

KEY FACTS STATEMENT

CURRENCY LINKED INVESTMENT PRODUCT OFFERED BY THE BANK OF EAST ASIA, LIMITED, MACAU BRANCH 東亞銀行有限公司澳門分行(“the Bank”)

This statement provides you with the key information about our Currency Linked Investment Product. This statement is part of the offering documents of our Currency Linked Investment Product. You should not invest in our Currency Linked Investment Product based on this statement alone.

Currency Linked Investment Product. This is a structured product which involves derivatives. The investment decision is yours but you should not invest in the product unless you fully understand the nature and risks associated with a Currency Linked Investment Product and you have sufficient net worth to be able to assume the risks and bear the potential losses of investing in a Currency Linked Investment Product.

Our Currency Linked Investment Product **is NOT equivalent to conventional time deposit and is NOT capital protected.** This is structured investment product which involves derivatives. You may sustain a total loss in your investment.

Product Key Facts

What are the key risks?

- **Not a time deposit.** The Currency Linked Investment Product is **NOT** equivalent to, nor should it be treated as a substitute for, time deposit. It is **NOT** a protected deposit and is **NOT** protected by the Deposit Protection Scheme in Macau SAR Government.
- **Derivatives risk.** The Currency Linked Investment Product is an unlisted structured investment product embedded with derivatives, which involves risks. Although you are entitled to receive a premium under the Currency Linked Investment Product (in the form of the Coupon Amount) at maturity, you may sustain a loss in excess of such premium and suffer a substantial loss under the Currency Linked Investment Product. In the worst case, you could lose your entire Investment Amount.
- **Limited potential gain.** The maximum potential gain is limited to the predetermined Coupon Amount.
- **Maximum potential loss and the Currency Linked Investment Product is not principal protected.** The Currency Linked Investment Product is not principal protected, you could lose all of your Investment Amount.
- **Not the same as buying the Currency Pair.** Investing in the Currency Linked Investment Product is not the same as buying either of the Currency Pair directly.

- **Market risk.** Your potential return under the Currency Linked Investment Product is linked to the exchange rate of the Currency Pair. Changes in the exchange rate of the Currency Pair can be unpredictable, sudden and large, and affected by complex political and economic factors. The currencies of emerging countries may be volatile when measured against other currencies. Any such exchange rate movement may adversely affect your potential gain or loss under a Currency Linked Investment Product.
- **Liquidity risk.** The Currency Linked Investment Product is designed to be held till maturity. You do not have a right to request early termination of the Currency Linked Investment Product before maturity.
- **Credit risk of the Bank.** The Currency Linked Investment Product is not secured by any collateral. When you invest in the Currency Linked Investment Product, you will be relying on the Bank's creditworthiness. If the Bank becomes insolvent or defaults on its obligations under the Currency Linked Investment Product, you can only claim as an unsecured creditor of the Bank. In the worst case, you could suffer a total loss of your Investment Amount.
- **Currency risk.** If the Investment Currency and/or the Alternate Currency is not in your home currency, you will be exposed to the exchange rate risk when you choose to convert it back to your home currency upon maturity. You may make a gain or loss due to exchange rate fluctuations.
- **Risks of early termination by the Bank.** The Bank has the right (but not the obligation) to early terminate the Currency Linked Investment Product upon the occurrence of certain events (such as the occurrence of an event of default in respect of you). Upon early termination following such event, the amount you receive may be substantially less than your Investment Amount. See the section headed "Early Termination" in Page 9 of the Currency Linked Investment Product Principal Brochure.
- **Adjustment risk.** Upon the occurrence of certain events (such as revaluation of an underlying currency, substitution of an underlying currency by another currency or the imposition of foreign exchange control affecting the Currency Pair), the Bank may adjust the terms of the Currency Linked Investment Product to account for the effect of such event (such as payment postponement or substituting the original deliverable currency by another currency selected by the Bank). The adjustment as determined by the Bank may have negative impact on your investment under the Currency Linked Investment Product. See the section headed "Early Termination" in Page 9 of Currency Linked Investment Product Principal Brochure.

Currency Linked Investment Product

1 What is our Currency Linked Investment Product?

- Our Currency Linked Investment Product is embedded with derivatives which return is based on the Fixing Value of the Currency Pair.
- Based on your investment objectives and market view, you may select any 2 major currencies from USD, EUR, JPY, GBP, AUD, NZD, CAD, CHF and HKD, or such other currencies as agreed by the Bank, to be the Currency Pair.

2 How does it work?

Our Currency Linked Investment Product is embedded with derivatives. If you invest in our Currency Linked Investment Product, you are:

- writing a put option over the Alternate Currency in favour of the Bank whereby the Bank has the right to sell, and you have the obligation to buy, the Alternate Currency at a pre-set value called the "Reference Value" when certain conditions (as described below) are met; and
- receiving an option premium in return at maturity in the form of the Coupon Amount, which may be delivered in the Investment Currency or the Alternate Currency.

The total payout at maturity may either be (i) the Investment Amount plus the Coupon Amount in the Investment Currency; or (ii) a pre-fixed amount in the Alternate Currency, depending on the exchange rate of the Currency Pair at a specific time on the Determination Date called the "Fixing Value" in comparison with the exchange rate of the Currency Pair predetermined on the Trade Date called the "Reference Value":

- if there is no depreciation in the Alternate Currency relative to the Investment Currency to or beyond the Reference Value at a specific time on the Determination Date, you will receive the Investment Amount together with the Coupon Amount in the Investment Currency at maturity. In this case, you earn a profit equal to the Coupon Amount; and
- if there is a depreciation in the Alternate Currency relative to the Investment Currency to or beyond the Reference Value at a specific time on the Determination Date (that is, it requires a lesser amount of the Investment Currency to convert into one unit of Alternate Currency by reference to the Reference Value), you will receive a pre-fixed cash amount representing the sum of the Investment Amount and the Coupon Amount, converted into the Alternate Currency at the Reference Value. In this case, you will be exposed to depreciation in the Alternate Currency relative to the Investment Currency and you may suffer a loss or substantial loss of your original investment.

3 What is the Investment Return of Currency Linked Investment Product?

The actual investment return is determined based on the Fixing value of the Currency Pair at a specified time on the Determination Date, irrespective of the fluctuation of the exchange rates for the Currency Pair before that specific time. However, the amount of gain is capped and limited to the pre-fixed Coupon Amount irrespective of the market movements in the exchange rates of the Currency Pair.

Scenario Analysis

The following hypothetical examples are for illustrative purposes only. They do not reflect a complete analysis of all possible gain or loss scenarios and must not be relied on as an indication of the actual performance of the Currency Pair or the Currency Linked Investment Product.

Each hypothetical example below is based on the following terms:

Currency Pair:	AUD/HKD
Investment Currency:	HKD
Investment Amount:	HKD100,000.00
Alternate Currency:	AUD
Fixing Value:	The exchange rate of the Currency Pair at 2 p.m. Hong Kong time on the Determination Date, as determined by the Bank in its sole and absolute discretion by reference to the international foreign exchange market or such other price sources that the Bank reasonably considers appropriate taking into account the then conventional market practice.
Reference Value:	6.0224
Trade Date:	7th July 20xx
Settlement Date:	8th July 20xx
Determination Date:	6th August 20xx
Maturity Date:	7th August 20xx
Coupon Period:	30 days
Coupon Rate:	12.875% per annum
Coupon Amount:	Investment Amount x Coupon Rate x Coupon Period / Coupon Date Count Basis (being HKD100,000.00 x 12.875% x 30 / 365 = HKD1,058.22)

Scenario I: Best case scenario - Fixing Value > Reference Value (where there is no depreciation in AUD against HKD beyond the Reference Value on the Determination Date)

If the Fixing Value is 6.0400, which is above the Reference Value (6.0224) (that is, there is no depreciation in the prevailing market value of AUD relative to HKD beyond the Reference Value), you will receive the Investment Amount together with the Coupon Amount in **HKD** on the Maturity Date, equal to HKD101,058.22.

Calculation Method:

$$\begin{aligned} &= \text{Investment Amount} + \text{Coupon Amount} \\ &= \text{HKD}100,000.00 + \text{HKD}1,058.22 \\ &= \text{HKD}101,058.22 \end{aligned}$$

In this Scenario I, you make a gain of HKD1,058.22 (representing 1.06% of your Investment Amount).

Scenario II: Loss scenario - Fixing Value < Reference Value (where there is a slight depreciation of AUD against HKD beyond the Reference Value on the Determination Date)

If the Fixing Value is 5.6000, which is below the Reference Value (6.0224) (that is, there is a slight depreciation in the prevailing market value of AUD relative to HKD beyond the Reference Value), you will receive a pre-fixed amount on the Maturity Date equal to the sum of the Investment Amount and the Coupon Amount converted into **AUD** at the Reference Value, being AUD16,780.39.

Calculation Method for the pre-fixed amount in AUD:

$$\begin{aligned} &= \text{AUD} [(\text{Investment Amount} + \text{Coupon Amount}) / \text{Reference Value}] \\ &= \text{AUD} [(\text{HKD}100,000.00 + \text{HKD}1,058.22) / 6.0224] \\ &= \text{AUD}16,780.39 \end{aligned}$$

If you are able to immediately convert the pre-fixed AUD amount into HKD at the prevailing exchange rate of 5.6000, the value of the cash amount you receive on the Maturity Date will be:

$$\begin{aligned} &= \text{HKD}(\text{AUD } 16,780.39 \times 5.6000) \\ &= \text{HKD}93,970.18 \end{aligned}$$

In this Scenario II, you will suffer a loss of HKD6,029.82 (representing 6.03% of your Investment Amount).

Scenario III: Worst case scenario - Fixing Value = 0 (where there is a substantial depreciation of AUD against HKD beyond the Reference Value on the Determination Date)

If the Fixing Value is 0, which is below the Reference Value (6.0224) (that is, there is a substantial depreciation in the prevailing market value of AUD relative to HKD), you will receive a pre-fixed amount on the Maturity Date equal to the sum of the Investment Amount and the Coupon Amount converted into **AUD** at the Reference Value, being AUD16,780.39.

Calculation Method for the pre-fixed amount in AUD:

= AUD [(Investment Amount + Coupon Amount) / Reference Value]

= AUD [(HKD100,000.00 + HKD1,058.22) / 6.0224]

= AUD16,780.39

If you are able to immediately convert the pre-fixed AUD amount into HKD at the prevailing exchange rate of 0, the value of the cash amount you receive on the Maturity Date will be:

= HKD(AUD 16,780.39 x 0)

= HKD0

In this Scenario III, you will suffer a loss of HKD100,000.00 (representing 100% of your Investment Amount).

Scenario IV: Default scenario - The Bank becomes insolvent or defaults on its obligations

Assuming that the Bank becomes insolvent during the Coupon Period or defaults on its obligations under the Currency Linked Investment Product, you can only claim as unsecured creditor of the Bank regardless of the performance of the Currency Pair. You may get nothing back and suffer a loss of 100% of your Investment Amount.

Coupon Amount: HKD0

Investment Amount: HKD0 (loss of 100% of your Investment Amount)

Sales Key Facts

The Offeror of the Currency Linked Investment Product

The Bank is the Offeror of Currency Linked Investment Product and is regulated by Autoridade Monetária De Macau. It is one of the branches of The Bank of East Asia, Limited 東亞銀行有限公司, which is incorporated in Hong Kong, listed on The Stock Exchange of Hong Kong Limited and is regulated by the Hong Kong Monetary Authority. You may access the latest annual report and any interim results of The Bank of East Asia, Limited by visiting www.hkbea.com.

Investment Amount

The minimum Investment Amount for a Currency Linked Investment Product is HKD50,000.00 or its equivalent in the Investment Currency.

Fees and Charges

There is no subscription fee or charge for placing a Currency Linked Investment Product with us. All related charges incurred by us (including our hedging cost) will be factored into the calculation of the Coupon Amount.

Not a Time Deposit.

Our Currency Linked Investment Product is a structured product embedded with derivatives. It is not the same nor should it be regarded as a substitute for conventional time deposit.

Opinion and Complaints

For any opinions or complaints related to our Linked Investment Product, you can directly contact our Customer Opinion Hotline on (853) 8598 3621 or send your opinion or suggestion letter to The Bank of East Asia, Limited, Macau Branch 東亞銀行有限公司澳門分行 address: Alameda Dr. Carlos D'Assumpção No. 322, Fu Tat Fa Yuen, R/C AP to AW, Macau.
