, the initial spot price of each reference asset in the basket will be its prevailing market price at the time your purchase order is executed.
- if your purchase order is not executed, your purchase order will be cancelled. The issue price (which includes your distributor's commission (if any)) will not be deducted from your designated cash account with your distributor on the issue date.

In the case of (iii), we will execute your purchase order as soon as practicable after you placed your purchase order.

We will decide prior to the offer period whether method (i), (ii), or (iii) will be used to determine the initial spot prices of all reference assets in the basket for a particular series of SDC Basket ELIs with Daily Knock-in and such method will be specified in the relevant indicative term sheet.

You should note that the initial spot price of each reference asset in the basket will only be recorded and determined on the trade date after you have placed your purchase order for the SDC Basket ELIs with Daily Knock-in. As certain commercial variables in relation to each reference asset in the basket (i.e. the call price, the knock-in price and the exercise price) will be expressed as a specified pre-determined percentage of its initial spot price in the relevant indicative term sheet, the actual

prices of such commercial variables will also only be recorded and determined after you have placed your purchase order. A copy of the final term sheet containing all the finalised commercial terms will be sent to your distributor two business days after the relevant trade date. Please contact your distributor for details of how they will provide to you such final term sheet.

Is there a post-sale cooling-off period for our SDC Basket ELIs with Daily Knock-in?

Post-sale cooling-off period applies to our SDC Basket ELIs with Daily Knock-in with an investment period of more than one year. You can contact your distributor during the period from the date you place your purchase order to the fifth business day after the order date (both dates inclusive) (the “post-sale cooling-off period”) to cancel or unwind (as the case may be) your order (in whole but not in part). To cancel or unwind (as the case may be) your order, you will need to submit your instruction to your distributor **prior to 11:00 a.m.** on a business day, such instruction being a “valid instruction”.

If you submit a valid instruction to cancel your order to your distributor before your purchase order is executed on the trade date as specified in the indicative term sheet, the issue price (which includes your distributor’s commission (if any)) will not be deducted from your designated cash account with your distributor on the issue date, and (if our SDC Basket ELIs with Daily Knock-in are denominated in RMB) will not be subject to an RMB disruption event.

If you submit a valid instruction to unwind your purchase order to your distributor after your purchase order is executed on the trade date, the issue price (which includes your distributor’s commission (if any)) will still be deducted from your designated cash account with the distributor on the issue date and we will arrange to return to you through your distributor the issue price less any market value adjustment and handling fee that may be charged by us. Your distributor’s commission (if any) will also be returned to you in full. **The cash amount returned to you will be capped at and may be substantially less than your initial investment amount.** If our SDC Basket ELIs with Daily Knock-in are denominated in RMB, and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment under the post-sale cooling-off period unwinding arrangement, the cash amount payable to you will be postponed and may be made in a HKD equivalent amount.

Your distributor may charge you a handling fee when you cancel or unwind (as the case may be) your order — please ask your distributor for details.

Please refer to pages 115 to 116 for further details.

Please note that your right to cancel or unwind (as the case may be) your purchase order during the post-sale cooling-off period **DOES NOT** apply to SDC Basket ELIs with Daily Knock-in with an investment period of one year or less.

Is there any market making arrangement for our SDC Basket ELIs with Daily Knock-in before the relevant final fixing date?

For SDC Basket ELIs with Daily Knock-in with an investment period of more than six months, we will provide limited market making arrangements **bi-weekly on every other Wednesday** (each, a “market making day”) after the issue date up to the third business day before the final fixing date.

If you choose to sell your SDC Basket ELIs with Daily Knock-in, you can only sell them on a market making day. You must contact your distributor **prior to 11:00 a.m.** on a market making day to request a firm bid price. **You must contact your distributor for the detailed application procedures.**

If you sell your SDC Basket ELIs with Daily Knock-in back to us before the relevant final fixing date, you may receive an amount which is substantially less than your initial investment amount. Your distributor may also charge you a handling fee when you sell your SDC Basket ELIs with Daily Knock-in to us on a market making day and such fee will reduce the amount you receive on your investment.

Please also note that indicative bid prices and/or firm bid prices and/or market making arrangements may not be available on a market making day if certain events occur.

If our SDC Basket ELIs with Daily Knock-in are denominated in RMB, any payment to you under the market making arrangement will be postponed and may be made in a HKD equivalent amount if an RMB disruption event occurs.

For SDC Basket ELIs with Daily Knock-in with an investment period of six months or less, we may provide market making arrangements at any time upon request by your distributor. However, we are not under any obligation to do so. There may be no market making arrangements and you may not be able to sell your SDC Basket ELIs with Daily Knock-in at all.

Please refer to pages 116 to 117 for further details.

Additional Information

(A) SDC Basket ELI offering documents

The following SDC Basket ELI offering documents contain detailed information about DBS and the SDC Basket ELIs with Daily Knock-in. You should read all of these documents before deciding whether to invest in our SDC Basket ELIs with Daily Knock-in:

- (i) the programme memorandum dated 10 January 2022 together with any addendum as specified in the relevant indicative term sheet;
- (ii) the financial disclosure document together with any addendum as specified in the relevant indicative term sheet;
- (iii) this product booklet together with any addendum as specified in the relevant indicative term sheet; and
- (iv) the relevant indicative term sheet for the series of the SDC Basket ELIs with Daily Knock-in you would like to buy.

The distributor(s) has an obligation to distribute to you ALL of the above documents in English or Chinese as you may prefer.

(B) Ongoing disclosure

DBS, HK Branch (as the issuer and the product arranger) will keep the SFC and the distributor(s) informed as soon as reasonably practicable if (a) DBS, HK Branch (as the issuer and the product arranger) ceases to meet the eligibility requirements applicable to issuer and/or product arranger under the Code and, (b) to the extent permitted by any applicable law, there are changes in the financial condition or other circumstances of DBS which could reasonably be expected to have a material adverse effect on DBS, HK Branch's ability (as the issuer) to fulfil its commitments in connection with the SDC Basket ELIs with Daily Knock-in. Your distributor will in turn inform you. Please contact your distributor for further details.

If you would like to enquire about our SDC Basket ELIs with Daily Knock-in, please visit any designated branches of the appointed distributor(s) for the SDC Basket ELIs with Daily Knock-in.

RISK WARNINGS

- **Our SDC Basket ELIs are not principal protected: you could lose all of your investment**

Our SDC Basket ELIs are non-principal protected unlisted structured investment products embedded with derivatives; you may sustain a total loss in your investment. Our SDC Basket ELIs are not equivalent to and should not be treated as substitutes for time deposits.

Your final settlement payout under our SDC Basket ELIs may be cash or the physical settlement amount (depending on the performance of the reference assets in the basket). You should note that, if you are to receive the physical settlement amount, the market value of the physical settlement amount (calculated based on the closing price of the worst performing reference asset on the final fixing date) in respect of each SDC Basket ELI may be less, and could be substantially less, than your initial investment amount in each SDC Basket ELI, and may be as low as zero. In the worst case scenario, you could lose all of your investment if the market price of the worst performing reference asset as at the final fixing date drops to zero.

- **Limited maximum potential gain**

If our SDC Basket ELIs are terminated at expiry, the maximum potential gain on our SDC Basket ELIs is limited to the potential final distribution amount (if applicable), regardless of how well the reference assets in the basket perform.

Our SDC Basket ELIs will be terminated when the callable condition is satisfied on a call fixing date. The maximum potential gain in such case is limited to the potential call distribution amount, regardless of how well the reference assets in the basket perform.

It is possible that you will not receive any potential call distribution amount or any potential final distribution amount (if applicable) at all.

- **The potential gain or loss under our SDC Basket ELIs will be determined by the performance of the worst performing reference asset**

The potential gain or loss under our SDC Basket ELIs is determined by reference to the performance of the reference asset which performs the worst out of all the reference assets in the basket on each relevant scheduled trading day (as determined by us based on the closing price of each reference asset in the basket on each such day). The worst performing reference asset on each scheduled trading day can be different. You could lose all of your investment due to the performance of the worst performing reference asset, even if the other reference assets in the basket perform well.

- **Our SDC Basket ELIs are designed to be held to their expiry. There will be limited market making arrangements for all our SDC Basket ELIs with an investment period of more than 6 months**

The SDC Basket ELIs are designed for investors who intend to hold their SDC Basket ELIs until expiry. You should be prepared to invest your investment amount in the SDC Basket ELIs for the full investment period. You could lose part or all of your investment if you choose to sell your SDC Basket ELIs before the relevant final fixing date or may not be able to sell your SDC Basket ELIs at all.

For SDC Basket ELIs with an investment period of more than six months, we will provide limited market making arrangements for you to sell back the SDC Basket ELIs to us **on a bi-weekly basis every other Wednesday**. However, if you sell to us your SDC Basket ELIs before the relevant final fixing date, you may receive an amount per SDC Basket ELI which may be less, or substantially less, than your initial investment amount in each SDC Basket ELI. Your distributor may also charge you a handling fee when you sell your SDC Basket ELIs back to us.

You should note that market making activities may not be available on a market making day, in which case the market making day will be postponed to the next business day on which HKEX is open for trading and which is not affected by a market disruption event or other technical problems beyond our control affecting our ability to provide a bid price for your SDC Basket ELIs.

For SDC Basket ELIs with an investment period of six months or less, we may provide market making arrangements at any time upon request by your distributor. However, we are not under any obligation to do so. There may be no market making arrangements and you may not be able to sell your SDC Basket ELIs at all. Even if you manage to sell your SDC Basket ELIs before the relevant final fixing date, you may receive an amount per SDC Basket ELI which may be less, or substantially less, than your initial investment amount in each SDC Basket ELI.

If you want to sell back the SDC Basket ELIs you hold to us, please contact your distributor for more information. Please refer to the sub-section headed “Is there any Market Making Arrangement for our SDC Basket ELIs before the relevant Final Fixing Date?” on pages 116 to 117 under the section headed “More information about our SDC Basket ELIs” for further details.

- **Post-sale cooling-off period only applies to our SDC Basket ELIs with an investment period of more than one year**

If you have placed a purchase order for an SDC Basket ELI with an investment period of more than one year, you can choose to cancel or unwind (as the case may be) your purchase order (in whole but not in part) during the post-sale cooling-off period.

If you submit a valid instruction to cancel your purchase order before your purchase order is executed on the trade date as specified in the indicative term sheet, the issue price will not be deducted from your designated cash account with your distributor on the issue date, and (if our SDC Basket ELIs are denominated in RMB) will not be subject to an RMB disruption event. However, your distributor may charge you a handling fee when you cancel your purchase order during the post-sale cooling-off period. Please ask your distributor for details.

If you submit a valid instruction to unwind your purchase order after your purchase order is executed on the trade date, in respect of each SDC Basket ELI that you have purchased, the issue price (which includes your distributor’s commission (if any)) will still be deducted from your designated cash account with the distributor on the issue date but we will pay you (via your distributor) a cash amount equal to the issue price less any market value adjustments and handling fee that may be charged by us (as specified in the relevant indicative term sheet). Your distributor’s commission (if any) will also be returned to you in full. However, your distributor may charge you a handling fee. **You should note that in this case, the cash amount that you will receive per SDC Basket ELI will be capped at, and may be less than, or substantially less than, the issue price, and you may suffer a loss on your investment by unwinding your purchase order.** If our SDC Basket ELIs are denominated in RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment under the post-sale cooling-off period unwinding arrangement, the cash amount payable to you will be postponed and may be made in a HKD equivalent amount.

You should also note that your right to cancel or unwind (as the case may be) your purchase order during the post-sale cooling-off period **DOES NOT** apply to SDC Basket ELIs with an investment period of one year or less.

If you want to cancel or unwind (as the case may be) your purchase order during the post-sale cooling-off period, please contact your distributor for more information. Please refer to the sub-section headed “Is there a Post-Sale Cooling-Off Period for our SDC Basket ELIs?” on pages 115 to 116 under the section headed “More information about our SDC Basket ELIs” for further details.

- **Re-investment risk**

Our SDC Basket ELIs contain a callable condition. Our SDC Basket ELIs will be terminated before expiry if the callable condition is satisfied before expiry, and we will pay you the call settlement amount (which will be net of any cash settlement expenses) on the call settlement date as full and final settlement of our SDC Basket ELIs. You may not be able to achieve the same rate of return if you re-invest the settlement at such termination in other investments with similar risk parameters.

- **Our SDC Basket ELIs are not listed on any stock exchange and are not covered by the Investor Compensation Fund in Hong Kong**

As our SDC Basket ELIs are not listed, they are not covered by the Investor Compensation Fund in Hong Kong.

- **When you buy our SDC Basket ELIs, you will be relying on DBS’ creditworthiness**

Our SDC Basket ELIs represent DBS, HK Branch’s general, unsecured and unsubordinated contractual obligations, and of no other persons (including the ultimate holding company of our group, DBS Group Holdings Ltd). We are not a separate entity from DBS and if you purchase our SDC Basket ELIs, you will be relying upon DBS’ creditworthiness and have no rights under the terms of the SDC Basket ELIs against the issuers of the reference assets. Our SDC Basket ELIs are not secured on any of DBS’ assets or any collateral. There is no assurance of protection against a default by us in respect of our payment or delivery obligations under our SDC Basket ELIs. DBS is a large global financial institution and have many financial products and contracts outstanding at any given time.

If we become insolvent or default on our obligations under the SDC Basket ELIs, you or your distributor (either directly or indirectly) can only claim against us as our general, unsecured and unsubordinated creditor. **In the worst case scenario, you could lose all of your investment regardless of the performance of the reference assets in the basket.**

Neither we nor DBS are the ultimate holding company of the group to which we and DBS belong and with which our and DBS’ names are identified. The ultimate holding company of our group is DBS Group Holdings Ltd. Our obligations under the SDC Basket ELIs are not guaranteed by DBS Group Holdings Ltd.

You should refer to the programme memorandum and the financial disclosure document (together with any addendum to the programme memorandum and/or the financial disclosure document) referred to in the relevant indicative term sheet for the corporate and financial information of DBS.

- **Regulatory action(s) by resolution authorities under the Financial Institutions (Resolution) Ordinance in the event that DBS is failing could adversely affect the market value or potential payout of our SDC Basket ELIs**

The Financial Institutions (Resolution) Ordinance (Cap. 628, the Laws of Hong Kong) (the “**FIRO**”) was enacted by the Legislative Council of Hong Kong in June 2016. The FIRO (except Part 8, section 192 and Division 10 of Part 15 thereof) came into operation in July 2017.

The FIRO provides a regime for the orderly resolution of financial institutions with a view to avoiding or mitigating the risks otherwise posed by their non-viability to the stability and effective working of the financial system of Hong Kong, including the continued performance of critical financial functions. The FIRO seeks to provide the relevant resolution authorities with

a range of powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorised institution in Hong Kong. In particular, it is envisaged that subject to certain safeguards, the relevant resolution authority would be provided with powers to affect contractual and property rights as well as payments (including in respect of any priority of payment) that creditors would receive in resolution, including but not limited to powers to write off, or convert into equity, all or a part of the liabilities of the failing financial institution.

As an authorised institution regulated by the Hong Kong Monetary Authority, DBS is subject to and bound by the FIRO. The exercise of any resolution power by the relevant resolution authority under the FIRO in respect of DBS may have a material adverse effect on the market value or potential payout of our SDC Basket ELIs, and as a result, you may not be able to recover all or any amount due under our SDC Basket ELIs. **In the worst case scenario, you could lose all of your investment regardless of the performance of the reference assets in the basket.**

This is a complicated area of law and if you have any doubt or wish to understand more, you should obtain independent legal advice.

- **You do not have direct contractual rights to enforce our SDC Basket ELIs**

In order to enforce your rights in respect of the SDC Basket ELIs, you will have to rely on your distributor to take legal action against us directly or indirectly (through any sub-custodian or intermediary (including any accountholder of the relevant clearing system into whose accounts interests in the SDC Basket ELI have been credited) and the nominee of the relevant clearing system through which your distributor holds the SDC Basket ELIs). If your distributor does not take legal action against us, you will have to compel your distributor to do so by taking legal action against your distributor. Alternatively, if you would like to take legal proceedings against us, you will have to also take legal proceedings in the same action against your distributor, any sub-custodian or intermediary (including any accountholder) and the nominee of the relevant clearing system through which your distributor holds the SDC Basket ELIs.

It is therefore important that you familiarise yourself with, and ensure you understand, your relationship with your distributor in relation to the holding arrangements of our SDC Basket ELIs and the arrangements with your distributor regarding taking action against us upon any default of our obligations under our SDC Basket ELIs.

If you do not understand the arrangements with your distributor or you would like to know the steps to enforce your rights under the SDC Basket ELIs, you should obtain independent professional advice.

- **You will also be relying on the creditworthiness of the distributor(s), any sub-custodian or intermediary and the nominee and/or operators of the relevant clearing system through which you hold our SDC Basket ELIs**

There are risks associated with the custodial arrangements under which the SDC Basket ELIs are held. Your distributor may become insolvent or default on its obligations under the terms of the relevant account keeping or custodian agreement with you. Any sub-custodian or intermediary (including any accountholder) and the nominee and/or operators of the relevant clearing system may also become insolvent or default on their obligations under the terms of the account keeping or custodian agreements they have with your distributor and/or any other sub-custodians or intermediaries. Your remedies as an unsecured creditor against your distributor, and your remedies and your distributor's remedies as an unsecured creditor against any sub-custodian or intermediary (including any accountholder) and the nominee and/or operators of the clearing system, will depend on factors such as the terms of the relevant account keeping or custodian agreements, the location of the accounts in which the SDC Basket ELIs are held by your distributor or any sub-custodian or intermediary (including any accountholder) (this is because such accounts may be located in jurisdictions other than Hong Kong or the jurisdiction of the relevant clearing system and may, therefore, be subject to the laws and procedures of such other jurisdictions) and whether or not the SDC Basket ELIs have been segregated from any other assets.

Even if the SDC Basket ELIs you purchased do not form part of the pool of assets which is applied towards satisfying the claims of the general unsecured creditors of the insolvent or defaulted distributor, sub-custodian or intermediary (including any accountholder) or nominee or operator of the relevant clearing system, there could still be substantial delay before you could receive the cash paid or the reference asset which forms part of the physical settlement amount delivered under the SDC Basket ELIs if your distributor, any sub-custodian or intermediary (including any accountholder) or the nominee or operator of the relevant clearing system becomes insolvent or defaults under its obligations. **In the worst case scenario, you could lose all of your investment.**

- **You have no rights in the reference assets in the basket unless and until the physical settlement amount is determined on the final fixing date to be deliverable**

Unless and until the worst performing reference asset which forms the physical settlement amount is determined on the final fixing date to be deliverable, you have no rights in the reference assets in the basket, including without limitation, the right to receive dividends or other distributions. In the case where the physical settlement amount is determined to be deliverable to you on the expiry date, you will be entitled to all those rights attaching to the worst performing reference asset which forms part of the physical settlement amount as if you had been registered as the holder of such worst performing reference asset from the final fixing date. However, you should note that during the period from the final fixing date to such time as the worst performing reference asset which forms part of the physical settlement amount is delivered to you, neither we nor our affiliate(s) are under any obligation (i) to deliver to you any document or payment whatsoever received by us or our affiliate(s) in our or our affiliate(s)' capacity as the holder of such worst performing reference asset; or (ii) to exercise any or all rights (including voting rights) attaching to such worst performing reference asset. Neither we nor our affiliate(s) are liable to you in respect of any loss or damage which you may suffer as a result, whether directly or indirectly, of us or our affiliate(s) being the holder of such worst performing reference asset during such period. However, we will notify you of the receipt of any dividend, distribution, bonus issue, share or units issued pursuant to a share split or consolidation, by us or our affiliate(s) during such period, in respect of such worst performing reference asset beneficially owned by you, and make available such dividend or distribution payment of such worst performing reference asset to you in a commercially reasonable manner upon production of such evidence of entitlement and identification as we or our affiliate(s) may reasonably require. Please refer to Conditions 4(g) and 4(h) of the general terms and conditions as set out in Appendix B to this product booklet for further details.

- **Investing in our SDC Basket ELIs is not the same as buying the reference assets in the basket**

Investing in our SDC Basket ELIs **is not** the same as buying the reference assets in the basket. Changes in the market prices of the reference assets in the basket may not lead to a corresponding change (if any) in the market value and potential return of our SDC Basket ELIs or even any increase or decrease at all.

The market value of our SDC Basket ELIs will fluctuate depending on factors such as market interest rate movements, DBS' financial condition, the market's view of DBS' credit quality, the value of the embedded conditional put option, the price performance and price volatility of the reference assets in the basket and the remaining tenor of the SDC Basket ELIs. It will also take into account any cost which is, or would be, incurred by us in unwinding our hedging arrangements.

- **Your potential gain or loss on the SDC Basket ELIs is affected by charges and any cash and physical settlement expenses**

Your potential gain or loss on our SDC Basket ELIs will be affected by any handling fee your distributor's charges when you make your application and any fees to open and maintain your

securities or investment account. Your potential gain or loss on our SDC Basket ELIs will also be affected by any cash settlement expenses or physical settlement expenses payable on settlement. For further details on the cash and physical settlement expenses payable for our SDC Basket ELIs, please refer to the relevant indicative term sheet.

We and your distributor may charge you a handling fee when you cancel or unwind (as the case may be) your purchase order during the post-sale cooling-off period or sell your SDC Basket ELIs back to us on a market making day and such fees or charges will reduce the amount you receive when you cancel or unwind (as the case may be) your purchase order or sell your SDC Basket ELIs back to us before the relevant final fixing date.

Please contact your distributor for more information about the amount of the relevant charges payable.

- **The English version of the terms and conditions of our SDC Basket ELIs prevails over the Chinese version**

The global certificate representing a series of our SDC Basket ELIs and the terms and conditions of such series of SDC Basket ELIs will be issued in English only for the purpose of lodgement with the relevant clearing system. If there is any inconsistency between the Chinese version of the terms and conditions of our SDC Basket ELIs and the English version, the English version will prevail over the Chinese version for the purpose of determining the contractual relationship between the holder of our SDC Basket ELIs and us. If you do not understand the English version, you should obtain independent professional advice.

- **You will be exposed to the risks associated with our SDC Basket ELIs from the trade date**

As you will be subject to the terms and conditions of our SDC Basket ELIs from the trade date, you will be exposed to the risks associated with the SDC Basket ELIs from the trade date which may affect the market value and potential return of the SDC Basket ELIs.

- **There could be conflicts of interest arising out of our other activities which may affect our SDC Basket ELIs**

We and our subsidiaries and affiliates may engage in transactions involving, and may provide investment banking and other services to, any company or fund referenced by our SDC Basket ELIs or their securities. Those transactions may have a positive or negative impact on the market value and potential return of our SDC Basket ELIs. We and our subsidiaries and affiliates may have officers who serve as directors of the company which is the issuer of the reference asset of our SDC Basket ELIs. We may issue other competing financial products which may affect the market value and potential return of our SDC Basket ELIs.

We are the issuer in respect of our non-principal protected unlisted equity linked investment programme and the equity linked investments issued thereunder. In addition, we are also responsible for the market making of our SDC Basket ELIs.

You should note that potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with our SDC Basket ELIs. Although our economic interests in each role may be adverse to your interests in our SDC Basket ELIs, we maintain regulatorily required information barriers between our different business areas as well as regulatorily required policies and procedures designed to minimise and manage such potential and actual conflicts of interest to comply with applicable laws and regulations, and to ensure our transactions and/or dealings will be transacted at arm's length.

- **Cancellation of your purchase order or postponement of key dates relevant to the terms and conditions of our SDC Basket ELIs**

If the trade date falls on a disrupted day for any reference asset(s) in the basket and your purchase order for the SDC Basket ELIs has not yet been executed on such trade date, the offering of the relevant series of SDC Basket ELIs and your purchase order for such series of SDC Basket ELIs will be cancelled.

If any of the call fixing date(s), knock-in event date(s) (if applicable) or the final fixing date is a disrupted day for any reference asset(s) in the basket, such day in respect of the affected reference asset(s) will be postponed to the following scheduled trading day which is not a disrupted day, or if the disruption continues for eight consecutive scheduled trading days, that eighth scheduled trading day will be deemed to be such key date in respect of the affected reference asset(s) notwithstanding the fact that such day is a disrupted day for such affected reference asset(s). We will estimate in good faith and in a commercially reasonable manner the closing price(s) of the affected reference asset(s) on such day by reference to, without limitation, the last reported price(s) of such affected reference asset(s) and prevailing market conditions. Any such valuation by us may have an adverse effect on the market value and potential return of our SDC Basket ELIs. In addition, any such consequential postponement may result in the delay in the settlement of any call settlement amount or final settlement payout under our SDC Basket ELIs. We will not pay any interest or extra amount for the delay in settlement.

Please refer to the section headed “Our SDC Basket ELIs — Extraordinary Events, Adjustments, Substitution, Early Termination, Adjustments to Key Dates and Occurrence of an RMB Disruption Event” on pages 81 to 88 of this product booklet for further information in relation to the cancellation of your purchase order and the postponement of key dates.

- **If you are to receive physical settlement amount at expiry of the SDC Basket ELIs, the physical settlement amount will only be delivered on the expiry date. There are risks of settlement disruption**

You should note that, if you are to receive the physical settlement amount at expiry of our SDC Basket ELIs as determined on the final fixing date, the physical settlement amount will only be delivered to you on the expiry date. Therefore, you will be exposed to any movement in the market price of the worst performing reference asset as at the final fixing date during the period between the final fixing date and the expiry date.

As the reference assets in the basket will consist of shares in a company and/or units in a fund listed on the Main Board of HKEX, the relevant clearing system for the worst performing reference assets which forms part of the physical settlement amount will be the Central Clearing and Settlement System (“CCASS”). Our ability to effect electronic settlement of such worst performing reference asset may be restricted if there are disruptions within CCASS. If this occurs, delivery of the physical settlement amount (including cash payment of any fractional shares or units of the worst performing reference asset as at the final fixing date) to you (via your distributor) will be postponed to the following clearing system business day which also falls on a business day and which is not affected by such settlement disruptions. This will result in delays in you receiving the physical settlement amount.

If such settlement disruption event persists on the eighth clearing system business day after the scheduled expiry date, we will seek to deliver the worst performing reference asset which forms part of the physical settlement amount to you (via your distributor) as soon as reasonably practicable in a commercially reasonable manner outside CCASS. If such worst performing reference asset cannot be delivered in any other commercially reasonable manner, the expiry date will be postponed until delivery can be effected through CCASS, another relevant clearing system or in any other commercially reasonable manner. You should note that cash payment of any fractional shares or units of such worst performing reference asset will also be postponed until such time when such worst performing reference asset which forms the physical settlement amount can be delivered. There is no assurance of the duration of such a delay. Where such a delay occurs, movements in the market price of such worst performing reference asset could affect the market value of the physical settlement amount delivered on the postponed expiry date. We will not pay any extra amount (such as interest) for any delay in delivery of the physical settlement amount.

- **Risks related to the physical settlement amount and odd lots of worst performing reference asset as at the final fixing date**

You should note that, if you receive the worst performing reference asset which forms part of the physical settlement amount (in board lots or odd lots (as the case may be) of such worst

performing reference asset) at expiry of our SDC Basket ELIs, subsequent to the delivery of such worst performing reference asset to you, you will be exposed to the market risk of holding such worst performing reference asset if you choose not to sell your holding of such worst performing reference asset on the expiry date. If an odd lot of such worst performing reference asset is delivered to you as part of the physical settlement amount, you should note that the market price of such worst performing reference asset in the odd lot may be lower than that in the whole board lot, and you may also experience difficulty in selling, or may not be able to sell, such odd lot in the market.

- **Investing in SDC Basket ELIs may involve exchange rate risk**

Our SDC Basket ELIs may be issued and settled in a currency other than the underlying currency of the worst performing reference asset as at the final fixing date. If necessary, we will convert the settlement currency into the underlying currency of such worst performing reference asset or convert the underlying currency of such worst performing reference asset into the settlement currency at the exchange rate specified in the relevant indicative term sheet for the purposes of calculating the physical settlement amount upon expiry of the SDC Basket ELIs (if applicable).

If the SDC Basket ELIs are not denominated in your home currency, you will be exposed to fluctuations in the prevailing exchange rate of the relevant currency when you convert any payments received under the SDC Basket ELIs back to your home currency.

You should note that fluctuations in the exchange rate may have an adverse impact on your financial return on our SDC Basket ELIs.

- **Some of the terms of the SDC Basket ELIs may only be determined on the trade date after you have placed your purchase order for the SDC Basket ELIs**

The initial spot price of each reference asset in the basket may be (i) its closing price on the trade date, or (ii) its prevailing market price as quoted by HKEX at the time your purchase order is executed on the trade date provided that such price has satisfied your pre-set criteria that is set out in the indicative term sheet, or (iii) its prevailing market price as quoted by HKEX at the time your purchase order is executed on the trade date.

You should note that the initial spot price of each reference asset in the basket will only be recorded and determined on the trade date after you have placed your purchase order for the SDC Basket ELIs. As certain commercial variables in relation to each reference asset in the basket (i.e. the call price, the knock-in price (if applicable) and the exercise price) will be expressed as a specified pre-determined percentage of the initial spot price in the relevant indicative term sheet, the actual prices of such commercial variables will also only be recorded and determined on the trade date after you have placed your purchase order. Also, once you have placed your purchase order for the SDC Basket ELIs, you will have to bear the risk of changing market conditions between the time you place your purchase order for your SDC Basket ELIs and the time when your purchase order is executed on the trade date which will affect the determination of the commercial variables in relation to each reference asset in the basket (including the initial spot price, the exercise price, the call price, and the knock-in price (if applicable)) that are applicable to your SDC Basket ELIs and the total payout on your SDC Basket ELIs.

- **Market value and potential return of the SDC Basket ELIs may be adversely affected by tax implications**

Investing in our SDC Basket ELIs may have taxation implications which may adversely affect the market value and potential return of your SDC Basket ELIs. You should consider the tax consequences of investing in our SDC Basket ELIs and consult your tax adviser about your own tax situation. See the section headed "Taxation" in the programme memorandum.

- **We may adjust the terms and conditions of the SDC Basket ELIs, substitute a reference asset or early terminate the SDC Basket ELIs**

Adjustments

If during the investment period:

- (a) the issuer determines in its sole and absolute discretion and acting in good faith and in a commercially reasonable manner that (i) a potential adjustment event has occurred and (ii) such event has a diluting or concentrative effect on the theoretical value of any of the reference assets in the basket; or
- (b) a merger event or a tender offer has occurred,

we will, in our sole and absolute discretion acting in good faith and in a commercially reasonable manner, determine any appropriate adjustments to the terms and conditions for the relevant series of SDC Basket ELIs so as to preserve the economic equivalence of our SDC Basket ELIs.

You should note that when making any such adjustments, we will not take into account your specific circumstances and/or other consequences of such adjustments in any particular jurisdiction. Please refer to the section headed “Our SDC Basket ELIs — Extraordinary Events, Adjustments, Substitution, Early Termination, Adjustments to Key Dates and Occurrence of an RMB Disruption Event” on pages 81 to 88 of this product booklet for further information in relation to adjustment of the SDC Basket ELIs.

Substitution or Early Termination

If (x) in the case of (b) above, we determine that no adjustment is able to account for such event so as to preserve the economic equivalence of our SDC Basket ELIs, or (y) during the investment period, an insolvency, a nationalisation, delisting or other event occurs, we may substitute each affected reference asset with shares of another company or units of another fund (as further described in the section entitled “Our SDC Basket ELIs — Extraordinary Events, Adjustments, Substitution, Early Termination, Adjustments to Key Dates and Occurrence of an RMB Disruption Event” on pages 81 to 88 of this product booklet). If we determine that substitution is appropriate to account for that event, we will continue our SDC Basket ELIs and make any further adjustments to the terms of our SDC Basket ELIs in respect of the new shares or units as we think fit (determined by us in our sole and absolute discretion acting in good faith and in a commercially reasonable manner) to account for that event, provided that such substitution and adjustment is not considered by us to be prejudicial to the investors. You should note that when making any such adjustments, we will not take into account your specific circumstances and/or other consequences of such adjustments in any particular jurisdiction. Such substitution or adjustment (if any) may have an adverse effect on the market value and potential return of the SDC Basket ELIs. If we determine that substitution is not appropriate to account for that event, we will early terminate our SDC Basket ELIs.

If we early terminate our SDC Basket ELIs, we will pay you a fair market value for each of your SDC Basket ELIs as soon as practicable after the date of termination of our SDC Basket ELIs (determined by us in our sole and absolute discretion acting in good faith and in a commercially reasonable manner). Please refer to the sub-section headed “Extraordinary events; Adjustments to terms and conditions; Substitution of reference asset(s); Early termination” in the section headed “Our SDC Basket ELIs — Extraordinary Events, Adjustments, Substitution, Early Termination, Adjustments to Key Dates and Occurrence of an RMB Disruption Event” on pages 81 to 85 for details of how the fair market value is calculated. **Depending on the then prevailing market conditions, this fair market value of each SDC Basket ELI may be less, or substantially less, than your initial investment amount in each SDC Basket ELI, and may be as low as zero.**

- **We will early terminate the SDC Basket ELIs for tax reasons**

We will early terminate our SDC Basket ELIs if we are required by Hong Kong or Singapore law to withhold or deduct taxes, or are prevented by Hong Kong or Singapore law from making payments of any sums payable by us under our SDC Basket ELIs.

If our SDC Basket ELIs are early terminated due to the tax reasons stated above, we will pay you a fair market value for each of your SDC Basket ELIs without withholding or deduction for any taxes imposed by Hong Kong or Singapore law on the tax early termination date or special tax early termination date (as defined in Conditions 7 and 8 of the general terms and conditions as set out in Appendix B to this product booklet respectively), as the case may be. **Depending on the then prevailing market conditions, this fair market value of each SDC Basket ELI may be less, or substantially less, than your initial investment amount in each SDC Basket ELI, and may be as low as zero.**

You should refer to the section headed “Our SDC Basket ELIs — Extraordinary Events, Adjustments, Substitution, Early Termination, Adjustments to Key Dates and Occurrence of an RMB Disruption Event” on pages 81 to 88 of this product booklet and the general terms and conditions (in particular, Conditions 7 and 8) as set out in Appendix B to this product booklet for a ready reference of the situations in which we will early terminate our SDC Basket ELIs due to tax reasons.

- **Risk of the hedging arrangements relating to our SDC Basket ELIs affecting the market price of the reference assets**

We may enter into hedging transactions with counterparties in the market in order to enable us to receive any call settlement amount or final settlement payout (as the case may be) due to you under our SDC Basket ELIs. The unwinding or adjustment of the positions in the reference assets in the basket may itself affect the market prices of the reference assets in the basket, particularly if there is otherwise low trading volume in the reference assets in the basket at that time.

It is possible that this activity could cause the closing price of worst performing reference asset on any scheduled trading day to (i) rise above its call price, resulting in the callable condition being satisfied for termination of the SDC Basket ELIs, or (ii) fall below its knock-in price, which may, in the case of SDC Basket ELIs for which daily knock-in feature is applicable, result in the occurrence of a knock-in event. It is also possible that this activity could affect the closing price of the worst performing reference asset on the final fixing date in a manner that could result in the delivery of the physical settlement amount on the expiry date in respect of each SDC Basket ELI, the market value of which may be less, or substantially less, than your initial investment amount in each SDC Basket ELI, and may be as low as zero.

On the other hand, the failure of any hedging counterparty to fulfil its obligations under such hedging activities shall not, on its own, have any impact on you. We will bear the risk of the failure of any hedging counterparty and make no adjustments to the terms and structure under our SDC Basket ELIs as a result of such failure.

- **We or our group companies may buy and sell our SDC Basket ELIs**

We or our group companies may at any time and at any price buy our SDC Basket ELIs whether in the open market or by private arrangement. Any SDC Basket ELIs that we or our group companies purchased may be held or resold or cancelled. The price we offer to purchase or sell our SDC Basket ELIs may be affected by various factors including transaction costs, which may have an indirect effect on the market value of our SDC Basket ELIs generally. Such trading activities may have a negative impact on the market value of our SDC Basket ELIs, and may affect your gain or loss under our SDC Basket ELIs if you intend to realise your investment in our SDC Basket ELIs before the relevant final fixing date.

- **Risks related to funds in general**

Each real estate investment trust and exchange traded fund is managed by its manager and the investment objectives and investment restrictions of the relevant real estate investment trust or exchange traded fund may change from time to time. Neither we nor our affiliates have any control over the decisions made by the manager regarding the relevant real estate investment trust or exchange traded fund and have no rights against the manager for its decisions. The manager of the relevant real estate investment trust or exchange traded fund is not involved in the offer of our SDC Basket ELIs in any way and has no obligation to consider your interests in taking any action that might affect the market price of the units of the relevant real estate investment trust or exchange traded fund and, in turn, affect our SDC Basket ELIs. The manager's decisions may have an adverse impact on the financial return of the SDC Basket ELIs.

There is also a risk that the investment objectives and/or investment restrictions as set out in the constitutive documents in relation to the relevant real estate investment trust or exchange traded fund are materially changed or are not complied with or the method of calculating the net asset value of the relevant real estate investment trust and exchange traded fund is materially changed during the investment period. The applicable laws and regulations governing the relevant real estate investment trust or exchange traded fund may also restrict the operations of the relevant real estate investment trust or exchange traded fund and restrict its ability to achieve the investment objectives. If any of the above cases were to occur, and in the case of any other fund termination event set out in Condition 17 of the general terms and conditions of our SDC Basket ELIs (as set out in Appendix B hereto), we may decide, in our sole and absolute discretion acting in good faith and in a commercially reasonable manner, to early terminate our SDC Basket ELIs in accordance with Condition 6(b) in the general terms and conditions of our SDC Basket ELIs (as set out in Appendix B hereto). The termination event settlement amount that you will receive per SDC Basket ELI might be adversely affected and may be substantially less than your initial investment amount in each SDC Basket ELI.

You should read the offering documents of the relevant real estate investment trust or exchange traded fund for further information about the risks applicable to the relevant real estate investment trust or exchange traded fund.

- **Risk warnings specific to SDC Basket ELIs linked to exchange traded fund(s)**

The investment objective of most exchange traded funds (“ETFs”) is to track the performance of the equity(ies) or assets underlying the ETFs or, as the case may be, a specified index. However, increases in the price performance of the equity(ies) or assets underlying the ETFs or the performance of the specified index may not lead to an increase in the market prices of the ETFs. Also, any increases in the market prices of the ETFs or the equity(ies) or assets underlying the ETFs or the level of the related index (as the case may be) may not lead to an increase in the market value of the SDC Basket ELIs of the same magnitude or even any increase at all.

An ETF is exposed to the political, economic, currency and other risks related to the underlying equity(ies), assets or index that the ETF is designed to track. There may also be disparity between the performance of the ETF and the performance of the underlying equity(ies), assets or index that the ETF is designed to track as a result of, for example, failure of the tracking strategy, currency differences, fees and expenses. In addition, where the index or market that the ETF tracks is subject to restricted access, the efficiency in the unit creation or redemption to keep the price of the ETF in line with its net asset value may be disrupted, causing the ETF to trade at a premium or discount to its net asset value. Such risks may have a negative impact on the performance of the reference assets in the basket and the market value and potential return of our SDC Basket ELIs.

You should read the offering documents of the relevant ETF for further information about the risks applicable to the relevant ETF.

- **Risks related to synthetic exchange traded funds**

Some ETFs may not invest directly in the index constituents but instead they may synthetically replicate the performance of the index by investing in derivatives issued by market counterparties that are linked to the index constituents or the index. For these synthetic ETFs, you are exposed to the credit risk of the counterparties which issued the derivatives, in addition to the risks relating to the index. Potential contagion and concentration risks of these counterparties which issued the derivatives should also be taken into account (for example, since these counterparties are predominantly international financial institutions, the failure of one derivative counterparty of a synthetic ETF may have a “knock-on” effect on other derivative counterparties of the synthetic ETF). Some synthetic ETFs have collateral to reduce counterparty risk, but there may be a risk that the market value of the collateral has fallen substantially when the synthetic ETF seeks to realise the collateral.

In addition, a higher liquidity risk is involved if a synthetic ETF involves derivatives which do not have an active secondary market. Such derivatives may have to be valued or sold at a much lower price than those with an active secondary market given a wider bid-offer spread in the price of the derivatives. This may result in losses in the synthetic ETF. There may also be disparity between the performance of the synthetic ETF and the performance of the underlying index due to, for instance, failure of the tracking strategy, currency differences, fees and expenses.

Furthermore, where the index/market that the synthetic ETF tracks is subject to restricted access, the efficiency in unit creation or redemption to keep the price of the synthetic ETF in line with its net asset value may be disrupted, causing the synthetic ETF to trade at a premium or discount to its net asset value.

The market value of the derivatives and the synthetic ETF may drop substantially in these circumstances and may adversely affect the market value and potential return of the SDC Basket ELIs in which case you may suffer a loss in your investment. In the worst case scenario, you may lose all your investment.

You should read the offering documents of the relevant ETF for further information about the risks applicable to the relevant ETF.

- **Risk warnings specific to SDC Basket ELIs linked to real estate investment trust(s)**

The investment objective of real estate investment trusts (“REITs”) is to invest in a real estate portfolio.

Each REIT is exposed to risks relating to investments in real estate, including but not limited to (a) adverse changes in political or economic conditions, (b) changes in interest rates and the availability of debt or equity financing, which may result in an inability by the REIT to maintain or improve the real estate portfolio and finance future acquisitions, (c) changes in environmental, zoning and other governmental rules, (d) changes in market rents, (e) any required repair and maintenance of the portfolio properties, (f) breach of any property laws or regulations, (g) the illiquidity of real estate investments, (h) real estate taxes, (i) any hidden interests in the portfolio properties, (j) any increase in insurance premiums and (k) any uninsurable losses.

There may also be disparity between the market price of the units of a REIT and the net asset value per unit. This is because the market price of the units of a REIT also depends on many factors, including but not limited to (i) the market value and perceived prospects of the real estate portfolio, (ii) changes in economic or market conditions, (iii) changes in market valuations of similar companies, (iv) changes in interest rates, (v) the perceived attractiveness of the units of the REIT against those of other equity securities, (vi) the future size and liquidity of the market for the units and the REIT market generally, (vii) any future changes to the regulatory system, including the tax system and (viii) the ability of the REIT to implement its investment and growth strategies and to retain its key personnel. Such risks may have a negative impact on the performance of the units of the REIT and the market value and potential return of our SDC Basket ELIs.

In addition, increases in the market price of the units of the REIT or its real estate portfolio may not lead to an increase in the market value of the SDC Basket ELIs of the same magnitude or even any increase at all.

You should read the offering documents of the relevant REIT for further information about the risks applicable to the relevant REIT.

- **Risk warnings specific to SDC Basket ELIs linked to the units of exchange traded fund(s) investing through the QFI regimes and/or China Connect (“China ETF(s)”)**

Where the SDC Basket ELIs are linked to units of a China ETF issued and traded outside mainland China with direct investment in the securities markets in mainland China through the Qualified Foreign Institutional Investor regime and RMB Qualified Foreign Institutional Investor regime (collectively, “**QFI regimes**”) and/or the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively, “**China Connect**”), such SDC Basket ELIs entail certain additional risks:

- (a) the novelty and untested nature of China Connect makes China ETFs investing through it riskier than traditional ETFs. The policy and rules for the QFI regimes and China Connect prescribed by the PRC central government are subject to change, and there may be uncertainty to their implementation. Such uncertainty and potential change of the laws and regulations in mainland China may have an adverse impact on the performance of a China ETF, and may also have potential retrospective effect. The operation of a China ETF may also be affected by the interventions of applicable governmental bodies and regulators in the financial markets. These changes may in turn adversely affect the market value and potential return of the SDC Basket ELIs linked with one or more reference assets comprising the units of China ETF(s) in which case you may suffer a loss in your investment. In the worst case scenario, you could lose all of your investment;
- (b) a China ETF primarily invests in the securities traded in the securities markets in mainland China and is subject to concentration risk. Investment in the securities markets in mainland China (which are inherently stock markets with restricted access) requires further consideration of factors such as greater political, tax, economic, foreign exchange, liquidity and regulatory risks, as compared with investment in more developed economies or markets;
- (c) trading of securities invested by a China ETF under China Connect will be subject to a daily quota which is utilised on a first-come-first-serve basis under China Connect. If the daily quota under China Connect is reached, the manager may need to suspend creation of further units of the China ETF, and therefore this may affect the liquidity in respect of the units of such China ETF. In such an event, the trading price of a unit of such China ETF is likely to be valued at a significant premium to its net asset value, and the price may be highly volatile. The People’s Bank of China and the State Administration of Foreign Exchange have published the detailed implementation rules removing the investment quota allocated to such China ETF under the QFI regimes with effect from 6 June 2020; and

- (d) the general tax laws and regulations in mainland China are under constant development and often subject to change as a result of shifts in policy of the PRC central government. As such, there is a possibility that the current tax laws, rules, regulations and practice in mainland China and/or the current interpretation or understanding thereof may change in the future and such change(s) may have retrospective effect. It is possible that units of a China ETF could become subject to additional taxation that is not anticipated as at the trade date of the SDC Basket ELIs. A China ETF may make a provision for such unanticipated additional taxation, however any such provision may be more than or less than the actual tax liabilities of the China ETF. In case of a shortfall in the provision for such unanticipated additional taxes of the China ETF, the relevant amounts are likely to be debited from the assets of the China ETF to meet its actual tax liabilities. As a result, the performance of the units of the China ETF may be adversely affected and the degree of impact on the units of such China ETF may vary, depending on factors such as the level of the provision for taxes of the China ETF and the amount of the shortfall at the relevant time. In addition, any changes in tax policies of the PRC central government may reduce the after-tax profits of the companies in mainland China which a China ETF invests in. Any of these changes may reduce the income from, and/or the value of, the units of such China ETF which may adversely affect the market value and potential return of the SDC Basket ELIs in which case you may suffer a loss in your investment. In the worst case scenario, you could lose all of your investment.

Although the units of a China ETF are listed on the Main Board of HKEX, there is no guarantee that an active trading market for such units can be developed or, if an active market does develop, liquidity of that market can be sustained. Also, the price and trading volume of the units of China ETFs may be highly volatile subject to the market sentiment, and may be more volatile than would generally be expected from ETFs with a longer trading history.

The above risks may have a significant adverse impact on the performance of the units of China ETF(s) and the market value and potential return of the SDC Basket ELIs. You should read the offering documents of the relevant China ETF(s) for further information about the risks applicable to the relevant China ETF.

- **Risk warnings specific to SDC Basket ELIs linked to reference asset(s) adopting the dual counter model**

Where the issuer of a reference asset of our SDC Basket ELIs adopts the dual counter model for trading its shares or units on the HKEX in RMB and HKD separately, you need to consider the following additional risks in light of the novelty and relatively untested nature of the HKEX's "dual counter" model:

- (a) the SDC Basket ELIs may be linked to the HKD-traded shares or units or RMB-traded shares or units of a company or fund. If the relevant reference assets are the HKD-traded shares or units, movements in the trading prices of the RMB-traded shares or units should not directly affect the market value and potential return of our SDC Basket ELIs. Similarly, if the relevant reference assets are the RMB-traded shares or units, movements in the trading prices of the HKD-traded shares or units should not directly affect the market value and potential return of our SDC Basket ELIs;
- (b) if there is a suspension of inter-counter transfer of such shares or units between its HKD counter and its RMB counter for any reason, such shares or units will only be able to be traded in the relevant currency counter on the HKEX, which may affect the demand and supply of the relevant reference assets and have an adverse effect on the market value and potential return of the SDC Basket ELIs; and

- (c) the trading price on the HKEX of the HKD-traded shares or units and RMB-traded shares or units may deviate significantly due to different factors, such as market liquidity, RMB conversion risk, supply and demand in each counter and the exchange rate between offshore RMB and HKD. Changes in the trading price of the relevant reference assets may adversely affect the market value and potential return of the SDC Basket ELIs in which case you may suffer a loss in your investment.
- **Risk warnings specific to RMB-denominated SDC Basket ELIs and/or SDC Basket ELIs linked to RMB-quoted reference asset(s)**

Where the settlement currency of the SDC Basket ELIs and/or the underlying currency of a reference asset is/are RMB, you should note the following additional risks:

(i) *Offshore RMB exchange rate risks*

While both onshore RMB (i.e. RMB traded in the mainland China) (“**onshore RMB**”) and offshore RMB (i.e. RMB traded outside the mainland China) (“**offshore RMB**”) are the same currency, they are traded in different and separate markets operating under different regulations and independent liquidity pool. Onshore RMB and offshore RMB are currently quoted in different markets with different exchange rates, whereby their exchange rate movements may not be in the same direction or magnitude. The offshore RMB exchange rate may deviate significantly from the onshore RMB exchange rate. In the case where: (i) the underlying currency of the worst performing reference asset as at the final fixing date is HKD but our SDC Basket ELIs are denominated in RMB, or (ii) the underlying currency of the worst performing reference asset as at the final fixing date is RMB but our SDC Basket ELIs are denominated in a currency other than RMB, changes in the offshore RMB exchange rate may adversely affect the number of shares or units of the worst performing reference asset as at the final fixing date deliverable to you (and the value of such number of shares or units of the worst performing reference asset as at the final fixing date in its underlying currency) in the case of physical settlement.

Where the underlying currency of the worst performing reference asset as at the final fixing date is HKD but our SDC Basket ELIs are denominated in RMB, in case of physical delivery of such worst performing reference asset, if the value of RMB against HKD on the final fixing date is lower than that as at the trade date (i.e. RMB depreciates against HKD), you will receive a fewer number of shares or units of such worst performing reference asset because a lesser amount of HKD can be converted from the nominal amount to buy such worst performing reference asset at its exercise price.

Where the underlying currency of the worst performing reference asset as at the final fixing date is RMB but our SDC Basket ELIs are denominated in a currency other than RMB, in case of physical delivery of such worst performing reference asset, if the value of RMB against such other currency on the final fixing date is higher than that as at the trade date (i.e. RMB appreciates against such other currency), you will receive a fewer number of shares or units of such worst performing reference asset because a lesser amount of RMB can be converted from the nominal amount to buy such worst performing reference asset at its exercise price.

The exchange rate of offshore RMB will be affected by, amongst other things, the PRC central government’s foreign exchange control which may adversely affect your potential return under our RMB-denominated SDC Basket ELIs when you convert RMB into such other currency, or vice versa.

If RMB is not your home currency, you may have to convert your home currency into RMB when investing in RMB-denominated SDC Basket ELIs. You may also have to convert payments made on such SDC Basket ELIs or proceeds from selling the relevant RMB-quoted reference asset delivered to you under our SDC Basket ELIs back to your home currency. During these processes, you will incur currency conversion costs and be exposed to risk of fluctuation in the exchange rate of offshore RMB against your home currency.

Please note that like other foreign currencies, the exchange rate of offshore RMB may rise or fall. There is no guarantee that RMB will not depreciate. Our RMB-denominated SDC Basket ELIs shall not be used as an investment for speculating in the appreciation of RMB.

(ii) Limited pool of RMB outside mainland China

RMB is subject to foreign exchange control and restrictions by the PRC central government.

There is currently a limited pool of RMB outside mainland China. Should the PRC central government tighten its foreign exchange control over the cross border movements between onshore RMB and offshore RMB, the liquidity in RMB is likely to be adversely affected. Such limitation on liquidity in RMB may increase our unwind cost on any hedging arrangements relating to the RMB-denominated SDC Basket ELIs or SDC Basket ELIs linked to RMB-quoted reference asset(s) which in turn may adversely affect the market value and potential return of such SDC Basket ELIs.

(iii) Payment postponement for RMB disruption event

In the case where the settlement currency of the SDC Basket ELIs is RMB, upon the occurrence of an RMB disruption event on, or prior to and is continuing on, any date on which any amount payable in RMB under the SDC Basket ELIs are scheduled to be paid, such payment will be postponed to the third business day after the date on which the RMB disruption event ceases to exist. However, if the RMB disruption event continues to exist for twelve consecutive business days from the original scheduled date of payment, we will, by no later than the third business day after such twelfth business day, make such payment in an equivalent amount in HKD calculated by us acting in good faith and in a commercially reasonable manner by using the exchange rate between offshore RMB and HKD as of such twelfth business day. Please refer to the section headed “Our SDC Basket ELIs — Extraordinary Events, Adjustments, Substitution, Early Termination, Adjustments to Key Dates and Occurrence of an RMB Disruption Event” on pages 81 to 88 of this product booklet for further details.

The occurrence of an RMB disruption event could delay a payment to you under the SDC Basket ELIs. We will not pay any extra amount (such as interest) for any delay in making such payment. You may suffer potential loss in interest which could otherwise be earned through placing the relevant amount in a bank deposit had there not been a delay in making such payment. In addition, if such payment is made in an equivalent amount in HKD, you will be exposed to the risk of fluctuation in the exchange rate of offshore RMB against HKD. If RMB depreciates significantly against HKD following the occurrence of an RMB disruption event, you will suffer a loss in HKD terms as the equivalent amount in HKD paid to you will be substantially less than the value of the relevant amount payable in RMB on the original payment date in HKD terms (calculated based on the exchange rate between offshore RMB and HKD prior to the occurrence of the RMB disruption event).

(iv) *RMB interest rate risk*

The interest rate for offshore RMB may be different from the interest rate for onshore RMB. The interest rate for offshore RMB and the interest rate for onshore RMB are currently quoted in different markets with different rates, whereby their movements may not be in the same direction or magnitude. The interest rate for offshore RMB may deviate significantly from the interest rate for onshore RMB. Interest rates for onshore RMB are controlled by the PRC central government. The PRC central government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation of interest rates for onshore RMB may occur and may influence the interest rate for offshore RMB. The market value and potential return of our RMB-denominated SDC Basket ELIs and/or our SDC Basket ELIs linked to RMB-quoted reference assets may be adversely affected by the fluctuations in the interest rate for offshore RMB.

- **You or your distributor may experience difficulties or delay in enforcing judgments against us outside Hong Kong or may not be able to enforce such judgments at all**

If you or your distributor (directly or indirectly through any sub-custodian or intermediary (including any accountholder) and the nominee of the relevant clearing system) have or has obtained a judgment against us in a Hong Kong court upon a breach of the terms and conditions of our SDC Basket ELIs, you or your distributor (directly or indirectly through any sub-custodian or intermediary (including any accountholder) and the nominee of the relevant clearing system) may enforce such judgment against DBS' assets in Hong Kong in accordance with applicable laws and procedures to recover any amount due or reference asset which forms part of the physical settlement amount deliverable under our SDC Basket ELIs. However, DBS is a banking institution and a company incorporated in Singapore with branch offices in and outside Singapore and DBS, HK Branch is not a separate entity from DBS. A large portion of DBS' business, assets and operations are located outside Hong Kong. To the extent that DBS' assets in Hong Kong are not sufficient to satisfy all the claims under our SDC Basket ELIs, you or your distributor (directly or indirectly through any sub-custodian or intermediary (including any accountholder) and the nominee of the relevant clearing system) may have to enforce the Hong Kong judgment against DBS' assets located outside Hong Kong.

Enforcement of a Hong Kong judgment in an overseas jurisdiction is subject to the local laws and regulations of the relevant jurisdiction and may depend on, among other factors, whether there is any reciprocal arrangement for the enforcement of judgment between Hong Kong and the relevant jurisdiction and is subject to compliance with the local procedures and requirements. You or your distributor (directly or indirectly through any sub-custodian or intermediary (including any accountholder) and the nominee of the relevant clearing system) may therefore experience difficulties or delay in enforcing the judgment or may not be able to enforce it at all, and as a result may not be able to recover all or any of the amount due or reference asset which forms part of the physical settlement amount deliverable under our SDC Basket ELIs. **In the worst case scenario, you could lose all of your investment.**

This is a complicated area of law and if you have any doubt or wish to understand more, you should obtain independent professional legal advice.

HYPOTHETICAL EXAMPLE FOR OUR SDC BASKET ELIS WITHOUT KNOCK-IN FEATURE

*The following hypothetical example does not reflect a complete analysis of all possible gain or loss scenarios. The example has been provided for illustrative purposes only and actual performance of the SDC Basket ELIs may vary from the example shown. You must not rely on it as an indication of the actual performance of the reference assets or the total payout on the SDC Basket ELIs. **It does not take into account any expenses payable by the investor.***

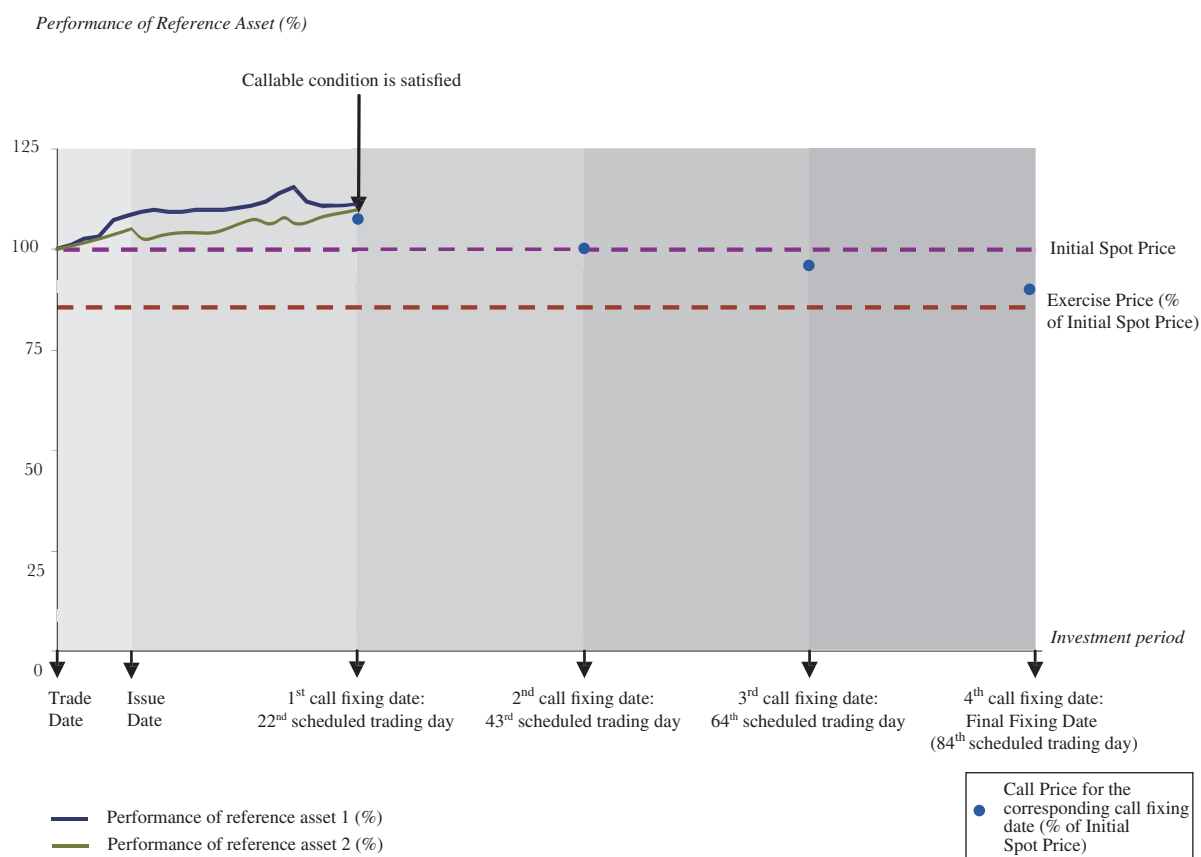
In this example, suppose an investor bought 10 SDC Basket ELIs (with no knock-in feature) with the following terms and such SDC Basket ELIs have not been otherwise terminated:

Reference assets in the basket	Reference Asset 1	Reference Asset 2
Investment period of the SDC Basket ELIs	4 months	
Initial spot price	HKD91.70	HKD22.50
Issue price for each SDC Basket ELI (100% of nominal amount)	HKD10,000	
Nominal amount for each SDC Basket ELI	HKD10,000	
Total issue price for 10 SDC Basket ELIs	HKD100,000	
Total nominal amount for 10 SDC Basket ELIs	HKD100,000	
Exercise price (80% of the initial spot price) (for the determination of final settlement payout on the final fixing date)	HKD73.3600	HKD18.0000

Call fixing date*	Call distribution rate	Call price		
		% of the initial spot price	Reference Asset 1	Reference Asset 2
1 st call fixing date: The 22 nd scheduled trading day	2%	105% of initial spot price	HKD96.2850	HKD23.6250
2 nd call fixing date: The 43 rd scheduled trading day	4%	100% of initial spot price	HKD91.7000	HKD22.5000
3 rd call fixing date: The 64 th scheduled trading day	6%	95% of initial spot price	HKD87.1150	HKD21.3750
4 th call fixing date: The Final Fixing Date	8%	90% of initial spot price	HKD82.5300	HKD20.2500

* For the purpose of the following examples, the call fixing dates will be expressed as the nth scheduled trading day from the trade date. The call fixing dates will be set as an actual date in the relevant indicative term sheet.

Scenario 1 — Assume that the callable condition is satisfied on the 1st call fixing date (call scenario)



- **Which is the worst performing reference asset on the 1st call fixing date?**

Assume that the closing price of reference asset 1 and reference asset 2 on the 1st call fixing date is HKD103.60 and HKD24.10, respectively. Hence, the performance of each reference asset in the basket on the 1st call fixing date is calculated as follows:

$$\text{— Performance of reference asset 1} = \frac{\text{HKD}103.60}{\text{HKD}91.70} \times 100\% = 112.9771\%$$

$$\text{— Performance of reference asset 2} = \frac{\text{HKD}24.10}{\text{HKD}22.50} \times 100\% = 107.1111\%$$

As reference asset 2 has the lowest performance, it will be the worst performing reference asset on the 1st call fixing date.

The worst performing reference asset for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Callable condition is satisfied

— The above diagram illustrates that the worst performing reference asset (being reference asset 2) closes above its call price on the 1st call fixing date. Hence, the callable condition is satisfied on this call fixing date and the SDC Basket ELIs will be terminated.

— For each SDC Basket ELI, investor receives the call settlement amount on the call settlement date, which is equal to the nominal amount of HKD10,000, together with the potential call distribution amount of HKD200 (i.e. HKD10,000 x 2%).

For 10 SDC Basket ELIs:

$$\text{HKD}10,000 \times 10 + \text{HKD}200 \times 10 = \text{HKD}102,000$$

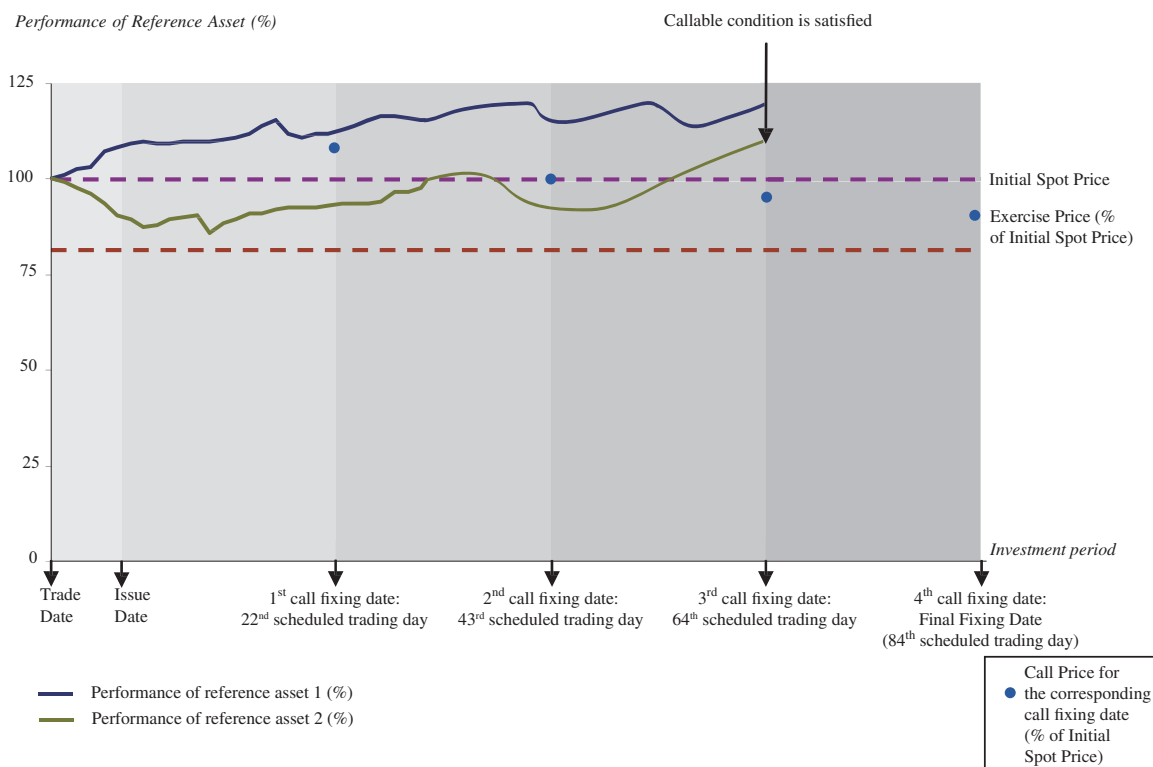
Total payout on investment

— Investor receives a total payout of HKD102,000 (being HKD100,000 (nominal amount) + HKD2,000 (potential call distribution amount), which is equivalent to a gain of 2% compared to the total issue price paid on the issue date, calculated as follows:

$$\frac{(\text{HKD}102,000 - \text{HKD}100,000)}{\text{HKD}100,000} \times 100\% = 2\%$$

$$\left(\text{i.e. } \frac{(\text{Total payout} - \text{Nominal amount})}{\text{Nominal amount}} \times 100\% \right)$$

Scenario 2 — Assume that the callable condition is satisfied on the 3rd call fixing date (call scenario)



- **Which is the worst performing reference asset on the 3rd call fixing date?**

Assume that the closing prices of reference asset 1 and reference asset 2 on the 3rd call fixing date being the 64th scheduled trading date are HKD103.60 and HKD23.20, respectively. Hence, the performance of each reference asset in the basket on the 3rd call fixing date is calculated as follows:

$$\text{— Performance of reference asset 1} = \frac{\text{HKD103.60}}{\text{HKD91.70}} \times 100\% = 112.9771\%$$

$$\text{— Performance of reference asset 2} = \frac{\text{HKD23.20}}{\text{HKD22.50}} \times 100\% = 103.1111\%$$

As reference asset 2 has the lowest performance, it will be the worst performing reference asset on the 3rd call fixing date.

The worst performing reference asset for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Callable condition is satisfied

— The above diagram illustrates that the worst performing reference asset (being reference asset 2) closes above its call price on the 3rd call fixing date. Hence, the callable condition is satisfied on this call fixing date and the SDC Basket ELIs will be terminated.

— For each SDC Basket ELI, investor receives the call settlement amount on the call settlement date, which is equal to the nominal amount of HKD10,000, together with the potential call distribution amount of HKD600, (i.e. HKD10,000 x 6%).

For 10 SDC Basket ELIs:

$$\text{HKD10,000} \times 10 + \text{HKD600} \times 10 = \text{HKD106,000}$$

Total payout on investment

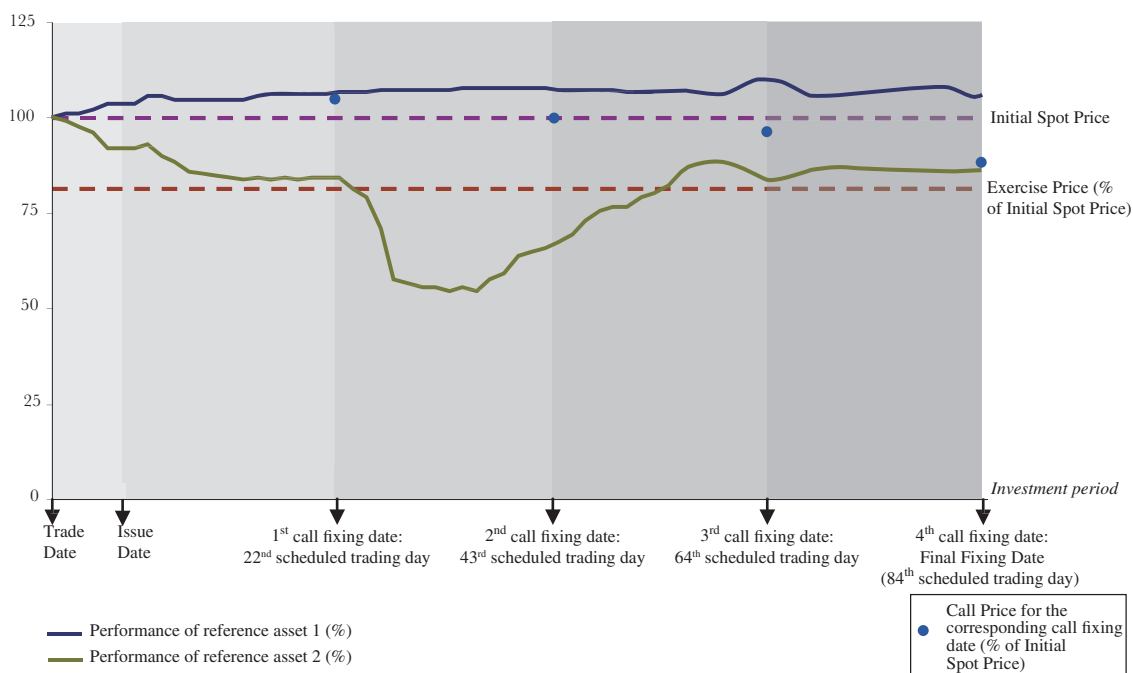
— Investor receives a total payout of HKD106,000 (being HKD100,000 (nominal amount) + HKD6,000 (potential call distribution amount), which is equivalent to a gain of 6% compared to the total issue price paid on the issue date, calculated as follows:

$$\frac{(\text{HKD106,000} - \text{HKD100,000})}{\text{HKD100,000}} \times 100\% = 6\%$$

$$\left(\text{i.e. } \frac{(\text{Total payout} - \text{Nominal amount})}{\text{Nominal amount}} \times 100\% \right)$$

Scenario 3 — Assume that (i) the callable condition is not satisfied; and (ii) the closing price of the worst performing reference asset on the final fixing date is above its exercise price (nominal amount scenario)

Performance of Reference Asset (%)



- **Which is the worst performing reference asset on the final fixing date?**

Assume that the closing price of reference asset 1 and reference asset 2 on the final fixing date is HKD100.00 and HKD19.48, respectively. Hence, the performance of each reference asset in the basket on final fixing date is calculated as follows:

$$\text{— Performance of reference asset 1} = \frac{\text{HKD}100.00}{\text{HKD}91.70} \times 100\% = 109.0513\%$$

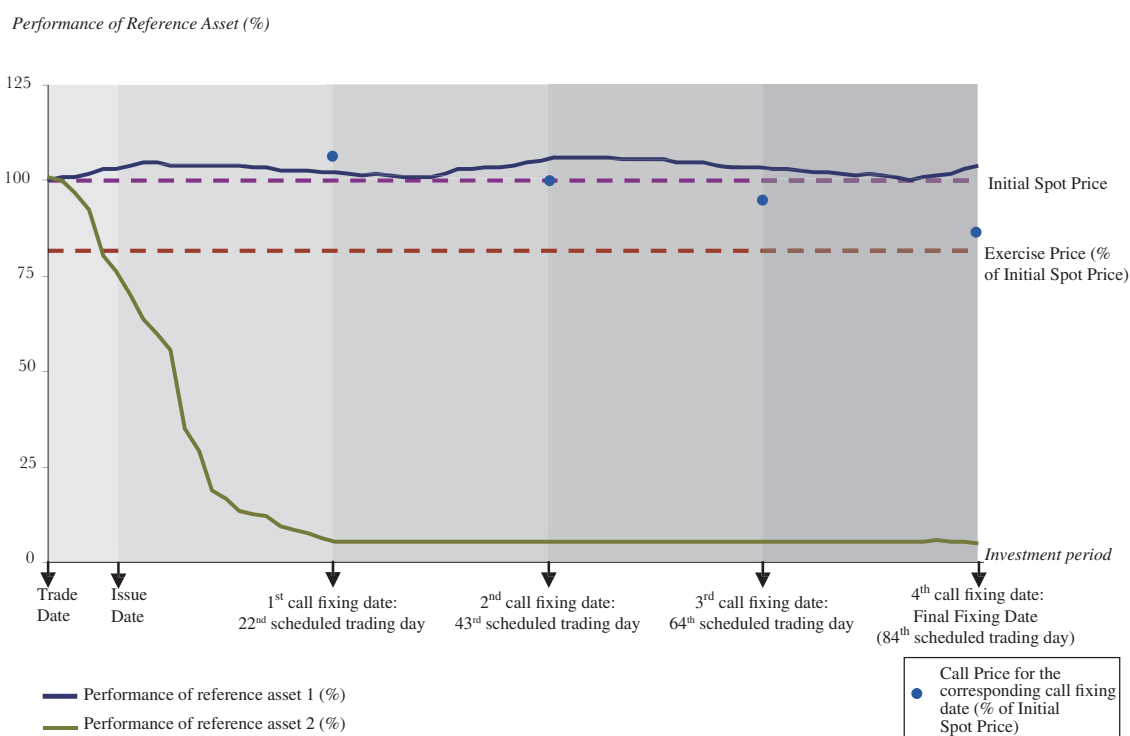
$$\text{— Performance of reference asset 2} = \frac{\text{HKD}19.48}{\text{HKD}22.50} \times 100\% = 86.5778\%$$

As reference asset 2 has the lowest performance, it will be the worst performing reference asset on the final fixing date.

The worst performing reference asset for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Callable condition is not satisfied	<ul style="list-style-type: none"> — The above diagram illustrates that the worst performing reference asset (being reference asset 2) closes below its call price on each of the call fixing dates. — Hence, the callable condition is not satisfied on any call fixing date and the SDC Basket ELIs will not be terminated before expiry.
Final settlement payout on the expiry date	<ul style="list-style-type: none"> — The above diagram illustrates that the worst performing reference asset on the final fixing date (being reference asset 2) closes at HKD19.48, which is above its exercise price. — For each SDC Basket ELI, investor receives the nominal amount of HKD10,000 on the expiry date. <p>For 10 SDC Basket ELIs: $\text{HKD}10,000 \times 10 = \text{HKD}100,000$</p>
Total payout on investment	<ul style="list-style-type: none"> — Investor receives a total payout of HKD100,000 (being: HKD100,000 (nominal amount)), which is equivalent to a break even compared to the total issue price paid on the issue date.

Scenario 4 — Assume that (i) the callable condition is not satisfied; and (ii) the closing price of the worst performing reference asset on the final fixing date is below its exercise price (loss scenario)



- **Which is the worst performing reference asset on the final fixing date**

Assume that the closing price of reference asset 1 and reference asset 2 on the final fixing date is HKD93.30 and HKD1.10, respectively. Hence, the performance of each reference asset in the basket on the final fixing date is calculated as follows:

$$\text{— Performance of reference asset 1} = \frac{\text{HKD}93.30}{\text{HKD}91.70} \times 100\% = 101.7448\%$$

$$\text{— Performance of reference asset 2} = \frac{\text{HKD}1.10}{\text{HKD}22.50} \times 100\% = 4.8889\%$$

As reference asset 2 has the lowest performance, it will be the worst performing reference asset on the final fixing date.

The worst performing reference asset for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

- Callable condition is not satisfied
- The above diagram illustrates that the relevant worst performing reference asset (being reference asset 2) closes below its call price on each of the call fixing dates.
 - Hence, the callable condition is not satisfied on any call fixing date and the SDC Basket ELIs will not be terminated before expiry.
- Final settlement payout on the expiry date
- The above diagram illustrates that the worst performing reference asset on the final fixing date (being reference asset 2) closes at HKD1.10, which is below its exercise price.
 - For each SDC Basket ELI, investor receives the physical settlement amount of 555.555555 shares, which is calculated by reference to the exercise price of HKD18.00 of the worst performing reference asset as at the final fixing date (being reference asset 2), calculated as follows:

For each SDC Basket ELI:

$$\frac{\text{HKD}10,000}{\text{HKD}18.00} = 555.555555 \text{ shares (shown up to 6 decimal places for illustrative purposes, and will not be rounded for the purpose of calculating the cash payment for fractional share)}$$
 - The number of shares of the worst performing reference asset to be delivered (being reference asset 2) will be rounded down to the nearest whole number of such worst performing reference asset and calculated based on a per-SDC Basket ELI basis.

For 10 SDC Basket ELIs:

$$555 \text{ shares} \times 10 = 5,550 \text{ shares of the reference asset 2.}$$
 - For each SDC Basket ELI, investor also receives a cash payment of HKD0.61 for the fractional share of 0.555555 share (i.e. 555.555555 — 555 (whole number of the reference asset 2)), calculated as follows:

$$0.555555 \text{ share} \times \text{HKD}1.10 \text{ (being the closing price of reference asset 2 on the final fixing date)} = \text{HKD}0.61 \text{ (rounded to 2 decimal places)}$$

For 10 SDC Basket ELIs:

$$\text{HKD}0.61 \times 10 = \text{HKD}6.10$$

Total payout on investment

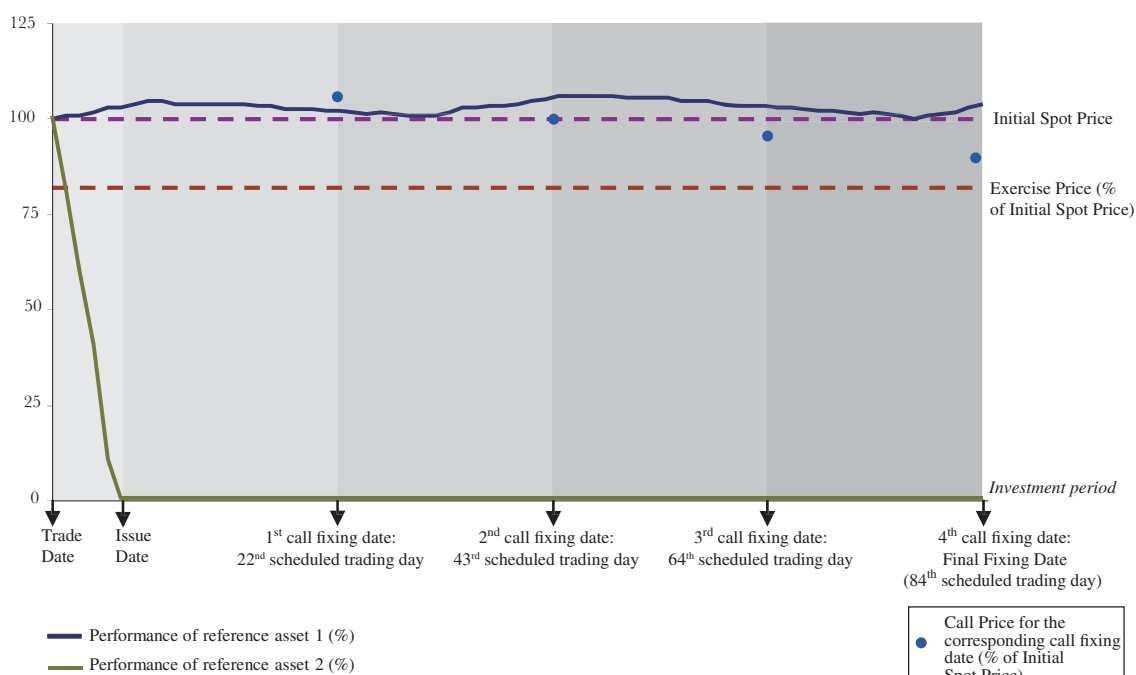
- Investor receives 5,550 shares which, assuming the market price of reference asset 2 on the expiry date is the same as the closing price on the final fixing date, have a market value of HKD6,105.00 (i.e. 5,550 shares x HKD1.10 (being the closing price of reference asset 2 on the final fixing date)) + HKD6.10 (the cash payment for fractional shares). **The total payout is therefore HKD6,111.10 (i.e. HKD6,105.00 + HKD6.10) which is equivalent to a loss of 93.89% compared to the total issue price paid on the issue date, calculated as follows:**

$$\frac{(\text{HKD}6,111.10 - \text{HKD}100,000)}{\text{HKD}100,000} \times 100\% = -93.89\%$$

$$\left(\text{i.e. } \frac{(\text{Total payout} - \text{Nominal amount})}{\text{Nominal amount}} \times 100\% \right).$$

Scenario 5: Assume that (i) the callable condition is not satisfied; and (ii) the closing price of the worst performing reference asset is zero on the final fixing date (worst case scenario)

Performance of Reference Asset (%)



- **Which is the worst performing reference asset on the final fixing date?**

Assume that the closing price of reference asset 1 and reference asset 2 on the final fixing date is HKD93.30 and HKD0.00, respectively. Hence, the performance of each reference asset in the basket on the final fixing date is calculated as follows:

$$\text{— Performance of reference asset 1} = \frac{\text{HKD93.30}}{\text{HKD91.70}} \times 100\% = 101.7448\%$$

$$\text{— Performance of reference asset 2} = \frac{\text{HKD0.00}}{\text{HKD22.50}} \times 100\% = 0\%$$

As reference asset 2 has the lowest performance, it will be the worst performing reference asset on the final fixing date.

The worst performing reference asset for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Callable condition is not satisfied	— The above diagram illustrates that the worst performing reference asset (being reference asset 2) closes below its call price on each of the call fixing dates.
	— Hence, the callable condition is not satisfied on any call fixing date and the SDC Basket ELIs will not be terminated before expiry.

Final settlement payout on the expiry date	— The above diagram illustrates that the worst performing reference asset on the final fixing date (being reference asset 2) closes at HKD0.00, which is below its exercise price.
	— For each SDC Basket ELI, investor receives the physical settlement amount of 555.555555 shares, which is calculated by reference to the exercise price of HKD18.00 of the worst performing reference asset as at the final fixing date (being reference asset 2), calculated as follows:

For each SDC Basket ELI:

$$\frac{\text{HKD10,000}}{\text{HKD18.00}} = 555.555555 \text{ shares (shown up to 6 decimal places for illustrative purposes, and will not be rounded for the purpose of calculating the cash payment for fractional share)}$$

—	The number of shares of the worst performing reference asset to be delivered (being reference asset 2) will be rounded down to the nearest whole number of such worst performing reference asset (being reference asset 2) and calculated based on a per-SDC Basket ELI basis.
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For 10 SDC Basket ELIs:
 555 shares x 10 = 5,550 shares of the reference asset 2.

- For each SDC Basket ELI, investor will not receive any cash payment for the fractional share of 0.555555 share (i.e. 555.555555 — 555 (whole number of the reference asset 2)) since the fractional share is worthless as shown below:

0.555555 share x HKD0.00 (being the closing price of reference asset 2 on the final fixing date) = HKD0.00

For 10 SDC Basket ELIs:
 HKD0.00 x 10 = HKD0.00

Total payout on investment

- Investor receives 5,550 shares which, assuming the market price of reference asset 2 on the expiry date is the same as the closing price on the final fixing date, have a market value of HKD0.00 (i.e. 5,550 shares x HKD0.00 (being the closing price of reference asset 2 on the final fixing date)) + HKD0.00 (the cash payment for fractional shares). **The total payout is therefore HKD0.00 (i.e. HKD0.00 + HKD0.00) which is equivalent to a loss of 100.00% compared to the total issue price paid on the issue date, calculated as follows:**

$$\frac{(\text{HKD0.00} - \text{HKD100,000})}{\text{HKD100,000}} \times 100\% = -100.00\%$$

$$\left(\text{i.e. } \frac{(\text{Total payout} - \text{Nominal amount})}{\text{Nominal amount}} \times 100\% \right).$$

Scenario 6 — if DBS, HK Branch as issuer becomes insolvent or defaults on its obligations under the SDC Basket ELIs (default scenario)

- Assume further that DBS, HK Branch as issuer becomes insolvent or defaults on its obligations under the terms and conditions of the SDC Basket ELIs.
- Investor or his or her distributor (either directly or indirectly through any sub-custodian or intermediary (including any accountholder) and the nominee of the relevant clearing system through which his or her distributor holds the SDC Basket ELIs) will have to claim as the general, unsecured and unsubordinated creditor of DBS, HK Branch regardless of the price performance of the reference asset. **In the worst case scenario, the investor could lose all of his or her investment.**

HYPOTHETICAL EXAMPLE FOR OUR SDC BASKET ELIS WITH KNOCK-IN FEATURE

The following hypothetical example does not reflect a complete analysis of all possible gain or loss scenarios. The example has been provided for illustrative purposes only and actual performance of the SDC Basket ELIs may vary from the example shown. You must not rely on it as an indication of the actual performance of the reference assets or the total payout on the SDC Basket ELIs. It does not take into account any expenses payable by the investor.

In this example, suppose an investor bought 10 SDC Basket ELIs (with daily knock-in feature) with the following terms and such SDC Basket ELIs have not been otherwise terminated:

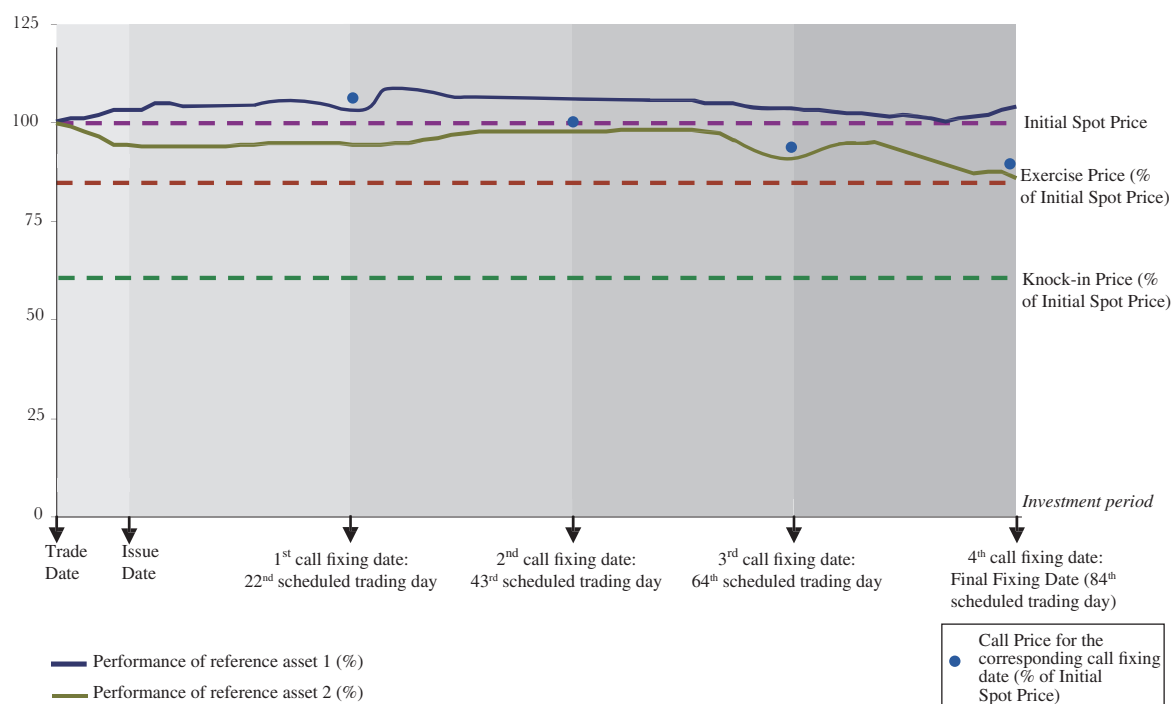
Reference assets in the basket	Reference Asset 1	Reference Asset 2
Investment period of the SDC Basket ELIs	4 months	
Initial spot price	HKD91.70	HKD22.50
Issue price for each SDC Basket ELI (100% of nominal amount)	HKD10,000	
Nominal amount for each SDC Basket ELI	HKD10,000	
Total issue price for 10 SDC Basket ELIs	HKD100,000	
Total nominal amount for 10 SDC Basket ELIs	HKD100,000	
Exercise price (80% of the initial spot price) (for the determination of final settlement payout on the final fixing date)	HKD73.3600	HKD18.0000
Knock-in price (65% of the initial spot price) (for the determination of whether a knock-in event has occurred)	HKD59.6050	HKD14.6250
Final distribution rate	8%	
Knock-in event dates	Each scheduled trading day from (but excluding) the trade date to (and including) the final fixing date	

Call fixing date*	Call distribution rate	Call price		
		% of the initial spot price	Reference Asset 1	Reference Asset 2
1 st call fixing date: The 22 nd scheduled trading day	2%	105% of initial spot price	HKD96.2850	HKD23.6250
2 nd call fixing date: The 43 rd scheduled trading day	4%	100% of initial spot price	HKD91.7000	HKD22.5000
3 rd call fixing date: The 64 th scheduled trading day	6%	95% of initial spot price	HKD87.1150	HKD21.3750
4 th call fixing date: The Final Fixing Date	8%	90% of initial spot price	HKD82.5300	HKD20.2500

* For the purpose of the following examples, the call fixing dates will be expressed as the nth scheduled trading day from the trade date. The call fixing dates will be set as an actual date in the relevant indicative term sheet.

Scenario 1 — Assume that (i) the callable condition is not satisfied; and (ii) a daily knock-in event has not occurred (best case scenario)

Performance of Reference Asset (%)



- Which is the worst performing reference asset on the final fixing date?**

Assume that the closing price of reference asset 1 and reference asset 2 on the final fixing date is HKD100.00 and HKD19.15, respectively. Hence, the performance of each reference asset in the basket on the final fixing date is calculated as follows:

$$\text{— Performance of reference asset 1} = \frac{\text{HKD}100.00}{\text{HKD}91.70} \times 100\% = 109.0513\%$$

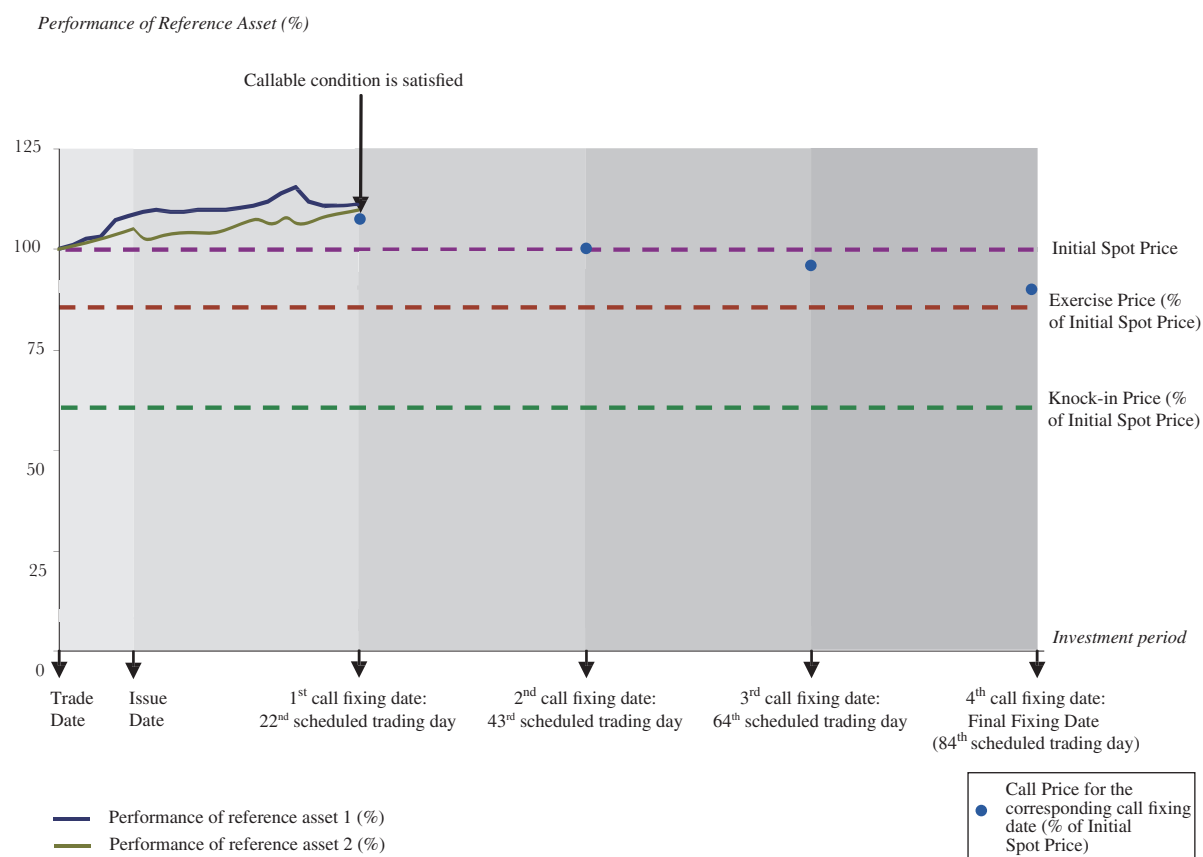
$$\text{— Performance of reference asset 2} = \frac{\text{HKD}19.15}{\text{HKD}22.50} \times 100\% = 85.1111\%$$

As reference asset 2 has the lowest performance, it will be the worst performing reference asset on the final fixing date.

The worst performing reference asset for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Callable condition is not satisfied	<p>— The above diagram illustrates that the worst performing reference asset (being reference asset 2) closes below its call prices on each of the call fixing dates.</p> <p>— Hence, the callable condition is not satisfied on any call fixing dates and the SDC Basket ELIs will not be terminated before expiry.</p>
Final settlement payout on the expiry date	<p>— The above diagram illustrates that a knock-in event has not occurred because the worst performing reference asset (being reference asset 2) did not close at or below its knock-in price on any scheduled trading day during the period from (but excluding) the trade date to (and including) the final fixing date.</p> <p>— For each SDC Basket ELI, investor receives the nominal amount of HKD10,000 on the expiry date, together with the potential final distribution amount of HKD800 (i.e. HKD10,000 x 8%).</p> <p>For 10 SDC Basket ELIs: HKD10,000 x 10 + HKD800 x 10 = HKD108,000</p>
Total payout on investment	<p>— Investor receives a total payout of HKD108,000 (being: HKD100,000 (nominal amount) + HKD8,000 (potential final distribution amount), which is equivalent to a gain of 8.00% compared to the total issue price paid on the issue date, calculated as follows:</p> $\frac{(\text{HKD108,000} - \text{HKD100,000})}{\text{HKD100,000}} \times 100\% = 8.00\%$ <p>(i.e. $\frac{(\text{Total payout} - \text{Nominal amount})}{\text{Nominal amount}} \times 100\%$)</p>

Scenario 2 — Assume that the callable condition is satisfied on the 1st call fixing date (call scenario)



- Which is the worst performing reference asset on the 1st call fixing date?**

Assume that the closing price of reference asset 1 and reference asset 2 on the 1st call fixing date is HKD103.60 and HKD24.10, respectively. Hence, the performance of each reference asset in the basket on the 1st call fixing date is calculated as follows:

$$\text{— Performance of reference asset 1} = \frac{\text{HKD}103.60}{\text{HKD}91.70} \times 100\% = 112.9771\%$$

$$\text{— Performance of reference asset 2} = \frac{\text{HKD}24.10}{\text{HKD}22.50} \times 100\% = 107.1111\%$$

As reference asset 2 has the lowest performance, it will be the worst performing reference asset on the 1st call fixing date.

The worst performing reference asset for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Callable condition is satisfied

— The above diagram illustrates that the worst performing reference asset (being reference asset 2) closes above its call price on the 1st call fixing date. Hence, the callable condition is satisfied on this call fixing date and the SDC Basket ELIs will be terminated.

— For each SDC Basket ELI, investor receives the call settlement amount on the call settlement date, which is equal to the nominal amount of HKD10,000, together with the potential call distribution amount of HKD200 (i.e. HKD10,000 x 2%).

For 10 SDC Basket ELIs:

$$\text{HKD}10,000 \times 10 + \text{HKD}200 \times 10 = \text{HKD}102,000$$

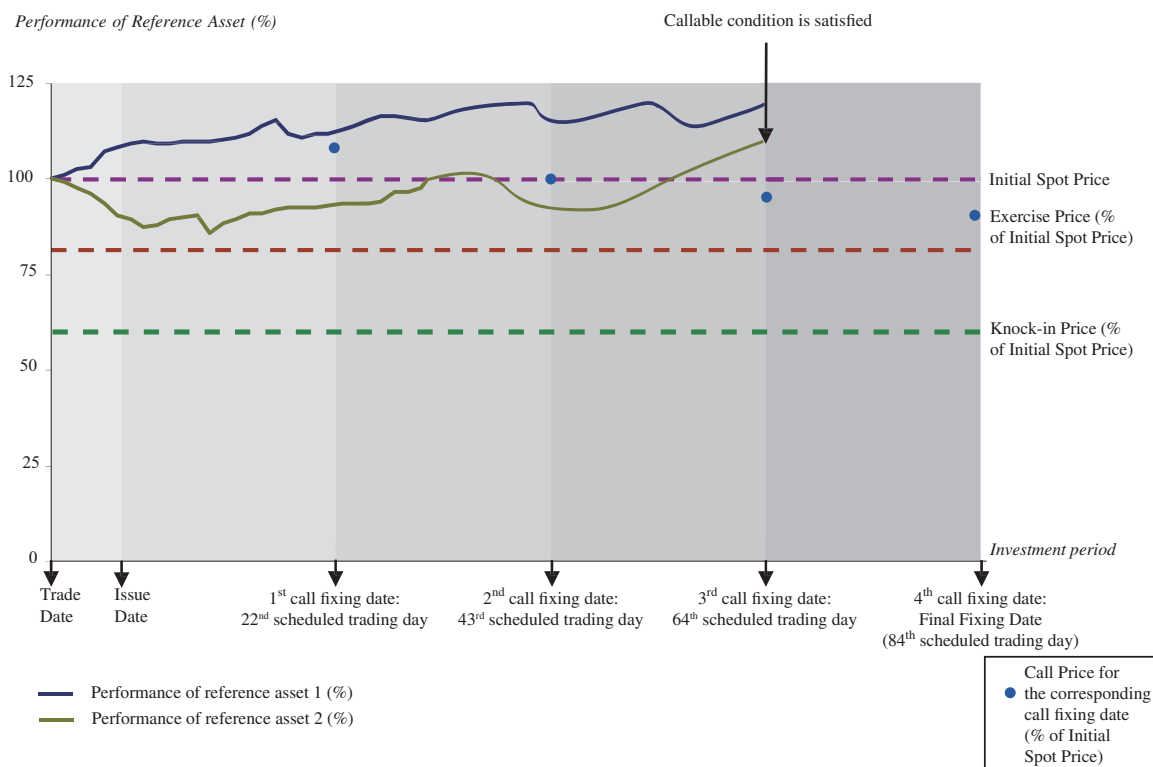
Total payout on investment

— Investor receives a total payout of HKD102,000 (being HKD100,000 (nominal amount) + HKD2,000 (potential call distribution amount), which is equivalent to a gain of 2% compared to the total issue price paid on the issue date, calculated as follows:

$$\frac{(\text{HKD}102,000 - \text{HKD}100,000)}{\text{HKD}100,000} \times 100\% = 2\%$$

$$\left(\text{i.e. } \frac{(\text{Total payout} - \text{Nominal amount})}{\text{Nominal amount}} \times 100\% \right)$$

Scenario 3 — Assume that the callable condition is satisfied on the 3rd call fixing date (call scenario)



- **Which is the worst performing reference asset on the 3rd call fixing date?**

Assume that the closing prices of reference asset 1 and reference asset 2 on the 3rd call fixing date being the 64th scheduled trading date are HKD103.60 and HKD23.20, respectively. Hence, the performance of each reference asset in the basket on the 3rd call fixing date is calculated as follows:

$$\text{— Performance of reference asset 1} = \frac{\text{HKD103.60}}{\text{HKD91.70}} \times 100\% = 112.9771\%$$

$$\text{— Performance of reference asset 2} = \frac{\text{HKD23.20}}{\text{HKD22.50}} \times 100\% = 103.1111\%$$

As reference asset 2 has the lowest performance, it will be the worst performing reference asset on the 3rd call fixing date.

The worst performing reference asset for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Callable condition is satisfied

— The above diagram illustrates that the worst performing reference asset (being reference asset 2) closes above its call price on the 3rd call fixing date. Hence, the callable condition is satisfied on this call fixing date and the SDC Basket ELIs will be terminated.

— For each SDC Basket ELI, investor receives the call settlement amount on the call settlement date, which is equal to the nominal amount of HKD10,000, together with the potential call distribution amount of HKD600, (i.e. HKD10,000 x 6%).

For 10 SDC Basket ELIs:

$$\text{HKD10,000} \times 10 + \text{HKD600} \times 10 = \text{HKD106,000}$$

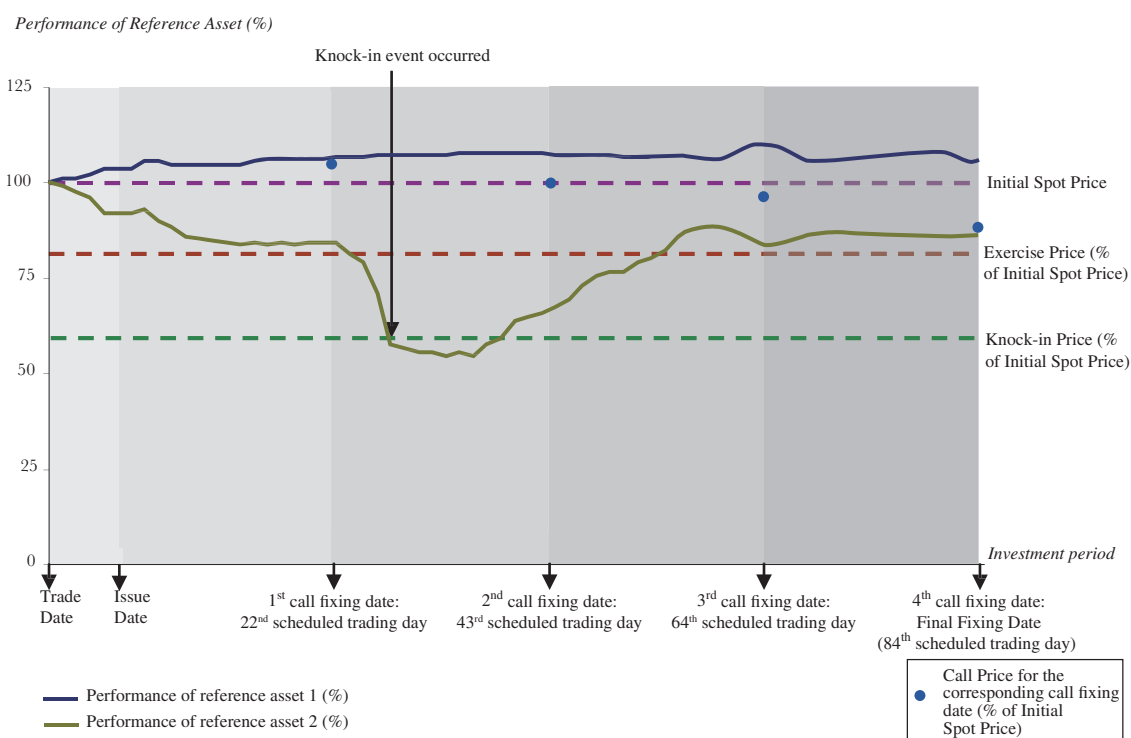
Total payout on investment

— Investor receives a total payout of HKD106,000 (being HKD100,000 (nominal amount) + HKD6,000 (potential call distribution amount), which is equivalent to a gain of 6% compared to the total issue price paid on the issue date, calculated as follows:

$$\frac{(\text{HKD106,000} - \text{HKD100,000})}{\text{HKD100,000}} \times 100\% = 6\%$$

$$\left(\text{i.e. } \frac{(\text{Total payout} - \text{Nominal amount})}{\text{Nominal amount}} \times 100\% \right)$$

Scenario 4 — Assume that (i) the callable condition is not satisfied; (ii) a daily knock-in event has occurred; and (iii) the closing price of the worst performing reference asset on the final fixing date is above its exercise price (nominal amount scenario)



- Which is the worst performing reference asset on the final fixing date?

Assume that the closing price of reference asset 1 and reference asset 2 on the final fixing date is HKD100.00 and HKD19.48, respectively. Hence, the performance of each reference asset in the basket on final fixing date is calculated as follows:

$$\text{— Performance of reference asset 1} = \frac{\text{HKD}100.00}{\text{HKD}91.70} \times 100\% = 109.0513\%$$

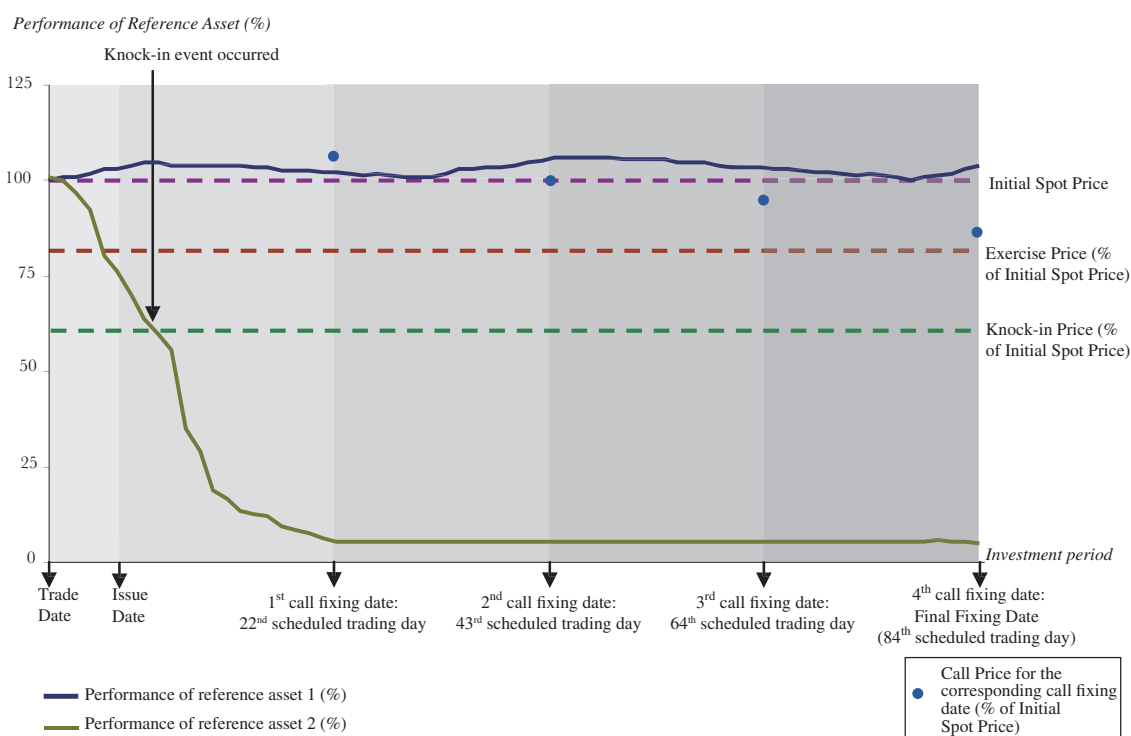
$$\text{— Performance of reference asset 2} = \frac{\text{HKD}19.48}{\text{HKD}22.50} \times 100\% = 86.5778\%$$

As reference asset 2 has the lowest performance, it will be the worst performing reference asset on the final fixing date.

The worst performing reference asset for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Callable condition is not satisfied	<ul style="list-style-type: none"> — The above diagram illustrates that the worst performing reference asset (being reference asset 2) closes below its call price on each of the call fixing dates. — Hence, the callable condition is not satisfied on any call fixing date and the SDC Basket ELIs will not be terminated before expiry.
Final settlement payout on the expiry date	<ul style="list-style-type: none"> — The above diagram illustrates that a knock-in event has occurred because the worst performing reference asset (being reference asset 2) closes at or below its knock-in price on a scheduled trading day during the period from (but excluding) the trade date to (and including) the final fixing date. — The above diagram also illustrates that the worst performing reference asset on the final fixing date (being reference asset 2) closes at HKD19.48, which is above its exercise price. — For each SDC Basket ELI, investor receives the nominal amount of HKD10,000 on the expiry date. <p data-bbox="730 851 1141 918">For 10 SDC Basket ELIs: $\text{HKD}10,000 \times 10 = \text{HKD}100,000$</p>
Total payout on investment	<ul style="list-style-type: none"> — Investor receives a total payout of HKD100,000 (being: HKD100,000 (nominal amount)), which is equivalent to a break even compared to the total issue price paid on the issue date.

Scenario 5 — Assume that (i) the callable condition is not satisfied; (ii) a daily knock-in event has occurred; and (iii) the closing price of the worst performing reference asset on the final fixing date is below its exercise price (loss scenario)



- **Which is the worst performing reference asset on the final fixing date**

Assume that the closing price of reference asset 1 and reference asset 2 on the final fixing date is HKD93.30 and HKD1.10, respectively. Hence, the performance of each reference asset in the basket on the final fixing date is calculated as follows:

$$\text{Performance of reference asset 1} = \frac{\text{HKD}93.30}{\text{HKD}91.70} \times 100\% = 101.7448\%$$

$$\text{Performance of reference asset 2} = \frac{\text{HKD}1.10}{\text{HKD}22.50} \times 100\% = 4.8889\%$$

As reference asset 2 has the lowest performance, it will be the worst performing reference asset on the final fixing date.

The worst performing reference asset for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

- Callable condition is not satisfied
- The above diagram illustrates that the relevant worst performing reference asset (being reference asset 2) closes below its call price on each of the call fixing dates.
 - Hence, the callable condition is not satisfied on any call fixing date and the SDC Basket ELIs will not be terminated before expiry.
- Final settlement payout on the expiry date
- The above diagram illustrates that a knock-in event has occurred because the worst performing reference asset (being reference asset 2) closes at or below its knock-in price on a scheduled trading day during the period from (but excluding) the trade date to (and including) the final fixing date.
 - The above diagram also illustrates that the worst performing reference asset on the final fixing date (being reference asset 2) closes at HKD1.10, which is below its exercise price.
 - For each SDC Basket ELI, investor receives the physical settlement amount of 555.555555 shares, which is calculated by reference to the exercise price of HKD18.00 of the worst performing reference asset as at the final fixing date (being reference asset 2), calculated as follows:

For each SDC Basket ELI:

$$\frac{\text{HKD10,000}}{\text{HKD18.00}} = 555.555555 \text{ shares (shown up to 6 decimal places for illustrative purposes, and will not be rounded for the purpose of calculating the cash payment for fractional share)}$$
 - The number of shares of the worst performing reference asset to be delivered (being reference asset 2) will be rounded down to the nearest whole number of such worst performing reference asset and calculated based on a per-SDC Basket ELI basis.

For 10 SDC Basket ELIs:

$$555 \text{ shares} \times 10 = 5,550 \text{ shares of the reference asset 2.}$$
 - For each SDC Basket ELI, investor also receives a cash payment of HKD0.61 for the fractional share of 0.555555 share (i.e. 555.555555 — 555 (whole number of the reference asset 2)), calculated as follows:

$$0.555555 \text{ share} \times \text{HKD1.10 (being the closing price of reference asset 2 on the final fixing date)} = \text{HKD0.61 (rounded to 2 decimal places)}$$

For 10 SDC Basket ELIs:

$$\text{HKD0.61} \times 10 = \text{HKD6.10}$$

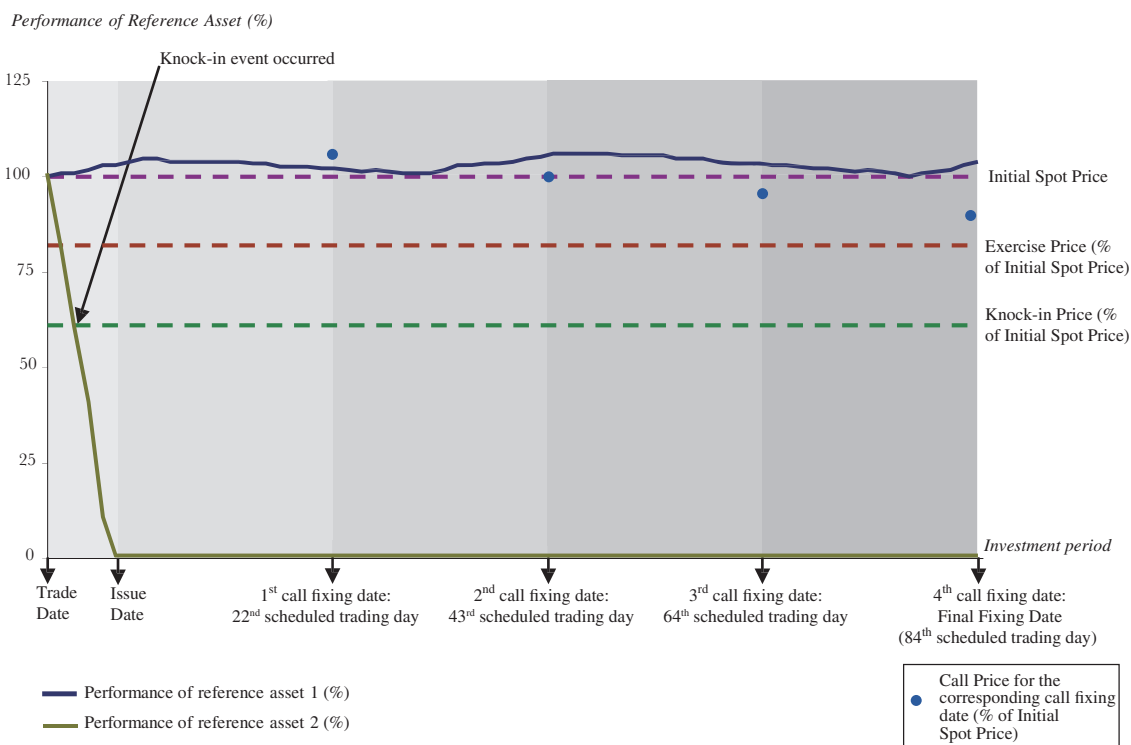
Total payout on investment

- Investor receives 5,550 shares which, assuming the market price of reference asset 2 on the expiry date is the same as the closing price on the final fixing date, have a market value of HKD6,105.00 (i.e. 5,550 shares x HKD1.10 (being the closing price of reference asset 2 on the final fixing date)) + HKD6.10 (the cash payment for fractional shares). **The total payout is therefore HKD6,111.10 (i.e. HKD6,105.00 + HKD6.10) which is equivalent to a loss of 93.89% compared to the total issue price paid on the issue date, calculated as follows:**

$$\frac{(\text{HKD}6,111.10 - \text{HKD}100,000)}{\text{HKD}100,000} \times 100\% = -93.89\%$$

$$\left(\text{i.e. } \frac{(\text{Total payout} - \text{Nominal amount})}{\text{Nominal amount}} \times 100\% \right).$$

Scenario 6: Assume that (i) the callable condition is not satisfied; (ii) a daily knock-in event has occurred; and (iii) the closing price of the worst performing reference asset is zero on the final fixing date (worst case scenario)



- **Which is the worst performing reference asset on the final fixing date?**

Assume that the closing price of reference asset 1 and reference asset 2 on the final fixing date is HKD93.30 and HKD0.00, respectively. Hence, the performance of each reference asset in the basket on the final fixing date is calculated as follows:

$$\text{— Performance of reference asset 1} = \frac{\text{HKD}93.30}{\text{HKD}91.70} \times 100\% = 101.7448\%$$

$$\text{— Performance of reference asset 2} = \frac{\text{HKD}0.00}{\text{HKD}22.50} \times 100\% = 0\%$$

As reference asset 2 has the lowest performance, it will be the worst performing reference asset on the final fixing date.

The worst performing reference asset for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

- | | |
|--|--|
| Callable condition is not satisfied | <ul style="list-style-type: none"> — The above diagram illustrates that the worst performing reference asset (being reference asset 2) closes below its call price on each of the call fixing dates. — Hence, the callable condition is not satisfied on any call fixing date and the SDC Basket ELIs will not be terminated before expiry. |
| Final settlement payout on the expiry date | <ul style="list-style-type: none"> — The above diagram illustrates that a knock-in event has occurred because the worst performing reference asset (being reference asset 2) closes at or below its knock-in price on a scheduled trading day during the period from (but excluding) the trade date to (and including) the final fixing date. — The above diagram illustrates that the worst performing reference asset on the final fixing date (being reference asset 2) closes at HKD0.00, which is below its exercise price. — For each SDC Basket ELI, investor receives the physical settlement amount of 555.555555 shares, which is calculated by reference to the exercise price of HKD18.00 of the worst performing reference asset as at the final fixing date (being reference asset 2), calculated as follows: |

For each SDC Basket ELI:

$$\frac{\text{HKD}10,000}{\text{HKD}18.00} = 555.555555 \text{ shares (shown up to 6 decimal places for illustrative purposes, and will not be rounded for the purpose of calculating the cash payment for fractional share)}$$

- The number of shares of the worst performing reference asset to be delivered (being reference asset 2) will be rounded down to the nearest whole number of such worst performing reference asset (being reference asset 2) and calculated based on a per-SDC Basket ELI basis.

For 10 SDC Basket ELIs:

555 shares x 10 = 5,550 shares of the reference asset 2.

- For each SDC Basket ELI, investor will not receive any cash payment for the fractional share of 0.555555 share (i.e. 555.555555 — 555 (whole number of the reference asset 2)) since the fractional share is worthless as shown below:

0.555555 share x HKD0.00 (being the closing price of reference asset 2 on the final fixing date) = HKD0.00

For 10 SDC Basket ELIs:

HKD0.00 x 10 = HKD0.00

Total payout on investment

- Investor receives 5,550 shares which, assuming the market price of reference asset 2 on the expiry date is the same as the closing price on the final fixing date, have a market value of HKD0.00 (i.e. 5,550 shares x HKD0.00 (being the closing price of reference asset 2 on the final fixing date)) + HKD0.00 (the cash payment for fractional shares). **The total payout is therefore HKD0.00 (i.e. HKD0.00 + HKD0.00) which is equivalent to a loss of 100.00% compared to the total issue price paid on the issue date, calculated as follows:**

$$\frac{(\text{HKD0.00} - \text{HKD100,000})}{\text{HKD100,000}} \times 100\% = -100.00\%$$

$$\left(\text{i.e. } \frac{(\text{Total payout} - \text{Nominal amount})}{\text{Nominal amount}} \times 100\% \right).$$

Scenario 7 — if DBS, HK Branch as issuer becomes insolvent or defaults on its obligations under the SDC Basket ELIs (default scenario)

- Assume further that DBS, HK Branch as issuer becomes insolvent or defaults on its obligations under the terms and conditions of the SDC Basket ELIs.
- Investor or his or her distributor (either directly or indirectly through any sub-custodian or intermediary (including any accountholder) and the nominee of the relevant clearing system through which his or her distributor holds the SDC Basket ELIs) will have to claim as the general, unsecured and unsubordinated creditor of DBS, HK Branch regardless of the price performance of the reference asset. **In the worst case scenario, the investor could lose all of his or her investment.**

HYPOTHETICAL EXAMPLE FOR OUR SDC BASKET ELIS ISSUED IN FOREIGN CURRENCY

The following hypothetical example does not reflect a complete analysis of all possible gain or loss scenarios. The example has been provided for illustrative purposes only and actual performance of the SDC Basket ELIs may vary from the example shown. You must not rely on it as an indication of the actual performance of the reference assets or the total payout on the SDC Basket ELIs. It does not take into account any expenses payable by the investor.

In this example, suppose an investor bought 10 SDC Basket ELIs (with final fixing date knock-in feature) with the following terms and such SDC Basket ELIs have not been otherwise terminated:

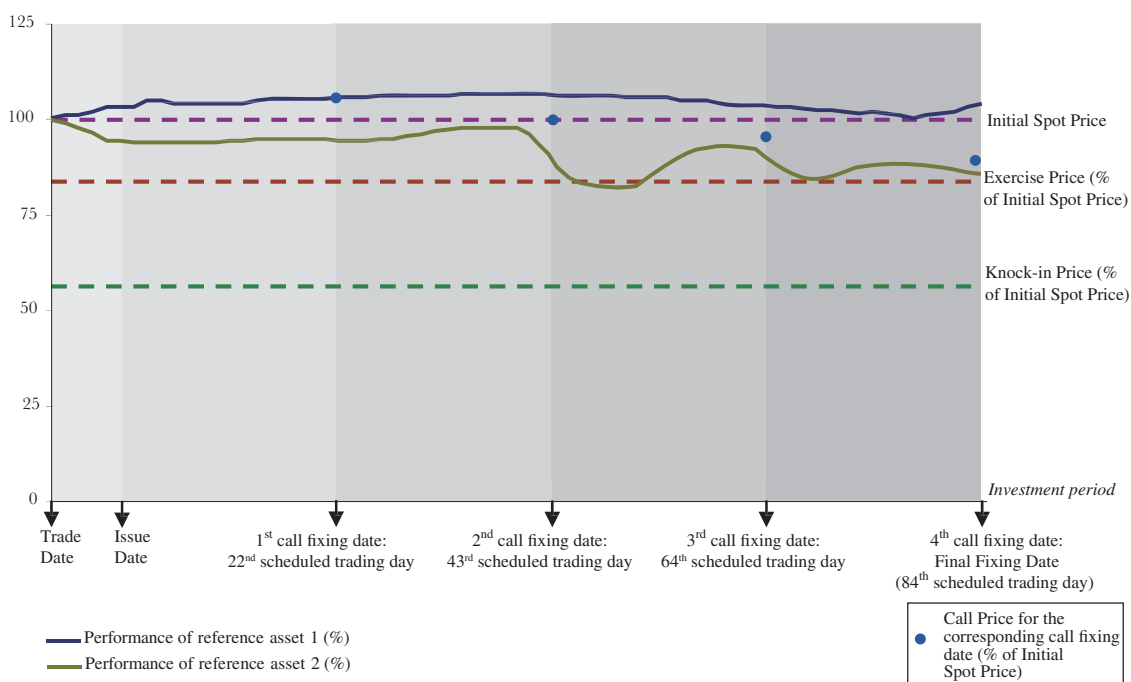
Reference assets in the basket	Reference Asset 1	Reference Asset 2
Investment period of the SDC Basket ELIs	4 months	
Initial spot price	HKD91.70	HKD22.50
Issue price for each SDC Basket ELI (100% of nominal amount)	RMB10,000	
Nominal amount for each SDC Basket ELI	RMB10,000	
Total issue price for 10 SDC Basket ELIs	RMB100,000	
Total nominal amount for 10 SDC Basket ELIs	RMB100,000	
Exercise price (80% of the initial spot price) (for the determination of final settlement payout on the final fixing date)	HKD73.3600	HKD18.0000
Knock-in price (65% of the initial spot price) (for the determination of whether a knock-in event has occurred)	HKD59.6050	HKD14.6250
Final distribution rate	8%	
Knock-in event date	The final fixing date	

Call fixing date*	Call distribution rate	Call price		
		% of the initial spot price	Reference Asset 1	Reference Asset 2
1st call fixing date: The 22nd scheduled trading day	2%	105% of initial sport price	HKD96.2850	HKD23.6250
2nd call fixing date: The 43rd scheduled trading day	4%	100% of initial sport price	HKD91.7000	HKD22.5000
3rd call fixing date: The 64th scheduled trading day	6%	95% of initial sport price	HKD87.1150	HKD21.3750
4 th call fixing date: The Final Fixing Date	8%	90% of initial sport price	HKD82.5300	HKD20.2500

* For the purpose of the following examples, the call fixing dates will be expressed as the n^{th} scheduled trading day from the trade date. The call fixing dates will be set as an actual date in the relevant indicative term sheet

Scenario 1 — Assume that (i) the callable condition is not satisfied; and (ii) a final fixing date knock-in event has not occurred (gain scenario)

Performance of Reference Asset (%)



- Which is the worst performing reference asset on final fixing date?**

Assume that the closing price of reference asset 1 and reference asset 2 on the final fixing date is HKD100.00 and HKD19.15, respectively. Hence, the performance of each reference asset in the basket on the final fixing date is calculated as follows:

$$\text{— Performance of reference asset 1} = \frac{\text{HKD}100.00}{\text{HKD}91.70} \times 100\% = 109.0513\%$$

$$\text{— Performance of reference asset 2} = \frac{\text{HKD}19.15}{\text{HKD}22.50} \times 100\% = 85.1111\%$$

As reference asset 2 has the lowest performance, it will be the worst performing reference asset on the final fixing date.

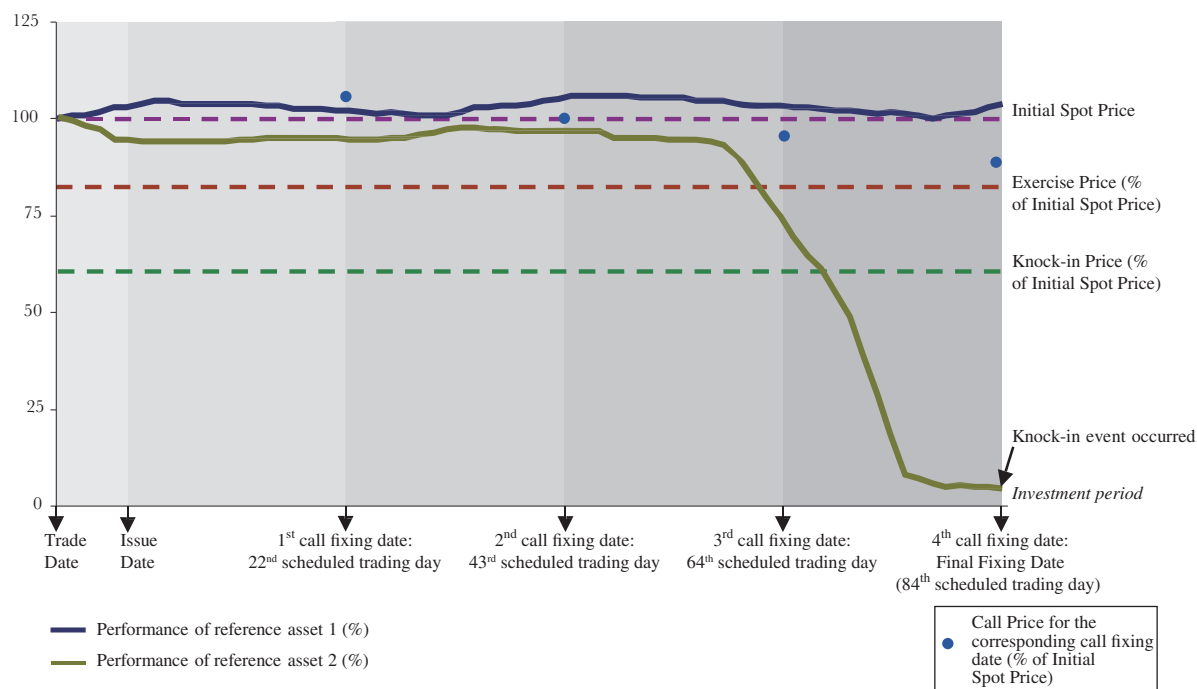
The worst performing reference asset for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

Callable condition is not satisfied	<p>— The above diagram illustrates that the worst performing reference asset (being reference asset 2) closes below its call prices on each of the call fixing dates.</p> <p>— Hence, the callable condition is not satisfied on any call fixing dates and the SDC Basket ELIs will not be terminated before expiry.</p>
Final settlement payout on the expiry date	<p>— The above diagram illustrates that a knock-in event has not occurred because the worst performing reference asset (being reference asset 2) did not close at or below its knock-in price on the final fixing date.</p> <p>— For each SDC Basket ELI, investor receives the nominal amount of RMB10,000 on the expiry date, together with the potential final distribution amount of RMB800 (i.e. RMB10,000 x 8%).</p> <p>For 10 SDC Basket ELIs: RMB10,000 x 10 + RMB800 x 10 = RMB108,000</p>
Total payout on investment	<p>— Investor receives a total payout of RMB108,000 (being: RMB100,000 (nominal amount) + RMB8,000 (potential final distribution amount), which is equivalent to a gain of 8.00% compared to the total issue price paid on the issue date, calculated as follows:</p> $\frac{(\text{RMB108,000} - \text{RMB100,000})}{\text{RMB100,000}} \times 100\% = 8.00\%$ <p>(i.e. $\frac{(\text{Total payout} - \text{Nominal amount})}{\text{Nominal amount}} \times 100\%$).</p>

If you convert the RMB payments that you receive back to HKD, the amount that you receive will be affected by the prevailing exchange rate between offshore RMB and HKD.

Scenario 2 — Assume that (i) the callable condition is not satisfied; (ii) a final fixing date knock-in event has occurred (loss scenario)

Performance of Reference Asset (%)



• **Which is the worst performing reference asset on the final fixing date?**

Assume that the closing price of reference asset 1 and reference asset 2 on the final fixing date is HKD93.30 and HKD1.10, respectively. Hence, the performance of each reference asset in the basket on the final fixing date is calculated as follows:

$$\text{— Performance of reference asset 1} = \frac{\text{HKD}93.30}{\text{HKD}91.70} \times 100\% = 101.7448\%$$

$$\text{— Performance of reference asset 2} = \frac{\text{HKD}1.10}{\text{HKD}22.50} \times 100\% = 4.8889\%$$

As reference asset 2 has the lowest performance, it will be the worst performing reference asset on the final fixing date.

The worst performing reference asset for each of the relevant scheduled trading days will be determined by the same methodology as stated above.

- Callable condition is not satisfied
- The above diagram illustrates that the relevant worst performing reference asset (being reference asset 2) closes below its call price on each of the call fixing dates.
 - Hence, the callable condition is not satisfied on any call fixing date and the SDC Basket ELIs will not be terminated before expiry.

Final settlement payout on the expiry date

- The above diagram illustrates that a knock-in event has occurred because the worst performing reference asset (being reference asset 2) closes at or below its knock-in price on the final fixing date.
- For each SDC Basket ELI, assuming the exchange rate (i.e. the bid rate for Hong Kong dollars per offshore RMB at the valuation time on the final fixing date) is 1.2700, investor receives the physical settlement amount of 705.555555 shares, which is calculated by converting the nominal amount to Hong Kong dollars at the exchange rate of 1.2700 and dividing the amount by the exercise price of HKD18.00 of the worst performing reference asset as at the final fixing date (being reference asset 2), calculated as follows:

For each SDC Basket ELI:

$$\frac{\text{RMB}10,000 \times 1.2700}{\text{HKD}18.00} = 705.555555 \text{ shares (shown up to 6 decimal places for illustrative purposes, and will not be rounded for the purpose of calculating the cash payment for fractional share)}$$

- The number of shares of the worst performing reference asset to be delivered (being reference asset 2) will be rounded down to the nearest whole number of such worst performing reference asset and calculated based on a per-SDC Basket ELI basis.

For 10 SDC Basket ELIs:

$$705 \text{ shares} \times 10 = 7,050 \text{ shares of the reference asset 2.}$$

- For each SDC Basket ELI, investor also receives a cash payment of RMB0.48 for the fractional share of 0.555555 share (i.e. 705.555555 — 705 (whole number of the reference asset 2)), calculated as follows:

$$\frac{0.555555 \text{ share} \times \text{HKD}1.10 \text{ (being the closing price of reference asset 2 on the final fixing date)}}{1.2700} = \text{RMB}0.48$$

(rounded to 2 decimal places)

For 10 SDC Basket ELIs:

$$\text{RMB}0.48 \times 10 = \text{RMB}4.8$$

Total payout on investment

— Investor receives a total payout of

- (i) 7,050 shares which, assuming the market price of reference asset 2 on the expiry date is the same as the closing price on the final fixing date, have a market value of RMB6,106.3

$$\left(\begin{array}{c} 7,050 \text{ shares} \times \text{HKD}1.10 \\ \text{(being the closing price of reference} \\ \text{asset 2 on the final fixing date)} \\ \hline 1.2700 \text{ (exchange rate)} \end{array} \right),$$

and

- (ii) RMB4.8 (being the cash payment for fractional shares).

The total payout is therefore RMB6,111.1 (i.e. RMB6,106.3 + RMB4.8) which is equivalent to a loss of 93.89% compared to the total issue price paid on the issue date, calculated as follows:

$$\frac{(\text{RMB}6,111.11 - \text{RMB}100,000)}{\text{RMB}100,000} \times 100\% = -93.89\%$$

$$\left(\begin{array}{c} \text{i.e. } \frac{(\text{Total payout} - \text{Nominal amount})}{\text{Nominal amount}} \times 100\% \end{array} \right).$$

If you convert the RMB payments that you receive back to HKD, the amount that you receive will be affected by the prevailing exchange rate between offshore RMB and HKD. You should also note that fluctuations in the exchange rate may have an adverse impact on the number of the worst performing reference asset deliverable and the amount of cash payment for fractional shares and thus on your potential payout under the SDC Basket ELI.

Scenario 3 — Where an RMB disruption event occurs on the expiry date and continues to exist for twelve consecutive business days from the expiry date (RMB disruption scenario)

Taking scenario 1 above, if an RMB disruption event occurs on the expiry date and continues to exist for twelve consecutive business days from the expiry date, you will receive, by no later than the third business day after such twelfth business day, the payment of nominal amount (i.e. RMB100,000) together with the potential final distribution amount payable (i.e. RMB8,000) in an equivalent amount in HKD calculated by the Issuer acting in good faith and in a commercially reasonable manner by converting such amount payable in RMB into HKD using the exchange rate as of such twelfth business day. You will therefore be exposed to the risk of fluctuation in the exchange rate of offshore RMB against HKD.

Assuming that the exchange rate for HKD per offshore RMB prior to the occurrence of the RMB disruption event is 1.2700 and RMB depreciates significantly against HKD following the occurrence of an RMB disruption event and the exchange rate as of the twelfth business day from the expiry date is 0.50, you will suffer a loss of HKD83,160 in HKD terms as the equivalent amount in HKD paid to you, being HKD54,000 (i.e. RMB108,000 x 0.50), is substantially less than the value of the relevant amount payable in RMB on the original payment date in HKD terms (calculated based on the exchange rate between offshore RMB and HKD prior to the occurrence of the RMB disruption event), being HKD137,160 (i.e. RMB108,000 x 1.27).

**OUR SDC BASKET ELIS —
EXTRAORDINARY EVENTS, ADJUSTMENTS, SUBSTITUTION,
EARLY TERMINATION, ADJUSTMENTS TO KEY DATES AND
OCCURRENCE OF AN RMB DISRUPTION EVENT**

A. Extraordinary events; Adjustments to terms and conditions; Substitution of reference asset(s); Early termination

As we cannot foresee all extraordinary events that can occur in relation to us or the reference assets in the basket, we may have to adjust the terms of our SDC Basket ELIs or early terminate our SDC Basket ELIs when an extraordinary event occurs.

What are the consequences of an extraordinary event occurring in respect of the SDC Basket ELIs?

- (a) If we become insolvent or default on our obligations under our SDC Basket ELIs on or before the expiry date of our SDC Basket ELIs: → Our SDC Basket ELIs represent our general, unsecured and unsubordinated contractual obligations. You will have to rely on your distributor to take legal action against us directly or indirectly (through any sub-custodian or intermediary (including any accountholder) and the nominee of the relevant clearing system through which your distributor holds the SDC Basket ELIs). If your distributor does not take legal action against us, you will have to compel your distributor to do so by taking legal action against your distributor. Alternatively, if you would like to take legal proceedings against us, you will have to also take legal proceedings in the same action against your distributor, any sub-custodian or intermediary (including any accountholder) and the nominee of the relevant clearing system through which your distributor holds the SDC Basket ELIs. **In the worst case scenario, you could lose all of your investment.**
- (b) If we determine, in our sole and absolute discretion, acting in good faith and in a commercially reasonable manner, that an event which has a diluting or concentrative effect on the theoretical value of any reference asset has occurred during the investment period (including but not limited to, a subdivision or consolidation of any reference asset, or a bonus or rights issue) (as more particularly set out in Condition 6(a) of the general terms and conditions in Appendix B): → We will determine in our sole and absolute discretion acting in good faith and in a commercially reasonable manner any adjustment to be made to the terms and conditions of our SDC Basket ELIs (including, for example, adjusting the call price(s), exercise price(s) and knock-in price(s) (if applicable) of the affected reference asset(s)) to account for that diluting or concentrative event so as to preserve the economic equivalence of the relevant SDC Basket ELIs. If options contracts on the reference assets in the basket are traded on HKEX, we will determine any such adjustments by following any adjustment to the terms of the relevant options contracts made and announced by HKEX. If no such options contracts are traded, we will determine the appropriate adjustments by following the relevant rules set out in the Operational Trading Procedures for Options Trading Exchange Participants of the Stock Exchange (the “**Options Operational Trading Procedure**”) published by HKEX in respect of such event. We shall also determine, in our sole and absolute discretion, acting in good faith and in a commercially reasonable manner, the effective date(s) of such adjustment(s) and shall observe and use, to the extent reasonably practicable such ex-date(s) or other relevant date(s) as provided by HKEX as the effective date(s) of such adjustment(s).

For further details, please refer to Condition 6 of the general terms and conditions on pages 152 to 154 of this product booklet.

- (c) If any of the following events occur during the investment period in relation to (1) any reference asset, (2) the company issuing any reference asset (where the reference asset is a share) or (3) the fund whose units constitute any reference asset (where the reference asset is the units of a fund), including:

- (i) if the reference asset is a share, the merging of the company with another company or the acquisition of the company by another entity; or
- (ii) a tender offer by another entity to purchase the company or the units of the fund;

→ We will determine in our sole and absolute discretion acting in good faith and in a commercially reasonable manner any adjustment to be made to the terms and conditions of our SDC Basket ELIs in respect of the affected reference assets(s) to account for the extraordinary event so as to preserve the economic equivalence of the relevant SDC Basket ELIs.

If any adjustments are to be made in respect of the affected reference asset(s), we will continue the SDC Basket ELIs and make such adjustments to the terms and conditions of our SDC Basket ELIs in respect of the affected reference asset(s). If options contracts on the reference assets in the basket are traded on HKEX, we will determine any such adjustments following any adjustment to the terms of the relevant options contracts made and announced by HKEX. If no such options contracts are traded on HKEX, we will determine the appropriate adjustments by following the relevant rules set out in the Options Operational Trading Procedures published by HKEX in respect of such event. We shall also determine, in our sole and absolute discretion, acting in good faith and in a commercially reasonable manner, the effective date(s) of such adjustment(s) and shall observe and use, to the extent reasonably practicable such ex-date(s) or other relevant date(s) as provided by HKEX as the effective date(s) of such adjustment(s).

For further details, please refer to Condition 6 of the general terms and conditions on pages 152 to 154 of this product booklet.

If we determine in our sole and absolute discretion acting in good faith and in a commercially reasonable manner that none of the foregoing adjustments is able to account for the extraordinary event so as to preserve the economic equivalence of the relevant SDC Basket ELIs, we may substitute the relevant affected reference asset(s) with shares of another company or units of another fund selected by us in our sole and absolute discretion acting in good faith and in a commercially reasonable manner which meet the following criteria: (1) a share or unit of a fund with a similar price volatility as the affected reference asset and listed on the same exchange which is not already comprised in the basket; and (2) a share which belongs to a similar economic sector as the affected shares or a unit of a fund which has similar investment objectives as the affected units and, in each case, with a similar market capitalisation as of the trade date.

If we determine in our sole and absolute discretion acting in good faith and in a commercially reasonable manner that substitution of the affected reference asset(s) is appropriate to account for that event, we will continue our SDC Basket ELIs and make such substitution as described above and make any further adjustments to the terms of our SDC Basket ELIs as we think fit (determined by us in our sole and absolute discretion acting in good faith and in a commercially reasonable manner) to account for that event, provided that any such substitution and adjustment is not considered by us to be prejudicial to the investors. **Any substitution or adjustment to the terms of our SDC Basket ELIs may have an adverse effect on the market value and potential return of the SDC Basket ELIs.**

If we determine that no substitution under this paragraph (c) is appropriate to account for that event, we will terminate our SDC Basket ELIs as soon as practicable and pay you a fair market value for each of your SDC Basket ELI as soon as practicable after the date of termination of our SDC Basket ELIs (determined by us in our sole and absolute discretion acting in good faith and in a commercially reasonable manner). The fair market value of each SDC Basket ELI will depend on factors such as market interest rate movements, DBS' financial condition, the market's view of DBS' credit quality, the value of the embedded conditional put option, the price performance and price volatility of the reference assets in the basket and the remaining tenor of the SDC Basket ELIs. It will also take into account any cost which is, or would be, incurred by us in unwinding our hedging arrangements. **Depending on the then prevailing market conditions, this fair market value of each SDC Basket ELI may be less, or substantially less, than your initial investment amount in each SDC Basket ELI, and may be as low as zero.**

For further details, please refer to Condition 6 of the general terms and conditions on pages 152 to 154 of this product booklet.

- (d) During the investment period, if an extraordinary unforeseeable event occurs in relation to (1) any reference asset, (2) the company issuing any reference asset (where the reference asset is a share) or (3) the fund whose units constitute any reference asset (where the reference asset is the units of a fund), including:
- (i) the insolvency of the company or the fund;
 - (ii) the nationalisation of the company or the fund;
 - (iii) the delisting of the relevant reference asset on HKEX;
 - (iv) a change in law with the result that it becomes illegal for us to hold or dispose of the relevant reference asset or will cause us to incur a materially increased cost in performing our obligations under the SDC Basket ELIs;
 - (v) our inability to hedge our exposure under the SDC Basket ELIs or a material increase in the cost of hedging our exposure under the SDC Basket ELIs after the issue date (provided that such inability or increase of cost is not incurred because of the deterioration of our creditworthiness);
 - (vi) the institution of proceedings against or the petition by the regulator of the company for the company's winding-up or liquidation; and
 - (vii) a fund termination event occurs in relation to the fund, as described in detail in Condition 17 of the general terms and conditions of our SDC Basket ELIs (as set out in Appendix B hereto).
- We will determine in our sole and absolute discretion acting in good faith and in a commercially reasonable manner any substitution of the affected reference asset(s) to be made based on the same method of selection and criteria as set out in sub-paragraph (c) above.
- If we determine in our sole and absolute discretion acting in good faith and in a commercially reasonable manner that substitution of the affected reference asset(s) is appropriate to account for that event, we will continue our SDC Basket ELIs and make such substitution as described above and make any further adjustments to the terms of our SDC Basket ELIs as we think fit (determined by us in our sole and absolute discretion acting in good faith and in a commercially reasonable manner) to account for that event, provided that any such substitution and adjustment is not considered by us to be prejudicial to the investors.
- If we determine that no substitution under this paragraph (d) is appropriate to account for that event, we will early terminate our SDC Basket ELIs as soon as practicable and pay you a fair market value for your SDC Basket ELIs as soon as practicable after the date of termination of our SDC Basket ELIs (determined by us in our sole and absolute discretion acting in good faith and in a commercially reasonable manner). The fair market value of each SDC Basket ELI will be determined as described in (c) above. **Depending on the then prevailing market conditions, this fair market value of each SDC Basket ELI may be less, or substantially less, than your initial investment amount in each SDC Basket ELI, and may be as low as zero.**
- For further details, please refer to Condition 6 of the general terms and conditions on pages 152 to 154 of this product booklet.

- (e) If (i) we are required by Hong Kong or Singapore law to withhold or deduct taxes in respect of any amounts payable under our SDC Basket ELIs or (ii) we are prevented by Hong Kong or Singapore law from making payment of any sums payable by us pursuant to the terms and conditions: → We will early terminate our SDC Basket ELIs, in the case of (i), on the tax early termination date (as defined in Condition 7 of the general terms and conditions and being no earlier than 60 days prior to the earliest date which we are obliged by Hong Kong or Singapore law to withhold or deduct taxes in respect of any amounts payable under our SDC Basket ELIs) or, in the case of (ii), on the special tax early termination date (as defined in Condition 8 of the general terms and conditions), and pay you on such date the fair market value for each of your SDC Basket ELI. The fair market value of each SDC Basket ELI will be determined as described in (c) above and will be made without withholding or deduction for any taxes imposed by Hong Kong or Singapore law. **Depending on the then prevailing market conditions, this fair market value of each SDC Basket ELI may be less, or substantially less, than your initial investment amount in each SDC Basket ELI, and may be as low as zero.**

For further details, please refer to Conditions 7 and 8 of the general terms and conditions on page 155 of this product booklet.

B. Adjustment to key dates

Will the key dates relevant to the terms of the SDC Basket ELIs be adjusted?

Some of the key dates relevant to the terms of the SDC Basket ELIs may be adjusted or postponed in certain circumstances.

- (a) If the offer period of a series of SDC Basket ELIs changes: → As the trade date is the last day of the offer period, any change in the offer period will lead to a corresponding change to the trade date.

Since the issue date falls after the trade date, any rescheduling of the trade date may lead to a rescheduling of the issue date, and hence a corresponding rescheduling of the call fixing dates, the knock-in event date (if applicable), the final fixing date and the expiry date. However, since there is a time gap of up to ten business days between the trade date and the issue date, any rescheduling of the trade date will not necessarily lead to a rescheduling of the issue date and the other key dates mentioned above.

If the offer period changes, we will inform your distributor, and your distributor will inform you, as soon as practicable by latest the end of the original offer period of any rescheduled dates. We will also provide you (via your distributor) with a revised indicative term sheet containing the rescheduled dates. You will be able to cancel your purchase order within the specified period of time as notified to you by your distributor. Neither we nor your distributor will charge you any handling fees for such cancellation. Please contact your distributor for further details.

- (b) If the trade date, any call fixing date or the final fixing date falls on a day on which HKEX is not scheduled to open for trading: → Each of the trade date, the call fixing date, and the final fixing date is determined on the basis of a scheduled trading day, which means a day on which HKEX is scheduled to open for trading. If any of these days falls on a day which is not a scheduled trading day, the affected date will be postponed to the following day on which HKEX is scheduled to open for trading. We will not pay any extra amount (such as interest) for any postponement of any affected date.
- (c) If the trade date falls on a “disrupted day” for any reference asset(s) in the basket. → If the trade date falls on a disrupted day for any reference asset(s) in the basket and your purchase order for the SDC Basket ELIs has not yet been executed on such trade date, the offering of the relevant series of SDC Basket ELIs and your purchase order for such series of SDC Basket ELIs will be cancelled. The issue price will not be deducted from the designated cash account that you hold with your distributor on the issue date and neither we nor your distributor shall charge you any handling fees for such cancellation. The offering of the relevant series of SDC Basket ELIs will not be cancelled if your purchase order has been executed prior to the occurrence of the relevant event which caused such trade date to be a disrupted day for such reference asset(s).
- (d) If any call fixing date, any knock-in event date or the final fixing date falls on a “disrupted day” for any reference asset(s) in the basket. → The affected date for any affected reference asset(s) in the basket will be postponed to the following scheduled trading day which is not a “disrupted day” (up to a maximum of eight scheduled trading days) for the affected reference asset(s). For the avoidance of doubt, such dates shall not be adjusted for any unaffected reference asset(s) in the basket.
- If the relevant disruption persists on the eighth scheduled trading day, we will treat that eighth scheduled trading day as the adjusted date for the affected reference asset and we will estimate in good faith and in a commercially reasonable manner the closing price of the affected reference asset(s) on such day by reference to, without limitation, the last reported price of such affected reference asset(s) and prevailing market conditions.
- If (i) a call fixing date is postponed and the callable condition is satisfied on such postponed affected date, or (ii) the final fixing date is postponed, the call settlement date or expiry date (as the case may be) will be postponed accordingly. We will not pay any extra amount (such as interest) for any postponement of any affected date.
- (e) If the call settlement date or the expiry date falls on a day which is not a “business day”. → The affected date will be postponed to the following day which is a “business day”. We will not pay any extra amount (such as interest) for any postponement of the call settlement date or the expiry date (as the case may be).

- (f) In the case where physical settlement amount is determined to be deliverable, if the expiry date falls on (i) a day on which there is a “settlement disruption” or (ii) a “business day” which is not a “clearing system business day”. → The affected date will be postponed until the next practicable date which is a “clearing system business day” (up to a maximum of eight clearing system business days). If the relevant settlement disruption persists on the eighth clearing system business day after the scheduled expiry date, we will seek to deliver the worst performing reference asset which forms part of the physical settlement amount to the legal holder of the SDC Basket ELIs (who will in turn arrange to deliver the same to the accountholders) as soon as reasonably practicable in a commercially reasonable manner outside CCASS. If such worst performing reference asset cannot be delivered in any other commercially reasonable manner, the expiry date will be postponed until delivery can be effected through CCASS or another relevant clearing system or in any other commercially reasonable manner. You should note that cash payment of any fractional shares or units of such worst performing reference asset will also be postponed until such time when such worst performing reference asset which forms the physical settlement amount can be delivered.

There is no assurance of the duration of such a delay.

We will not pay any extra amount (such as interest) for any delay of the delivery of the physical settlement amount.

C. Occurrence of an RMB Disruption Event

What are the consequences of the occurrence of an RMB disruption event on a scheduled date of payment?

In the case where the settlement currency of the SDC Basket ELIs is RMB, if an RMB disruption event occurs on, or prior to and is continuing on, any day on which any amount payable in RMB under the SDC Basket ELIs are scheduled to be paid. → Such payment in RMB will be postponed to the third business day after the date on which the RMB disruption event ceases to exist. However, if the RMB disruption event continues to exist for twelve consecutive business days from the original scheduled date of payment, we shall, by no later than the third business day after such twelfth business day, make payment of a HKD equivalent amount, being an amount calculated by us acting in good faith and in a commercially reasonable manner by converting the original amount payable in RMB into HKD based on (i) the exchange rate of HKD per one USD, as published as the “USD/HKD Spot Rate” on the Treasury Markets Association’s website (http://www.tma.org.hk/en_market_info.aspx) as at 11.30am on such twelfth business day divided by (ii) the exchange rate of offshore RMB per one USD, as published as the “USD/CNY(HK) Spot Rate” on the Treasury Markets Association’s website (http://www.tma.org.hk/en_market_info.aspx) as at 11.30am on such twelfth business day, provided that if any such rate is not available, we shall determine such exchange rate in our sole and absolute discretion acting in good faith and a commercially reasonable manner.

An “RMB disruption event” means the occurrence of any event that, as determined by us in our sole and absolute discretion acting in good faith and a commercially reasonable manner, makes it impossible for us:

- (i) to obtain a firm quote of a price in respect of any amount due and payable in RMB under the SDC Basket ELIs on the relevant scheduled date of payment in the general RMB exchange market in Hong Kong in order to perform our obligations under the SDC Basket ELIs;
- (ii) to convert into RMB for any amount due and payable in RMB under the SDC Basket ELIs in the general RMB exchange market in Hong Kong; or

We will not pay any extra amount (such as interest) for such postponed payment. We will notify you via your distributor on the original payment date of such postponement of payment and, if applicable, the calculation of the HKD equivalent amount as soon as practicable but no later than the third business day after such HKD equivalent amount is calculated.

- (iii) to transfer RMB between accounts inside Hong Kong,

in the case of (ii) and (iii) above, other than where such impossibility is due to the failure of us to comply with any law, rule or regulation enacted by any government authority (unless such law, rule or regulation is enacted after the issue date and it is impossible for us, due to an event beyond its control, to comply with such law, rule or regulation).

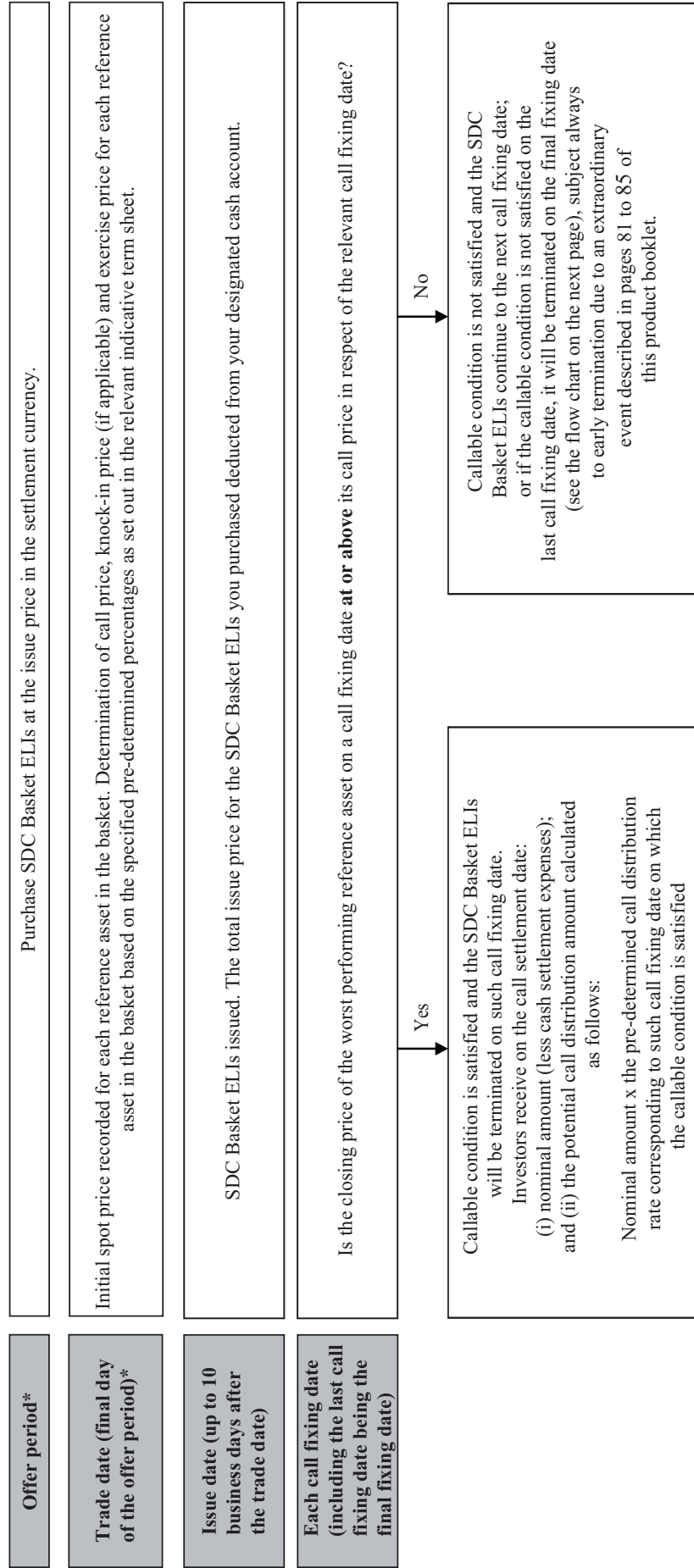
For the avoidance of doubt, the following events shall not constitute an RMB disruption event:

- (A) in the case of (i) above, the inability for the Issuer to obtain such firm quote due to issues relating to its creditworthiness; and
- (B) in the case of (ii) above, the inability for the Issuer to convert into RMB for any amount due and payable in RMB under the SDC Basket ELIs due to issues relating to its creditworthiness.

The above table sets out a ready reference of the possible adjustments that we may make to the terms and conditions of the SDC Basket ELIs and the other possible actions we may take as a result of the occurrence of certain extraordinary events and the consequences of the occurrence of an RMB disruption event in respect of our RMB denominated SDC Basket ELIs. If we determine to make an adjustment to the terms and conditions and/or the key dates, substitute any of the reference assets or early terminate the SDC Basket ELIs or if any payment in RMB is postponed or made in a HKD equivalent amount upon the occurrence of an RMB disruption event, we will notify the distributor(s) as soon as practicable no later than the third business day after such determination and the distributor(s) will in turn inform you.

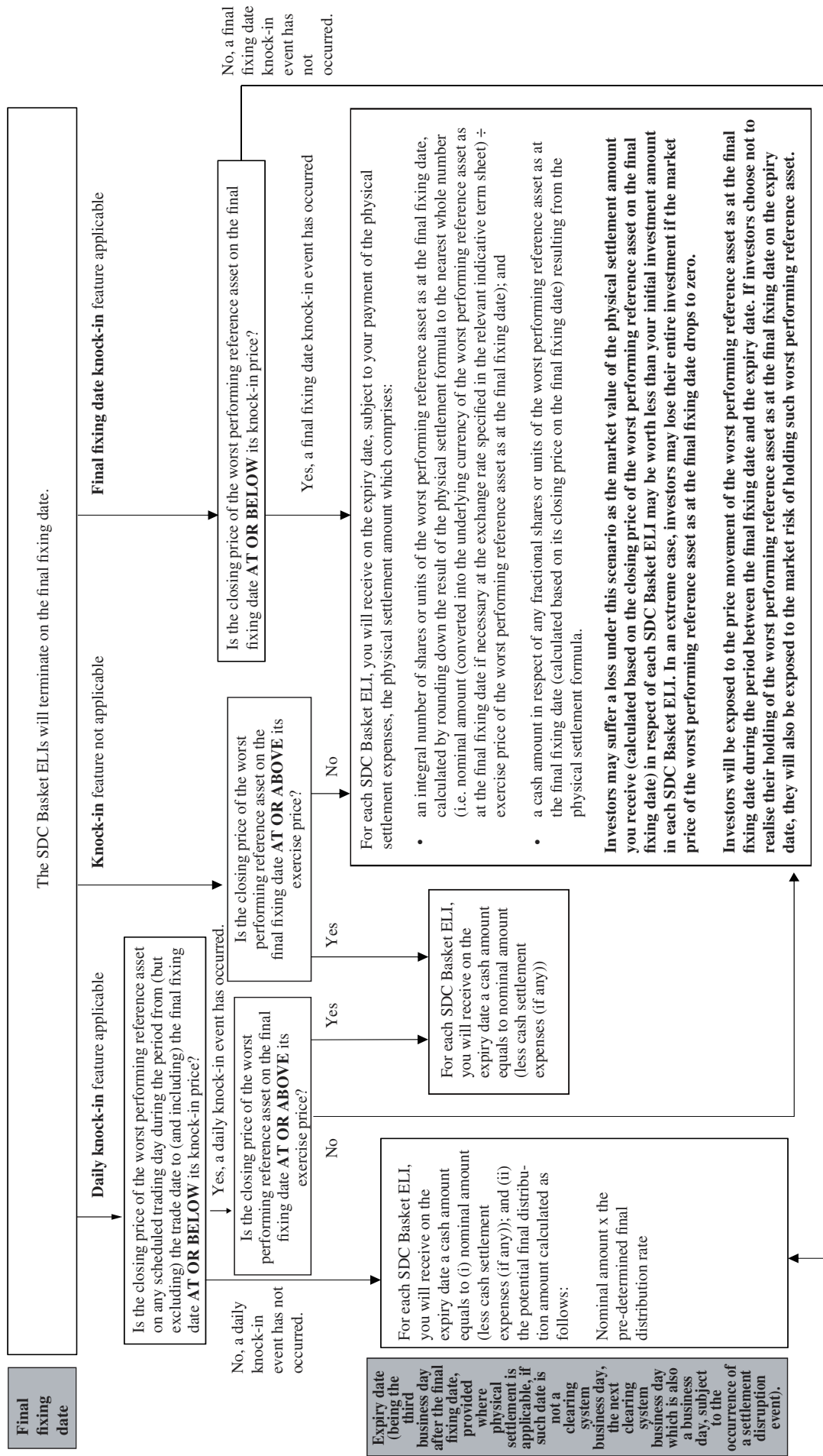
Any determination in respect of adjustment to the terms and conditions of our SDC Basket ELIs, substitution of the reference asset(s), early termination of our SDC Basket ELIs, adjustment to key dates and settlement postponement upon the occurrence of an RMB disruption event will be made by us in our sole and absolute discretion acting in good faith and in a commercially reasonable manner.

HOW DO OUR SDC BASKET ELIS WORK? — A FLOWCHART DESCRIPTION



* The initial spot price of each reference asset in the basket may be (i) the closing price on the trade date, or (ii) its prevailing market price as quoted by HKEX at the time your purchase order for the SDC Basket ELIs is executed on the trade date provided that such price has satisfied your pre-set criteria that is set out in the indicative term sheet, or (iii) its prevailing market price as quoted by HKEX at the time your purchase order is executed on the trade date. In the case of (ii), your purchase order will only be executed if the prevailing market price of the “designated reference asset” on the trade date is at or lower than the price chosen by you. In the case of (iii), we will execute your purchase order as soon as practicable after you placed your purchase order. We will decide prior to the offer period whether method (i), (ii) or (iii) will be used to determine the initial spot price of all reference assets in the basket for a particular series of SDC Basket ELIs and such method will be specified in the relevant indicative term sheet. Please refer to the section headed “Glossary — The Meaning of the Key Terms of Our SDC Basket ELIs” on pages 91 to 106 of this product booklet for further details. As the exercise price, call price and knock-in price (if applicable) that are applicable to the series of SDC Basket ELIs will be expressed as a specified pre-determined percentage of the initial spot price of each reference asset in the relevant indicative term sheet, the actual prices of such commercial variables, along with the initial spot price of each reference asset in the basket, will only be recorded and determined on the trade date after you have placed your purchase order for the SDC Basket ELIs. The final term sheet containing all the finalised commercial terms applicable to our SDC Basket ELIs will be sent to your distributor two business days after the relevant trade date. Please contact your distributor for details.

HOW DO OUR SDC BASKET ELIS WORK? — A FLOWCHART DESCRIPTION



GLOSSARY — THE MEANING OF THE KEY TERMS OF OUR SDC BASKET ELIS

The meaning of the key terms of our SDC Basket ELIs are summarised in the following table. Please note that we are issuing our SDC Basket ELIs in series under our non-principal protected unlisted equity linked investment programme and the following terms should be read as applying to each series separately.

(A) SUBSCRIPTION OF OUR SDC BASKET ELIS

Offer period

- This is the period during which you can buy an SDC Basket ELI of a particular series.
- We may choose to extend or close the offer period, or withdraw the offer at any time. As the trade date is the last day of the offer period, any change in the offer period will lead to a corresponding change to the trade date.
- Since the issue date falls after the trade date, any rescheduling of the trade date may lead to a rescheduling of the issue date, and hence the corresponding call fixing dates, the final fixing date and the expiry date. However, since there is a time gap of up to ten business days between the trade date and the issue date, any rescheduling of the trade date will not necessarily lead to a rescheduling of the issue date and the other key dates mentioned above.
- If the offer period is changed, we will provide you (via your distributor) with a revised indicative term sheet and you will be able to cancel your purchase order within the specified period of time as notified to you by your distributor. Neither we nor your distributor will charge you any fees for such cancellation. Please check with your distributor for further details.

Issue price

- This is the price you have to pay for an SDC Basket ELI. Once your purchase order is executed on the trade date, your distributor will pay us the total issue price for the SDC Basket ELIs you purchased on the issue date.
- The issue price for an SDC Basket ELI is equal to its nominal amount and will be specified in the relevant indicative term sheet.

	<ul style="list-style-type: none"> The issue price and each of the commercial variables in relation to the reference asset (including the exercise price, the call price and the knock-in price) will depend on factors such as the prevailing market conditions, the market interest rate movements, the value of the embedded conditional put option and the price performance, price volatility and dividend distribution of the reference assets in the basket, our creditworthiness, the distributor's commission and the related transaction cost.
Nominal amount	<ul style="list-style-type: none"> This is equivalent to the face value of each SDC Basket ELI. The nominal amount will be used to calculate: (i) the issue price; (ii) the call settlement amount (if applicable); and (iii) the final settlement payout.
Minimum investment amount	<ul style="list-style-type: none"> The minimum investment amount is the minimum amount of SDC Basket ELIs which you must purchase for a particular series of SDC Basket ELIs and will be specified in the relevant indicative term sheet.
Trade date	<ul style="list-style-type: none"> This is the date on which your purchase order will be executed by us and all the terms of the relevant series of SDC Basket ELI you bought are finalised and we will specify the trade date in the relevant indicative term sheet. If such specified day is not a scheduled trading day, the immediately succeeding scheduled trading day shall be the trade date. You will be subject to the terms and conditions of the SDC Basket ELIs from the trade date. The trade date will coincide with the end date of the offer period. We will record the initial spot price of each of the reference assets in the basket on the trade date. If the trade date falls on a "disrupted day" for any reference asset(s) in the basket and your purchase order for the SDC Basket ELIs has not yet been executed on such trade date, the offering of the relevant series of SDC Basket ELIs and your purchase order for such series of SDC Basket ELIs will be cancelled. The issue price will not be deducted from the designated cash account that you hold with your distributor on the issue date and neither we nor your distributor shall charge you any handling fees for such cancellation. The offering of the relevant series of SDC Basket ELIs will not be cancelled if your purchase order has been executed prior to the occurrence of the relevant event which caused such trade date to be a "disrupted day" for the relevant reference asset(s).

Settlement currency

- This is the currency in which our SDC Basket ELIs are denominated and will be specified in the relevant indicative term sheet. You will pay the issue price and, where applicable, receive any settlement amount in cash in the settlement currency.
- If the settlement currency of the SDC Basket ELIs is not the same as the underlying currency of the worst performing reference asset as at the final fixing date, we will convert from the settlement currency into such underlying currency or convert such underlying currency into the settlement currency at the exchange rate as specified in the relevant indicative term sheet for the purposes of calculating the physical settlement amount upon expiry of the SDC Basket ELIs (if applicable).

Basket of reference assets

- Each series of SDC Basket ELIs is linked to a basket of reference assets (being shares of a company or units of a fund (being a real estate investment trust or an exchange traded fund)) listed on the Main Board of HKEX and quoted in the underlying currency being either HKD or RMB. Information on each company or fund (including its published audited consolidated financial statements and interim financial statements (if any)) may be obtained from the website operated by HKEX at www.hkexnews.hk.
- Not all Hong Kong-listed shares or funds (being a real estate investment trust or an exchange traded fund) can be used as reference assets for our SDC Basket ELIs. You should check with your distributor what reference assets are available.
- The basket will comprise a minimum of two and a maximum of five reference assets and may comprise a mixture of reference assets quoted in HKD and RMB. The reference assets in the basket will be specified in the relevant indicative term sheet.

Underlying currency

- The underlying currency is the currency in which a reference asset is quoted on the HKEX, which is either HKD or RMB as specified in the relevant indicative term sheet.

Initial spot price

- We will record an initial spot price for each reference asset in the basket on the trade date. The initial spot price in respect of each reference asset in the basket may be (i) its closing price on the trade date, or (ii) its prevailing market price as quoted by HKEX at the time your purchase order is executed on the trade date provided that such price has satisfied your pre-set criteria that is set out in the indicative term sheet, or (iii) its prevailing market price as quoted by HKEX at the time your purchase order is executed on the trade date.

- In the case of (ii),
 - you will need to choose at the time you place your purchase order:
 - (a) one of the reference assets in the basket as the designated reference asset; and
 - (b) a price for the designated reference asset,
 both of which will be specified in the indicative term sheet.
 - your purchase order will only be executed if the prevailing market price of such designated reference asset on the trade date is at or lower than the chosen price in (b) above.
 - if your purchase order is executed, the initial spot price of each reference asset in the basket will be its prevailing market price at the time your purchase order is executed.
 - if your purchase order is not executed, your purchase order will be cancelled. The issue price (which includes your distributor's commission (if any)) will not be deducted from your designated cash account with your distributor on the issue date.
- In the case of (iii), we will execute your purchase order as soon as practicable after you placed your purchase order.
- We will decide prior to the offer period whether method (i), (ii), or (iii) will be used to determine the initial spot prices of all reference assets in the basket for a particular series of SDC Basket ELIs and such method will be specified in the relevant indicative term sheet.
- The initial spot price of each reference asset in the basket will be specified in the relevant final term sheet and we will calculate the relevant exercise price, call price, and knock-in price for each reference asset in the basket by reference to its relevant initial spot price.
- The actual initial spot prices will be specified in the relevant final term sheet.
- When we refer to the closing price of any reference asset on a particular day, we mean the closing price of that reference asset as quoted by HKEX on that day.
- This is the date our SDC Basket ELIs are issued.

Closing price

Issue date

	<ul style="list-style-type: none"> • The issue date is the date specified as such in the relevant indicative term sheet. This date may fall on any business day from, but excluding, the trade date to and including the tenth business day after the trade date.
Investment period	<ul style="list-style-type: none"> • This is the period from the trade date to the final fixing date (both dates inclusive). • As you will be subject to the terms and conditions of our SDC Basket ELIs from the trade date, you will be exposed to the risks associated with the SDC Basket ELIs from the trade date which may affect the market value and potential return of the SDC Basket ELIs. • You should note that although all the terms of our SDC Basket ELIs are finalised on the trade date, our SDC Basket ELIs will only be issued on the issue date. In addition, although the final settlement payout will be determined on the final fixing date, the final settlement payout will only be paid or delivered to you on the expiry date.
Order date	<ul style="list-style-type: none"> • This is the day when you place your purchase order with your distributor. • Depending on when you decide to place your purchase order to your distributor, the order date may fall on or before the trade date and will fall before the issue date.
Post-sale cooling-off period	<ul style="list-style-type: none"> • Post-sale cooling-off period applies to our SDC Basket ELIs with an investment period of more than one year. For such SDC Basket ELIs, the post-sale cooling-off period is the period during which you can send us a valid instruction through your distributor to cancel or unwind (as the case may be) the purchase order. The post-sale cooling-off period starts from the date you place an order for the SDC Basket ELIs and ends on the fifth business day after such date (both dates inclusive). The cash amount returned to you will be capped at and may be substantially less than your initial investment amount. Please refer to the sub-section headed “Is there a Post-Sale Cooling-Off Period for our SDC Basket ELIs?” on pages 115 to 116 under the section headed “More information about our SDC Basket ELIs” for further details.
Market making arrangements	<ul style="list-style-type: none"> • We will provide market making arrangements bi-weekly on each market making day falling every other Wednesday after the issue date up to the third business day before the final fixing date (both dates inclusive) only for our SDC Basket ELIs with an investment period of over 6 months.

- For our SDC Basket ELIs with an investment period of 6 months or less, we may provide market making arrangements at any time upon request by your distributor. However, we are not under any obligation to do so. There may be no market making arrangements and you may not be able to sell your SDC Basket ELIs at all.
- If (i) any such market making day is not a business day or a scheduled trading day, (ii) a market disruption event occurs on such market making day, or (iii) we experience any technical problems beyond our control affecting our ability to provide a bid price for our SDC Basket ELIs (including any power failure or breakdown of our computer system) on such market making day, that market making day will be postponed to the next business day which is also a scheduled trading day and not affected by a market disruption event or other technical problems.
- **You should note that the amount per SDC Basket ELI which you receive from selling your SDC Basket ELIs back to us on a market making day may be substantially less than your initial investment amount in each SDC Basket ELI.** Also, your distributor may charge you a fee when you sell your SDC Basket ELIs back to us on a market making day and such fees or charges will reduce the amount you receive when you sell your SDC Basket ELIs back to us before the relevant final fixing date. Please contact your distributor for details. Please refer to the sub-section headed “Is there any Market Making Arrangement for our SDC Basket ELIs before the relevant Final Fixing Date?” on pages 116 to 117 under the section headed “More information about our SDC Basket ELIs” for further details.

Minimum transfer amount

- The minimum transfer amount is the minimum amount of SDC Basket ELIs which you sell back to us on a market making day. The minimum transfer amount is equal to the nominal amount of the SDC Basket ELI.

Business day

- A day (other than Saturdays and Sundays) on which banks and foreign exchange markets are open for business in Hong Kong and the financial centre(s) of the settlement currency as specified in the relevant indicative term sheet.

Accountholder

- The distributor, sub-custodian or intermediary having an account at Euroclear and/or Clearstream, Luxembourg in which your SDC Basket ELIs are held.

Disrupted day

- A disrupted day means:
 - (i) a day that is a scheduled trading day but HKEX or any related exchange does not open for trading; or
 - (ii) a day on which a market disruption event has occurred.
- For details as to the consequences of a scheduled trading day falling on a disrupted day for any reference asset(s) in the basket, please refer to sub-section B. (c), (d) and (e) on page 86 under the section headed “Our SDC Basket ELIs — Extraordinary Events, Adjustments, Substitution, Early Termination, Adjustments to Key Dates and Occurrence of an RMB Disruption Event”.

Market disruption event

- A market disruption event means:
 - (i) any suspension of or limitation imposed on the trading in, or any event that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market prices for, any reference asset(s) in the basket on HKEX or futures or options contracts relating to such reference asset(s) on any related exchange at any time during the one hour period that ends at the relevant valuation time, which we determine in our sole discretion acting in good faith and in a commercially reasonable manner to be material; or
 - (ii) HKEX or any related exchange closes prior to its scheduled closing time without any prior announcement by HKEX or such related exchange(s) (as the case may be) of such early closure at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on HKEX or such related exchange(s) (as the case may be) on such day and (ii) the submission deadline for orders to be entered into the system(s) of HKEX or such related exchange(s) (as the case may be) for execution at the valuation time on such day.

Scheduled trading day

- A day on which HKEX is scheduled to be open for trading.

Worst performing reference asset

- We will determine which reference asset in the basket is the worst performing reference asset for each relevant scheduled trading day on which the prices of the reference assets in the basket are required to be observed.
- The reference asset with the lowest “performance” on a scheduled trading day will be the worst performing reference asset for that scheduled trading day. The worst performing reference asset on each scheduled trading day can be different.
- If two or more reference assets in the basket have the same lowest “performance” on a particular scheduled trading day, we will decide in our sole and absolute discretion acting in good faith and in a commercially reasonable manner which reference asset will be the worst performing reference asset for that scheduled trading day.
- Unless stated otherwise, where reference is made to a price of the worst performing reference asset in respect of a particular scheduled trading day, this shall be construed as meaning the relevant price of the worst performing reference asset as at such scheduled trading day.

Performance

- The performance of a reference asset on a scheduled trading day is calculated as follows:

$$\text{Performance} = \frac{\text{Closing price of the reference asset on a scheduled trading day}}{\text{Initial spot price of the relevant reference asset}} \times 100\%$$

- The performance for each reference asset will be rounded to four decimal places, with 0.00005 or above being rounded upwards.

(B) CALLABLE CONDITION

Callable condition

- The callable condition is satisfied if the closing price of the worst performing reference asset on a call fixing date is **at or above** its call price in respect of such call fixing date.

Call settlement amount

- If the callable condition is satisfied, the SDC Basket ELIs will be terminated on the relevant call fixing date and you will receive, in respect of each SDC Basket ELI, a call settlement amount equal to the nominal amount less any cash settlement expenses (currently no such expenses are payable) plus the potential call distribution amount.

Call price

- The call price is the price level that we will look at in determining whether the callable condition is satisfied on a call fixing date. A call price in respect of a call fixing date may be set at a level which is at, above or below the relevant exercise price.

	<ul style="list-style-type: none"> Each reference asset's call price is set at a specified pre-determined percentage of such reference asset's initial spot price and such percentage will be set out in the relevant indicative term sheet. The specified pre-determined percentage used to calculate the call prices of all reference assets in the basket in respect of a call fixing date will be the same. But the specified pre-determined percentage used to calculate the call prices in respect of each call fixing date will be different and will always decrease (i.e. step down) over the investment period of the SDC Basket ELIs. The call price for each reference asset in respect of each call fixing date will be rounded to four decimal places, with 0.00005 or above being rounded upwards.
Call fixing date	<ul style="list-style-type: none"> The call fixing date(s) will be set out in the relevant indicative term sheet, and the last call fixing date will always be the final fixing date. If a call fixing date as specified in the relevant indicative term sheet is not a scheduled trading day, the immediately succeeding scheduled trading day shall be the relevant call fixing date. We will observe the closing price of the worst performing reference asset on each call fixing date and compare it against its call price in respect of such call fixing date to determine whether the callable condition is satisfied.
Call settlement date	<ul style="list-style-type: none"> This is the date on which you will receive the call settlement amount (see "Call settlement amount" above) if the callable condition is satisfied. A date falling on the third business day after the call fixing date on which the callable condition is satisfied. If our SDC Basket ELIs are denominated in RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, payments under such SDC Basket ELIs will be postponed and may be made in a HKD equivalent amount. Please refer to the section headed "Our SDC Basket ELIs — Extraordinary Events, Adjustments, Substitution, Early Termination, Adjustments to Key Dates and Occurrence of an RMB Disruption Event" on pages 81 to 88 of this product booklet for further details.
Potential call distribution amount	<ul style="list-style-type: none"> The potential call distribution amount is a cash payment in the settlement currency that you will receive on the call settlement date if the callable condition is satisfied. It will be calculated as follows (rounded to the nearest 0.01, with 0.005 or above being rounded upward): <p style="margin-left: 40px;">Nominal amount x the call distribution rate corresponding to the call fixing date on which the callable condition is satisfied</p>
Call distribution rate	<ul style="list-style-type: none"> The call distribution rate in respect to each call fixing date will be specified in the relevant indicative term sheet.

(C) AT EXPIRY OF OUR SDC BASKET ELIS

Final fixing date	<ul style="list-style-type: none">• If (i) the callable condition has not been satisfied on any call fixing date and (ii) our SDC Basket ELIs are not early terminated due to any extraordinary event (see pages 81 to 85 of this product booklet for further details), our SDC Basket ELIs will terminate on the final fixing date as specified in the relevant indicative term sheet. If the final fixing date as specified in the relevant indicative term sheet is not a scheduled trading day, the immediately succeeding scheduled trading day shall be the final fixing date.
Exercise price	<ul style="list-style-type: none">• Each reference asset's exercise price will be expressed as a specified pre-determined percentage of its initial spot price and such percentage will be specified in the relevant indicative term sheet.• The exercise price for each reference asset will be rounded to four decimal places, with 0.00005 or above being rounded upwards.
Knock-in feature	<ul style="list-style-type: none">• There are two types of knock-in feature: (i) final fixing date knock-in feature and (ii) daily knock-in feature. If applicable, we will specify in the relevant indicative term sheet which type of knock-in feature applies to your SDC Basket ELIs.• Please refer to "Final settlement payout" on pages 101 to 102 for details of how a knock-in feature affects final settlement payout.
Knock-in event	<ul style="list-style-type: none">• If the final fixing date knock-in feature is applicable, a knock-in event will occur if the closing price of the worst performing reference asset on the final fixing date is at or below its knock-in price.• If the daily knock-in feature is applicable, a knock-in event will occur if the closing price of the worst performing reference asset on any scheduled trading day during the period from (but excluding) the trade date to (and including) the final fixing date is at or below its knock-in price.
Knock-in event date	<ul style="list-style-type: none">• If the final fixing date knock-in feature is applicable, the final fixing date.• If the daily knock-in feature is applicable, any scheduled trading day during the period from (but excluding) the trade date to (and including) the final fixing date.
Knock-in price	<ul style="list-style-type: none">• If a knock-in feature is applicable, we will stipulate a knock-in price for each reference asset. Each reference asset's knock-in price is set at a specified pre-determined percentage of its initial spot price and such percentage will be set out in the relevant indicative term sheet. Such percentage will be the same for all the reference assets in the basket. Each reference asset's knock-in price will always be set at a level which is lower than its exercise price.

- The knock-in price for each reference asset will be rounded to four decimal places, with 0.00005 or above being rounded upwards.

Final settlement payout

- For our SDC Basket ELIs where the knock-in feature is not applicable, if (1) the callable condition has not been satisfied and (2) our SDC Basket ELIs are not early terminated otherwise and:
 - (i) if the closing price of the worst performing reference asset on the final fixing date is **at or above** its exercise price, you will receive on the expiry date for each SDC Basket ELI, a cash amount equal to the nominal amount less any cash settlement expenses (currently, no cash settlement expenses are payable); or
 - (ii) if the closing price of the worst performing reference asset on the final fixing date is **below** its exercise price, you will receive on the expiry date for each SDC Basket ELI the physical settlement amount (the delivery of which is subject to payment of all relevant physical settlement expenses).
- For our SDC Basket ELIs where the daily knock-in feature is applicable, if (1) the callable condition has not been satisfied and (2) our SDC Basket ELIs are not early terminated otherwise and:
 - (i) If a knock-in event **has not occurred**, you will receive on the expiry date for each SDC Basket ELI a cash amount equals to the nominal amount less any cash settlement expenses (currently, no cash settlement expenses are payable) and the potential final distribution amount; or
 - (ii) if a knock-in event **has occurred** and the closing price of the worst performing reference asset on the final fixing date is **at or above** its exercise price, you will receive on the expiry date for each SDC Basket ELI, a cash amount equal to the nominal amount less any cash settlement expenses (currently, no cash settlement expenses are payable); or
 - (iii) if a knock-in event **has occurred** and the closing price of the worst performing reference asset on the final fixing date is **below** its exercise price, you will receive on the expiry date for each SDC Basket ELI the physical settlement amount (the delivery of which is subject to payment of all relevant physical settlement expenses).

- For our SDC Basket ELIs where the final fixing date knock-in feature is applicable, if (1) the callable condition has not been satisfied and (2) our SDC Basket ELIs are not early terminated otherwise and:
 - (i) If a knock-in event **has not occurred**, you will receive on the expiry date for each SDC Basket ELI a cash amount equals to the nominal amount less any cash settlement expenses (currently, no cash settlement expenses are payable) and the potential final distribution amount; or
 - (ii) if a knock-in event **has occurred**, you will receive on the expiry date for each SDC Basket ELI the physical settlement amount (the delivery of which is subject to payment of all relevant physical settlement expenses).
- **You should note that, where the final settlement payout consists of a physical settlement amount, subject to the payment of all relevant physical settlement expenses, you will receive, in respect of each SDC Basket ELI, a number of the worst performing reference asset as at the final fixing date and the market value of such shares or units (calculated based on the closing price of the worst performing reference asset on the final fixing date) will be less, or substantially less, than your initial investment amount in each SDC Basket ELI. You may suffer a loss in your investment. In an extreme case, you may lose your entire investment if the market value of the worst performing reference asset as at the final fixing date drops to zero.**

The physical settlement amount will only be delivered to you on the expiry date. Therefore, you will be exposed to any movement in the price of the worst performing reference asset as at the final fixing date during the period between the final fixing date and the expiry date. If you choose not to sell your holding of the worst performing reference asset as at the final fixing date on the expiry date, you will also be exposed to the market risk of holding such worst performing reference asset.

- You should note that your final settlement payout under the SDC Basket ELIs will be reduced by any distributor's charges and any cash settlement expenses or physical settlement expenses payable on settlement of the SDC Basket ELIs.
- The potential final distribution amount is only available if the knock-in feature is applicable. It is a cash payment in the settlement currency that you will receive on the expiry date if the callable condition is not satisfied, our SDC Basket ELIs are not otherwise early terminated and a knock-in event has not occurred. It will be calculated as follows (rounded to the nearest 0.01, with 0.005 or above being rounded upward):

Nominal amount x Final distribution rate

Potential final distribution amount

Final distribution rate

- The final distribution rate will be specified in the relevant indicative term sheet.

Physical settlement amount

- The physical settlement amount, (the delivery of which is subject to your payment of the physical settlement expenses) in the relevant circumstances described in “Final settlement payout”, comprises the following:

- (a) an integral number of shares or units of the worst performing reference asset as at the final fixing date, calculated by rounding down the result of the physical settlement formula to the nearest whole number; and
- (b) a cash amount in respect of any fractional share or unit of the worst performing reference asset as at the final fixing date (calculated based on its closing price on the final fixing date) resulting from the physical settlement formula.

- The physical settlement formula for each SDC Basket ELI is set out below:

Nominal amount (converted into the underlying currency of the worst performing reference asset as at the final fixing date at the exchange rate specified in the relevant indicative term sheet if the settlement currency is not the same as the underlying currency of the worst performing reference asset as at the final fixing date)

Exercise price of the worst performing reference asset as at the final fixing date

- We will calculate the physical settlement amount on a per-SDC Basket ELI basis.
- Any fractional shares or units of the worst performing reference asset as at the final fixing date (which will not be rounded) which forms part of the physical settlement amount will be settled by payment of a cash amount via Euroclear or Clearstream, Luxembourg and/or such other sub-custodian or intermediary specified by Euroclear or Clearstream, Luxembourg in the settlement currency calculated by reference to the closing price of such worst performing reference asset on the final fixing date (rounded to two decimal places, with 0.005 or above rounded upwards). No cash settlement expenses will be payable for the cash payment of any fractional shares or units of such worst performing reference asset to you.
- You should note that shares in a company or units in a fund listed on the Main Board of HKEX are cleared through CCASS. We will therefore deliver the worst performing reference asset which forms part of the physical settlement amount, by way of electronic settlement through CCASS, to Euroclear or Clearstream, Luxembourg, or any other sub-custodian or intermediary specified by Euroclear or Clearstream, Luxembourg.

- You will have to rely on (i) Euroclear or Clearstream, Luxembourg and CCASS and/or such other sub-custodian or intermediary specified by Euroclear or Clearstream, Luxembourg to arrange for the worst performing reference asset which forms part of the physical settlement amount to be delivered to the CCASS accounts of the accountholder, (ii) (where applicable) each sub-custodian or intermediary (including the accountholder) to credit the accounts of the other sub-custodians or intermediaries with the worst performing reference asset which forms part of the physical settlement amount, (iii) (where applicable) the relevant sub-custodian or intermediary to credit the accounts of your distributor with the worst performing reference asset which forms part of the physical settlement amount and (iv) your distributor to ensure that the worst performing reference asset which forms part of the physical settlement amount is credited through to your designated securities account on the expiry date.
- Your distributor will deposit the physical settlement amount into your designated securities account on the expiry date, subject to proper completion of the usual securities settlement procedures and after your payment of all physical settlement expenses.

(See also the next section headed “More Information about Delivery of the Physical Settlement Amount” on pages 107 to 109.)

Exchange rate

- The exchange rate between the settlement currency and the underlying currency of the worst performing reference asset as at the final fixing date based on the mid rate, bid rate or offer rate (as the case may be, acting in good faith and in a commercially reasonable manner) for the underlying currency of the worst performing reference asset as at the final fixing date per settlement currency (or settlement currency per underlying currency of the worst performing reference asset as at the final fixing date, as the case may be) as per the Bloomberg page: BFIX at the valuation time on the final fixing date, or if such screen page is not available, we shall, acting in good faith and in a commercially reasonable manner, select such other reference page as may replace that page for the purposes of displaying comparable exchange rates or determine in good faith and in a commercially reasonable manner such rate by reference to such sources as we may select in our sole and absolute discretion (acting in good faith and in a commercially reasonable manner).
- In the case where either the underlying currency of the worst performing reference asset as at the final fixing date or the settlement currency is RMB, we will use the offshore RMB exchange rate in making calculations under the relevant SDC Basket ELIs.

Expiry date

- This is the date on which you will receive the final settlement payout (see also “Final settlement payout” above) upon expiry of the SDC Basket ELIs.
- The date falling on the third business day after the final fixing date, as specified in the relevant indicative term sheet, provided where physical settlement is applicable, if such date is not a clearing system business day, the next clearing system business day which is also a business day, subject to the occurrence of a settlement disruption event.
- If our SDC Basket ELIs are denominated in RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, payments under such SDC Basket ELIs will be postponed and may be made in a HKD equivalent amount. Please refer to the section headed “Our SDC Basket ELIs — Extraordinary Events, Adjustments, Substitution, Early Termination, Adjustments to Key Dates and Occurrence of an RMB Disruption Event” on pages 81 to 88 of this product booklet for further details.

Cash settlement expenses

- If our SDC Basket ELIs are cash settled, you will have to pay for any cash settlement expenses.
- Cash settlement expenses are all charges or expenses, including any taxes and duties that are incurred upon termination of the SDC Basket ELIs. Currently there are no such charges or expenses.
- If any cash settlement expenses are payable in the future, we will inform the distributor(s) as soon as practicable in advance and the distributor(s) will in turn inform you.
- No cash settlement expenses will be payable for any potential call distribution amounts, potential final distribution amounts (if applicable) and the cash payment of any fractional shares or units of the worst performing reference asset as at the final fixing date.

Physical settlement expenses

- If our SDC Basket ELIs are physically settled, you will have to pay for all physical settlement expenses before the worst performing reference asset which forms part of the physical settlement amount is delivered to you on the expiry date.
- Physical settlement expenses are out-of-pocket expenses relating to the transfer and receipt of the worst performing reference asset which forms part of the physical settlement amount which are payable when the physical settlement amount is delivered to you at expiry of the SDC Basket ELIs.

	<ul style="list-style-type: none"> • These expenses include buyer's stamp duty (if applicable, subject to the then prevailing laws and regulations) on delivery of the worst performing reference asset which forms part of the physical settlement amount (calculated by reference to its exercise price, if applicable, converted into HKD at the exchange rate as determined by the Hong Kong Monetary Authority and currently published on the website of the Hong Kong Stock Exchange at http://www.hkex.com.hk/eng/market/sec_tradinfo/stampfx/stampfx.asp by 11:00 a.m. or earlier on the final fixing date), transaction levies, registration charges and any other charges levied by the distributor in connection with the provision of custodial, transfer and clearing services. • You should contact your distributor for details.
Distributor's charges	<ul style="list-style-type: none"> • You should check with your distributor how much they charge if you buy SDC Basket ELIs from them.
Clearing system business day	<ul style="list-style-type: none"> • A day on which CCASS is open for acceptance and execution of settlement instructions.
Valuation time	<ul style="list-style-type: none"> • The official close of trading on HKEX, but if HKEX closes prior to its official close of trading and the relevant scheduled trading day is not a disrupted day for any reference asset(s) in the basket, the actual close of trading.

Notes:

1. This is a summary of the meaning of the key terms of our SDC Basket ELIs. You should read all of the SDC Basket ELI offering documents before deciding whether or not to buy any of our SDC Basket ELIs.
2. Some of the terms which we have used in this summary could be subject to change as provided in the legal documentation. We have prepared a summary table on pages 81 to 88 of this product booklet to give you a ready reference of the possible adjustments that we may make to the terms and conditions of our SDC Basket ELIs (including adjustments to the terms and conditions of the SDC Basket ELIs due to extraordinary events and adjustments to the key dates due to market disruption events). You should also refer to the general terms and conditions (in particular, Condition 6) as set out in Appendix B to this product booklet for more details.
3. We may early terminate the SDC Basket ELIs upon the occurrence of certain extraordinary events. Please refer to the section headed "Our SDC Basket ELIs — Extraordinary Events, Adjustments, Substitution, Early Termination, Adjustments to Key Dates and Occurrence of an RMB Disruption Event" on pages 81 to 88 of this product booklet for more details.
4. For further details on the effects of a settlement disruption event affecting delivery of the physical settlement amount, please refer to the section headed "More Information about Delivery of the Physical Settlement Amount" in this product booklet.
5. For further details on the consequences of the occurrence of an RMB disruption event, please refer to the section headed "Our SDC Basket ELIs — Extraordinary Events, Adjustments, Substitution, Early Termination, Adjustments to Key Dates and Occurrence of an RMB Disruption Event" on pages 81 to 88 of this product booklet for more details.
6. We will make all determinations, and exercise all discretion, under the terms and conditions of our SDC Basket ELIs. We have the sole and absolute discretion in making all determinations and exercising all discretion under the legal documentation. Any decision we make will be made in good faith and in a commercially reasonable manner and is final and binding on you and on us and any other parties involved in our SDC Basket ELIs save in the case of manifest error.

MORE INFORMATION ABOUT DELIVERY OF THE PHYSICAL SETTLEMENT AMOUNT

When will the physical settlement amount be delivered?

- If (i) the callable condition has not been satisfied on any call fixing date and (ii) our SDC Basket ELIs are not early terminated otherwise and it is determined on the final fixing date that you are to receive the physical settlement amount, then we will deliver the worst performing reference asset which forms part of the physical settlement amount through CCASS to Euroclear or Clearstream, Luxembourg, or any other sub-custodian or intermediary specified by Euroclear or Clearstream, Luxembourg, as shares in a company or units in a fund listed on the Main Board of HKEX are cleared through CCASS.

You will then have to rely on (i) Euroclear or Clearstream, Luxembourg and CCASS and/or such other sub-custodian or intermediary specified by Euroclear or Clearstream, Luxembourg to arrange for the worst performing reference asset which forms part of the physical settlement amount to be delivered to the CCASS accounts of the accountholder, (ii) (where applicable) each sub-custodian or intermediary (including the accountholder) to credit the accounts of the other sub-custodians or intermediaries with the worst performing reference asset which forms part of the physical settlement amount, (iii) (where applicable) the relevant sub-custodian or intermediary to credit the accounts of your distributor with the worst performing reference asset which forms part of the physical settlement amount and (iv) your distributor to ensure that the worst performing reference asset which forms part of the physical settlement amount is credited through to your designated securities account on the expiry date.

You are therefore exposed to the risk of the operators of the relevant clearing system, (where applicable) the relevant sub-custodians or intermediaries (including the accountholder), and your distributor becoming insolvent or defaulting on their obligations under the terms of the relevant account keeping agreements and custodian agreements.

- Your distributor will deposit the physical settlement amount into your designated securities account on the expiry date provided that you have paid all physical settlement expenses, including any buyer's stamp duty (if applicable, subject to the then prevailing laws and regulations), transaction levies, registration charges and any other costs and expenses incurred in connection with the transfer and receipt of the worst performing reference asset which forms part of the physical settlement amount. Your distributor may also charge you a fee for depositing the physical settlement amount into your designated securities account and the provision of other securities services. Please ask your distributor for further details.
- Scheduled dates for the delivery of the physical settlement amount must be a clearing system business day.
- Upon the occurrence of an event beyond our control as a result of which we, in our sole and absolute discretion acting in good faith and in a commercially reasonable manner, determine to have prevented delivery of the worst performing reference asset which forms part of the physical settlement amount through CCASS or to have caused the delivery of the worst performing reference asset which forms part of the physical settlement amount through CCASS to the legal holder of the SDC Basket ELIs to become impracticable (such event is referred to as a "settlement disruption event" in this product booklet), the delivery of the physical settlement amount (including cash payment of any fractional shares or units of the worst performing reference asset as at the final fixing date) will be postponed until the next clearing system business day which is also a business day and which is not affected by such settlement disruptions (up to a maximum of eight clearing system business days).

- If such settlement disruption event persists on the eighth clearing system business day after the scheduled expiry date, we will seek to deliver the worst performing reference asset which forms part of the physical settlement amount to the legal holder of the SDC Basket ELIs (who will in turn arrange to deliver the same to the accountholders) as soon as reasonably practicable in a commercially reasonable manner outside CCASS. If such worst performing reference asset cannot be delivered in any other commercially reasonable manner, the expiry date will be postponed until delivery can be effected through CCASS, other relevant clearing system or in any other commercially reasonable manner. You should note that cash payment of any fractional shares or units of such worst performing reference asset will also be postponed until such time when the worst performing reference asset which forms the physical settlement amount can be delivered.
- We will notify you via your distributor on the original expiry date of any postponement of the expiry date. We will also notify you via your distributor on such eighth clearing system business day following the original expiry date whether we are able to deliver the worst performing reference asset which forms part of the physical settlement amount to you in a commercially reasonable manner or whether the delivery of the physical settlement amount will be postponed indefinitely until delivery of the worst performing reference asset which forms part of the physical settlement amount to you in a commercially reasonable manner is possible. There is no assurance of the duration of such a delay. Where such a delay occurs, movements in the price of such worst performing reference asset could affect the market value of the physical settlement amount delivered on the postponed expiry date. We will not pay any extra amount (such as interest) for any delay in delivery of the physical settlement amount.
- This is a summary of the provisions relating to delivery of the physical settlement amount. For further details, please refer to Condition 4(f) of the general terms and conditions as set out in Appendix B to this product booklet.

What if odd lot(s) of the worst performing reference asset as at the final fixing date are deliverable?

- We will deliver any odd lot(s) of the worst performing reference asset as at the final fixing date to you as part of the physical settlement amount.

What if fractional shares or units of the worst performing reference asset as at the final fixing date are deliverable?

- We will not deliver any of the fractional shares or units of the worst performing reference asset forming the physical settlement amount to you but instead will pay you the cash equivalent for the fractional shares or units in the settlement currency. No cash settlement expenses will be payable for the cash payment of any fractional shares or units of such worst performing reference asset to you.
- This cash equivalent for the fractional shares or units of such worst performing reference asset is calculated as follows (rounded to two decimal places, with 0.005 or above rounded upwards):

Fractional shares or units of the worst performing reference asset as at the final fixing date (which will not be rounded)	x	Closing price of the worst performing reference asset on the final fixing date (converted into the settlement currency at the exchange rate specified in the relevant indicative term sheet where the settlement currency is not the same as the underlying currency of the worst performing reference asset as at the final fixing date)
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- The number of shares or fund units forming the physical settlement amount will be calculated on a per SDC Basket ELI basis.
- We will pay any cash equivalent for the fractional shares or units of such worst performing reference asset forming the physical settlement amount to Euroclear or Clearstream, Luxembourg. You will have to rely on (a) Euroclear or Clearstream, Luxembourg to credit the accounts of the accountholder with the payment, (b) (where applicable) each sub-custodian or intermediary (including the accountholder) to credit the accounts of the other sub-custodians or intermediaries with the payment, (c) (where applicable) the relevant sub-custodian or intermediary to credit the accounts of your distributor with the payment and (d) your distributor to ensure that the payment is credited through to your designated securities account by the relevant time.

MORE INFORMATION ABOUT OUR SDC BASKET ELIS

What is included in our SDC Basket ELI Offering Documentation?

SDC Basket ELI offering documents

The following documents constitute the SDC Basket ELI offering documents in respect of each series of our SDC Basket ELIs. **You should read all of these documents (including any addendum to the programme memorandum, the financial disclosure document or this product booklet as specified out in the relevant indicative term sheet) before deciding whether to invest:**

Name of document	Content of document
(i) Programme memorandum	<p>The programme memorandum contains an overview of our non-principal protected unlisted equity linked investment (the “ELIs”) programme, including:</p> <ul style="list-style-type: none">• A general description of the ELIs;• Hong Kong and United States taxation issues relating to our ELIs (including information about the U.S. Foreign Account Tax Compliance Act and its impact on the investors);• the general procedure of buying our ELIs through a distributor, how your distributor will hold your ELIs and receive notices, assets and payments from us on your behalf; and• a description of DBS’ business and financial condition.
(ii) Financial disclosure document	<p>The financial disclosure document includes DBS’ most recently audited annual financial statements and unaudited interim financial information (if any) and description of its risk management policies.</p>
(iii) Product booklet	<p>This product booklet contains the general terms and conditions that apply to three variations of the SDC Basket ELIs that we can issue under our non-principal protected unlisted equity linked investment programme.</p> <p>This product booklet also explains how our SDC Basket ELIs work and sets out the product features and risk warnings relating to our SDC Basket ELIs. To help your understanding, we have also included the key facts statement for each variation of our SDC Basket ELIs and hypothetical examples to illustrate how our SDC Basket ELIs work.</p>
(iv) Indicative term sheet	<p>The indicative term sheet describes the terms and conditions of the SDC Basket ELIs, including the specific terms that are applicable to the series of SDC Basket ELIs you wish to buy.</p>

Name of document	Content of document
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We have set out in Appendix A to this product booklet a form of term sheet for our SDC Basket ELIs. The indicative term sheet will be prepared by setting out the relevant specific terms in such form of term sheet (although you should note that some terms that may only be determined after your purchase order has been executed on the trade date, being the initial spot prices, the exercise prices, the call prices, and the knock-in prices (if applicable)).

The offer of each series of SDC Basket ELIs is made only on the basis of the SDC Basket ELI offering documents (together with any addendum to the programme memorandum, the financial disclosure document and this product booklet as specified in the relevant indicative term sheet).

A copy of the final term sheet containing all the finalised commercial terms will be sent to your distributor two business days after the relevant trade date. Please contact your distributor for details of how they will provide to you such final term sheet. The final term sheet will not constitute an offering document in respect of our SDC Basket ELIs.

Legal terms and conditions of our SDC Basket ELIs

The following documents set out the legally binding terms and conditions of our SDC Basket ELIs:

- (i) The general terms and conditions that are applicable to all series of our SDC Basket ELIs are set out in Appendix B to this product booklet.
- (ii) The general terms and conditions set out in Appendix B to this product booklet may be amended, varied and/or supplemented by the specific terms that are applicable to a series of SDC Basket ELIs, as set out in the relevant pricing supplement (the form of which is set out in Appendix C to this product booklet).

The specific terms contained in the pricing supplement for a series of our SDC Basket ELIs will reflect the same specific terms as described in the relevant final term sheet for that series. A certified true copy of the pricing supplement (in both English and Chinese versions) for each series of our SDC Basket ELIs will be available for inspection at the offices of DBS, HK Branch at 18/F, The Center, 99 Queen's Road Central, Hong Kong and the relevant distributors while the relevant series of our SDC Basket ELIs is in issue.

Distribution of SDC Basket ELI Offering Document

The following documents are available free of charge during the offer period through the following methods of distribution:

Documents	Methods of distribution
<ul style="list-style-type: none">• The programme memorandum (including any addendum in respect thereof)	<ul style="list-style-type: none">(i) Printed copies at the distribution points of the distributor(s) or from the distributor(s) by ordinary post (whether or not printed copies are being made available from the distributor(s) by ordinary post for any particular series of SDC Basket ELI will be specified in the relevant indicative term sheet).(ii) Electronic copies (if any) from the distributor(s) by email (whether or not electronic copies are being made available from the distributor(s) by email for any particular series of SDC Basket ELI will be specified in the relevant indicative term sheet).
<ul style="list-style-type: none">• The financial disclosure document (including any addendum in respect thereof)	<ul style="list-style-type: none">(i) Printed copies at the distribution points of the distributor(s) or from the distributor(s) by ordinary post (whether or not printed copies are being made available from the distributor(s) by ordinary post for any particular series of SDC Basket ELI will be specified in the relevant indicative term sheet).(ii) Electronic copies (if any) from the distributor(s) by email (whether or not electronic copies are being made available from the distributor(s) by email for any particular series of SDC Basket ELI will be specified in the relevant indicative term sheet).
<ul style="list-style-type: none">• This product booklet (including any addendum in respect hereof)	<ul style="list-style-type: none">(i) Printed copies at the distribution points of the distributor(s) or from the distributor(s) by ordinary post (whether or not printed copies are being made available from the distributor(s) by ordinary post for any particular series of SDC Basket ELI will be specified in the relevant indicative term sheet).(ii) Electronic copies (if any) from the distributor(s) by email (whether or not electronic copies are being made available from the distributor(s) by email for any particular series of SDC Basket ELI will be specified in the relevant indicative term sheet).
<ul style="list-style-type: none">• The relevant indicative term sheets	<ul style="list-style-type: none">(i) Printed copies at the distribution points of the distributor(s).(ii) Electronic copies from the distributor(s) by email or fax.

Other legal documentation relating to our SDC Basket ELIs

- (i) Global certificate — each series of our SDC Basket ELIs will be represented by a single global certificate registered in the name of the nominee for the relevant clearing system. The global certificate will consist of (i) the applicable pricing supplement (the form of which is set out in Appendix C to this product booklet) attached therein and (ii) the general terms and conditions (as set out in Appendix B to this product booklet) incorporated by reference therein. The global certificate will be lodged with the relevant clearing system. We do not issue individual certificates to you with respect to your holding of the SDC Basket ELIs.
- (ii) Deed of covenant — the nominee of the relevant clearing system through which your distributor holds a series of our SDC Basket ELIs, as the legal holder of such SDC Basket ELIs, will have direct contractual rights of enforcement against us under the terms and conditions of such SDC Basket ELIs. When issued, our SDC Basket ELIs have the benefit of a deed of covenant executed by us in favour of the accountholders in the relevant clearing system. Upon our default under our SDC Basket ELIs, pursuant to the terms of the deed of covenant, the accountholders in the relevant clearing system will acquire such direct contractual rights against us when notice has been given by the nominee of the relevant clearing system to DBS as the fiscal agent. Your distributor or its sub-custodian or intermediary will be an accountholder for our SDC Basket ELIs that you invest in and only the accountholders have the benefit of the deed of covenant.
- (iii) Agency agreement — administrative matters relating to our SDC Basket ELIs (including but not limited to, making payment and delivery of securities due under our SDC Basket ELIs and arrangements for giving notices to the legal holder of our SDC Basket ELIs) are dealt with in the agency agreement.

Pursuant to the general terms and conditions of our SDC Basket ELIs, the legal holder of our SDC Basket ELIs (being the nominee for Euroclear and Clearstream, Luxembourg in whose name the global certificate is registered) is entitled to the benefit of, is bound by and is deemed to have notice of all the provisions of the global certificate, the applicable pricing supplement, the deed of covenant and the agency agreement.

For further details of these legal documentation, please also refer to the section headed “Our Non-Principal Protected Unlisted Equity Linked Investment Programme — Main Features” in the programme memorandum. If you are in any doubt about the contents of these legal documentation, you should seek independent professional advice.

How can you buy the SDC Basket ELIs?

- You cannot purchase our SDC Basket ELIs directly from us. If you wish to purchase any series of our SDC Basket ELIs, you must contact one of the distributors for that series during the offer period. The names and contact details of the distributors of a series of our SDC Basket ELIs are specified in the indicative term sheet for such series.
- Your distributor will make the application with us directly either as principal or as your agent. You will not be holding the SDC Basket ELIs directly as we will not be issuing individual certificates for our SDC Basket ELIs. Your distributor will inform you the amount you have to pay and any applicable fees (including handling fees) it charges to make your application and to open and maintain your securities or investment account. Please contact your distributor for further details.

- Your distributor may freeze an amount equivalent to the issue price in your account with such distributor at the time you place your purchase order. In that case, you will no longer have access to such amount in your account unless you exercise your right to cancel your purchase order during the post-sale cooling-off period (if applicable) before your purchase order is executed on the trade date as specified in the indicative term sheet or when your order has been cancelled in the circumstances described below. Ask your distributor for details and what arrangements it may have.
- After you have placed your purchase order, you may choose to cancel or unwind (as the case may be) your purchase order (in whole but not in part) during the post-sale cooling-off period if you have purchased an SDC Basket ELI with an investment period of more than one year. For the avoidance of doubt, if you have purchased an SDC Basket ELI with an investment period of one year or less, you will not be entitled to cancel or unwind your order. Please refer to section headed “Is there a Post-Sale Cooling-Off Period for our SDC Basket ELIs?” below for further details.
- In addition, if (i) we publish any addendum to the programme memorandum, the financial disclosure document or this product booklet during the offer period of the relevant series of SDC Basket ELIs after you have placed your purchase order or (ii) the offer period of the relevant series of SDC Basket ELIs has changed, we will, as soon as practicable by latest the end of the original offer period, notify the distributors who will in turn inform you. You will be able to cancel your purchase order within the specified period of time as notified to you by your distributor. If the trade date falls on a disrupted day for any reference asset(s) in the basket, and your purchase order has not yet been executed on such trade date, the offering of the relevant series of SDC Basket ELIs and your purchase order for such series of SDC Basket ELIs will be cancelled. Neither we nor your distributor shall charge you any handling fees for such cancellation. Please contact your distributor for details on how and when your purchase monies will be refunded to you (without any interest) in such circumstances. In the case where the trade date falls on a disrupted day for any reference asset(s) in the basket, the offering of the relevant series of SDC Basket ELIs will not be cancelled if your purchase order has been executed prior to the occurrence of the relevant event which caused such trade date to be a disrupted day for such reference asset(s) in the basket.
- Unless (i) the post-sale cooling-off period is applicable and you exercise your right to cancel or unwind (as the case may be) your purchase order, (ii) you have cancelled your purchase order during the offer period where we have published any addendum to the programme memorandum, the financial disclosure document or this product booklet during the offer period of the relevant series of SDC Basket ELIs after you have placed your purchase order, (iii) you have cancelled your purchase order during the offer period where the offer period of the relevant series of SDC Basket ELIs has changed or (iv) we have cancelled the offering of the relevant series of SDC Basket ELIs as a result of the trade date falling on a disrupted day for any reference asset(s) in the basket, your purchase order will be executed by us on the trade date. Once your SDC Basket ELI order is executed, your distributors have to pay us on the issue date of the SDC Basket ELIs the total issue price for the SDC Basket ELIs that you have purchased. A copy of the final term sheet containing all the finalised commercial terms will be sent to your distributor two business days after the relevant trade date. Please contact your distributor for details.
- We reserve the right to close the offer period for any series of our SDC Basket ELIs at any time and to cancel the offering of any series of our SDC Basket ELIs on or before the trade date for any reason (in which case no SDC Basket ELIs of such series will be issued). We will provide prior notice to you through your distributor should we decide to do so.
- In the event that no SDC Basket ELIs of a particular series are issued, all investors in the SDC Basket ELIs of such series will be fully refunded their purchase monies (without any interest) in accordance with the operating procedures of their distributors.

Do you need a RMB cash account and a HKD cash account if you purchase our RMB-denominated SDC Basket ELIs?

- If you wish to purchase our RMB-denominated SDC Basket ELIs, you must have, or open, a RMB cash account with your distributor for settling any RMB payment in respect of such SDC Basket ELIs from or to you. You should check with your distributor for updates and details. In addition, you must have, or open, a HKD cash account with your distributor as payments under such SDC Basket ELIs may be made in a HKD equivalent amount if an RMB disruption event occurs.

Is there a Post-Sale Cooling-Off Period for our SDC Basket ELIs?

The relevant indicative term sheet will specify whether a post-sale cooling-off period applies to your SDC Basket ELIs.

SDC Basket ELIs with an investment period of more than one year

- If you have placed your purchase order for a SDC Basket ELI with an investment period of more than one year, you can choose to cancel or unwind (as the case may be) your purchase order (in whole but not in part) during the period from the date you place your purchase order to the fifth business day after the order date (both dates inclusive) (this period is referred to as the “post-sale cooling-off period”). In order for your instruction to cancel or unwind (as the case may be) your purchase order to be dealt with on a particular business day during the post-sale cooling-off period, you will need to submit your instruction to your distributor **prior to 11:00 a.m.** on such business day, such instruction being a “valid instruction”. **Since the valid instructions can only be made through your distributor, you must contact your distributor for the detailed procedures on how to cancel or unwind (as the case may be) your purchase order.**
- If you submit a valid instruction to cancel your purchase order before your purchase order is executed on the trade date as specified in the indicative term sheet, the issue price (which includes your distributor’s commission (if any)) will not be deducted from your designated cash account with your distributor on the issue date, and (if our SDC Basket ELIs are denominated in RMB) will not be subject to an RMB disruption event. However, your distributor may charge you a handling fee when you cancel your purchase order during the post-sale cooling-off period. Please ask your distributor for details.
- If you submit a valid instruction to unwind your purchase order after your purchase order is executed on the trade date, the issue price (which includes your distributor’s commission (if any)) will still be deducted from your designated cash account with the distributor on the issue date and we will arrange to pay you a cash amount equal to the issue price less any market value adjustments and any handling fee that may be charged by us (as specified in the relevant indicative term sheet). Such amount will be paid to your distributor on the later of: (i) the third business day after the day you submit a valid instruction to unwind your purchase order; and (ii) the issue date. Your distributor’s commission (if any) will also be returned to you in full. However, your distributor may charge you a handling fee — please ask your distributor for details. Your distributor will deliver such cash amount to you in accordance with its normal operating procedures. Please check with your distributor for details of when you will receive such cash amount. In addition, if our SDC Basket ELIs are denominated in RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment under the post-sale cooling-off period unwinding arrangement, the cash amount payable to you will be postponed and may be made in a HKD equivalent amount. Please refer to the section headed “Our SDC Basket ELIs — Extraordinary Events, Adjustments, Substitution, Early Termination, Adjustments to Key Dates and Occurrence of an RMB Disruption Event” on pages 81 to 88 of this product booklet for further details.

- The amount of the market value adjustments will depend on factors such as market interest rate movements, DBS' financial condition, the market's view of DBS' credit quality, the value of the embedded conditional put option and the price performance and price volatility of the reference assets in the basket. Our transaction costs (if any), including any cost which has been incurred by us in unwinding the hedging arrangements relating to such SDC Basket ELI, will also be included in the calculation of the market value adjustments. Please ask your distributor for details. **The cash amount per SDC Basket ELI returned to you will be capped at and may be less than, or substantially less than, your initial investment amount in each SDC Basket ELI.**
- In addition, in order for you to exercise the right to unwind or cancel your purchase order during the post-sale cooling-off period, the following conditions have to be satisfied:
 - (i) you have not sold or otherwise transferred the relevant SDC Basket ELI you wish to unwind or cancel;
 - (ii) if the SDC Basket ELI has been issued, the SDC Basket ELI is subsisting and has not otherwise expired or terminated; and
 - (iii) you can only choose to unwind or cancel the whole (but not part) of your purchase order of SDC Basket ELIs.

SDC Basket ELIs with an investment period of one year or less

You should note that your right to cancel or unwind (as the case may be) your purchase order during the post-sale cooling-off period does not apply to SDC Basket ELIs with an investment period of one year or less.

Is there any Market Making Arrangement for our SDC Basket ELIs before the relevant Final Fixing Date?

- We will provide limited market making arrangements only for our SDC Basket ELIs with an investment period of over 6 months. Such limited market making arrangements will be provided on each market making day falling on **every other Wednesday** after the issue date up to the third business day before the final fixing date (both dates inclusive), or if any such market making day is not a business day on which HKEX is scheduled to open for trading, that market making day will be postponed to the next business day on which HKEX is open for trading.
- On each market making day, we will (i) make available (via the distributor(s)) indicative bid prices (on a per-SDC Basket ELI basis) during normal business hours; and (ii) provide (via the distributor(s)) a firm bid price (on a per-SDC Basket ELI basis) for your SDC Basket ELIs upon request by your distributor, provided that you contact your distributor **prior to 11:00 a.m.** to request such firm bid price on such market making day. **Since requests for a firm bid price can only be submitted through your distributor, you must contact your distributor for the detailed procedures.**
- The indicative bid prices will be determined by us at our sole and absolute discretion acting in good faith and in a commercially reasonable manner and taking into account certain factors such as market interest rate movements, DBS' financial condition, the market's view of DBS' credit quality, the value of the embedded conditional put option, the price performance and price volatility of the reference assets in the basket, the remaining tenor of the SDC Basket ELIs, and any cost which is, or would be, incurred by us in unwinding our hedging arrangements relating to the SDC Basket ELIs. Such indicative bid prices will be subject to intra-day change, depending on the prevailing market conditions.

- The indicative bid prices are provided for your reference only as they may not be the same as the firm bid price at which we are willing to buy back your SDC Basket ELIs.
- **If you choose to sell your SDC Basket ELIs back to us on a market making day, you must contact your distributor prior to 11:00 a.m. on such market making day to request a firm bid price.** The minimum sell back order is equal to one SDC Basket ELI.
- Upon the request by your distributor for a firm bid price, we will determine the firm bid price at which we are willing to buy back your SDC Basket ELIs based on the indicative bid price and, depending on the prevailing market conditions at the time you request the firm bid price, adjusted for any intra-day market changes. We will notify you via your distributor of such firm bid price. **You should note that the firm bid price provided to you by your distributor will only be valid for a limited period of time as notified to you by the distributor.** Upon acceptance of the firm bid price by you within that specified period of time, we will buy back your SDC Basket ELIs at that firm bid price on that market making day.
- **You should note that the amount per SDC Basket ELI which you receive from selling your SDC Basket ELIs back to us on a market making day may be less than, or substantially less than, your initial investment amount in each SDC Basket ELI.** Also, your distributor may charge you a fee when you sell your SDC Basket ELIs back to us on a market making day and such fees or charges will reduce the amount you receive when you sell your SDC Basket ELIs back to us before the relevant final fixing date. Please contact your distributor for details.
- If you choose to sell your SDC Basket ELIs back to us on a market making day, we will deliver the sale proceeds of your SDC Basket ELIs to your distributor no later than the third business day after that market making day. Your distributor will deliver such proceeds to you in accordance with its normal operating procedures. Please check with your distributor for details.
- If our SDC Basket ELIs are denominated in RMB and an RMB disruption event occurs on, or prior to and is continuing on, the relevant date of payment, any amount payable in RMB under the market making arrangement will be postponed and may be made in a HKD equivalent amount. Please refer to the section headed “Our SDC Basket ELIs — Extraordinary Events, Adjustments, Substitution, Early Termination, Adjustments to Key Dates and Occurrence of an RMB Disruption Event” on pages 81 to 88 of this product booklet for further details.
- **In addition, you should note that indicative bid prices and/or firm bid prices and market making activities may not be available on a market making day if the relevant SDC Basket ELI is affected by a market disruption event or if we experience any technical problems beyond our control affecting our ability to provide a bid price for our SDC Basket ELIs, including any power failure or breakdown of our computer system (in which case the market making day will be postponed to the next business day on which HKEX is open for trading and which is not affected by a market disruption event or other technical problems).**
- For SDC Basket ELIs with an investment period of six months or less, we may provide market making arrangements at any time upon request by your distributor. However, we are not under any obligation to do so. There may be no market making arrangements and you may not be able to sell your SDC Basket ELIs at all.
- You should contact your distributor if you would like to know whether there are any market making arrangements for the SDC Basket ELIs that you hold, or if you would like to obtain an indicative bid price, or if you would like to sell any of your SDC Basket ELIs prior to the relevant final fixing date.

Are our SDC Basket ELIs designed for everyone?

Our SDC Basket ELIs are designed for experienced investors who:

- have experience in investing in structured investment products and are looking for more tailored ways of investing in accordance with their market views. Investors can choose from the range of SDC Basket ELIs on offer to suit their investment view, risk appetite and return requirements;
- accept that an SDC Basket ELI is a non-principal protected unlisted structured investment product and are prepared, in the worst case scenario, to lose all of their investment;
- take a stable or moderately bullish view on the prices of all the reference assets in the basket;
- understand that a SDC Basket ELI is an unlisted structured investment product which has an embedded derivative and is not equivalent to a time deposit or a direct investment in the reference assets in the basket;
- accept that where the physical settlement amount is physically delivered at expiry of the SDC Basket ELIs, they will effectively be purchasing the worst performing reference asset as at the final fixing date at a price which is higher than the market price prevailing at expiry of the SDC Basket ELIs and may suffer a loss on their initial investment amount in these circumstances; and
- understand that there will be limited market making arrangements for our SDC Basket ELIs with an investment period of over 6 months and therefore are prepared to hold them to their expiry.

Our SDC Basket ELIs are not designed for inexperienced investors who are not familiar with structured investment products. You should not buy this product if:

- you do not have knowledge or experience investing in structured investment products embedded with derivatives;
- you do not want to take DBS' credit risk;
- you do not want to risk any part of your capital; or
- you may need to sell your SDC Basket ELIs before the relevant final fixing date of the SDC Basket ELIs for liquidity needs.

FATCA Withholding Tax for Non-U.S. Investors

The summary below is based on the laws in force as at the date of this product booklet and is subject to any changes in law occurring after such date, which changes could be made on a retrospective basis. It is intended to give you an overview of what U.S. tax you might have to pay if you hold our SDC Basket ELIs.

We are not giving you any tax advice. You should consult your own tax adviser about the tax consequences of investing in our SDC Basket ELIs based on your particular circumstances. This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of our SDC Basket ELIs and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

Legislation known as the United States Hiring Incentives to Restore Employment Act (the “**HIRE Act**”), which included provisions referred to as the Foreign Account Tax Compliance Act (“**FATCA**”), was passed in the United States on 18 March 2010. Under the HIRE Act and FATCA (and official guidance issued thereunder), we (as the issuer) and distributors of the SDC Basket ELIs may be required to withhold moneys on account of U.S. federal tax on all, or a portion of:

- (i) any payments made in respect of the SDC Basket ELIs that are linked to the value of, or dividends on, stock issued by, an entity that is treated as a U.S. corporation (or by any other entity the dividends of which would be U.S. source) for U.S. federal income tax purposes (such payments, “**U.S. Source Payments**”); or
- (ii) any “foreign passthru payments” (regardless of whether such payments have any connection to a U.S. Source Payment) made in respect of the SDC Basket ELIs after 31 December 2018, subject to the exceptions described below.

Subject to the discussion below regarding the withholding on gross proceeds under the Proposed Regulations (as defined below), the HIRE Act and FATCA withholding tax can affect both coupon payments and “gross proceeds” (including principal payments).

Based on the provisions of the HIRE Act, current regulations under FATCA and other related official guidance issued by the U.S. Internal Revenue Service, payments made with respect to a SDC Basket ELI that are not U.S. Source Payments will not be subject to HIRE Act or FATCA withholding tax if such SDC Basket ELI is issued on or before (and is not materially modified after) the Grandfather Date (as defined below). For these purposes, the “**Grandfather Date**” is the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register. As of the date of this product booklet, no final regulations defining the term “foreign passthru payment” have been filed with the U.S. Federal Register.

Recently issued proposed regulations (the “**Proposed Regulations**”) would eliminate FATCA withholding tax on “gross proceeds” and delay the withholding on “foreign passthru payments” until the date that is two years after the date of publication in the U.S. Federal Register of final regulations defining the term “foreign passthru payment” (the “**Delayed Withholding Effective Date**”). As of the date of this product booklet, no such final regulations have been published in the U.S. Federal Register. Taxpayers generally may rely on the Proposed Regulations until the final regulations are issued. There is no assurance, however, that the final regulations, once issued, will not reinstate this withholding obligation (or otherwise modify the Proposed Regulations), possibly with retroactive effect.

We will neither offer nor issue any SDC Basket ELI providing for payments that are U.S. Source Payments. Additionally, any SDC Basket ELI offered or issued by us either will be issued on or before (and will not be materially modified after) the Grandfather Date or will not provide for any payments on or after the Delayed Withholding Effective Date. Therefore, on the basis of the current regulations, the Proposed Regulations, official guidance and the above analysis, payments made with respect to the SDC Basket ELIs issued under the Programme will not be subject to HIRE Act or FATCA withholding tax.

The HIRE Act and FATCA provisions are particularly complex, and their application is uncertain at this time. You should consult your own tax adviser as to the application of the HIRE Act and FATCA to the SDC Basket ELIs, including the possibility of meeting certain documentation requirements to be exempt from FATCA withholding tax.

The above summary only applies to you if you are a non-U.S. investor. You are a non-U.S. investor unless you are: (1) an individual citizen or resident of the United States, (2) a corporation that is formed or organized under the laws of the United States, any state thereof or the District of Columbia, or any entity that is taxable as a corporation so formed or organized, (3) an estate that is subject to U.S. federal income taxation regardless of its source, or (4) a trust that is subject to the jurisdiction of a U.S. court and for which one or more “United States persons” (as defined in the U.S. Internal Revenue Code) control all of the substantial decisions, or has otherwise made an appropriate election

under the U.S. tax regulations. If you are an investor treated as a partnership for U.S. federal income tax purposes, FATCA withholding tax may apply to you and your beneficial owners based on your and your beneficial owners' activities and status and you should consult your own tax adviser regarding any FATCA withholding tax consideration arising from your investment in the SDC Basket ELIs.

How will you know what the Call Settlement Amount (if applicable) and Final Settlement Payout will be?

We will notify you via the distributor(s) as soon as practicable no later than two business days after the determination of the relevant call settlement amount (if applicable) and final settlement payout has been made.

Where can you find more information about the issuer and the SDC Basket ELIs?

Our SDC Basket ELIs are issued under our non-principal protected unlisted equity linked investment programme. The programme is described in our programme memorandum dated 10 January 2022 and addendum to the programme memorandum (if any) specified in the relevant indicative term sheet. Please read the SDC Basket ELI offering documents carefully before you decide whether to buy our SDC Basket ELIs.

During the offer period, you can ask for printed copies of our SDC Basket ELI offering documents at any distributor where you can buy our SDC Basket ELIs, or you can pick up copies during normal business hours from the offices of DBS, HK Branch at 18/F, The Center, 99 Queen's Road Central, Hong Kong.

We have not authorised anyone to give you any information about our SDC Basket ELIs other than the information in the SDC Basket ELI offering documents.

You can find out more information on us from our website www.dbs.com. Information contained in the websites referred to in this product booklet or a term sheet does not form part of this product booklet or that term sheet.

The SDC Basket ELI offering documents are also available in a Chinese version if you prefer.

Continuing Disclosure Obligations

DBS, HK Branch (as the issuer and the product arranger) will keep the SFC and the distributor(s) informed as soon as reasonably practicable if (a) DBS, HK Branch (as the issuer and the product arranger) ceases to meet the eligibility requirements applicable to issuer and/or product arranger under the Code and, (b) to the extent permitted by any applicable law, changes in the financial condition or other circumstances of DBS which could reasonably be expected to have a material adverse effect on DBS, HK Branch's ability (as the issuer) to fulfil its commitments in connection with the SDC Basket ELIs. Your distributor will in turn inform you. Please contact your distributor for further details.

Who takes responsibility for the SDC Basket ELI offering documents?

The SDC Basket ELI offering documents include particulars given in compliance with the Code for the purpose of giving information with regard to DBS, our SDC Basket ELIs and the Programme. DBS, HK Branch (as the issuer and the product arranger) accepts full responsibility for the contents of, and the completeness and accuracy of the information contained in the SDC Basket ELI offering documents and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there is no untrue or misleading statement, or other facts the omission of which would make any statements herein untrue or misleading as of the date of this product booklet.

Our programme memorandum (taken together with, and as updated by, the financial disclosure document and this product booklet) is accurate at the date of this product booklet. You must not assume, however, that information in the programme memorandum, the financial disclosure document or this product booklet is accurate at any time after the date of this product booklet. The relevant indicative term sheet will tell you if an addendum to our programme memorandum, the financial disclosure document and/or this product booklet has been published.

The distributor(s) which sell our SDC Basket ELIs are not responsible in any way to ensure the accuracy of the above documents. For details of the roles and responsibilities of the distributor, please refer to the programme memorandum.

Where can you read the SDC Basket ELI offering documents and the legal documentation for the SDC Basket ELIs?

During the offer period, the period between the trade date and the issue date of our SDC Basket ELIs and while any of our SDC Basket ELIs remain outstanding, you can read free of charge documents (which will be available in the English version only, unless stated otherwise) which set up our Programme, including:

- the documents listed as documents that will be kept on display on page 22 of our programme memorandum;
- this product booklet (and any addendum hereto) (in separate English and Chinese versions);
- the relevant indicative term sheet (and when available, the final term sheet) (in separate English and Chinese versions); and
- a certified true copy of the relevant pricing supplement which, together with the terms and conditions of the SDC Basket ELIs set out in Appendix B to this product booklet, sets out the terms and conditions of the relevant series of the SDC Basket ELIs (in separate English and Chinese versions),

by going to the offices of DBS, HK Branch at 18/F, The Center, 99 Queen's Road Central, Hong Kong.

These offices are open only during normal business hours and not on Saturdays, Sundays or public holidays.

A reasonable fee will be charged if you want to take photocopies of any of the documents.

You can find out more about how the legal documentation works by reading our programme memorandum.

Do any of the SDC Basket ELI offering documents constitute a prospectus?

None of the SDC Basket ELI offering documents constitute a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong (Cap. 32, Laws of Hong Kong).

Governing Law

The SDC Basket ELIs will be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China.

APPENDIX A

FORM OF TERM SHEET

We set out below the form of term sheet for the SDC Basket ELIs. Each term sheet covers one series of SDC Basket ELIs only. We may issue more than one series of SDC Basket ELIs on any issue date. You must read and understand the term sheet for the series you are interested in before applying for a SDC Basket ELI.

During the offer period for a series of the SDC Basket ELIs, you can obtain a copy of the term sheet in indicative form from the distributors and the offices of DBS, HK Branch. Certain details about the relevant series of the SDC Basket ELIs can only be ascertained after the close of the offer period: for example, the initial spot price of each reference asset. These details are noted with asterisks () in the indicative term sheet.*

We will send a final term sheet to your distributor two business days after the relevant trade date, which will be identical to the indicative term sheet, except for completing the details as noted with asterisks and filling out the bracketed variables in the indicative term sheet.

ISSUER: DBS BANK LTD, HONG KONG BRANCH

(DBS Bank Ltd is a company incorporated with limited liability under the laws of Singapore with Company Registration Number: 196800306E and regulated by the Monetary Authority of Singapore, a licensed bank regulated by the Hong Kong Monetary Authority and an institution registered under the Securities and Futures Ordinance of Hong Kong to carry out Types 1, 4 and 6 regulated activities)

[Indicative][Final] Term Sheet



[company] [fund] - [stock code].HK

[company] [fund] - [stock code].HK

[Note: there will be a minimum of two and maximum of five reference assets]

[Settlement Currency] Non-Principal Protected Unlisted Equity Linked Investments Linked to a Basket of Securities with Step-down Callable Condition [but No Knock-in Feature] [and [Final Fixing Date] [Daily] Knock-in Feature] (the “SDC Basket ELIs”) to be issued pursuant to the Non-Principal Protected Unlisted Equity Linked Investment Programme

(The SDC Basket ELIs are not traded on any markets operated by Hong Kong Exchanges and Clearing Limited or any other stock exchanges)

Series number: [number]

[Date]

IMPORTANT RISK WARNINGS

- **Structured investment products**

Our SDC Basket ELIs are NOT equivalent to and should not be treated as substitutes for time deposits. They are unlisted structured investment products embedded with derivatives.

- **Not principal protected**

Our SDC Basket ELIs are not principal protected: **you could lose all of your investment.**

- **Limited maximum potential gain**

The maximum potential gain from our SDC Basket ELIs is limited to the potential call distribution amount [or the potential final distribution amount]. It is possible that you may not receive any potential call distribution amount [or potential final distribution amount] at all.

- **No collateral**

Our SDC Basket ELIs are not secured on any of DBS' assets or any collateral.

- **Limited market making arrangements**

Our SDC Basket ELIs are designed to be held to their expiry. Limited market making arrangements are available on a bi-weekly basis only for our SDC Basket ELIs with an investment period of over 6 months. For SDC Basket ELIs with an investment period of 6 months or less, we may, but are not under any obligation to, provide market making arrangements at any time upon request by your distributor, and so there may be no market making arrangements and you may not be able to sell your SDC Basket ELIs at all. If you sell your SDC Basket ELIs back to us before the relevant final fixing date, you may receive an amount which is substantially less than your initial investment amount.

- **Potential gain or loss determined by reference to the worst performing reference asset**

The potential gain or loss under our SDC Basket ELIs is determined by reference to the performance of the worst performing reference asset on each relevant scheduled trading day. If any of the reference assets in the basket performs poorly against your expectation, you will not benefit from the performance of the other reference assets in the basket even if they perform well and may suffer a loss under our SDC Basket ELIs.

- **Not the same as investment in the reference assets**

Investing in our SDC Basket ELIs **is not** the same as buying the reference assets in the basket. Unless and until the worst performing reference asset which forms the physical settlement amount is determined on the final fixing date to be deliverable, you have no rights in the reference assets in the basket. Changes in the market prices of the reference assets in the basket may not lead to a corresponding change in the market value and/or potential return of the SDC Basket ELIs.

- **Re-investment risk**

Our SDC Basket ELIs contain a callable condition. If the callable condition is satisfied before expiry, the SDC Basket ELIs will be terminated before expiry. You may not be able to enjoy the same rate of return if you re-invest in other investments with similar risk parameters.

- **Not covered by Investor Compensation Fund**

Our SDC Basket ELIs are not listed on any stock exchange and are not covered by the Investor Compensation Fund in Hong Kong.

- **DBS' creditworthiness**

The SDC Basket ELIs constitute DBS, Hong Kong Branch's general, unsecured and unsubordinated contractual obligations, and of no other person (including the ultimate holding company of our group, DBS Group Holdings Ltd). We are not a separate entity from DBS and if you purchase our SDC Basket ELIs, you are relying upon DBS' creditworthiness and have no rights under the terms of the SDC Basket ELIs against the issuers of the reference assets. **If we become insolvent or default on our obligations under the SDC Basket ELIs, in the worst case scenario, you could lose all of your investment.**

- **Custodial risk**

You will have to hold the SDC Basket ELIs you have purchased through your securities or investment account with your distributor, who will act as your custodian. Your distributor will in turn hold the SDC Basket ELIs in an account at the relevant clearing system, either directly or indirectly through one or more sub-custodians or intermediaries. Your distributor, any sub-custodian or intermediary and the nominee and/or operators of the relevant clearing system may become insolvent or default on their obligations. **In the worst case scenario, you could lose all of your investment.**

- **You do not have direct contractual rights to enforce our SDC Basket ELIs**

You do not have direct contractual rights to enforce our SDC Basket ELIs against us. To enforce your rights in respect of any SDC Basket ELIs, you will have to rely on your distributor to take legal action against us directly or indirectly (through any sub-custodian or intermediary and the nominee of the relevant clearing system through which your distributor holds the SDC Basket ELIs). **If you do not understand the arrangements with your distributor or you would like to know the steps to enforce your rights under the SDC Basket ELIs, you should obtain independent professional advice.**

- **Enforcement of judgments**

A large portion of DBS' businesses, assets and operations are located outside Hong Kong. If you or your distributor (directly or indirectly through any sub-custodian or intermediary and the nominee of the relevant clearing system) have or has obtained judgment against us in a Hong Kong court and DBS' assets in Hong Kong are not sufficient to satisfy all the claims under our SDC Basket ELIs, you or your distributor (directly or indirectly through any sub-custodian or intermediary and the nominee of the relevant clearing system) may have to enforce the Hong Kong judgment against DBS' assets located outside Hong Kong and may experience difficulties or delay in enforcing the judgment or may not be able to enforce it at all. **In the worst case scenario, you could lose all of your investment.**

- **English version of the terms and conditions prevails over Chinese version**

The global certificate representing a series of SDC Basket ELIs and the terms and conditions of such series of SDC Basket ELIs will be issued in English only for the purpose of lodgement with the relevant clearing system. If there is any inconsistency between the Chinese version of the terms and conditions of our SDC Basket ELIs and the English version, the English version will prevail over the Chinese version. If you do not understand the English version, you should obtain independent professional advice.

- **You will be exposed to the risks associated with the SDC Basket ELIs from the trade date**

As you will be subject to the terms and conditions of our SDC Basket ELIs from the trade date, you will be exposed to the risks associated with the SDC Basket ELIs from the trade date.

- **Conflicts of interest**

You should note that conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with our SDC Basket ELIs. Our economic interests in each role may be adverse to your interests in our SDC Basket ELIs.

- **[Risk related to exchange traded funds]**

The SDC Basket ELIs are linked to exchange traded fund(s) (“**ETF**”). Each ETF may replicate the performance of the index by investing in the index constituent or the index. In addition to the political, economic, currency and other risks related to such index, you are exposed to the risk that there may also be disparity between the performance of the ETF and the performance of the underlying index due to, for instance, failure of the tracking strategy, currency differences, fees and expenses. You are advised to obtain more information about the ETF(s) that the SDC Basket ELIs are linked to from the relevant offering documents of the exchange traded fund(s).] *[For SDC Basket ELIs linked to ETF(s)]*

- **[Risk related to synthetic exchange traded funds]**

The SDC Basket ELIs are linked to synthetic exchange traded fund(s) (“**synthetic ETF**”). Each synthetic ETF synthetically replicates the performance of the index by investing in derivatives issued by market counterparties that are linked to the index constituents or the index. In addition to the political, economic, currency and other risks related to such index, you are exposed to the credit risk of these counterparties who issued the derivatives and, potentially, a high liquidity risk relating to the derivatives and the risk that there may also be disparity between the performance of the synthetic ETF and the performance of the underlying index due to, for instance, failure of the tracking strategy, currency differences, fees and expenses. The synthetic ETF is also subject to potential contagion and concentration risks of the counterparties that issued the relevant derivatives instruments; given that these counterparties are predominantly international financial institutions, the failure of one derivative counterparty of the synthetic ETF may have a negative effect on the other counterparties. You are advised to obtain more information about the synthetic ETF(s) that the SDC Basket ELIs are linked to from the relevant offering documents of the exchange traded fund(s).] *[For SDC Basket ELIs linked to synthetic ETF(s)]*

- **[Risk related to real estate investment trusts]**

The SDC Basket ELIs are linked to real estate investment trust(s) (each, a “**REIT**”). The investment objective of REITs is to invest in a real estate portfolio. Each REIT is exposed to risks relating to investments in real estate, including but not limited to (a) adverse changes in political or economic conditions, (b) changes in interest rates and the availability of debt or equity financing and (c) any uninsurable losses. There may also be disparity between the market price of the units of a REIT and the net asset value per unit. This is because the market price of the units of a REIT also depends on many factors, including but not limited to (i) the market value and perceived prospects of the real estate portfolio, (ii) changes in economic or market conditions and (iii) changes in market valuations of similar companies. You are advised to obtain more information about the REIT(s) that the SDC Basket ELIs are linked to from the relevant offering documents of the REIT(s).] *[For SDC Basket ELIs linked to REIT(s)]*

- **[Risk related to exchange traded fund(s) investing through the QFI regimes and/or China Connect (“China ETF(s)”)]**

The SDC Basket ELIs are linked to units of a China ETF issued and traded outside mainland China with direct investment in the securities markets in mainland China through the Qualified Foreign Institutional Investor regime and RMB Qualified Foreign Institutional Investor regime (collectively, “**QFI regimes**”) and/or the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively, “**China Connect**”), such SDC Basket ELIs entail certain additional risks:

- (a) the novelty and untested nature of China Connect makes China ETFs investing through it riskier than traditional ETFs. The policy and rules for the QFI regimes and China Connect prescribed by the PRC central government are new and subject to change, and there may be uncertainty to their implementation. Such uncertainty and potential change of the laws and regulations in mainland China may have an adverse impact on the performance of a China ETF, and may also have potential retrospective effect. The operation of a China ETF may also be affected by the interventions of applicable governmental bodies and regulators

in the financial markets. These changes may in turn adversely affect the market value and potential return of the SDC Basket ELIs linked with one or more reference assets comprising the units of China ETF(s) in which case you may suffer a loss in your investment. In the worst case scenario, you could lose all of your investment;

- (b) a China ETF primarily invests in the securities traded in the securities markets in mainland China and is subject to concentration risk. Investment in the securities markets in mainland China (which are inherently stock markets with restricted access) requires further consideration of factors such as greater political, tax, economic, foreign exchange, liquidity and regulatory risks, as compared with investment in more developed economies or markets;
- (c) trading of securities invested by a China ETF under China Connect will be subject to a daily quota which is utilised on a first-come-first-serve basis under China Connect. If the daily quota under China Connect is reached, the manager may need to suspend creation of further units of the China ETF, and therefore this may affect the liquidity in respect of the units of such China ETF. In such an event, the trading price of a unit of such China ETF is likely to be valued at a significant premium to its net asset value, and the price may be highly volatile. The People's Bank of China and the State Administration of Foreign Exchange have published the detailed implementation rules removing the investment quota allocated to such China ETF under the QFI regimes with effect from 6 June 2020; and
- (d) the general tax laws and regulations in mainland China are under constant development and often subject to change as a result of shifts in policy of the PRC central government. As such, there is a possibility that the current tax laws, rules, regulations and practice in mainland China and/or the current interpretation or understanding thereof may change in the future and such change(s) may have retrospective effect. It is possible that units of a China ETF could become subject to additional taxation that is not anticipated as at the trade date of the SDC Basket ELIs. A China ETF may make a provision for such unanticipated additional taxation, however any such provision may be more than or less than the actual tax liabilities of the China ETF. In case of a shortfall in the provision for such unanticipated additional taxes of the China ETF, the relevant amounts are likely to be debited from the assets of the China ETF to meet its actual tax liabilities. As a result, the performance of the units of the China ETF may be adversely affected and the degree of impact on the units of such China ETF may vary, depending on factors such as the level of the provision for taxes of the China ETF and the amount of the shortfall at the relevant time. In addition, any changes in tax policies of the PRC central government may reduce the after-tax profits of the companies in mainland China which a China ETF invests in. Any of these changes may reduce the income from, and/or the value of, the units of such China ETF which may adversely affect the market value and potential return of the SDC Basket ELIs in which case you may suffer a loss in your investment. In the worst case scenario, you could lose all of your investment.

Although the units of a China ETF are listed on the Main Board of HKEX, there is no guarantee that an active trading market for such units can be developed or, if an active market does develop, liquidity of that market can be sustained. Also, the price and trading volume of the units of China ETFs may be highly volatile subject to the market sentiment, and may be more volatile than would generally be expected from ETFs with a longer trading history.

The above risks may have a significant adverse impact on the performance of the units of China ETF(s) and the market value and potential return of the SDC Basket ELIs. You should read the offering documents of the relevant China ETF(s) for further information about the risks applicable to the relevant China ETF(s).] *[For SDC Basket ELIs linked to China ETF(s)]*

- **[Risk related to reference asset(s) adopting the dual counter model]**

The SDC Basket ELIs are linked to the reference asset(s) adopting the dual counter model for trading its shares or units on The Stock Exchange of Hong Kong Limited (“**HKEX**”) in RMB and HKD separately. You need to consider the following additional risks in light of the novelty and relatively untested nature of the HKEX’s “dual counter” model:

- (a) the SDC Basket ELIs may be linked to the HKD-traded shares or units or RMB-traded shares or units of a company or fund. If the relevant reference assets are the HKD-traded shares or units, movements in the trading prices of the RMB-traded shares or units should not directly affect the market value and potential return of our SDC Basket ELIs. Similarly, if the relevant reference assets are the RMB-traded shares or units, movements in the trading prices of the HKD-traded shares or units should not directly affect the market value and potential return of our SDC Basket ELIs;
- (b) if there is a suspension of inter-counter transfer of such shares or units between its HKD counter and its RMB counter for any reason, such shares or units will only be able to be traded in the relevant currency counter on the HKEX, which may affect the demand and supply of the relevant reference assets and have an adverse effect on the market value and potential return of the SDC Basket ELIs; and
- (c) the trading price on the HKEX of the HKD-traded shares or units and RMB-traded shares or units may deviate significantly due to different factors, such as market liquidity, RMB conversion risk, supply and demand in each counter and the exchange rate between RMB and HKD. Changes in the trading price of the relevant reference assets may adversely affect the market value and potential return of the SDC Basket ELIs in which case you may suffer a loss in your investment.] *[For SDC Basket ELIs linked to reference asset(s) adopting the dual counter model.]*

- **[Risks for RMB-denominated SDC Basket ELIs and/or SDC Basket ELIs linked to RMB-quoted reference asset(s)]**

- (i) **Limited pool of RMB outside mainland China** — RMB is subject to foreign exchange control by the PRC central government. There is currently a limited pool of RMB outside mainland China and any tightening of foreign exchange control may adversely affect the liquidity of offshore RMB, and the market value and potential return of our RMB-denominated SDC Basket ELIs and our SDC Basket ELIs linked to RMB-quoted reference asset(s).
- (ii) **Offshore RMB exchange rate and interest rate risks** — If our SDC Basket ELIs are denominated in RMB but the underlying currency of the worst performing reference asset as at the final fixing date is HKD or if our SDC Basket ELIs are denominated in a settlement currency other than RMB but the underlying currency of the worst performing reference asset as at the final fixing date is RMB, we will use offshore RMB exchange rate in our calculations for our SDC Basket ELIs. You should note that the offshore RMB exchange rate we use for SDC Basket ELIs may deviate significantly from the onshore RMB exchange rate. Changes in the offshore RMB exchange rate may adversely affect the number of shares or units of the worst performing reference asset as at the final fixing date deliverable to you (and the value of such number of shares or units of the worst performing reference asset as at the final fixing date in its underlying currency) in the case of physical settlement. There is no guarantee that RMB will not depreciate. In addition, interest rates for onshore RMB are controlled by the PRC central government. The PRC central government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation of interest rates for onshore RMB may occur and may influence the interest rate for offshore RMB. Any fluctuation in interest rates for offshore RMB may adversely affect the market value and potential return of our RMB-denominated SDC Basket ELIs and our SDC Basket ELIs linked to RMB-quoted reference asset(s).

(iii) **Payment postponement for RMB disruption event** — If the settlement currency of our SDC Basket ELIs is RMB and an RMB disruption event occurs on, or prior to and is continuing on, a scheduled date of payment, payment will be postponed and may be made in a HKD equivalent amount. We will not pay any extra amount (such as interest) for such postponed payment. You may also suffer a loss in HKD terms if RMB depreciates against HKD following the occurrence of an RMB disruption event.] [*For RMB-denominated SDC Basket ELIs and/or SDC Basket ELIs linked to RMB-quoted reference asset(s)*]

Commissions:

We may pay a commission to the distributor(s). Distributor(s)' commissions and other transaction costs including our cost of hedging are factored into the commercial terms of the SDC Basket ELIs.

A Chinese version of this Term Sheet is also available from your distributor and/or from the offices of DBS Bank Ltd, Hong Kong Branch at 18/F, The Center, 99 Queen's Road Central, Hong Kong.

本條款清單的中文版本可於閣下的分銷商及/或星展銀行有限公司香港分行之辦事處（地址為香港皇后大道中99號中環中心18樓）索取。

Terms which are not defined in this Term Sheet shall have the same meanings as set out in “Appendix B — Terms and Conditions” (the “Terms and Conditions”) in the Product Booklet. For further information on our SDC Basket ELIs, please refer to Key Facts Statement [(A)] [(B)] [(C)] in the Product Booklet.

[Certain details about the SDC Basket ELIs can only be ascertained after the close of the offer period: for example, the initial spot price of each reference asset. These details are noted with asterisks (*) in this Indicative Term Sheet.]

[Indicative] Summary Terms

Issuer	DBS Bank Ltd, Hong Kong Branch		
Reference Basket	A basket made up of [ordinary issued shares (each a “ Share ”) of a company (each a “ Company ”)] [and] [units (each a “ Unit ”) of a fund (being a real estate investment trust or an exchange traded fund, each a “ Fund ”)] as shown in the table below:		
	Reference Asset		
	[Company] [and] [Fund]	Stock Code	Underlying Currency
	[name]	[stock code]	[HKD][RMB]
	[name]	[stock code]	[HKD][RMB]
	[Rows to be added/deleted as necessary]		
Offer Period	[time] on [date] to [time] on [date] (subject to change by the Issuer without prior notice)		
Post-Sale Cooling-Off Period	[Applicable] [Not applicable]		
Handling fees to be charged by the Issuer for unwind of your purchase order during the Post-Sale Cooling-Off Period	[Up to [settlement currency][amount]] [Not applicable]		
Market Making Arrangements	[Applicable. On each Market Making Day, we will (i) make available (via the Distributor(s)) indicative bid prices (on a per-SDC Basket ELI basis) during normal business hours; and (ii) provide (via the Distributor(s)) a firm bid price (on a per-SDC Basket ELI basis) for your SDC Basket ELIs upon request by your Distributor, provided that you contact your Distributor prior to 11:00 a.m. to request such firm bid price on such Market Making Day.] [Not applicable. However, we may provide Market Making Arrangements at any time upon request by your Distributor, but we are not under any obligation to do so.]		

[Market Making Days]	Every other Wednesday after the Issue Date up to the third Business Day before the Final Fixing Date (both dates inclusive), or if (i) any such day is not a Business Day or a Scheduled Trading Day, (ii) a Market Disruption Event occurs on such day, or (iii) we experience any technical problems on such day, that Market Making Day will be postponed to the next Business Day which is also a Scheduled Trading Day and not affected by a Market Disruption Event or other technical problems.]
Total Issue Size for the Series*	[<i>number</i>]* SDC Basket ELIs
Issue Price	[<i>settlement currency</i>] [<i>amount</i>] (100% of the Nominal Amount)
Trade Date	[<i>date</i>] [(This is the date on which the terms set out in square brackets in this Term Sheet will be fixed)]
Issue Date	[<i>date</i>]
Final Fixing Date	[<i>date</i>], or if such day is not a Scheduled Trading Day, the following Scheduled Trading Day, unless such day is a Disrupted Day in respect of any Reference Asset(s) in the Reference Basket (in which event such day will be postponed for such affected Reference Asset(s) as provided in the Terms and Conditions)
Investment Period	[<i>number</i>] [months] [days] (being the period from [<i>Trade Date</i>] to [<i>Final Fixing Date</i>] (both dates inclusive))
Settlement Currency	[<i>settlement currency</i>]
Nominal Amount	[<i>settlement currency</i>] [<i>amount</i>] per SDC Basket ELI
Initial Spot Price*	[In respect of each Reference Asset, see Price Table below for the Initial Spot Price.] [In respect of each Reference Asset, the Closing Price of the [Share] [or] [Unit] on the Trade Date] [In respect of each Reference Asset, the prevailing market price of the [Share] [or] [Unit] as quoted on the Exchange at the time your purchase order for the SDC Basket ELIs is executed on the Trade Date provided that such price has satisfied your pre-set criteria as follows. Your purchase order will only be executed if such prevailing market price for [<i>designated reference asset</i>] (the designated reference asset) on the Trade Date is at or lower than [HKD][RMB][<i>amount</i>]. If your purchase order is executed, the Initial Spot Price of each Reference Asset will be its prevailing market price at the time your purchase order is executed.] [In respect of each Reference Asset, the prevailing market price of the [Share] [or] [Unit] as quoted on the Exchange at the time your purchase order is executed on the Trade Date. We will execute your purchase order as soon as practicable after you placed your purchase order.]
Exercise Price*	In respect of each Reference Asset, see Price Table below for the Exercise Price, rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards.

Price Table

Reference Asset	Initial Spot Price	Exercise Price ([number]% of Initial Spot Price)	Knock-in Price [(number)% of Initial Spot Price]
[stock code]	[HKD][RMB] [amount]*	[HKD][RMB] [amount]*	[[HKD][RMB] [amount]*] [N/A]
[stock code]	[HKD][RMB] [amount]*	[HKD][RMB] [amount]*	[[HKD][RMB] [amount]*] [N/A]

[Rows to be added/deleted as necessary]

Callable Condition Table

Call Fixing Date	Call Distribution Rate	Call Price		
		% of the Initial Spot Price	Reference Asset [stock code]	Reference Asset [stock code]
[date]	[number]%	[number]%	[HKD][RMB][amount]*	[HKD][RMB][amount]*
[date]	[number]%	[number]%	[HKD][RMB][amount]*	[HKD][RMB][amount]*

[Rows and columns to be added/deleted as necessary]

Worst Performing Reference Asset

In respect of a Scheduled Trading Day and the Reference Assets, the [Share] [or] [Unit] which generates the lowest percentage calculated in accordance with the following formula:

$$\frac{\text{Closing Price of the relevant [Share][or] [Unit] on the relevant Scheduled Trading Day}}{\text{Initial Spot Price of the relevant [Share][or][Unit]}} \times 100\%$$

(rounded to four decimal places, with 0.00005 or above rounded upwards) (“**Performance**”).

If two or more Reference Assets have the same lowest Performance on a particular Scheduled Trading Day, we will decide in our sole and absolute discretion acting in good faith and in a commercially reasonable manner which Reference Asset will be the Worst Performing Reference Asset for that Scheduled Trading Day.

Unless stated otherwise, where reference is made to a price of the Worst Performing Reference Asset in respect of a particular Scheduled Trading Day, this shall be construed as meaning the relevant price of the Worst Performing Reference Asset as at such Scheduled Trading Day.

Callable Condition	If the Closing Price of the Worst Performing Reference Asset is at or above its Call Price on a Call Fixing Date, the Callable Condition is satisfied and the SDC Basket ELIs will be terminated on such Call Fixing Date.
Call Settlement Amount	If the Callable Condition is satisfied on a Call Fixing Date, you will receive a cash amount in the Settlement Currency equal to the Nominal Amount and the Potential Call Distribution Amount, less any Cash Settlement Expenses (as more fully described in the Terms and Conditions) on the Call Settlement Date.
Potential Call Distribution Amount	<p>If the Callable Condition is satisfied on a Call Fixing Date, the Potential Call Distribution Amount will be an amount in the Settlement Currency calculated in accordance with the following formula (rounded to the nearest 0.01, with 0.005 or above being rounded upward):</p> <p>Nominal Amount x the Call Distribution Rate corresponding to the Call Fixing Date on which the Callable Condition is satisfied</p>
Call Fixing Date(s)	Each date specified as such in the Callable Condition Table above, or if any such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day, provided that if any such day is a Disrupted Day for any Reference Asset(s) in the Reference Basket, such day will be adjusted for such affected Reference Asset(s) as provided in the Terms and Conditions.
Call Settlement Date	<p>The third Business Day after the Call Fixing Date on which the Callable Condition is satisfied and the SDC Basket ELIs have been terminated.</p> <p>For the avoidance of doubt, if the Issuer is unable to obtain the Closing Price on a Call Fixing Date as a result of it being a Disrupted Day for any Reference Asset(s) in the Reference Basket, that Call Fixing Date will be adjusted for such affected Reference Asset(s) as provided in the Terms and Conditions and the Call Settlement Date shall be the third Business Day following the adjusted Call Fixing Date for such affected Reference Asset(s).</p>
Call Price*	In respect of each Reference Asset and for each Call Fixing Date, see Callable Condition Table above for the Call Price, rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards.
Call Distribution Rate	In respect of each Call Fixing Date, see Callable Condition Table above for the Call Distribution Rate.
Knock-in Event	[A Knock-in Event occurs if the Closing Price of the Worst Performing Reference Asset on [any] [the] Knock-in Event Date is at or below its Knock-in Price.] [Not applicable]

[Knock-in Event Date]	<p>[Daily] [Final Fixing Date] Knock-in Feature applies.</p> <p>[Each Scheduled Trading Day during the period from (but excluding) the Trade Date to (and including) the Final Fixing Date] [The Final Fixing Date], provided that if any such day is a Disrupted Day in respect of any Reference Asset(s) in the Reference Basket, such day will be adjusted for such affected Reference Asset(s) as provided in the Terms and Conditions.]</p>
[Knock-in Price*]	<p>In respect of each Reference Asset, see Price Table above for the Knock-in Price, rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards.]</p>
Final Settlement Payout	<p>If the Callable Condition is not satisfied on any Call Fixing Date and the SDC Basket ELIs are not early terminated otherwise, upon the expiry of the SDC Basket ELIs, you will receive on the Expiry Date the Final Settlement Payout determined by the Issuer as follows:</p> <p><i>[Where Daily Knock-in Feature is applicable]</i></p> <p>[(1) if a Knock-in Event has not occurred,]</p> <p><i>[Where Final Fixing Date Knock-in Feature is applicable]</i></p> <p>[(1) if a Knock-in Event has not occurred,]</p> <p>[you will receive on the Expiry Date a cash amount in the Settlement Currency equal to the Nominal Amount (less Cash Settlement Expenses, if any) and the Potential Final Distribution Amount; or]</p> <p><i>[Where Daily Knock-in Feature is applicable]</i></p> <p>[(2) if a Knock-in Event has occurred and the Closing Price of the Worst Performing Reference Asset on the Final Fixing Date is at or above its Exercise Price,]</p> <p><i>[Where Knock-in Feature is not applicable]</i></p> <p>[(1) if the Closing Price of the Worst Performing Reference Asset on the Final Fixing Date is at or above its Exercise Price,]</p> <p>[you will receive on the Expiry Date a cash amount in the Settlement Currency equal to the Nominal Amount (less Cash Settlement Expenses, if any); or]</p> <p><i>[Where Daily Knock-in Feature is applicable]</i></p> <p>[(3) if a Knock-in Event has occurred and the Closing Price of the Worst Performing Reference Asset on the Final Fixing Date is below its Exercise Price,]</p> <p><i>[Where Final Fixing Date Knock-in Feature is applicable]</i></p> <p>[(2) if a Knock-in Event has occurred,]</p>

[Where Knock-in Feature is not applicable]

[(2) if the Closing Price of the Worst Performing Reference Asset on the Final Fixing Date is **below** its Exercise Price,]

you will receive on the Expiry Date the Physical Settlement Amount.

You should note that your Final Settlement Payout under the SDC Basket ELI, will be reduced by any Distributor's charges and any Cash Settlement Expenses or Physical Settlement Expenses payable on settlement of the SDC Basket ELIs.

You should note that if you are to receive the Physical Settlement Amount, you will suffer a loss if the market value of the Physical Settlement Amount you receive (calculated based on the Closing Price of the Worst Performing Reference Asset on the Final Fixing Date) is less than the Issue Price you paid. In an extreme case, you may lose your entire investment if the market price of the Worst Performing Reference Asset as at the Final Fixing Date drops to zero.

The Physical Settlement Amount will only be delivered to you on the Expiry Date. Therefore, you will be exposed to any movement in the price of the Worst Performing Reference Asset as at the Final Fixing Date during the period between the Final Fixing Date and the Expiry Date, which will be three Business Days. If you choose not to realise your holding of such Worst Performing Reference Asset on the Expiry Date, you will also be exposed to the market risk of holding such Worst Performing Reference Asset.

[Potential Final Distribution Amount]

The Potential Final Distribution Amount will be an amount in the Settlement Currency calculated in accordance with the following formula (rounded to the nearest 0.01, with 0.005 or above being rounded upward):

$$\text{Nominal Amount} \times \text{Final Distribution Rate}]$$

[Final Distribution Rate]

[number]%

Physical Settlement Amount

In respect of every Nominal Amount of SDC Basket ELIs, a number of the Worst Performing Reference Asset as at the Final Fixing Date calculated as follows:

$$\text{Nominal Amount} [(\text{converted into the Underlying Currency of the Worst Performing Reference Asset as at the Final Fixing Date at the Exchange Rate})]$$

$$\text{Exercise Price of the Worst Performing Reference Asset as at the Final Fixing Date}$$

The Physical Settlement Amount will be calculated on a per-SDC Basket ELI basis.

Any odd lot(s) of the Worst Performing Reference Asset as at the Final Fixing Date will be delivered to you as part of the Physical Settlement Amount. Any fractional Shares or Units, which will not be rounded, (the “Fractional Shares or Units”) will be settled by payment of a cash amount in the Settlement Currency as part of the Physical Settlement Amount calculated by reference to the Closing Price of the Worst Performing Reference Asset on the Final Fixing Date[, converted at the Exchange Rate (if applicable)], rounded to the nearest 0.01, with 0.005 or above being rounded upwards. No Cash Settlement Expenses will be payable for the cash payment of any Fractional Shares or Units to you.

Expiry Date

The third Business Day following the Final Fixing Date, which is expected to be on or about *[date]*.

(Provided where physical settlement is applicable, if such date is not a Clearing System Business Day, the next Clearing System Business Day which is also a Business Day, subject to the occurrence of a Settlement Disruption Event).

For the avoidance of doubt, if the Issuer is unable to obtain the Closing Price on the Final Fixing Date as a result of it being a Disrupted Day for any Reference Asset(s) in the Reference Basket, the Final Fixing Date will be adjusted for such affected Reference Asset(s) as provided in the Terms and Conditions and the Expiry Date shall be the third Business Day following the adjusted Final Fixing Date for such affected Reference Asset(s).

Minimum Investment Amount

[settlement currency] [amount]

Exchange

The Main Board of The Stock Exchange of Hong Kong Limited

Related Exchange

Each exchange or quotation system on which futures or options contracts relating to the [Share] [or] [Unit] are traded where trading on such exchange or quotation system has a material effect (as determined by the Issuer in good faith and in a commercially reasonable manner) on the overall market for futures or options contracts relating to the [Share] [or] [Unit]

Exchange Rate

[The [mid] [bid] [offer] rate for the Underlying Currency of the Worst Performing Reference Asset as at the Final Fixing Date (being [HKD] [offshore RMB] [Settlement Currency]) per one [HKD] [offshore RMB] [Settlement Currency] as per Bloomberg Page BFIX [*currency pair*] at the Valuation Time on the Final Fixing Date. If such page or the relevant rate is not available, the Issuer shall, acting in good faith and in a commercially reasonable manner, select such other reference page as may replace that page for the purposes of displaying comparable exchange rates or determine in good faith and in a commercially reasonable manner such rate by reference to such sources as we may select in our sole and absolute discretion (acting in good faith and in a commercially reasonable manner).]¹

[If the Underlying Currency of the Worst Performing Reference Asset as at the Final Fixing Date is HKD, the [mid] [bid] [offer] rate for the currency of [HKD] [Settlement Currency] per one [HKD] [Settlement Currency] as per Bloomberg Page BFIX [*currency pair*] at the Valuation Time on the Final Fixing Date. If such page or the relevant rate is not available, the Issuer shall, acting in good faith and in a commercially reasonable manner, select such other reference page as may replace that page for the purposes of displaying comparable exchange rates or determine in good faith and in a commercially reasonable manner such rate by reference to such sources as we may select in our sole and absolute discretion (acting in good faith and in a commercially reasonable manner).

If the Underlying Currency of the Worst Performing Reference Asset as at the Final Fixing Date is RMB, the [mid] [bid] [offer] rate for the currency of [offshore RMB] [Settlement Currency] per one [offshore RMB] [Settlement Currency] as per Bloomberg Page BFIX [*currency pair*] at the Valuation Time on the Final Fixing Date. If such page or the relevant rate is not available, the Issuer shall, acting in good faith and in a commercially reasonable manner, select such other reference page as may replace that page for the purposes of displaying comparable exchange rates or determine in good faith and in a commercially reasonable manner such rate by reference to such sources as we may select in our sole and absolute discretion (acting in good faith and in a commercially reasonable manner).]²

[Not applicable]³

Valuation Time

The official close of trading on the Exchange, but if the Exchange closes prior to its official close of trading and the relevant Scheduled Trading Day is not a Disrupted Day for any Reference Asset(s) in the Reference Basket, the actual close of trading.

¹ Applicable if all the Reference Assets in the Reference Basket are traded in the same currency.

² Applicable if the Reference Assets in the Reference Basket are traded in different currencies.

³ Applicable if the Underlying Currency of all the Reference Assets in the Reference Basket is the same as the Settlement Currency.

Closing Price	In respect of a Scheduled Trading Day and in respect of a Reference Asset, the closing price of such Reference Asset on the Exchange at the Valuation Time on a Scheduled Trading Day as quoted on the Exchange.
Cash Settlement Expenses	All charges or expenses including any taxes and duties that are incurred upon the payment of any cash amount (with the exception of any cash payment of any Fractional Shares or Units of the Worst Performing Reference Asset as at the Final Fixing Date). [Currently there are no such charges or expenses. If any Cash Settlement Expenses are payable in the future, we will inform the Distributor(s) as soon as practicable and the Distributor(s) will in turn inform you.] [Please ask the Distributor(s) for details.]
Physical Settlement Expenses	<p>Physical settlement expenses are out-of-pocket expenses relating to the transfer and receipt of the Worst Performing Reference Asset which forms part of the Physical Settlement Amount which are payable when the Physical Settlement Amount is delivered to you on the Expiry Date.</p> <p>These expenses include buyer's stamp duty (if applicable, subject to the then prevailing laws and regulations) on delivery of the Worst Performing Reference Asset which forms part of the Physical Settlement Amount (calculated based on its Exercise Price, if applicable, converted into HKD at the exchange rate as determined by the Hong Kong Monetary Authority and currently published on the website of the Hong Kong Stock Exchange at http://www.hkex.com.hk/eng/market/sec_tradinfo/stampfx/stampfx.asp by 11:00 a.m. or earlier on the final fixing date), transaction levies, registration charges and any other charges levied by the Distributor in connection with the provision of custodial, transfer and clearing services. Please ask the Distributor(s) for details.</p>
Distributor's charges	You should contact the Distributor(s) for details.
Additional provisions relating to physical settlement	The Issuer will procure delivery of the Physical Settlement Amount on the Expiry Date by way of electronic settlement through the CCASS established and operated by HKSCC.
Legal Terms and Conditions	<p>See the section entitled "Terms and Conditions" in Appendix B to the Product Booklet and the Pricing Supplement for this series of SDC Basket ELIs (see "Pricing Supplement" below).</p> <p>When read together, the general terms and conditions of the SDC Basket ELIs and the Pricing Supplement will set out the terms and conditions applicable to the relevant series of SDC Basket ELIs.</p> <p>This Term Sheet contains a description of the legally binding terms and conditions of the SDC Basket ELIs.</p>

Pricing Supplement	The Pricing Supplement will be issued on the Issue Date. The Pricing Supplement will amend, vary and/or supplement the general terms and conditions of the SDC Basket ELIs as set out in Appendix B to the Product Booklet. A certified true copy of the Pricing Supplement (in separate English and Chinese versions) will be available for inspection at the offices of DBS Bank Ltd, Hong Kong Branch while the relevant series of the SDC Basket ELIs is in issue.
Business Day Centre(s)	[<i>city(ies)</i>]
Distributor(s)	[<i>Distributor(s)' names and numbers</i>]
Registrar	DBS Bank Ltd
ISIN	[<i>number</i>]* [(This will be available on or after the Issue Date)]
Form of ELI	Registered ELI
Clearing of ELI	Euroclear and/or Clearstream, Luxembourg
Listing	Unlisted
Governing Law of the Terms and Conditions of the SDC Basket ELIs	Hong Kong
Selling Restrictions	No sales to the United States or US persons [or [<i>insert any other applicable selling restrictions</i>]]

You should note that the dates stated in this Term Sheet may be adjusted in accordance with the Terms and Conditions. Notice will be given to the Distributor(s) in respect of any such change.

[[Updated information

[The [[*NUMBER*][st/nd/rd/th] paragraph under the] [sub-]section headed [*TITLE*] on page[s] [*NUMBER*] [to [*NUMBER*]] of [*DOCUMENT*] shall be [deleted/replaced/amended/supplemented by the following:]/ [deleted/replaced/amended/supplemented, the details of which are set out in an addendum dated [*DATE*]]/[The following shall be added after the [[*NUMBER*][st/nd/rd/th] paragraph under the] [sub-]section headed [*TITLE*] on page[s] [*NUMBER*] [to [*NUMBER*]] of [*DOCUMENT*]:]]

[*DETAILS OF CHANGES*]]

[No] [M][m]aterial adverse change

Taking into account the nature of the SDC Basket ELIs being offered [and save as disclosed on page[s] [*NUMBER*][S]] of [the Programme Memorandum] [the Financial Disclosure Document] [the addendum to the Programme Memorandum dated [*date*]] [the addendum to the Financial Disclosure Document dated [*date*]] [and] [this Term Sheet]] there has been no material adverse change in the financial condition or other circumstances of DBS Bank Ltd which could reasonably be expected to have a material adverse effect on our financial or trading position since the date of our latest financial statements contained in the Financial Disclosure Document.

[No] [M][m]aterial litigation

[Save as disclosed on page[s] *[NUMBER[S]]* of [the Programme Memorandum] [the Financial Disclosure Document] [the addendum to the Programme Memorandum dated *[date]*] [the addendum to the Financial Disclosure Document dated *[date]*] [and] [this Term Sheet],] [t][T]here are no litigation or arbitration proceedings against or affecting DBS Bank Ltd, nor are we aware of any claims pending or, to our knowledge, threatened against DBS Bank Ltd, which are material in the context of the issue of the SDC Basket ELIs.

Cancellation of offer and purchase order

We reserve the right to cancel the offering of this series of SDC Basket ELIs on or before the end of the Offer Period.

In the event that (i) we have published any addendum to the Programme Memorandum, the Financial Disclosure Document or the Product Booklet during the offer period after you have placed your order or (ii) the offer period of this series of SDC Basket ELIs has changed, you will be able to cancel your purchase order within the specified period of time as notified to you by your Distributor. In addition, if the Trade Date falls on a Disrupted Day for any Reference Asset(s) in the Reference Basket, and your purchase order for the SDC Basket ELIs has not yet been executed on the Trade Date, the offering of the SDC Basket ELIs and your purchase order for the SDC Basket ELIs will be cancelled. Upon such cancellation, we will notify the Distributors who will in turn notify you. Neither we nor your Distributor shall charge you any handling fees for such cancellation. Please contact the Distributors for details on how and when your purchase monies will be fully refunded to you (without any interest) in such circumstances. In the case where the Trade Date falls on a Disrupted Day for any Reference Asset(s) in the Reference Basket, the offering of this series of SDC Basket ELIs will not be cancelled if your purchase order has been executed prior to the occurrence of the relevant event which caused the Trade Date to be a Disrupted Day for such Reference Asset(s).

Risks

The SDC Basket ELIs involve various investment risks. Please refer to the section headed “Important Risk Warnings” provided in this Term Sheet, the Programme Memorandum and the Product Booklet and the section headed “Risk Warnings” in the Product Booklet.

[Newly listed Reference Asset(s)]

[[SHARE] (the “**Newly Listed Share**”)) *[[FUND]* (the “**Newly Listed Fund**”)) was listed on the Main Board of The Stock Exchange of Hong Kong Limited on *[date]*. Prior to the listing of the *[Newly Listed Share]* *[Newly Listed Fund]*, there had been no public market for the *[Newly Listed Share]* *[Newly Listed Fund]* and an active public market for the *[Newly Listed Share]* *[Newly Listed Fund]* may not develop or be sustained in the future. You will not be able to analyse or compare the trading history of the *[Newly Listed Share]* *[Newly Listed Fund]*, particularly in relation to either the volatility or liquidity which may have an impact on the return on your investment.

Although the *[Newly Listed Share]* *[Newly Listed Fund]* is listed on the Main Board of The Stock Exchange of Hong Kong Limited, there is no guarantee that a trading market for the *[Newly Listed Share]* *[Newly Listed Fund]* will develop or, if a market does develop, the liquidity of that market. Also, the price and trading volume of the *[Newly Listed Share]* *[Newly Listed Fund]* may be highly volatile subject to the market sentiment, and may be more volatile than would generally be expected for a stock that has a longer trading history.]⁴

⁴ Insert for each reference asset that is a newly listed share or fund on the Main Board of The Stock Exchange of Hong Kong Limited with a trading history of less than 60 consecutive business days.

The Reference Assets

Each [Share] [or] [Unit] is listed on the Main Board of The Stock Exchange of Hong Kong Limited and each [Company] [or] [Fund] is required by The Stock Exchange of Hong Kong Limited to continuously disclose information that has a material impact on market activity in and the price of their securities. You can find information about each [Company] [or] [Fund] on the website: <http://www.hkexnews.hk> operated by The Stock Exchange of Hong Kong Limited in addition to each [Company's] [or] [Fund's] website as set out in the table below:

Reference Asset	Website
[stock code]	[http://www.[website address]]
[stock code]	[http://www.[website address]]
[Rows to be added/ deleted as necessary]	

You may obtain historic price information, the published audited financial statements and interim financial statements (if any) of each [Company] [or] [Fund] on the website operated by The Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk>.

Websites

Information included on the websites in this Term Sheet does not form part of the SDC Basket ELI offering documents. We do not accept any responsibility for information contained in any third party websites.

Offer documentation

The offer of this series of SDC Basket ELIs is made solely on the basis of the information contained in the Programme Memorandum dated 10 January 2022 [(as supplemented by [an addendum][addenda] dated [date][, [date]] [and] [date])] (the “**Programme Memorandum**”), the Financial Disclosure Document dated [date] [(as supplemented by [an addendum] [addenda] dated [date][, [date]] [and] [date])] (the “**Financial Disclosure Document**”), the Product Booklet dated 10 January 2022 [(as supplemented by [an addendum] [addenda] dated [date][, [date]] [and] [date])] (the “**Product Booklet**”) and this Term Sheet (together, the “**SDC Basket ELI offering documents**”). Accordingly, you should exercise an appropriate degree of caution when assessing the value of other sources of information relating to us, DBS, the SDC Basket ELIs or each of the [Company] [or] [Fund]. If you are in any doubt about any of the SDC Basket ELI offering documents, you should obtain independent professional advice.

Hard copies of the Programme Memorandum, the Financial Disclosure Document and the Product Booklet [(including any addenda in respect thereof)] will be available (free of charge) at the distribution points of the Distributor(s) [and from the Distributor(s) by ordinary post]. [In addition, electronic copies of the Programme Memorandum, the Financial Disclosure Document and the Product Booklet [(including any addenda in respect thereof)] will be available (free of charge) from the Distributor(s) by email.]

Responsibility Statement

The information contained in the SDC Basket ELI offering documents is accurate at the date of this Term Sheet.

The SDC Basket ELI offering documents include particulars given in compliance with the Code on Unlisted Structured Investment Products (the “**Code**”) issued by the Securities and Futures Commission (the “**SFC**”) for the purpose of giving information with regard to DBS, the SDC Basket ELIs and the programme. DBS Bank Ltd, Hong Kong Branch (as the issuer and the product arranger) accepts full responsibility for the contents of, and the completeness and accuracy of the information contained in the SDC Basket ELI offering documents and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there is no untrue or misleading statement, or other facts the omission of which would make any statement herein untrue or misleading. DBS Bank Ltd, Hong Kong Branch (as the issuer and the product arranger) also confirms that it complies with the respective eligibility requirements of the issuer and the product arranger under the Code and the SDC Basket ELIs comply with the Code. DBS Bank Ltd, Hong Kong Branch, as the product arranger, is the “Product Arranger” for the purpose of the Code.

Structured products are complex and may involve a high risk of loss. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions based upon your own judgement and advice from those advisers you consider necessary.

This Term Sheet should not be treated as giving any investment advice. This Term Sheet shall not be copied or reproduced without our prior written permission.

The SFC has authorised the SDC Basket ELIs under Section 104A(1) of the Securities and Futures Ordinance (Cap. 571, the Laws of Hong Kong) (“**SFO**”) and the issue of this Term Sheet based on the standard template as set out in Appendix A to the Product Booklet under Section 105(1) of the SFO. The SFC takes no responsibility as to the SDC Basket ELIs and the contents of this Term Sheet, makes no representation as to their accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Term Sheet. The SFC’s authorisation does not imply the SFC’s endorsement or recommendation of the SDC Basket ELI referred to in this Term Sheet, nor does it imply that the SFC guarantees the commercial merits of the SDC Basket ELIs or their performance. The SFC’s authorisation does not mean the SDC Basket ELIs are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors. Interested persons should consider obtaining independent professional advice before investing in the SDC Basket ELIs.]⁵

[The SFC takes no responsibility as to the contents of this Final Term Sheet. The SFC’s authorisation does not imply the SFC’s endorsement of the terms herein.]⁶

⁵ The above paragraphs starting from “Updated information” should be deleted in the case of a Final Term Sheet.

⁶ This paragraph shall only be included in the Final Term Sheet.

APPENDIX B

TERMS AND CONDITIONS

The SFC takes no responsibility as to the contents of the terms and conditions as set out in this Appendix B (the “Conditions”). The SFC’s authorisation does not imply the SFC’s endorsement of the Conditions.

The relevant Conditions will, together with the supplemental provisions contained in the applicable Pricing Supplement and subject to completion and amendment, be incorporated by reference into each Global Certificate (as defined below). The applicable Pricing Supplement in relation to the issue of any series of ELIs may specify additional terms and conditions which shall amend, vary and/or supplement the relevant Conditions for the purpose of such series of ELIs. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Certificate. Capitalised terms used in the relevant Conditions and not otherwise defined therein shall have the meaning given to them in the applicable Pricing Supplement.

The Global Certificate and related terms and conditions will be issued in English only, which shall prevail over any Chinese version in the event of conflict or discrepancy.

1 Form, Status, Transfer and Title

(a) Form

The Non-Principal Protected Unlisted Equity Linked Investments Linked to a Basket of Securities with Step-down Call Feature and Optional Knock-in Feature (“**ELIs**”) relating to a basket comprising Shares of each of the Companies or Units of each of the Funds, as the case may be, are issued in registered form subject to and with the benefit of a global certificate by way of deed poll (the “**Global Certificate**”) made by DBS Bank Ltd, Hong Kong Branch (the “**Issuer**”) and an agency agreement dated 6 January 2012 (such agreement as amended, varied and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) made between the Issuer, DBS Bank Ltd as registrar (in such capacity, the “**Registrar**”, which expression shall include any successors) and DBS Bank Ltd as agent (in such capacity, the “**Agent**”, which expression shall include any successors). The ELI holders (as defined below) are entitled to the benefit of a deed of covenant dated 6 January 2012 (such deed as amended, varied and/or supplemented from time to time, the “**Deed of Covenant**”) made by the Issuer under the terms of which accountholders in Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”), as the case may be, are given directly enforceable rights against the Issuer under the ELIs. The original of the Deed of Covenant is held by the Agent.

ELIs in definitive form will only be issued in exchange for the Global Certificate if both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announce an intention permanently to cease business and do so cease business and no alternative clearing system satisfactory to the Issuer, the Registrar and the Agent is available. In the event of any such exchange, references in these Conditions to the Global Certificate shall be deemed to be, as appropriate, references to such definitive certificates. The Global Certificate has been registered in the name of a nominee common to Euroclear and Clearstream, Luxembourg or as appointed by the Issuer (the “**Nominee**”).

The applicable Pricing Supplement for the ELIs is attached to the Global Certificate and amends, varies and/or supplements the Terms and Conditions to the extent so specified or to the extent inconsistent with the Terms and Conditions. References herein to the “applicable Pricing Supplement” are to the Pricing Supplement attached to the Global Certificate.

Certified copies of the applicable Pricing Supplement, the Deed of Covenant and the Agency Agreement are available for inspection at the Issuer's office at 18/F, The Center, 99 Queen's Road Central, Hong Kong during the period beginning on the Issue Date and ending on the Final Fixing Date.

The ELI holders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Global Certificate, the applicable Pricing Supplement, the Deed of Covenant and the Agency Agreement.

(b) *Status*

The ELIs represent general, unsecured and unsubordinated contractual obligations of the Issuer and of no other person and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured and unsubordinated obligations of the Issuer.

(c) *Transfer*

The ELIs will be transferable only by means of delivery of the relevant Global Certificate to the Registrar in accordance with the provisions of the Agency Agreement, with the form of transfer endorsed on it duly completed and executed. Transfers of beneficial interests in the ELIs may be effected only in an amount equal to the Minimum Transfer Amount and integral multiples thereof in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

(d) *Title*

Each person who is for the time being shown in the register (the “**Register**”) kept by the Registrar as entitled to a particular number of ELIs shall be treated by the Issuer and the Registrar as the absolute owner and holder of such number of ELIs. The expression “**ELI holder**” shall be construed accordingly.

2 **ELI Rights and Settlement Expenses**

(a) *ELI Rights*

Each ELI holder shall, upon due exercise and compliance with Condition 4, have the right to receive the Call Settlement Amount (if applicable) or, as the case may be, the Final Settlement Payout (each as defined below), if any.

(b) *Settlement Expenses*

In the case where (i) the Nominal Amount is payable to an ELI holder as part of the Call Settlement Amount (if applicable) pursuant to satisfaction of the Callable Condition; or (ii) the Nominal Amount is payable to an ELI holder as part of the Final Settlement Payout, the following provisions will apply:

The relevant ELI holders will be required to pay all charges or expenses including any taxes or duties which are incurred on the Nominal Amount in respect of the exercise of the ELIs (“**Cash Settlement Expenses**”). The payment of such Cash Settlement Expenses is reflected in the calculation of the Call Settlement Amount (if applicable) or Final Settlement Payout (as the case may be).

In the case where the Final Settlement Payout is the delivery of the Physical Settlement Amount, the following provisions will apply:

The relevant ELI holders entitled to delivery of the Physical Settlement Amount will be required to pay all charges which they incur in respect of the transfer and receipt of the Worst Performing Reference Asset which forms the Physical Settlement Amount delivered to ELI holders, including without limitation any buyer's stamp duty (if applicable, subject to the then prevailing laws and regulations), levies and registration charges and other expenses payable on or in respect of or in connection with the receipt of or agreement to receive the Worst Performing Reference Asset as at the Final Fixing Date to which the ELIs relate (the above charges and expenses incurred by ELI holders are together referred to as the "**Physical Settlement Expenses**").

An amount equivalent to the Physical Settlement Expenses must be paid by the ELI holder in accordance with Condition 4.

3 Termination of ELIs, Callable Condition and Expiry

If the ELIs have not otherwise been early terminated, the ELIs will automatically be terminated on a Call Fixing Date (if the Callable Condition is satisfied on such Call Fixing Date (regardless of whether a Knock-in Event (if applicable) has occurred)) or on the Final Fixing Date (if the Callable Condition is not satisfied), as the case may be, without notice being given to the ELI holders. The ELI holders will not be required to deliver any exercise notice and the Issuer will pay or deliver (as the case may be) to the ELI holders the Call Settlement Amount on the Call Settlement Date (if the Callable Condition is satisfied and the ELIs are terminated on a Call Fixing Date) or the Final Settlement Payout on the Expiry Date (if the ELIs are terminated on the Final Fixing Date), all subject to Condition 2 and in accordance with Condition 4.

For the avoidance of doubt, where the ELIs have been terminated on a Call Fixing Date or the Final Fixing Date, as the case may be, payment of the Call Settlement Amount on the Call Settlement Date or payment and/or delivery (as the case may be) of the Final Settlement Payout on the Expiry Date (as the case may be) shall constitute full and final settlement of the obligations of the Issuer with respect to the ELIs. Subject to such payment and/or delivery, as the case may be, having been made, the Issuer shall have no obligation towards the relevant ELI holder under the ELIs subsequent to such Call Fixing Date or Final Fixing Date, as the case may be.

4 SETTLEMENT OF ELIS

- (a) ELIs may only be terminated in an amount equal to the Nominal Amount or integral multiples thereof.
- (b) *No requirement to deliver an exercise notice*

The ELI holders will not be required to deliver an exercise notice for any purpose in relation to the ELIs.

- (c) *Cancellation*

The Issuer will procure that the Registrar will remove, or cause to be removed, from its register with effect from the Business Day following the Call Fixing Date (if applicable) or the Final Fixing Date, the name of the person in respect of the ELIs which are the subject of a termination in accordance with these Conditions, and thereby cancel the relevant ELIs.

- (d) *Settlement*

Subject to termination of ELIs in accordance with these Conditions, the Issuer will make a payment or delivery (as the case may be) to the relevant ELI holder of the Call Settlement Amount or the Final Settlement Payout (as the case may be) on the relevant Call Settlement Date or the Expiry Date (as the case may be).

(e) *Cash Settlement*

- (i) Subject as provided in Condition 4(e)(ii) below where the Settlement Currency is RMB, in the case where (i) the Call Settlement Amount is payable to an ELI holder pursuant to satisfaction of the Callable Condition or (ii) the Final Settlement Payout is equal to payment of (a) the Potential Final Distribution Amount (if applicable) and (b) the Nominal Amount, then the Call Settlement Amount or the Final Settlement Payout (as the case may be) shall be despatched on the Call Settlement Date or the Expiry Date (as the case may be) by crediting that amount to the relevant bank account designated by the relevant ELI holder.
- (ii) In the case where the Settlement Currency is RMB, if the Issuer has determined, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner, that an RMB Disruption Event has occurred on, or prior to and is continuing on, any day on which any amount payable in RMB under the relevant ELIs are scheduled to be paid, such payment will be postponed to the third Business Day after the date on which the RMB Disruption Event ceases to exist. However, if the RMB Disruption Event continues to exist for twelve consecutive Business Days from the original scheduled date of payment, the Issuer shall make payment of the HKD Equivalent Amount no later than the third Business Day after such twelfth Business Day. Any such payment made by the Issuer shall be in full and final settlement of its obligations to pay the relevant amount payable in RMB on the affected date of payment in respect of the ELIs. No additional interest or compensation will be payable by the Issuer in respect of any postponement or payment of the HKD Equivalent Amount.

A notice of such postponement of payment will be given to the ELI holders on the relevant affected date of payment in accordance with Condition 12 and, if applicable, a further notice of the calculation of the HKD Equivalent Amount will be given to the ELI holders as soon as practicable but no later than the third Business Day after such HKD Equivalent Amount is calculated.

For the purposes of this Condition 4(e)(ii):

“HKD Equivalent Amount” means, following the occurrence of an RMB Disruption Event and in respect of an amount payable in RMB on the relevant affected date of payment, an amount in HKD calculated by the Issuer acting in good faith and in a commercially reasonable manner, by converting such amount payable in RMB into HKD based on (i) the exchange rate of HKD per one USD, as published as the “USD/HKD Spot Rate” on the Treasury Markets Association’s website (http://www.tma.org.hk/en_market_info.aspx) as at 11.30am on the twelfth Business Day from the original scheduled date of payment divided by (ii) the exchange rate of offshore RMB per one USD, as published as the “USD/CNY(HK) Spot Rate” on the Treasury Markets Association’s website (http://www.tma.org.hk/en_market_info.aspx) as at 11.30am on the twelfth Business Day from the original scheduled date of payment, provided that if any such rate is not available, the Issuer shall determine such exchange rate in its sole and absolute discretion acting in good faith and a commercially reasonable manner.

“RMB Disruption Event” means the occurrence of any event that, in the determination of the Issuer in its sole and absolute discretion acting in good faith and a commercially reasonable manner, makes it impossible:

- (i) for the Issuer to obtain a firm quote of a price in respect of any amount due and payable in RMB under the ELIs on the relevant scheduled date of payment in the general RMB exchange market in Hong Kong in order to perform its obligations under the ELIs;
- (ii) for the Issuer to convert into RMB for any amount due and payable in RMB under the ELIs in the general RMB exchange market in Hong Kong, other than where such impossibility is due to the failure of the Issuer to comply with any law, rule or regulation enacted by any government authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation); or
- (iii) for the Issuer to transfer RMB between accounts inside Hong Kong, other than where such impossibility is due to the failure of the Issuer to comply with any law, rule or regulation enacted by any government authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

For the avoidance of doubt, the following events shall not constitute an RMB Disruption Event:

- (A) in the case of sub-paragraph (i) above, the inability for the Issuer to obtain such firm quote due to issues relating to its creditworthiness; and
 - (B) in the case of sub-paragraph (ii) above, the inability for the Issuer to convert into RMB for any amount due and payable in RMB under the ELIs due to issues relating to its creditworthiness.
- (f) *Delivery of Worst Performing Reference Asset as at the Final Fixing Date*
- (i) In the case where the Final Settlement Payout involves the delivery of the Physical Settlement Amount, the Issuer will procure delivery of the Worst Performing Reference Asset which forms part of the Physical Settlement Amount on the Expiry Date by way of electronic settlement through CCASS or such other applicable Clearing System. The amount of stamp duty payable by the relevant ELI holder in respect of such delivery shall be calculated by the Issuer in accordance with the then prevailing prescribed rate and provisions for stamp duty payable by a buyer in respect of a transfer of such Worst Performing Reference Asset.
 - (ii) In order to obtain delivery of the Physical Settlement Amount, (a) all Physical Settlement Expenses must be paid by the relevant ELI holders to the Issuer and (b) the relevant ELI holder must notify the Issuer on or before the Expiry Date of such details as are required by the Issuer for the delivery of the Physical Settlement Amount (if any) which may include account details and/or the name and address of any person(s) into whose name evidence of the Physical Settlement Amount is to be registered and/or any bank or agent to whom documents evidencing the Physical Settlement Amount are to be delivered.

- (iii) Subject as provided below in the case of a Settlement Disruption Event, the Issuer will procure:
- (a) the delivery of the Worst Performing Reference Asset which forms part of the Physical Settlement Amount using the method specified in this Condition 4(f) no later than the Expiry Date or, if such date is not a Clearing System Business Day, the next Clearing System Business Day which is also a Business Day; and
 - (b) the despatch of any cash payment of the Fractional Share or Unit as described below to which the ELI holder is entitled pursuant to Condition 4(j), if applicable, no later than the Expiry Date or, if such date is not a Clearing System Business Day, the next Clearing System Business Day which is also a Business Day.

The Issuer shall determine, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner, whether or not at any time a Settlement Disruption Event has occurred and where it determines such an event has occurred and so has prevented delivery of the Worst Performing Reference Asset as at the Final Fixing Date on the original day that but for such Settlement Disruption Event would have been the Expiry Date, the Issuer shall notify the ELI holders on such date and the Expiry Date will be postponed to the first succeeding day on which delivery of such Worst Performing Reference Asset can take place through the relevant Clearing System. If the Settlement Disruption Event prevents the delivery of such Worst Performing Reference Asset on each of the eight relevant Clearing System Business Days immediately following the original date (the “**Disruption Period**”) that, but for the Settlement Disruption Event, would have been the Expiry Date, (a) if such Worst Performing Reference Asset can be delivered in any other commercially reasonable manner (as determined by the Issuer in its sole and absolute discretion acting in good faith and in a commercially reasonable manner and notified to the ELI holders as soon as practicable), then the Expiry Date will be the first day on which physical delivery of such Worst Performing Reference Asset can be effected through the use of such other commercially reasonable manner (such other manner of delivery will be deemed the relevant Clearing System for the purposes of delivery of such Worst Performing Reference Asset), or (b) if such Worst Performing Reference Asset cannot be delivered in any other commercially reasonable manner (as determined by the Issuer in its sole and absolute discretion acting in good faith and in a commercially reasonable manner), then the Expiry Date will be postponed until delivery can be effected through the relevant Clearing System or in any other commercially reasonable manner. The Issuer shall notify the ELI holders accordingly at the end of the Disruption Period whether it will be able to deliver the Worst Performing Reference Asset as at the Final Fixing Date to the ELI holder in a commercially reasonable manner or whether the delivery of such Worst Performing Reference Asset will be postponed indefinitely until delivery through the relevant Clearing System or in any other commercially reasonable manner is possible.

For the purposes of this Condition 4(f):

“**Settlement Disruption Event**” in relation to the Worst Performing Reference Asset as at the Final Fixing Date means an event which the Issuer, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner, determines to be beyond its control and to be an event as a result of which the relevant Clearing System cannot clear the transfer of such Worst Performing Reference Asset.

(g) *Intervening Period*

If Physical Settlement Amount is determined to be deliverable, as from the Final Fixing Date, the relevant ELI holder (or such person as such ELI holder may have directed) shall become beneficially entitled to all those rights attaching to the Worst Performing Reference Asset which forms part of the Physical Settlement Amount to be delivered in respect of such exercise to which the relevant ELI holder would have become entitled if such ELI holder had been as the holder of such Worst Performing Reference Asset on the Final Fixing Date.

Notwithstanding the foregoing, as from the Final Fixing Date and until such time as the relevant ELI holder (or such person as such ELI holder may have directed) is delivered the Worst Performing Reference Asset which forms part of the Physical Settlement Amount using the method specified in Condition 4(f) (the “**Intervening Period**”), neither the Issuer nor the Agent or their nominee shall:

- (i) be under any obligation to deliver to such ELI holder or any subsequent beneficial owner of the Worst Performing Reference Asset which forms part of the Physical Settlement Amount any letter, certificate, notice, circular, dividend or any other document or payment whatsoever received by the Issuer or the Agent or nominee in its capacity as the holder of such Worst Performing Reference Asset; or
 - (ii) exercise any or all rights (including voting rights) attaching to the Worst Performing Reference Asset which forms part of the Physical Settlement Amount during the Intervening Period without the prior written consent of such ELI holder, provided that neither the Issuer nor the Agent nor their nominee shall be under any obligation to exercise any such rights during the Intervening Period; or
 - (iii) be under any liability to such ELI holder or any subsequent beneficial owner of the Worst Performing Reference Asset which forms part of the Physical Settlement Amount in respect of any loss or damage which such ELI holder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of the Issuer or the Agent or their nominee being registered during such Intervening Period as legal owner of the Worst Performing Reference Asset as at the Final Fixing Date.
- (h) Notwithstanding Condition 4(g) above, the Issuer shall notify each relevant ELI holder (or where there are joint ELI holders, the first named ELI holder) appearing in the register kept by the Agent by post (by air mail in the case of an address outside Hong Kong) of the receipt by the Issuer or the Agent or their nominee during the Intervening Period of any dividend, rights, distribution, bonus issue, shares issued pursuant to a share split or consolidation in respect of the Worst Performing Reference Asset which forms part of the Physical Settlement Amount beneficially owned by such ELI holder or a subsequent beneficial owner of such Worst Performing Reference Asset which such ELI holder is entitled to under these Conditions.

The Issuer shall also make available as soon as reasonably practicable such payment or shares issued in respect of Worst Performing Reference Asset which forms part of the Physical Settlement Amount, as the case may be, for collection by the ELI holder or such subsequent beneficial owner of such Worst Performing Reference Asset from an office in Hong Kong which shall be specified in such notification upon production of such evidence of entitlement and identification as may reasonably be required by the Issuer.

The Issuer shall also notify each relevant ELI holder (or where there are joint ELI holders, the first named ELI holder) appearing on the register kept by the Agent by post (by airmail in the case of an address outside Hong Kong) of any right, entitlement or offer which the ELI holder is entitled to exercise or accept under these Conditions as beneficial owner of the relevant Worst Performing Reference Asset which forms part of the Physical Settlement

Amount during the Intervening Period and shall make available any document relating to such right, entitlement or offer for collection by the relevant ELI holder, or the person to whom the relevant ELI holder directed the Worst Performing Reference Asset which forms part of the Physical Settlement Amount to be delivered, from an office in Hong Kong which shall be specified in such notification upon production of such evidence of entitlement and identification as may reasonably be required and, following receipt by the Issuer of written notification as may reasonably be required and, where appropriate, any relevant payment or consideration necessary in connection with exercising or accepting any such right, entitlement or offer from the relevant ELI holder or the person to whom the relevant ELI holder directed the Worst Performing Reference Asset which forms part of the Physical Settlement Amount to be delivered, the Issuer shall on behalf of the relevant ELI holder, or the person to whom the relevant ELI holder directed the Worst Performing Reference Asset which forms part of the Physical Settlement Amount to be delivered, exercise or accept such right, entitlement or offer (to the extent that the Issuer is able to exercise any such right, entitlement or offer as the holder of such Worst Performing Reference Asset).

Notwithstanding anything in this Condition, in the case of the receipt by the Issuer during the Intervening Period of an entitlement (in respect of the Worst Performing Reference Asset which forms part of the Physical Settlement Amount deliverable to or at the direction of the relevant ELI holder) which takes the form of securities issued by the Company or the Fund, as the case may be, by way of rights (to which entitlement the relevant ELI holder is entitled under these Conditions), the Issuer shall, as soon as reasonably practicable and:

- (i) in any event by no later than three Business Days following receipt by it of the relevant entitlement from the Company or the Fund, as the case may be, where necessary post to the Company or the Fund, as the case may be, or its share or unit registrar an application for the entitlement to be split as appropriate as between the Worst Performing Reference Asset which forms part of the Physical Settlement Amount deliverable to the relevant different ELI holders (or subsequent ELI holders); and
- (ii) in any event no later than three Business Days following receipt by it of the relevant entitlement duly split as referred to in (i) above, post (by air mail in the case of an address outside Hong Kong) all documentation (duly renounced where appropriate) received by it relating to such entitlement to the relevant ELI holder, or the person to whom the relevant ELI holder directed the Worst Performing Reference Asset which forms part of the Physical Settlement Amount to be delivered, or (if the relevant ELI holder shall have so directed in the relevant Exercise Notice) make available such documentation for collection by the relevant ELI holder, or the person to whom the relevant ELI holder directed such Worst Performing Reference Asset to be delivered, from the Transfer Office upon production of such evidence of entitlement and identification as may reasonably be required.

(i) *Relationship of agency or trust*

These Conditions shall not be construed so as to give rise to any relationship of agency or trust between the Issuer or the Agent or their nominee and any ELI holder in its capacity as beneficial owner of the Worst Performing Reference Asset which forms part of the Physical Settlement Amount, or any subsequent beneficial owner of the Worst Performing Reference Asset which forms part of the Physical Settlement Amount, during an Intervening Period and neither the Issuer nor the Agent or their nominee shall owe any duty of a fiduciary nature to either such ELI holder or such beneficial owner in respect of such Worst Performing Reference Asset.

(j) *Fractional Share or Unit*

In the case where the Final Settlement Payout includes the Physical Settlement Amount, the following provisions will apply:

If, in respect of each ELI, the calculation of the Physical Settlement Amount would (if not for the provisions of this Condition 4(j)) result in the relevant ELI holder becoming entitled to delivery of any fractional Share or Unit, as the case may be, of the Worst Performing Reference Asset as at the Final Fixing Date (which will not be rounded) (the “**Fractional Share or Unit**”), then:

- (i) the Issuer shall not deliver to the relevant ELI holder and the relevant ELI holder shall cease to be entitled to receive in respect of such ELIs, that number of fractional Shares or, as the case may be, Units which forms the Fractional Share or Unit;
- (ii) the relevant ELI holder shall be entitled to receive a cash amount in the Settlement Currency from the Issuer (subject to the occurrence of an RMB Disruption Event under Condition 4(e)(ii) if the Settlement Currency is RMB and Condition 4(f)), to be paid no later than the Expiry Date by crediting to the relevant bank account designated by the relevant ELI holder an amount equal to the Closing Price of the Worst Performing Reference Asset on the Final Fixing Date multiplied by the Fractional Share or Unit, (converted into the Settlement Currency at the Exchange Rate where necessary) (rounded to two decimal places, with 0.005 or above rounded upwards). No Cash Settlement Expenses will be payable for the cash payment of any Fractional Shares or Units to the relevant ELI holder under this Condition 4(j); and
- (iii) should there be any postponement of the delivery of the Worst Performing Reference Asset as at the Final Fixing Date under Condition 4(f), payment of such cash amount will be postponed to the date on which such Worst Performing Reference Asset is delivered.

5 Registrar and Agent

- (a) The Registrar and the specified office of the Registrar (the “**Transfer Office**”) are set out on the back cover. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Registrar or Agent and to appoint another Registrar or Agent provided that it will at all times maintain a Registrar and an Agent. Notice of any such termination or appointment and of any change in the offices will be given to the ELI holders in accordance with Condition 12.
- (b) Each of the Registrar and the Agent will be acting as agents of the Issuer in respect of any ELIs and will not assume any obligation or duty to or any relationship of agency or trust for the ELI holders.
- (c) The register of ELI holders will be maintained outside Hong Kong by the Registrar and the Registrar will enter or cause to be entered the name, address and banking details of the ELI holders, the details of the ELIs held by any ELI holder including the number of ELIs of each series held and any other particulars which it thinks proper.

6 Adjustments, Substitution and Early Termination

(a) *Potential Adjustment Events*

The Issuer will determine, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner, whether or not at any time a Potential Adjustment Event has occurred during the period from the Trade Date to the Final Fixing Date (both dates inclusive) and where it determines that such an event has occurred, the Issuer will, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares or Units (as the case may be) and, if so, will make such adjustment (if any) to the Exercise Price of the affected Share or, as the case may be, Unit in the Reference Basket, and/or any other adjustment(s) and, in any case, any other variable relevant to the settlement or payment terms of the relevant ELIs as the Issuer determines, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner, to account for that diluting or concentrative effect so as to preserve the economic equivalence of the relevant ELIs.

If options contracts on the relevant Share or, as the case may be, Unit are traded on The Stock Exchange of Hong Kong Limited, the Issuer will determine any such adjustment(s) by following any adjustment to the terms of the relevant options contracts made and announced by The Stock Exchange of Hong Kong Limited. If no such options contracts are traded, the Issuer will determine the appropriate adjustments by following the relevant rules set out in the Operational Trading Procedures for Options Trading Exchange Participants of the Stock Exchange (the “**Options Operational Trading Procedure**”) published by The Stock Exchange of Hong Kong Limited in respect of such event.

The Issuer shall also determine, in its sole and absolute discretion, acting in good faith and in a commercially reasonable manner the effective date(s) of such adjustment(s) and shall observe and use, to the extent reasonably practicable such ex-date(s) or other relevant date(s) as provided by The Stock Exchange of Hong Kong Limited as the effective date(s) of such adjustment(s).

For the purposes of this Condition 6(a) and in respect of the Company or Fund (where applicable) whose Shares or, as the case may be, Units comprise the Reference Basket, “**Potential Adjustment Event**” means:

- (i) a subdivision, consolidation or reclassification of the Shares or Units (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares or Units to existing holders whether by way of bonus, capitalisation or similar issue; or
- (ii) a distribution or dividend to existing holders of the Shares or Units of (A) such Shares or Units or (B) other share capital or securities granting the right to payment of distributions and/or dividends and/or the proceeds of liquidation of the Company or the Fund equally or proportionately with such payments to holders of any such Shares or Units or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Company or the Fund as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or otherwise) at less than the prevailing market price as determined by the Issuer in its sole and absolute discretion acting in good faith and in a commercially reasonable manner; or
- (iii) an extraordinary dividend; or
- (iv) a call by the Company or the Fund in respect of the Shares or Units that are not fully paid; or

- (v) a repurchase by the Company or any of its subsidiaries of the Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (vi) in respect of the Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Company, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Issuer, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares or Units.

(b) *Merger Events, Tender Offers and other early termination events*

If, during the period from the Trade Date to the Final Fixing Date (both dates inclusive), (i) a Merger Event or (ii) a Tender Offer has occurred, the Issuer will make such adjustment as it determines, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner, to the exercise, settlement, payment or any other terms of the ELIs in respect of the affected Share or, as the case may be, Unit in the Reference Basket to account for the economic effect on the ELIs of such event so as to preserve the economic equivalence of the relevant ELIs. If options contracts on the relevant Share or, as the case may be, Unit are traded on The Stock Exchange of Hong Kong Limited, the Issuer will determine any such adjustments by following any adjustment to the terms of the relevant options contracts made and announced by The Stock Exchange of Hong Kong Limited. If no such options contracts are traded on The Stock Exchange of Hong Kong Limited, the Issuer will determine the appropriate adjustments by following the relevant rules set out in the Options Operational Trading Procedures published by The Stock Exchange of Hong Kong Limited in respect of such event.

The Issuer shall also determine, in its sole and absolute discretion, acting in good faith and in a commercially reasonable manner the effective date(s) of such adjustment(s) and shall observe and use, to the extent reasonably practicable such ex-date(s) or other relevant date(s) as provided by The Stock Exchange of Hong Kong Limited as the effective date(s) of such adjustment(s).

If the Issuer determines in its sole and absolute discretion acting in good faith and in a commercially reasonable manner that none of the foregoing adjustments in respect of (1) a Merger Event or (2) a Tender Offer is able to account for such event so as to preserve the economic equivalence of the relevant ELIs, the Issuer may substitute the relevant affected Share or, as the case may be, Unit in the Reference Basket with shares of another company or units of another fund selected by the Issuer in its sole and absolute discretion acting in good faith and in a commercially reasonable manner (such replacement shares or units being the “**Substitute Asset**”) which meet the following criteria:

- (i) a share or unit of a fund with a similar price volatility as the affected Share or, as the case may be, Unit and listed on the same Exchange which is not already comprised in the Reference Basket; and

- (ii) a share which belongs to a similar economic sector as the affected Shares or a unit of a fund which has similar investment objectives as the affected Units and,

in each case, with a similar market capitalisation as of the Trade Date.

The Substitute Asset shall be deemed to be a “Share” or, as the case may be, a “Unit” and the company or the fund issuing the Substitute Asset shall be deemed to be a “Company” or, as the case may be, a “Fund”. The Issuer may make any further adjustments to the terms and conditions of the ELIs in respect of the Substitute Asset as the Issuer thinks fit, provided that any such substitution and adjustments is not considered by the Issuer to be prejudicial to the interest of the ELI holders generally (without considering the circumstances of any individual ELI holder or the tax or other consequences of such adjustment in any particular jurisdiction).

If the Issuer determines in its sole and absolute discretion acting in good faith and in a commercially reasonable manner that no substitution is appropriate to account for such event, the ELIs shall be terminated as of the date selected by the Issuer as soon as practicable in its sole and absolute discretion acting in good faith and in a commercially reasonable manner and the entitlements of the ELI holders to each receive the Final Settlement Payout shall cease and the Issuer’s obligations under the ELIs shall be satisfied in full upon payment of the Termination Event Settlement Amount (as defined below). The Termination Event Settlement Amount shall be paid to the ELI holders as soon as practicable after the date of termination of the ELIs.

If, during the period from the Trade Date to the Final Fixing Date (both dates inclusive), (i) a Nationalisation; (ii) an Insolvency; (iii) a Delisting; (iv) Change in Law; (v) an Insolvency Filing; (vi) an Increased Cost of Hedging or (vii) in the case of a Fund, a Fund Termination Event has occurred, the Issuer may substitute the relevant affected Share or, as the case may be, Unit in the Reference Basket based on the same method of selection and criteria as set out above. If the Issuer determines in its sole and absolute discretion acting in good faith and in a commercially reasonable manner, that no substitution is appropriate to account for that event, the ELIs shall be terminated, as of the date selected by the Issuer, as soon as practicable in its sole and absolute discretion acting in good faith and in a commercially reasonable manner and the entitlements of the ELI holders to receive the Final Settlement Payout at expiry shall cease and the Issuer’s obligations under the ELIs shall be satisfied in full upon payment of the Termination Event Settlement Amount. The Termination Event Settlement Amount shall be paid to the ELI holders as soon as practicable after the date of termination of the ELIs.

(c) *Notice of Adjustments, Substitution and Early Termination*

All determinations made by the Issuer pursuant hereto will be conclusive and binding on the ELI holders, the Issuer and any other parties involved in the ELIs, save in the case of manifest error. The Issuer will give, or procure that there is given, notice of (A) any adjustment, substitution or early termination pursuant to Condition 6 and (B) the date from which such adjustment, substitution or early termination is effective, as soon as practicable but no later than the third Business Day after such determination by publication in accordance with Condition 12.

7 Early Termination for Taxation Reasons

- (a) All sums payable by the Issuer (including any Termination Event Settlement Amount) pursuant to these Terms and Conditions will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other government charges of any nature (“**Taxes**”) imposed by or on behalf of Hong Kong or Singapore or any authority thereof or therein having power to impose Taxes.
- (b) If the Issuer is required to deduct or withhold any Taxes, then the Issuer will set a date in good faith and in a commercially reasonable manner for the early termination of the ELI (the “**Tax Early Termination Date**”), provided that such date shall not be set earlier than 60 days prior to the earliest date on which the Issuer would be obliged to deduct or withhold any Taxes, and upon the Issuer giving not less than 7 days’ notice to the ELI holders in accordance with Condition 12, the ELIs will be terminated by delivering on the Tax Early Termination Date an amount equal to the Termination Event Settlement Amount.

Upon payment of such amount, the Issuer shall have no further obligations in respect of the ELI.

8 Early Termination for Special Taxation Reasons

If the Issuer would be prevented by Hong Kong or Singapore law from making payment to the ELI holder(s) of any sums payable by the Issuer pursuant to these Terms and Conditions, then the Issuer will set a date in good faith and in a commercially reasonable manner for the early termination of the ELI (the “**Special Tax Early Termination Date**”) and upon the Issuer giving not less than 30 days’ notice to the ELI holders in accordance with Condition 12, the ELI will be terminated by delivering on the Special Tax Early Termination Date an amount equal to the Termination Event Settlement Amount.

Upon payment of such amount, the Issuer shall have no further obligations in respect of the ELI.

9 Purchases

The Issuer and/or any of its affiliates may at any time purchase ELIs at any price in the open market or by tender or by private treaty. Any ELIs so purchased may be held or resold or surrendered for cancellation.

10 Global Certificate

The ELIs are represented by the Global Certificate registered in the name of the Nominee. ELI holders will only be entitled to definitive certificates in respect of any ELIs issued or transferred to them in the very limited circumstances as set out in Condition 1.

11 Meetings of ELI holders; Modification

(a) Meetings of ELI holders

The Agency Agreement contains provisions for convening meetings of the ELI holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined below) of a modification of the provisions of the ELIs or of the Global Certificate.

Such a meeting may be convened to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined below) of a modification of the provisions of the ELIs or of the Global Certificate.

Such a meeting may be convened by the Issuer or by ELI holders holding not less than 10% of the ELIs for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution (as defined below) will be two or more persons holding or representing not less than 25% of the ELIs for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing ELI holders whatever the number of ELIs so held or represented.

A resolution will be an “**Extraordinary Resolution**” when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such ELI holders as, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the ELI holders shall be binding on all the ELI holders, whether or not they are present at the meeting.

Resolutions can be passed in writing without a meeting of the ELI holders being held if passed unanimously.

(b) *Modification*

The Issuer may, as soon as practicable, without the consent of the ELI holders, effect any modification of the provisions of the ELIs or the Global Certificate which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of the laws or regulations of Hong Kong (as defined below). Any such modification shall be binding on the ELI holders and shall be notified to them by the Registrar before the effective date or as soon as practicable thereafter in accordance with Condition 12.

12 Notices

- (a) All documents required or permitted by these Conditions to be sent to an ELI holder or to which an ELI holder is entitled or which the Issuer shall have agreed to deliver to the ELI holder may be delivered by hand or sent by post addressed to the ELI holder to the ELI holder's address (or, in the case of joint ELI holders, to the address of the first named ELI holder) appearing in the register kept by the Registrar, and airmail post shall be used if such address is not in Hong Kong. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant ELI holder.
- (b) All notices to ELI holders regarding ELIs in definitive form will be deemed to be validly given if sent by mail to the holders of ELIs at their addresses appearing in the register of ELI holders kept by the Registrar. In addition, such notices may also be published in English in one leading English, and in Chinese in one leading Chinese, newspaper circulating in Hong Kong. Such notices shall be deemed to have been given on the date of the first such publication.
- (c) For so long as the ELIs are represented by the Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, notice may be delivered to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the ELIs.
- (d) Notice to be given by any ELI holder shall be in writing and given by lodging the same, together (in the case of any ELI in definitive form) with the relative Certificate or Certificates, with the Registrar. Whilst any of the ELIs are represented by the Global Certificate, such notice may be given by any holder of an ELI to the Registrar through Euroclear and/or Clearstream, Luxembourg, in such manner as the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

13 Modification of the Conditions of the ELIs in the applicable Pricing Supplement

The Conditions applicable to the ELIs may be amended, varied and/or supplemented as set forth in the applicable Pricing Supplement.

14 Third Party Rights

A person who is not a party to these Conditions has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any term of these Conditions.

15 Governing Law

The ELIs, these Conditions, the Global Certificate, the Deed of Covenant and the Agency Agreement will be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"). The Issuer and each ELI holder (by its purchase of the ELIs) shall be deemed to have submitted for all purposes in connection with the ELIs, the Global Certificate and the Agency Agreement to the non-exclusive jurisdiction of the courts of Hong Kong.

16 Language

In the event of any inconsistency between the Chinese version of these Conditions and the English version of these Conditions, the English version of these Conditions shall prevail.

17 Definitions

For the purposes of these Conditions:

"Business Day" means a day (excluding Saturdays and Sundays) on which commercial banks and foreign exchange markets are open for business in Hong Kong and the relevant Business Day Centre(s);

"Business Day Centre(s)" means such cities which are the financial centre(s) for the Settlement Currency, as specified in the applicable Pricing Supplement;

"Callable Condition" is satisfied on a Call Fixing Date if the Closing Price of the Worst Performing Reference Asset in respect of such Call Fixing Date is at or above its Call Price in respect of such Call Fixing Date;

"Call Distribution Rate" means in respect of a Call Fixing Date, a specified pre-determined rate as set out in the applicable Pricing Supplement;

"Call Fixing Date" means each date specified as such in the applicable Pricing Supplement, or if any such day is not a Scheduled Trading Day, the immediately following Scheduled Trading Day;

Provided that if any such day is a Disrupted Day in respect of any Share or Unit, as the case may be, in the Reference Basket, such Call Fixing Date for such affected Share or Unit shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for such affected Share or Unit, unless each of the eight Scheduled Trading Days immediately following the originally scheduled Call Fixing Date is a Disrupted Day for such affected Share or Unit. In that case:

- (i) that eighth Scheduled Trading Day shall be deemed to be such Call Fixing Date for such affected Share or Unit, notwithstanding the fact that such day is a Disrupted Day for such affected Share or Unit; and
- (ii) the Issuer shall determine (based on, among other things, the last reported price of the affected Share or Unit and prevailing market conditions) the price of the affected Share or Unit on the Call Fixing Date in accordance with its good faith estimate and acting in a commercially reasonable manner and such price shall be the Closing Price of the affected Share or Unit on that eighth Scheduled Trading Day;

“Call Price” means, subject to adjustments in accordance with Condition 6, in respect of each Share or, as the case may be, Unit, and in respect of a Call Fixing Date, a specified pre-determined percentage of the Initial Spot Price as set out in the applicable Pricing Supplement;

“Call Settlement Amount” means in respect of each ELI and a Call Fixing Date (where the ELIs have been terminated on a Call Fixing Date pursuant to the satisfaction of the Callable Condition), an amount in the Settlement Currency (subject to the occurrence of an RMB Disruption Event under Condition 4(e)(ii) if the Settlement Currency is RMB) equal to the sum of the Nominal Amount plus the Potential Call Distribution Amount, less Cash Settlement Expenses (if any);

“Call Settlement Date” means the date an ELI holder will receive the Call Settlement Amount pursuant to the satisfaction of the Callable Condition, as specified or otherwise determined as provided in the applicable Pricing Supplement;

“Change in Law” means (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in good faith that (A) it has become illegal to hold, acquire or dispose of Shares or, as the case may be, the Units or (B) it will incur a materially increased cost in performing its obligations under the ELIs (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

“Clearing System Business Day” means any day on which CCASS is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions;

“Closing Price” means, subject to adjustment in accordance with Condition 6, in respect of a Scheduled Trading Day, the closing price as at the Valuation Time on such day of one Share or, as the case may be, one Unit as quoted on the Exchange without regard to any subsequently published correction as determined by or on behalf of the Issuer;

“Company” means the issuer of the Reference Asset comprising Shares;

A **“Daily Knock-in Event”** occurs if Daily Knock-in Feature is specified as applicable in the applicable Pricing Supplement and, the Closing Price of the Worst Performing Reference Asset on a Scheduled Trading Day during the period from (but excluding) the Trade Date to (and including) the Final Fixing Date (for the purpose of this definition, each a **“Knock-in Event Date”**) is at or below its Knock-in Price. If a Knock-in Event Date is a Disrupted Day in respect of any Share or Unit, as the case may be, in the Reference Basket, such Knock-in Event Date for the affected Share or Unit shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for the affected Share or Unit, unless each of the eight Scheduled Trading Days immediately following the originally scheduled Knock-in Event Date is a Disrupted Day for the affected Share or Unit. In that case, (a) that eighth Scheduled Trading Day shall be deemed to be such Knock-in Event Date for the affected Share or Unit, notwithstanding the fact that such day is a Disrupted Day for the affected Share or Unit; and (b) the Issuer shall determine (based on, among other things, the last reported price of such affected Share or Unit and prevailing market conditions) the fair market price of such affected Share or Unit on the Knock-in Event Date in accordance with its good faith estimate and acting in a commercially reasonable manner and such price shall be the Closing Price of such affected Share or Unit on that eighth Scheduled Trading Day;

“Delisting” means in respect of the Company or, as the case may be, the Fund comprising the Reference Basket, if the Exchange announces that pursuant to the rules of such Exchange, the Shares or the Units cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange;

“Disrupted Day” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

“Exchange” means, in respect of the Share or, as the case may be, the Unit, each exchange or quotation system specified as such for the Share or Unit in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share or, as the case may be, the Unit has temporarily relocated (provided that the Issuer has determined in good faith and in a commercially reasonable manner that there is comparable liquidity relative to the Share or Unit on such temporary substitute exchange or quotation system as the original Exchange);

“Exchange Business Day” means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time;

“Exchange Rate” means the exchange rate specified as such in the applicable Pricing Supplement;

“Exercise Price” means, subject to adjustment in accordance with Condition 6, in respect of the Share or, as the case may be, the Unit, a specified pre-determined percentage of the Initial Spot Price of such Share or Unit, as the case may be, as set out in the applicable Pricing Supplement;

“Expiry Date” means such date that falls on the third Business Day after the Final Fixing Date, provided where physical settlement is applicable, if such date is not a Clearing System Business Day, the next Clearing System Business Day which is also a Business Day, subject to the occurrence of a Settlement Disruption Event;

“Final Distribution Rate” means a specified pre-determined rate as set out in the applicable Pricing Supplement;

“Final Fixing Date” means the date the ELI is scheduled to terminate (where the ELIs have not been terminated on a Call Fixing Date pursuant to the satisfaction of the Callable Condition and have not been otherwise terminated) as specified in the applicable Pricing Supplement, or if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day. Provided that, if such day is a Disrupted Day in respect of any Share or Unit, as the case may be, in the Reference Basket, the Final Fixing Date for the affected Share or Unit shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for the affected Share or Unit, unless each of the eight Scheduled Trading Days immediately following the Scheduled Final Fixing Date is a Disrupted Day for the affected Share or Unit. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Final Fixing Date for such affected Share or Unit, notwithstanding the fact that such day is a Disrupted Day for the affected Share or Unit; and
- (b) the Issuer shall determine (based on, among other things, the last reported price of such affected Share or Unit and prevailing market conditions) the fair market price of the affected Share or Unit on the Final Fixing Date in accordance with its good faith estimate and acting in a commercially reasonable manner and such price shall be the Closing Price of the affected Share or Unit on that eighth Scheduled Trading Day;

A **“Final Fixing Date Knock-in Event”** occurs if Final Fixing Date Knock-in Feature is specified as applicable in the applicable Pricing Supplement and, on the Final Fixing Date (for the purpose of this definition, the **“Knock-in Event Date”**), the Closing Price of the Worst Performing Reference Asset is at or below its Knock-in Price. If the Knock-in Event Date is a Disrupted Day in respect of any Share or Unit, as the case may be, in the Reference Basket, such Knock-in Event Date for the affected Share or Unit shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for the affected Share or Unit, unless each of the eight Scheduled Trading Days immediately following the originally scheduled Knock-in Event Date is a Disrupted Day for the affected Share or Unit. In that case, (a) that eighth Scheduled Trading Day shall be deemed to be such Knock-in Event Date for the affected Share or Unit, notwithstanding the fact that such day is a Disrupted Day for the affected Share or Unit; and (b) the Issuer shall determine (based on, among other things, the last reported price of such affected Share or Unit and prevailing market conditions) the fair market price of such affected Share or Unit on the Knock-in Event Date in accordance with its good faith estimate and acting in a commercially reasonable manner and such price shall be the Closing Price of such affected Share or Unit on that eighth Scheduled Trading Day;

“Final Settlement Payout” means, in respect of each ELI and the Final Fixing Date (where the ELIs have not been terminated on a Call Fixing Date pursuant to the satisfaction of the Callable Condition or otherwise early terminated), the following:

- (a) if either Daily Knock-in Feature or Final Fixing Date Knock-in Feature is applicable (as specified in the applicable Pricing Supplement) and the relevant Knock-in Event has not occurred, an amount in the Settlement Currency (subject to the occurrence of an RMB Disruption Event under Condition 4(e)(ii) if the Settlement Currency is RMB) calculated by the Issuer as equal to (A) the sum of (1) the Nominal Amount and (2) the Potential Final Distribution Amount, less (B) Cash Settlement Expenses (if any);

(b) if:

- (i) Daily Knock-in Feature is applicable (as specified in the applicable Pricing Supplement) and a Daily Knock-in Event has occurred but the Closing Price of the Worst Performing Reference Asset on the Final Fixing Date is at or above its Exercise Price; or
- (ii) both Daily Knock-in Feature and Final Fixing Date Knock-in Feature are not applicable (as specified in the applicable Pricing Supplement) and the Closing Price of the Worst Performing Reference Asset on the Final Fixing Date is at or above its Exercise Price,

an amount in the Settlement Currency (subject to the occurrence of an RMB Disruption Event under Condition 4(e)(ii) if the Settlement Currency is RMB) calculated by the Issuer as equal to the Nominal Amount, less Cash Settlement Expenses (if any); or

(c) if:

- (i) Final Fixing Date Knock-in Feature is applicable (as specified in the applicable Pricing Supplement) and a Final Fixing Date Knock-in Event has occurred; or
- (ii) Daily Knock-in Feature is applicable (as specified in the applicable Pricing Supplement) and a Daily Knock-in Event has occurred and the Closing Price of the Worst Performing Reference Asset on the Final Fixing Date is below its Exercise Price; or
- (iii) both Daily Knock-in Feature and Final Fixing Date Knock-in Feature are not applicable (as specified in the applicable Pricing Supplement) and the Closing Price of the Worst Performing Reference Asset on the Final Fixing Date is below its Exercise Price,

the Physical Settlement Amount;

“**Fund**” means the real estate investment trust or the exchange traded fund specified in the applicable Pricing Supplement;

“**Fund Termination Event**” means any of the following with respect to the Fund whose Units comprise the Reference Basket:

- (i) it is terminated, wound up, revoked, liquidated or otherwise ceases to exist, or it is subject to any analogous proceedings under any applicable bankruptcy, insolvency or similar law (including voluntary winding-up); or
- (ii) the units in the Fund are reclassified or the index that the Fund tracks changes or the Fund is acquired by or aggregated to another fund, whose mandate, risk-profile and/or benchmarks is, in the sole opinion of the Issuer (acting in good faith and in a commercially reasonable manner), different from the mandate, risk-profile and/or benchmark of the Fund stated as of the Trade Date (or any proposal for the foregoing occurs); or
- (iii) the currency unit of units in the Fund is amended in accordance with the constitutional documents of the Fund, so that the units of the Fund are no longer denominated in the currency quoted as of the Trade Date; or
- (iv) there is a material change in its mandate, risk profile, prospectus, statement of additional information, articles of incorporation, investment management agreement or annual and semi-annual report, or there is a material change in any other rule, law, regulation, similar guideline, constitutional document, report or other document governing the investment by the Fund of its assets since the Trade Date (in each case as determined by the Issuer in its sole and absolute discretion acting in good faith and in a commercially reasonable manner); or
- (v) any proposal to wind up the Fund or any substantive litigation by the investors in the Fund (as determined by the Issuer in its sole and absolute discretion acting in good faith and in a commercially reasonable manner); or
- (vi) any breach or violation of any strategy or investment guidelines stated in its mandate, risk profile, prospectus, statement of additional information, articles of incorporation, investment management agreement or annual and semi-annual report or other document governing the investment by the Fund of its assets that is reasonably likely to affect the value of the Units or the rights or remedies of any holders thereof (in each case as determined by the Issuer in its sole and absolute discretion acting in good faith and in a commercially reasonable manner); or
- (vii) (A) any cancellation, suspension or revocation of the registration or approval of the Fund or an interest issued to or held by an investor in the Fund by any governmental, legal or regulatory entity with authority over such Fund or such interest, (B) any change in the legal, tax, accounting, or regulatory treatments of the Fund or any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for the Fund (the “**Fund Adviser**”) that is reasonably likely to have an adverse impact on the value of any interest in the Fund or any investor therein (as determined by the Issuer in its sole and absolute discretion acting in good faith and in a commercially reasonable manner), or (C) the Fund, the Fund Adviser or any of the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for the Fund (the “**Fund Administrator**”) becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of the Fund, the Fund Adviser or the Fund Administrator; or
- (viii) on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by

a taxing authority), the Issuer determines in good faith that (1) it has become illegal to hold, acquire or dispose of any interest in the Fund, or (2) it will incur a materially increased cost in performing its obligations under the ELIs (including without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position); or

- (ix) there is the occurrence or existence of any event, circumstance or cause beyond the control of the Issuer that has had or would be expected to have (as determined by the Issuer in its sole discretion acting in good faith and in a commercially reasonable manner) a material adverse effect on its ability to hedge its position with respect to the Fund (provided that such event is not (in the opinion of the Issuer, acting in good faith and in a commercially reasonable manner) due to deterioration of the Issuer's creditworthiness); or
- (x) interests in the Fund or all or substantially all of the assets of the Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof; or
- (xi) the Exchange announces that pursuant to the rules of such Exchange, the Units cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange;

"HKD" means Hong Kong dollars, the lawful currency of Hong Kong;

"Increased Cost of Hedging" means, in the opinion of the Issuer (acting in good faith and in a commercially reasonable manner), the Issuer or any of its affiliates (i) is unable to, after using commercially reasonable efforts; or (ii) would incur a material increase (as compared with circumstances existing on the Trade Date) in tax, duty, expense or fee (other than brokerage commissions) to:

- (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary to hedge the price risk relating to the Shares or, as the case may be, the Units of entering into and performing its obligations with respect to the ELI; or
- (ii) realise, recover or remit the proceeds of any such transaction or asset,

provided that any such materially increased amount that (in the opinion of the Issuer, acting in good faith and in a commercially reasonable manner) is incurred due to the deterioration of the creditworthiness of the Issuer or its affiliates shall not be deemed an Increased Cost of Hedging;

"Initial Spot Price" means, in respect of each Share or, as the case may be, Unit, such price as specified in the applicable Pricing Supplement;

"Insolvency" means, in respect of the Company or, as the case may be, the Fund comprise the Reference Basket, if by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Company or the Fund (i) all the Shares of the Company or, as the case may be, the Units of the Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares or, as the case may be, the Units become legally prohibited from transferring them;

"Insolvency Filing" means the Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the issuer of the Shares shall not be deemed an Insolvency Filing;

“Issue Date” means such date as specified in the applicable Pricing Supplement;

“Knock-in Event” means, in the case where Daily Knock-in Feature is specified as applicable in the applicable Pricing Supplement, a Daily Knock-in Event, or, in the case where Final Fixing Date Knock-in Feature is specified as applicable in the applicable Pricing Supplement, a Final Fixing Date Knock-in Event;

“Knock-in Feature” means Daily Knock-in Feature or Final Fixing Date Knock-in Feature as specified in the applicable Pricing Supplement;

“Knock-in Price” means, subject to adjustments in accordance with Condition 6, in respect of the Share or, as the case may be, the Unit, a specified pre-determined percentage of the Initial Spot Price of the Share or the Unit as set out in the applicable Pricing Supplement;

“Market Disruption Event” means, in respect of any Share or, as the case may be, Unit comprising the Reference Basket:

- (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
 - (i) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (A) relating to the Share or, as the case may be, the Unit on the Exchange; or
 - (B) in futures or options contracts relating to the Share or, as the case may be, the Unit on any relevant Related Exchange; or
 - (ii) any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Issuer) the ability of market participants in general (A) to effect transactions in, or obtain market prices for, the Share or, as the case may be, the Unit on the Exchange, or (B) to effect transactions in, or obtain market prices for, futures or options contracts relating to the Share or, as the case may be, the Unit on any relevant Related Exchange,

which in either case the Issuer determines in its sole and absolute discretion acting in good faith and in a commercially reasonable manner is material; or

- (b) the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

“Merger Date” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer in good faith and in a commercially reasonable manner;

“Merger Event” means in respect of the Shares, any:

- (i) reclassification or change of the Shares that results in a transfer of or an irrevocable commitment to transfer all the Shares outstanding to another entity or person; or
- (ii) consolidation, amalgamation, merger or binding share exchange of the Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share or unit exchange in which the Company is the continuing entity and which does not result in any such reclassification or change of all the Shares outstanding); or
- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the Company that results in a transfer of or an irrevocable commitment to transfer all such Securities (other than such Shares owned or controlled by such other entity or person); or
- (iv) consolidation, amalgamation, merger or binding share or unit exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the Final Fixing Date;

“Nationalisation” means in respect of the Company or, as the case may be, the Fund, if all the Shares or Units or all the assets or substantially all the assets of the Company or the Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

“Nominal Amount” means the nominal value representing one ELI as specified in the applicable Pricing Supplement;

“Physical Settlement Amount” means, in respect of each ELI, a number of the Shares or, as the case may be, the Units of the Worst Performing Reference Asset as at the Final Fixing Date determined in accordance with the following formula (rounded down to the nearest whole number):

$$\frac{\text{Nominal Amount (if applicable, converted into the Underlying Currency of the Worst Performing Reference Asset as at the Final Fixing Date using the Exchange Rate if the Settlement Currency is not the same as the Underlying Currency of the Worst Performing Reference Asset as at the Final Fixing Date)}}{\text{Exercise Price of the Worst Performing Reference Asset as at the Final Fixing Date}}$$

Provided that, if in respect of each ELI, the calculation of the Physical Settlement Amount would otherwise result in the relevant ELI holder becoming entitled to delivery of any Fractional Share or Unit, Condition 4(j) shall apply;

“Potential Call Distribution Amount” means an amount in the Settlement Currency (subject to the occurrence of an RMB Disruption Event under Condition 4(e)(ii) if the Settlement Currency is RMB) calculated by the Issuer in accordance with the following formula (rounded to the nearest 0.01, with 0.005 or above being rounded upward):

$$\text{Nominal Amount} \times \text{the Call Distribution Rate corresponding to the Call Fixing Date on which the Callable Condition is satisfied}$$

“Potential Final Distribution Amount” means an amount in the Settlement Currency (subject to the occurrence of an RMB Disruption Event under Condition 4(e)(ii) if the Settlement Currency is RMB) calculated by the Issuer in accordance with the following formula (rounded to the nearest 0.01, with 0.005 or above being rounded upward):

$$\text{Nominal Amount} \times \text{Final Distribution Rate}$$

“Reference Asset” means, the Share and/or Unit specified as such in the applicable Pricing Supplement;

“Reference Basket” means the basket comprising the Shares and/or Units to which the ELIs are linked, as specified in the applicable Pricing Supplement. The Reference Basket will consist of a minimum of two and a maximum of five Reference Assets;

“Related Exchange” means, in relation to any Share or, as the case may be, the Unit, each exchange or quotation system specified as such in relation to the Share or Unit in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share or Unit has temporarily relocated (provided that the Issuer has determined in its sole and absolute discretion, acting in good faith and in a commercially reasonable manner that there is comparable liquidity relative to the futures or options contracts relating to the Share or Unit on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the applicable Pricing Supplement, **“Related Exchange”** means each exchange or quotation system on which futures or options contracts relating to the Share or, as the case may be, the Unit are traded where trading on such exchange or quotation system has a material effect (as determined by the Issuer in good faith and in a commercially reasonable manner) on the overall market for futures or options contracts relating to the Share or, as the case may be, the Unit;

“RMB” means Renminbi, the lawful currency of the People’s Republic of China (the **“PRC”**);

“Scheduled Closing Time” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

“Scheduled Final Fixing Date” means any original date that, but for the occurrence of an event causing a Disrupted Day in respect of any Share or Unit, as the case may be, in the Reference Basket, would have been the Final Fixing Date;

“Scheduled Trading Day” means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions;

“Settlement Currency” means such currency as specified in the applicable Pricing Supplement;

“Share” or **“Shares”** means, subject to adjustment in accordance with Condition 6, the equity securities issued by the Company specified as such in the applicable Pricing Supplement and related expressions shall be construed accordingly;

“Tender Offer” means a takeover, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting Shares of the Company or Units of the Fund, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant, in each case if the Tender Offer Date is on or before the Final Fixing Date;

“Tender Offer Date” means, in respect of a Tender Offer, the date on which the voting Shares or Units (as the case may be) in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (in the opinion of the Issuer, acting in good faith and in a commercially reasonable manner);

“Termination Event Settlement Amount” means such amount in the Settlement Currency (subject to the occurrence of an RMB Disruption Event under Condition 4(e)(ii) if the Settlement Currency is RMB) (calculated on a per ELI basis) as in the opinion of the Issuer (such opinion to be made in its sole and absolute discretion acting in good faith and in a commercially reasonable manner) to be the fair market value of the ELIs as of the date of termination of the ELIs (adjusted to account fully for any costs which are, or would be, incurred by the Issuer in unwinding its related hedging arrangements related to the ELIs, all as determined by the Issuer in its sole and absolute discretion acting in good faith and in a commercially reasonable manner), which will depend on factors including but not limited to market interest rate movements, DBS Bank Ltd’s financial condition, the market’s view of DBS Bank Ltd’s credit quality, the value of the embedded conditional put option, the price performance and price volatility of the Reference Assets in the Reference Basket and the remaining tenor of the ELIs;

“Trade Date” means such date as specified in the applicable Pricing Supplement;

“Underlying Currency” means the currency in which a Share or, as the case may be, a Unit is quoted on the Exchange, which is either HKD or RMB as specified in the applicable Pricing Supplement;

“Unit” or **“Units”** means, subject to adjustment in accordance with Condition 6, the units issued by the Fund specified as such in the applicable Pricing Supplement and related expressions shall be construed accordingly;

“USD” means United States dollars, the lawful currency of the United States of America;

“Valuation Time” means, in relation to any Share or, as the case may be, any Unit, the Scheduled Closing Time on the relevant Exchange on the relevant Scheduled Trading Day. If the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time; and

“Worst Performing Reference Asset” means, in respect of a Scheduled Trading Day and the Shares and/or Units in the Reference Basket, the Share or, as the case may be, the Unit which generates the lowest percentage calculated in accordance with the following formula (rounded to four decimal places, with 0.00005 or above rounded upwards):

$$\frac{\text{Closing Price of the relevant Share or Unit on the relevant Scheduled Trading Day}}{\text{Initial Spot Price of the relevant Share or Unit}} \times 100\%$$

(the **“Performance”**).

Provided that, if more than one Share or, as the case may be, one Unit has the same lowest Performance in respect of a Scheduled Trading Day, then the Issuer shall determine the Worst Performing Reference Asset in respect of such Scheduled Trading Day in its sole and absolute discretion acting in good faith and in a commercially reasonable manner.

Unless stated otherwise, where reference is made to a price of the Worst Performing Reference Asset in respect of a particular Scheduled Trading Day, this shall be construed as meaning the relevant price of the Worst Performing Reference Asset as at such Scheduled Trading Day.

SPECIFIED OFFICE OF THE AGENT

DBS Bank Ltd
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

TRANSFER OFFICE

DBS Bank Ltd
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

APPENDIX C

FORM OF PRICING SUPPLEMENT FOR THE SDC BASKET ELIS

We set out below the form of the pricing supplement for the SDC Basket ELIs. The pricing supplement will be issued in the English language only for the purposes of lodgement with the relevant clearing system and attachment to the Global Certificate. The English version of the pricing supplement shall prevail over the Chinese version in the event of conflict or discrepancy. A certified true copy of the pricing supplement (in separate English and Chinese versions) will be available for inspection at the offices of DBS Bank Ltd, Hong Kong Branch at 18/F, The Center, 99 Queen's Road Central, Hong Kong while the relevant series of SDC Basket ELIs is in issue.

The SFC takes no responsibility as to the contents of the terms of the pricing supplement (the "Pricing Supplement") the form of which is set out in this Appendix C. The SFC's authorisation does not imply the SFC's endorsement of the Terms and Conditions (as amended, varied and/or supplemented by the Pricing Supplement).

ISSUER: DBS BANK LTD, HONG KONG BRANCH

(DBS Bank Ltd is a company incorporated with limited liability under the laws of Singapore with Company Registration Number: 196800306E and regulated by the Monetary Authority of Singapore, a licensed bank regulated by the Hong Kong Monetary Authority and an institution registered under the Securities and Futures Ordinance of Hong Kong to carry out Types 1, 4 and 6 regulated activities)

[Settlement Currency] Non-Principal Protected Unlisted Equity Linked Investments Linked to a Basket of Securities with Step-down Callable Condition [but No Knock-in Feature] [and [Final Fixing Date] [Daily] Knock-in Feature] (the "SDC Basket ELIs") to be issued pursuant to the Non-Principal Protected Unlisted Equity Linked Investment Programme

(The SDC Basket ELIs are not traded on any markets operated by Hong Kong Exchanges and Clearing Limited or any other stock exchanges.)

Series number: **[number]**

[Date]

This document constitutes the Pricing Supplement relating to the issue of the SDC Basket ELIs described herein. This Pricing Supplement amends, varies and/or supplements the general terms and conditions of the SDC Basket ELIs (the "**Terms and Conditions**") as set out in Appendix B — "Terms and Conditions" in the Product Booklet dated 10 January 2022 (the "**Product Booklet**") [as supplemented by the [addendum] [addenda] dated [date][, [date]] [and] [date] (the "[Addendum][Addenda]")] relating to the Programme and should be read in conjunction with such Terms and Conditions. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Product Booklet [and the [Addendum][Addenda]].

[As at the date of this Pricing Supplement, no addendum has been published in respect of the Product Booklet.]

GENERAL TERMS

- | | | |
|---|-----------------------------------|-----------------|
| 1 | Type of Equity Linked Investment: | SDC Basket ELIs |
| 2 | Listing Status: | Unlisted |
| 3 | Issue Size: | [number] ELIs |
| 4 | Trade Date: | [date] |
| 5 | Issue Date: | [date] |

6	Series Number:	[<i>number</i>]
7	Issue Price:	100% of the Nominal Amount
8	Nominal Amount:	[<i>settlement currency</i>] [<i>amount</i>] per ELI
9	Final Fixing Date:	Expected to be [<i>date</i>] (the “Scheduled Final Fixing Date”)
10	Call Settlement Date:	The third Business Day after the relevant Call Fixing Date on which the Callable Condition is satisfied.
11	Expiry Date:	The third Business Day after the Final Fixing Date, provided where physical settlement is applicable, if such date is not a Clearing System Business Day, the next Clearing System Business Day which is also a Business Day, subject to the occurrence of a Settlement Disruption Event.
12	Business Day Centre(s):	[<i>city(ies)</i>]
13	Settlement Currency:	[<i>settlement currency</i>]
14	Minimum Transfer Amount:	One ELI (i.e. the Nominal Amount)
15	ELI Provisions:	

Reference Asset

[Company] [and] [Fund (being a real estate investment trust or an exchange traded fund)]		Underlying Currency	Initial Spot Price	Exercise Price [<i>number</i>] % of the Initial Spot Price, rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards	Knock-in Price [[<i>number</i>] % of the Initial Spot Price, rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards]
[Company] [Fund] [stock code]		[HKD][RMB]	[HKD][RMB] [amount]	[HKD][RMB] [amount]	[[HKD][RMB] [amount]] [N/A]
[Company] [Fund] [stock code]		[HKD][RMB]	[HKD][RMB] [amount]	[HKD][RMB] [amount]	[[HKD][RMB] [amount]] [N/A]

[Rows to be added/deleted as necessary]

- | | |
|---|--|
| (i) Call Fixing Date: | Each date specified as such in the Callable Condition Table below, provided that if any such day is a Disrupted Day for any Reference Asset(s) in the Reference Basket, such day will be adjusted as provided in the Terms and Conditions. |
| (ii) Daily Knock-in Feature: | [Applicable] [Not applicable] |
| (iii) Final Fixing Date Knock-in Feature: | [Applicable] [Not applicable] |

Callable Condition Table

Call Fixing Date	Call Distribution Rate	Call Price		
		% of the Initial Spot Price	Reference Asset [stock code] (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards)	Reference Asset [stock code] (rounded to the nearest 0.0001, with 0.00005 or above being rounded upwards)
[date]	[number]%	[number]%	[HKD][RMB][amount]	[HKD][RMB][amount]
[date]	[number]%	[number]%	[HKD][RMB][amount]	[HKD][RMB][amount]

[Rows and columns to be added/deleted as necessary]

- (iv) Final Distribution Rate: [[number]%] [Not applicable]
- (v) Exchange: The Stock Exchange of Hong Kong Limited
- (vi) Related Exchange: [Exchange] [All Exchanges]
- (vii) Exchange Rate: [The [mid] [bid] [offer] rate for the Underlying Currency of the Worst Performing Reference Asset as at the Final Fixing Date (being [HKD] [offshore RMB] [Settlement Currency]) per one [HKD] [offshore RMB] [Settlement Currency] as per Bloomberg Page BFIX [currency pair] at the Valuation Time on the Final Fixing Date. If such page or the relevant rate is not available, the Issuer shall, acting in good faith and in a commercially reasonable manner, select such other reference page as may replace that page for the purposes of displaying comparable exchange rates or determine in good faith and in a commercially reasonable manner such rate by reference to such sources as we may select in our sole and absolute discretion (acting in good faith and in a commercially reasonable manner).]¹
- [If the Underlying Currency of the Worst Performing Reference Asset as at the Final Fixing Date is HKD, the [mid] [bid] [offer] rate for the currency of [HKD] [Settlement Currency] per one [HKD] [Settlement Currency] as per Bloomberg Page BFIX [currency pair] at the Valuation Time on the Final Fixing Date. If such page or the relevant rate is not available, the Issuer shall, acting in good faith and in a commercially reasonable manner, select such other reference page as may replace that page for the purposes of displaying comparable exchange rates or determine in good faith and in a commercially reasonable manner such rate by reference to such sources as we may select in our sole and absolute discretion (acting in good faith and in a commercially reasonable manner).]

¹ Applicable if all the Reference Assets in the Reference Basket are traded in the same currency.

If the Underlying Currency of the Worst Performing Reference Asset as at the Final Fixing Date is RMB, the [mid] [bid] [offer] rate for the currency of [offshore RMB] [Settlement Currency] per one [offshore RMB] [Settlement Currency] as per Bloomberg Page BFIX [*currency pair*] at the Valuation Time on the Final Fixing Date. If such page or the relevant rate is not available, the Issuer shall, acting in good faith and in a commercially reasonable manner, select such other reference page as may replace that page for the purposes of displaying comparable exchange rates or determine in good faith and in a commercially reasonable manner such rate by reference to such sources as we may select in our sole and absolute discretion (acting in good faith and in a commercially reasonable manner).]²

[Not applicable]³

OPERATIONAL INFORMATION

- | | | |
|----|---|---|
| 16 | Clearing System(s) and the relevant identification number(s): | [Euroclear and/or Clearstream, Luxembourg]
[<i>insert identification number</i>] |
| 17 | Delivery: | Delivery of ELIs [free of] [against payment of] issue proceeds |
| | ISIN: | [<i>number</i>] |
| | Common Code: | [<i>number</i>] |

Signed on behalf of the Issuer:
DBS Bank Ltd, Hong Kong Branch

By _____
Duly authorised

² Applicable if the Reference Assets in the Reference Basket are traded in different currencies.

³ Applicable if the Underlying Currency of all the Reference Assets in the Reference Basket is the same as the Settlement Currency.

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REGISTRAR AND TRANSFER OFFICE

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To the Issuer as to Hong Kong law

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