

# Product Summary      Currency Linked Capital Protected Investment (CPI) Dec 2024

## **Important Notice**

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

This is an unlisted structured investment product and is not covered by the Investor Compensation Fund.

This product is NOT protected deposits and is not protected under the Deposit Protection Scheme in Hong Kong.

You do not have the right to request early termination of this product before maturity. The contents of this summary sheet have not been reviewed by the Securities and Futures Commission of Hong Kong. You are advised to exercise caution before making any investment. If you are in any doubt, you should obtain independent professional advice.

The following documents for this product ("Offering Documents") contain detailed information about the Bank and the terms of this product. You should read and understand all of the Offering Documents before deciding whether to invest in this product:

- Product Summary
- Relevant Currency Linked Capital Protected Investment Term Sheet

If English is not your preferred language, you may request for the Chinese version of this product summary from our Relationship Managers.

倘若英文並非閣下屬意的語言，閣下可向本行的客戶經理索取此產品概要的中文版本。

## **Quick Facts**

<b>Bank</b>	CMB Wing Lung Bank Limited (the "Bank")
<b>Product Type</b>	Currency Linked Capital Protected Investment (CPI)
<b>Minimum Investment Amount</b>	Minimum investment amount specified in product term sheet
<b>Tenor</b>	3 months, 6 month or any other tenor as determined by our bank
<b>Offer Period</b>	Offer Period will be specified in product term sheet
<b>Fees &amp; Expenses</b>	The Bank may receive profit for this transaction which, together with any operating or administrative costs it may incur in this transaction, will be subsumed in the amount of offering price or bid/offer spread.

## **What is this product and how does it work?**

Currency Linked Capital Protected Investment is a structured product that involves currency option (derivatives), consisting of buying option(s) on the Underlying Currency Pair of your choice. You will have a chance to receive interest amount calculated by potential interest rate as specified in term sheet.

On Transaction Date, you need to select the investment currency (also known as deposit currency) and investment amount. The product target rate, currency pair, tenor and interest rate will be set by the Bank. The investment amount will be frozen at the time of instruction. The Bank reserves the absolute right to approve the instruction. Whether the instruction is accepted or not, a notification will be sent by the Bank after the Offer Period. If the bank accepts the instruction, the investment amount will be deducted on Issue Date. If due to sudden changes in market conditions or the inability of the Bank to establish any hedge or other reasons, the Bank at its discretion decides not to accept the instruction, the Bank will release the frozen of the investment amount as soon as practicable.

(Applicable for Currency Linked Capital Protected Investment (CPI)-European Bullish/ Bearish[also known as Period end observation-Bullish/Bearish]) On Fixing Date, the Bank will determine, with reference to the exchange rate of currency pair at Hong Kong Time 2:00 pm ("Fixing Rate"), interest amount paid on Maturity date.

On Maturity Date, you will receive investment amount and interest amount.

### **What are the Key Features?**

<b>Available Investment Currency(or Deposit Currency)</b>	HKD, USD, AUD, CAD, EUR, GBP, NZD, CHF, SGD, CNY and JPY
<b>Available Currency Pair</b>	Any two currencies in HKD, USD, CNY* and any other currencies specified by the Bank
<b>Target rate</b>	Target rate specified in the product term sheet
<b>Interest rate</b>	Interest rate determined by the terms specified in the product term sheet
<b>Interest payment date</b>	Maturity Date
<b>Actual days</b>	Number of days from issue date (inclusive) to maturity date (exclusive)
<b>Principal protection at maturity</b>	Yes
<b>Early termination right by the customer</b>	No
<b>Callable by the Bank</b>	No <sup>^</sup>
<b>Embedded derivatives</b>	Yes (You buy option(s) on the Currency Pair specified in term sheet from the Bank )
<b>Maximum potential gain</b>	Interest amount calculated in potential interest rate specified in the product term sheet
<b>Maximum potential loss</b>	For details, please refer to Scenario 3 of Example 1 and 2 in the "Scenario Analysis" of this product summary

<sup>^</sup> For details of early termination of this product by the Bank, please refer to "Can the Bank adjust the terms or early terminate this product?" below.

\*If Renminbi is included in the currency pair, you should note that the exchange rate of offshore Renminbi will be adopted by the Bank.

## Scenario analysis

### Example 1

<b>CPI type</b>	European Bullish(Period end observation-Bullish)-USD/CNY
<b>Investment currency</b>	Renminbi(CNY)
<b>Investment amount</b>	CNY1,000,000
<b>Currency pair</b>	USD/CNY
<b>Tenor</b>	6 months
<b>Actual days</b>	180
<b>Target rate</b>	6.0000 (USD/CNY)
<b>Potential Interest Rate</b>	6.0000%
<b>Minimum Interest Rate</b>	3.0000%
<b>Interest rate</b>	i) If Fixing Rate is equal to or above the target rate, interest rate (p.a.) will be Potential Interest Rate(6.0000%) ii) Otherwise, interest rate (p.a.) will be Minimum Interest Rate(3.0000%)

### Return Example

Scenario	Fixing Rate	Target Rate	Interest Rate (p.a.)	Interest Amount <sup>#</sup>	Maturity Amount <sup>*</sup>
Scenario 1 - the best scenario Fixing rate $\geq$ Target rate	$\geq 6.0000$	6.0000	6.0000% (Potential Interest Rate)	CNY 30,000	CNY 1,030,000
Scenario 2 - worst scenario Fixing rate $<$ Target rate	$< 6.0000$	6.0000	3.0000% (Minimum Interest Rate)	CNY 15,000	CNY 1,015,000
Scenario 3 The Bank becomes insolvent or defaults on its obligations	Assuming that the Bank becomes insolvent during the tenor of this product or defaults on its obligations under this product, you can only claim as its unsecured creditor. You may get nothing back and suffer a total loss of your investment amount.				

<sup>#</sup>Interest Amount=Investment Amount  $\times$  Interest Rate  $\times$  Actual Days / Interest Calculation Basis

<sup>\*</sup>Maturity Amount=Investment amount + Interest Amount

**Note:** The above examples shown are for reference only and shall not constitute any representation or warranty by the Bank in respect of any possible gain or loss.

### Example 2

<b>CPI type</b>	European Bearish("Period end observation-Bearish")-USD/CNY
<b>Investment currency</b>	Renminbi(CNY)
<b>Investment amount</b>	CNY1,000,000
<b>Currency pair</b>	USD/CNY
<b>Tenor</b>	6 months
<b>Actual days</b>	180
<b>Target rate</b>	6.0000 (USD/CNY)
<b>Potential Interest Rate</b>	6.0000%
<b>Minimum Interest Rate</b>	3.0000%
<b>Interest rate</b>	iii) If Fixing Rate is equal to or below the target rate, interest rate (p.a.) will be Potential Interest Rate(6.0000%) iv) Otherwise, interest rate (p.a.) will be Minimum Interest Rate(3.0000%)

### Return Example

Scenario	Fixing Rate	Target Rate	Interest Rate (p.a.)	Interest Amount <sup>#</sup>	Maturity Amount <sup>*</sup>
Scenario 1 - the best scenario Fixing rate ≤ Target rate	≤ 6.0000	6.0000	6.0000% (Potential Interest Rate)	CNY 30,000	CNY 1,030,000
Scenario 2 - worst scenario Fixing rate > Target rate	> 6.0000	6.0000	3.0000% (Minimum Interest Rate)	CNY 15,000	CNY 1,015,000
Scenario 3 The Bank becomes insolvent or defaults on its obligations	Assuming that the Bank becomes insolvent during the tenor of this product or defaults on its obligations under this product, you can only claim as its unsecured creditor. You may get nothing back and suffer a total loss of your investment amount.				

<sup>#</sup>Interest Amount=Investment Amount × Interest Rate × Actual Days / Interest Calculation Basis

<sup>\*</sup>Maturity Amount=Investment amount + Interest Amount

**Note:** The above examples shown are for reference only and shall not constitute any representation or warranty by the Bank in respect of any possible gain or loss.

## **What are the Key Risks?**

You should read and understand the nature of all the risks before deciding whether to invest in this product.

### **Not a time deposit**

This 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 Hong Kong.

### **Derivatives risk**

This product is a derivative product which involves risks. The value of the option in the product might become worthless if the market moves against your expectation.

### **Capped maximum potential gain**

The maximum potential gain of this product is capped and limited to the pre-determined annualized yield.

### **Not the same as an investment in underlying instrument**

Investing in this product is not the same as investing in underlying instrument(s). During the investment period, you have no right to the underlying instrument(s) under this product.

### **Secondary market and liquidity risk**

This product does not have secondary market and is designed to be held till maturity. You do not have the right to request early termination of this product before maturity.

### **Credit risk**

This product is not secured by any collateral. When you invest in this product, you will be relying on the Bank's creditworthiness. If the Bank becomes insolvent or defaults on its obligations under this product, you can only claim as an unsecured creditor of the Bank. In the worst case, you could suffer a total loss of your investment amount.

### **Market risk**

The return of this product is linked to the market price of underlying instrument(s). Movements in the market price can be unpredictable, sudden and drastic, and affected by complex political and economic factors.

### **Currency risk**

If the investment currency is not in your home currency, and you choose to convert it back to your home currency upon maturity, you may make a gain or loss due to exchange rate fluctuations.

### **Risks relating to RMB**

RMB exchange rate and/or interest rate relevant to this product refer to offshore RMB (CNH). You should note that the value of RMB against other foreign currencies fluctuates and will be affected by, amongst other things, the PRC government's control (for example, the PRC government regulates conversion between RMB and foreign currencies), which may adversely affect your return under this product when you convert RMB into your home currency.

### **Risks of early termination by the Bank**

The Bank has the right (but not the obligation) to terminate this product early upon occurrence of certain events. If this product is terminated by the Bank early, you may suffer a substantial loss under this product. See "Can the Bank adjust the terms or early terminate this product?" below.

### **Exposure to the risks associated with the product from the Transaction Date (even though we do not debit your account until the trade settlement date)**

When you submit your order, a cash amount equal to the Investment Amount (or our estimate of the Investment Amount) will be frozen in your account. After your order has been executed, you cannot withdraw or cancel your order. You are exposed to the risks associated with this product from the Transaction Date. Given the same Tenor, the longer the time gap between the Transaction Date and the trade settlement date, the longer the period of time you will be exposed to the risks associated with this product. Given the same Tenor, the annualised yield of your potential return on this product calculated from the Transaction Date may be lower than the annualised yield calculated from the trade settlement date.

**How can you buy this product?**

You can subscribe this product through CMB Wing Lung Bank Mobile App.

**Pre-Investment Cooling Off Period for retail customers**

Pre-Investment Cooling-off Period (PICOP) is applicable to each particular dealing of this product if you are one of the following retail customer types:

- (1) An elderly customer aged 65 or above who is a first time buyer of Currency Linked Capital Protected Investment, AND
  - a. his/her asset concentration<sup>1</sup> is 20% or above; or
  - b. his/her asset concentration<sup>1</sup> is below 20% AND the customer does not choose to opt out from PICOP arrangement.
- (2) A non-elderly customer who is a first time buyer of Currency Linked Capital Protected Investment AND his/her asset concentration<sup>1</sup> is 20% or above.

<sup>1</sup> For the purpose of determining whether PICOP is applicable, asset concentration refers to the percentage of your total net worth (excluding real estate properties and insurance policies), including those being held in the Bank and in other banks or financial institutions, that is to be invested in this product.

**Can the Bank adjust the terms or early terminate this product?**

The imposition of exchange controls, events of default, force majeure or any other events may trigger adjustment to, or early termination of this product. Such adjustments or early termination events may negatively affect your return or loss under this product.

You can request for early exit, but the acceptance of early exit request is subject to the Bank's discretion. There is penalty for early exit subject to individual transaction. If you request for early exit, the amount received may be far less than the nominal amount of this product.

**Risk Disclosure Statement**

This document is for reference only and does not constitute and should not be regarded as any offer to purchase or sell. Investment involves risks and the price of investment products may fluctuate or even become worthless. Past record is not an indicator of future performance. Losses may be incurred rather than making a profit as a result of investment. You should carefully and independently consider whether the investment products are suitable for you in light of your investment experience, objectives, financial position and risk profile. Independent professional advice should be obtained if necessary. Please read the relevant terms and conditions together with the risk disclosure statements in the prospectus of the investment product before making any investment decisions. The contents of this document have not been reviewed by the Securities and Futures Commission of Hong Kong.

[In the event of any discrepancy between the English and Chinese version, the English version shall prevail.]