

PRODUCT BOOKLET DATED 3 DECEMBER 2012



Issuer and Product Arranger

BANK OF CHINA (HONG KONG) LIMITED

(incorporated in Hong Kong with limited liability, a licensed bank regulated by the Hong Kong Monetary Authority and registered with the Securities and Futures Commission to carry out Type 1 and Type 4 regulated activities in Hong Kong)

**Product Booklet
for
Non-Principal Protected Unlisted Equity Linked Investments
Linked to a Single Stock
("Single ELIs")**

issued under

**Programme for Non-Principal Protected Unlisted Equity Linked
Investment Products ("Programme")**

Our Single ELIs are NOT equivalent to time deposits and are NOT principal protected. They are unlisted structured investment products embedded with derivatives.

You are warned that the market value of our Single ELIs may fluctuate and **you may sustain a total loss of your investment**. You should therefore ensure that you understand the nature of our Single ELIs and carefully study the risk factors set out in this Product Booklet and other documents comprising the Offer Documents (as defined on page 2 of this Product Booklet) for our Single ELIs and, where necessary, seek independent professional advice, before you decide whether to invest in our Single ELIs.

The Securities and Futures Commission ("**SFC**") has authorised the Single ELIs under section 104A(1) of the Securities and Futures Ordinance (Cap. 571, 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 2 to this Product Booklet under section 105(1) of the SFO. The SFC takes no responsibility for the Single ELIs or the contents of this Product Booklet, makes no representation as to its 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 its endorsement or recommendation of the Single ELIs referred to in this Product Booklet nor does it imply that the SFC guarantees the commercial merits of the Single ELIs or their performance. The SFC's authorisation does not mean the Single 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 advice before investing in the Single ELIs.

IMPORTANT

The Information Memorandum dated 3 December 2012, the Financial Disclosure Document as stated in the relevant indicative term sheet, this Product Booklet (including any addendum to these documents as set out in the relevant indicative term sheet) and the relevant indicative term sheet (together, the **"Offer Documents"**) for our Single ELLs 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 us, Bank of China (Hong Kong) Limited (**"BOCHK"**) (as the Issuer and the Product Arranger), the Programme and our Single ELLs. We (as the Issuer and the Product Arranger) accept full responsibility for the contents of, and the completeness and the accuracy of the information contained in the Offer Documents for our Single ELLs and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there is no untrue or misleading statement, or other facts the omission of which would make any statement therein untrue or misleading. We also confirm that we (as the Issuer and the Product Arranger) meet the respective eligibility requirements under the Code and our Single ELLs comply with the Code.

Our Single ELLs constitute general, unsecured and unsubordinated contractual obligations of BOCHK and of no other person. If you purchase our Single ELLs, you are relying upon the creditworthiness of BOCHK and have no rights under the terms of our Single ELLs against the issuer of the Linked Stock.

Post-sale cooling-off period pursuant to Part IV of the Code applies to our Single ELLs with an Investment Period of more than one year. For further details, please refer to page 99 of this Product Booklet.

If English is not your preferred language, you may request for a copy of the Chinese language version of this Product Booklet from your distributor. 倘若英文並非閣下屬意的語言，閣下可向閣下的分銷商索取本產品手冊的中文語言版本。

Capitalised terms used in this section and not otherwise defined herein shall have the meanings given to them in the general terms and conditions of Single ELLs in Appendix 1 to this Product Booklet.

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KEY FACTS STATEMENT (A)
Single ELLs (without Autocall and without Knock-in Feature)
issued by
Bank of China (Hong Kong) Limited

There are six categories of Single ELLs. This key facts statement only provides you with the key information about one category of the Single ELLs that we may issue – Single ELLs (without Autocall and without Knock-in Feature). This statement forms part of the Offer Documents (as defined below) for our Single ELLs. You should not invest in our Single ELLs based on this key facts statement alone and you should read all the Offer Documents for our Single ELLs before you decide whether to invest in this product. Capitalised terms used in this section and not otherwise defined herein shall have the meanings given to them in the general terms and conditions of Single ELLs in Appendix 1 to this Product Booklet (“General Terms and Conditions”).

What are the key risks?

- **Unlisted structured investment products.** Our Single ELLs are unlisted structured investment products embedded with derivatives and are NOT equivalent to time deposits.
- **Not covered by the Investor Compensation Fund.** Our Single ELLs are not listed on any stock exchange and are not covered by the Investor Compensation Fund.
- **Not principal protected.** Our Single ELLs are not principal protected: **you could lose all of your investment.**
- **No collateral.** Our Single ELLs are not secured on any of our assets or any collateral.
- **Capped maximum potential gain.** The maximum potential gain under our Single ELLs is capped at the sum of (i) the difference between the Nominal Unit Value of a Single ELL and the Purchase Price (if any) and (ii) the aggregate Potential Distribution Amount(s) payable during the Scheduled Tenor of the Single ELL. It is possible that you may not receive any Potential Distribution Amount for the entire Scheduled Tenor of a Single ELL.
- **Not the same as buying the Linked Stock.** Buying our Single ELLs is not the same as buying the Linked Stock. You do not acquire any right in the Linked Stock, except where the Stock Amount is determined on the Valuation Date to be deliverable to you on the Settlement Date, in which case you will be entitled to the rights of the Linked Stock as from the Valuation Date in accordance with the General Terms and Conditions. Changes in the market price of the Linked Stock may not lead to a corresponding change, or any change at all, in the market value of, or your potential gain or loss under, the Single ELL.
- **Limited market making arrangement.** Our Single ELLs are designed to be held until expiry. We will only provide limited market making arrangement for our Single ELLs with an Investment Period of more than 6 months on a bi-weekly basis. If you sell your investment in a Single ELL before expiry, you may receive an amount which is substantially less than your original investment amount.

- **Maximum loss upon BOCHK's default or insolvency.** Our Single ELIs constitute general, unsecured and unsubordinated contractual obligations of Bank of China (Hong Kong) Limited and of no other person (including the ultimate holding company of our group, Bank of China Limited). If you purchase our Single ELIs, you are relying upon the creditworthiness of Bank of China (Hong Kong) Limited and have no rights under the terms of our Single ELIs against the issuer of the Linked Stock. In the worst case scenario, **you could lose all of your investment.**

BOCHK is not the ultimate holding company of the group to which we belong and with which our name is identified. The ultimate holding company of our group is Bank of China Limited which does not guarantee the performance of our obligations under our Single ELIs.

- **Exposure to price movements of the Linked Stock.** If it is determined on the Valuation Date that we are to deliver the Stock Amount upon settlement at expiry, you will be exposed to any price movement of the Linked Stock from the Valuation Date. If you choose not to sell the Linked Stock on the Settlement Date upon delivery, you will be exposed to the market risk of holding the Linked Stock thereafter.
- **You will be exposed to the risks associated with our Single ELIs starting from the Trade Date.** As all terms applicable to our Single ELIs are finalised on the Trade Date, you will be subject to the terms and conditions of our Single ELIs from the Trade Date, and you will be exposed to the risks associated with our Single ELIs from the Trade Date.
- **No direct contractual rights against the Issuer and reliance upon distributor.** Each series of our Single ELI will be represented by a global certificate and no individual certificate will be issued to you with respect to your interest in our Single ELIs. You do not have any direct contractual rights against us (as the Issuer). To assert your rights as an investor in our Single ELIs against us (as the Issuer), you will have to rely on your distributor (and, if applicable, its direct or indirect custodian) to take action on your behalf. If your distributor (i) fails to take action in accordance with your instructions; (ii) becomes insolvent; or (iii) defaults on its obligations under the terms of the customer agreement between you and your distributor, you may only have a claim as an unsecured creditor of such distributor, and you will need to take action against your distributor in accordance with the terms of such customer agreement. This is a complicated area of law and you should seek independent legal advice for further information.
- **English version of the terms and conditions prevails over Chinese version.** The global certificate representing a series of our ELIs and the terms and conditions of our ELIs will only be issued in English language for the purpose of lodgment with the relevant clearing system(s). If there is any inconsistency between the Chinese version and the English version of such terms and conditions of our Single ELIs, the English version will prevail over the Chinese version. If you do not understand the English version, you should seek independent professional advice.
- **Conflicts of interest.** Potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with our Single ELIs and our economic interests in each role may be adverse to your interests in our Single ELIs.

What is a Single ELI (without Autocall and without Knock-in Feature)?

A. Overview of this product

- **Product type:** It is a structured investment product which has an embedded put option over the Linked Stock, under which you will be obliged to buy a number of the Linked Stock at expiry at a pre-fixed price if certain conditions are met.
- **Investment Period and Scheduled Tenor:** Its Investment Period commences from the scheduled Trade Date to the scheduled Valuation Date (both days inclusive), which generally ranges from 1 month to 3 years. The Scheduled Tenor of our Single ELIs commences from the Issue Date to the scheduled Settlement Date (both days inclusive).
- **Linked Stock:** The potential gain or loss on your investment in a Single ELI depends on the price performance of the Linked Stock. The Linked Stock will be shares of a company or units of a fund (being an exchange-traded fund or a real estate investment trust) listed on The Stock Exchange of Hong Kong Limited ("**Exchange**") and quoted in Hong Kong Dollars ("**HKD**"). However, not all stocks listed on the Exchange can be used as a Linked Stock for our Single ELIs – please contact your distributor for more details.
- **Issued in Nominal Units of Nominal Unit Value:** Each series of our Single ELI will be issued in units (the "**Nominal Units**"). Each Nominal Unit represents a specific nominal amount called "**Nominal Unit Value**" as specified in the relevant Term Sheet. The Purchase Price for each Nominal Unit is specified as a percentage of the Nominal Unit Value of the Single ELI in the relevant Term Sheet and may be set either as equal to or at a discount to the Nominal Unit Value of the Single ELI.

B. Potential Distribution Amount

- **Potential Distribution Amount:** You may receive a Potential Distribution Amount on a per Nominal Unit basis for each Observation Period (being a period commencing from but excluding the relevant Period Start Date to and including the relevant Period End Date, as specified in the relevant Term Sheet) on each Distribution Payment Date depending on the price performance of the Linked Stock. Such Potential Distribution Amount for a particular Observation Period is calculated as follows:

Nominal Unit Value x the applicable Distribution Rate

- **Distribution Rate:** The Term Sheet will specify the Distribution Rate applicable to an Observation Period as either:
 - (a) a Fixed Distribution Rate – in such case, you will receive a fixed Potential Distribution Amount for such Observation Period at the Fixed Distribution Rate, being the Reference Rate, as specified in the relevant Term Sheet, if the Closing Price of the Linked Stock on the Period End Date for such Observation Period (subject to postponement in the case of a Disrupted Day for the purpose of determining the relevant Closing Price) (i.e. the Distribution Barrier Determination Date) is at or above the applicable Distribution Barrier Price; or
 - (b) a Variable Distribution Rate – in such case, you will receive a variable Potential Distribution Amount for such Observation Period at the Variable Distribution Rate calculated in accordance with the following formula:

$$\text{Variable Distribution Rate} = \text{Reference Rate} \times \frac{\text{Days In}}{\text{Total Days}}$$

Where,

“**Days In**” means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period on which the Closing Price of the Linked Stock is at or above the applicable Distribution Barrier Price;

“**Total Days**” means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period;

“**Reference Rate**” means a percentage specified as such in the relevant Term Sheet and is the same for all Observation Periods; and

“**Distribution Barrier Price**” means the price equal to a specified percentage of the Initial Price applicable to an Observation Period, as specified in the relevant Term Sheet and may be different for each Observation Period.

You may not receive any Potential Distribution Amount for an Observation Period or even for the entire Scheduled Tenor of a Single ELI.

C. Settlement at expiry (on the Settlement Date)

- If the Single ELI is not early terminated in accordance with the General Terms and Conditions, the settlement at expiry of the Single ELI will be as illustrated below:

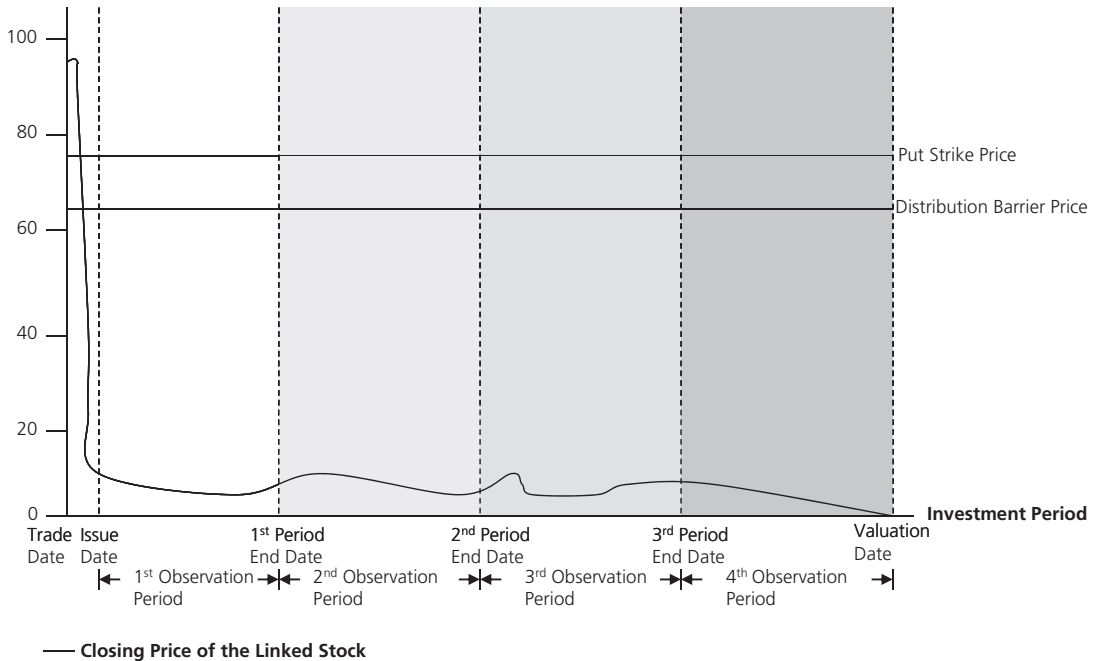
If the Closing Price of the Linked Stock on the Valuation Date is:	You will receive on the Settlement Date (being a date falling no later than (in the case of any payment in cash) 3 Business Days or (in the case of delivery of the Stock Amount) 3 Clearance System Business Days after the Valuation Date) on a per Nominal Unit basis:
AT or ABOVE the Put Strike Price ¹	Cash Amount (being 100% of the Nominal Unit Value) and Potential Distribution Amount (if any) for the last Observation Period
BELOW the Put Strike Price ¹ (in which case the put option will be exercised by us on the Valuation Date)	<p>The sum of:</p> <ul style="list-style-type: none"> (i) Stock Amount[#] (being a number of the Linked Stock determined by reference to the Put Strike Price¹), subject to payment of all Delivery Expenses, calculated as follows: <div style="text-align: center; margin: 10px 0;"> $\frac{\text{Nominal Unit Value (converted into HKD at the Exchange Rate if the Settlement Currency is not HKD)}}{\text{Put Strike Price}^1}$ </div> (ii) cash payment of Fractional Stock (if any); and (iii) Potential Distribution Amount (if any) for the last Observation Period <p>[#] You will suffer a loss in this scenario if the sum of the market value of the Stock Amount (calculated based on the Closing Price of the Linked Stock on the Valuation Date) together with the cash payment of Fractional Stock (if any) and any Potential Distribution Amount paid for the entire Scheduled Tenor is less than the Purchase Price.</p>

¹ “**Put Strike Price**” means the price equal to a specified percentage of the Initial Price, as specified in the relevant Term Sheet.

Worst case scenario

The following hypothetical example does not reflect a complete analysis of all possible gain or loss scenarios. You must not rely on them as an indication of the actual performance of the Linked Stock or the potential payout of the Single ELIs.

Price of the Linked Stock (HKD)



- In the above example:
 - (a) the Initial Price is the Closing Price of the Linked Stock on the Trade Date;
 - (b) the Purchase Price is equal to 100% of the Nominal Unit Value of the Single ELIs; and
 - (c) the Fixed Distribution Rate applies to the first Observation Period and the Variable Distribution Rate applies to each of the second to fourth Observation Periods.
- The above example illustrates that:
 - (a) **No Potential Distribution Amount** – since the Closing Price of the Linked Stock falls below the Distribution Barrier Price (i) on the Period End Date of the first Observation Period (i.e. the Distribution Barrier Determination Date); and (ii) on each Scheduled Trading Day during each of the second to fourth Observation Periods, you will not receive any Potential Distribution Amount during the entire Scheduled Tenor of the Single ELIs; and
 - (b) **Delivery of the Stock Amount** – since the Closing Price of the Linked Stock falls below the Put Strike Price on the Valuation Date, you will receive the Stock Amount (and the cash payment of Fractional Stock (if any)) on the Settlement Date (subject to payment of the Delivery Expenses). You will suffer a loss as the Closing Price of the Linked Stock as of the Valuation Date is lower than the Put Strike Price, and therefore the market value of the Stock Amount (calculated based on the Closing Price of the Linked Stock on the Valuation Date) is less than the Purchase Price. **In the worst case, if the market price of the Linked Stock delivered remains at zero till the Settlement Date, you will lose all of your investment. You will also be exposed to the market risk of holding the Linked Stock if you choose not to sell the Stock Amount on the Settlement Date.**

How do you apply for a Single ELI?

If you wish to apply for a Single ELI, you must submit your application to a distributor prior to the end of the Offer Period. Your distributor will then apply for such Single ELI for you with us (as the Issuer). Payment should be made to your distributor in the manner in accordance with their normal operating procedures.

You should note that the Initial Price may either be (i) the Closing Price of the Linked Stock on the Trade Date; or (ii) a specific price of the Linked Stock as agreed between the Issuer and you (through the distributor) at the time of your application on the Trade Date and your purchase order will be executed at such agreed price. In case (i) above, the Distribution Barrier Price and the Put Strike Price will not be known at the time of your application, and you will be committed to invest in the Single ELI before these terms are finalised (unless there is a post-sale cooling-off period applicable to such Single ELI and you exercise such right). In both cases, we will deliver a notification letter to you through your distributor no later than 2 Business Days after the Trade Date setting out all the finalised trade specific terms. The finalised trade specific terms will also be set out in the final term sheet. Please refer to the paragraph headed "Where can you find more information about us and the Single ELIs?" on page 102 of this Product Booklet.

Commissions

We may pay a commission to your distributor calculated by reference to the aggregate Nominal Unit Value of the Single ELI that your distributor has purchased (for itself or on your behalf). Such percentage is mutually agreed by, among others, us and your distributor. Distributor(s)' commissions and other transaction costs (including our cost of hedging) will be indirectly factored and subsumed into the Purchase Price for our Single ELI.

What charges do you have to pay?

Delivery Expenses – If the Linked Stock is determined on the Valuation Date to be deliverable to you on the Settlement Date, you will have to pay for all out-of pocket expenses relating to the transfer and receipt of the Linked Stock (including the buyer's stamp duty, transaction levies, registration charges and/or other costs, duties or taxes arising from the delivery of the Linked Stock).

For the avoidance of doubt, no expenses are currently payable by you upon any payment in cash.

Distributor's charges – Your distributor may charge fees to open and maintain your securities or investment account. Please contact your distributor for further information.

You should note that any Delivery Expenses and distributor's charges will reduce the potential gain or increase the potential loss on your investment. Please refer to pages 95-96 of this Product Booklet for further details.

Post-sale cooling-off period

In respect of a Single ELI with an Investment Period of one year or less, the post-sale cooling-off period is not applicable.

In respect of a Single ELI with an Investment Period of more than one year, there is a post-sale cooling-off period and you have the right to cancel or unwind your order (as the case may be) (in whole but not in part) for your investment in the Single ELI by giving an irrevocable written instruction to your distributor within 5 Business Days after you place your purchase order (i.e. the post-sale cooling-off period). If you choose to do so, you will need to submit your instruction to your distributor between **11:00 a.m. and 2:30 p.m.** on any Business Day during the post-sale cooling-off period.

If you submit a written instruction to cancel your purchase order to your distributor **before the Trade Date**, the Purchase Price will not be deducted from your designated cash account on the Issue Date and no market value adjustment will be deducted from your designated cash account.

If you submit your written instruction to unwind your purchase order **on or after the Trade Date**, the full Purchase Price will be deducted from your designated cash account on the Issue Date and we will refund to you through your distributor a cash amount (equal to the full Purchase Price less any market value adjustment) on the third Business Day after the Issue Date.

Whether you cancel or unwind your purchase order during the post-sale cooling-off period, your distributor's commission (if any) will not be charged by your distributor. The cash amount for each Nominal Unit of a Single ELI refunded by your distributor will be capped at the Purchase Price. Your distributor may, however, charge you an administrative handling fee for cancelling or unwinding your purchase order during the post-sale cooling off period. Please check with your distributor for further details.

Please refer to the section headed "Is there a post-sale cooling-off period for our Single ELIs?" under "More information about our Single ELIs" on page 99 of this Product Booklet for further details.

Is there any market making arrangement before expiry of our Single ELIs?

In respect of our Single ELIs with an Investment Period of 6 months or less, there is no market making arrangement.

In respect of our Single ELIs with an Investment Period of more than 6 months, we, as the market agent, will provide limited market making arrangement for our Single ELIs on every first, third and if applicable, fifth Fridays of each month during the period from the Business Day immediately after the Issue Date up to the fifth Business Day immediately before the scheduled Valuation Date, or if any such day is not a day on which the Exchange opens, such day will be postponed to the next Business Day on which the Exchange opens (each a "**Market Making Day**").

Indicative bid price

On each Market Making Day, we (as the market agent) will make available (via your distributor) indicative bid prices (on a per Nominal Unit basis) for our Single ELIs during normal business hours on such Market Making Day. Each indicative bid price is provided to you (through your distributor) for your reference only and will be subject to intra-day changes as it may not be the same as the firm bid price at which we are willing to buy back your Nominal Units in a Single ELI.

Firm bid price

If you wish to sell your Nominal Units in a Single ELI on a particular Market Making Day, you must contact your distributor to request for a firm bid price between **11:00 a.m. and 2:30 p.m.** on such Market Making Day. The amount of the Single ELI you may sell back to us must be equal to, or be a multiple of, one Nominal Unit. Upon your request for a firm bid price, we, as the market agent, will determine a firm bid price (on a per Nominal Unit basis) at which we are willing to buy back your Nominal Units in a Single ELI in good faith and a commercially reasonable manner based on the indicative bid prices and the prevailing market conditions at the time of your request for a firm bid price. We will notify your distributor of such firm bid price and your distributor will in turn inform you. **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 your distributor.** Upon acceptance of the firm bid price by you within that specified period of time, we, as the market agent, will buy back your Nominal Units in a Single ELI at such firm bid price on such Market Making Day. Your distributor may also charge a fee for your sell back application under our market making arrangement. You will need to contact your distributor for further details. **You should note that the firm bid price at which we are willing to buy back each of your Nominal Units in a Single ELI before its expiry may be less than, or substantially less than, the Purchase Price.**

If you choose to sell your Nominal Units in a Single ELI to us on a Market Making Day, we will deliver the sale proceeds of your Nominal Units in the Single ELI to you via your distributor no later than the third Business Day after the Market Making Day. Please check with your distributor for further details.

Please note that indicative bid prices and/or firm bid prices and market making arrangements may not be available on a Market Making Day if certain events occur. Please refer to the section headed "Is there any market making arrangement for our Single ELIs before expiry?" under "More information about our Single ELIs" on page 100 of this Product Booklet for further details.

Offer Documents

This key facts statement does not contain all the information you need. You must read and understand the following Offer Documents for detailed information about us and the Single ELI before deciding whether to invest in the Single ELI:

- (a) the indicative term sheet for the relevant series of Single ELI you are considering;

- (b) our Information Memorandum dated 3 December 2012 together with any addendum as stated in the relevant indicative term sheet;
- (c) our Financial Disclosure Document together with any addendum as stated in the relevant indicative term sheet; and
- (d) this Product Booklet for Single ELIs dated 3 December 2012 together with any addendum as stated in the relevant indicative term sheet.

Your distributor is obliged to distribute to you all the Offer Documents in either English or Chinese language as you may prefer. If you are in any doubt about any of the contents of the Offer Documents, you should seek independent professional advice.

Adjustment to the terms and conditions and early termination of our Single ELIs

Upon the occurrence of a Potential Adjustment Event, a Merger Event or a Tender Offer, we, as the Calculation Agent, will amend or adjust some of the terms and conditions of the Single ELI (such as the Put Strike Price) to account for the economic effect of such events on the Single ELI in order to preserve the economic equivalence of the Single ELI. In the case of a Merger Event or a Tender Offer, if we, as the Calculation Agent, determine that we are unable to preserve the economic equivalence of the Single ELI to account for such event by adjustment, we will early terminate the Single ELI in accordance with the General Terms and Conditions.

Upon the occurrence of an Additional Disruption Event, we will early terminate the Single ELI in accordance with the General Terms and Conditions.

Any adjustments or early termination will be determined by us, as the Calculation Agent, in our sole and absolute discretion acting in good faith and in a commercially reasonable manner. We (as the Issuer) shall give notice of the occurrence of such event(s) and the corresponding adjustment(s) or early termination as soon as possible. You should refer to "General Terms and Conditions of Single ELIs" in Appendix 1 to this Product Booklet for further details.

Our ongoing disclosure obligations

We, as the Issuer and the Product Arranger, will keep the SFC and the distributors informed as soon as reasonably practicable if (a) we (as the Issuer) cease to meet any applicable eligibility requirements in the Code; (b) we (as the Product Arranger) cease to meet any applicable eligibility requirements in the Code; and (c) to the extent permitted by any applicable law, there are any changes in our financial condition or other circumstances which could reasonably be expected to have a material adverse effect on our ability (as the Issuer) to fulfil our commitment in connection with our Single ELIs. Your distributor will in turn inform you. Please contact your distributor for further details.

KEY FACTS STATEMENT (B)
Single ELLs (Daily Autocall without Knock-in Feature)
issued by
Bank of China (Hong Kong) Limited

There are six categories of Single ELLs. This key facts statement only provides you with the key information about one category of the Single ELLs that we may issue – Single ELLs (Daily Autocall without Knock-in Feature). This statement forms part of the Offer Documents (as defined below) for our Single ELLs. You should not invest in our Single ELLs based on this key facts statement alone and you should read all the Offer Documents for our Single ELLs before you decide whether to invest in this product. Capitalised terms used in this section and not otherwise defined herein shall have the meanings given to them in the general terms and conditions of Single ELLs in Appendix 1 to this Product Booklet (“General Terms and Conditions”).

What are the key risks?

- **Unlisted structured investment products.** Our Single ELLs are unlisted structured investment products embedded with derivatives and are NOT equivalent to time deposits.
- **Not covered by the Investor Compensation Fund.** Our Single ELLs are not listed on any stock exchange and are not covered by the Investor Compensation Fund.
- **Not principal protected.** Our Single ELLs are not principal protected: **you could lose all of your investment.**
- **No collateral.** Our Single ELLs are not secured on any of our assets or any collateral.
- **Capped maximum potential gain.** The maximum potential gain under our Single ELLs is capped at the sum of (i) the difference between the Nominal Unit Value of a Single ELL and the Purchase Price (if any) and (ii) the aggregate Potential Distribution Amount(s) payable during the Scheduled Tenor of the Single ELL. It is possible that you may not receive any Potential Distribution Amount for the entire Scheduled Tenor of a Single ELL.
- **Not the same as buying the Linked Stock.** Buying our Single ELLs is not the same as buying the Linked Stock. You do not acquire any right in the Linked Stock, except where the Stock Amount is determined on the Valuation Date to be deliverable to you on the Settlement Date, in which case you will be entitled to the rights of the Linked Stock as from the Valuation Date in accordance with the General Terms and Conditions. Changes in the market price of the Linked Stock may not lead to a corresponding change, or any change at all, in the market value of, or your potential gain or loss under, the Single ELL.
- **Limited market making arrangement.** Our Single ELLs are designed to be held until expiry. We will only provide limited market making arrangement for our Single ELLs with an Investment Period of more than 6 months on a bi-weekly basis. If you sell your investment in a Single ELL before expiry, you may receive an amount which is substantially less than your original investment amount.

- **Re-investment Risk.** Our Single ELIs will be early terminated upon the trigger of the Autocall Feature. You will not receive any further Potential Distribution Amount following such early termination. You may bear re-investment risk since the prevailing market conditions may have changed and may hinder you from making any further investment under similar investment terms. You may not be able to get the same rate of return if you re-invest in investments with similar risk parameters.
- **Maximum loss upon BOCHK's default or insolvency.** Our Single ELIs constitute general, unsecured and unsubordinated contractual obligations of Bank of China (Hong Kong) Limited and of no other person (including the ultimate holding company of our group, Bank of China Limited). If you purchase our Single ELIs, you are relying upon the creditworthiness of Bank of China (Hong Kong) Limited and have no rights under the terms of our Single ELIs against the issuer of the Linked Stock. In the worst case scenario, **you could lose all of your investment.**

BOCHK is not the ultimate holding company of the group to which we belong and with which our name is identified. The ultimate holding company of our group is Bank of China Limited which does not guarantee the performance of our obligations under our Single ELIs.

- **Exposure to price movements of the Linked Stock.** If it is determined on the Valuation Date that we are to deliver the Stock Amount upon settlement at expiry, you will be exposed to any price movement of the Linked Stock from the Valuation Date. If you choose not to sell the Linked Stock on the Settlement Date upon delivery, you will be exposed to the market risk of holding the Linked Stock thereafter.
- **You will be exposed to the risks associated with our Single ELIs starting from the Trade Date.** As all terms applicable to our Single ELIs are finalised on the Trade Date, you will be subject to the terms and conditions of our Single ELIs from the Trade Date, and you will be exposed to the risks associated with our Single ELIs from the Trade Date.
- **No direct contractual rights against the Issuer and reliance upon distributor.** Each series of our Single ELI will be represented by a global certificate and no individual certificate will be issued to you with respect to your interest in our Single ELIs. You do not have any direct contractual rights against us (as the Issuer). To assert your rights as an investor in our Single ELIs against us (as the Issuer), you will have to rely on your distributor (and, if applicable, its direct or indirect custodian) to take action on your behalf. If your distributor (i) fails to take action in accordance with your instructions; (ii) becomes insolvent; or (iii) defaults on its obligations under the terms of the customer agreement between you and your distributor, you may only have a claim as an unsecured creditor of such distributor, and you will need to take action against your distributor in accordance with the terms of such customer agreement. This is a complicated area of law and you should seek independent legal advice for further information.

- **English version of the terms and conditions prevails over Chinese version.** The global certificate representing a series of our ELIs and the terms and conditions of our ELIs will only be issued in English language for the purpose of lodgment with the relevant clearing system(s). If there is any inconsistency between the Chinese version and the English version of such terms and conditions of our Single ELIs, the English version will prevail over the Chinese version. If you do not understand the English version, you should seek independent professional advice.
- **Conflicts of interest.** Potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with our Single ELIs and our economic interests in each role may be adverse to your interests in our Single ELIs.

What is a Single ELI (Daily Autocall without Knock-in Feature)?

A. Overview of this product

- **Product type:** It is a structured investment product which has an embedded conditional put option over the Linked Stock, under which you will be obliged to buy a number of the Linked Stock at expiry at a pre-fixed price if certain conditions are met.
- **Investment Period and Scheduled Tenor:** Its Investment Period commences from the scheduled Trade Date to the scheduled Valuation Date (both days inclusive), which generally ranges from 1 month to 3 years. The Scheduled Tenor of our Single ELIs commences from the Issue Date to the scheduled Settlement Date (both days inclusive).
- **Linked Stock:** The potential gain or loss on your investment in a Single ELI depends on the price performance of the Linked Stock. The Linked Stock will be shares of a company or units of a fund (being an exchange-traded fund or a real estate investment trust) listed on The Stock Exchange of Hong Kong Limited ("**Exchange**") and quoted in Hong Kong Dollars ("**HKD**"). However, not all stocks listed on the Exchange can be used as a Linked Stock for our Single ELIs – please contact your distributor for more details.
- **Issued in Nominal Units of Nominal Unit Value:** Each series of our Single ELI will be issued in units (the "**Nominal Units**"). Each Nominal Unit represents a specific nominal amount called "**Nominal Unit Value**" as specified in the relevant Term Sheet. The Purchase Price for each Nominal Unit is specified as a percentage of the Nominal Unit Value of the Single ELI in the relevant Term Sheet and may be set either as equal to or at a discount to the Nominal Unit Value of the Single ELI.

B. Potential Distribution Amount

- **Potential Distribution Amount:** You may receive a Potential Distribution Amount on a per Nominal Unit basis for each Observation Period (being a period commences from but excluding the relevant Period Start Date to and including the relevant Period End Date, as specified in the relevant Term Sheet) on each Distribution Payment Date depending on the price performance of the Linked Stock. Such Potential Distribution Amount for a particular Observation Period is calculated as follows:

Nominal Unit Value x the applicable Distribution Rate

- **Distribution Rate:** The Term Sheet will specify the Distribution Rate applicable to an Observation Period as either:
 - (a) a Fixed Distribution Rate – in such case, you will receive a fixed Potential Distribution Amount for such Observation Period at the Fixed Distribution Rate, being the Reference Rate, as specified in the relevant Term Sheet, if the Closing Price of the Linked Stock on the Period End Date for such Observation Period (subject to postponement in the case of a Disrupted Day for the purpose of determining the relevant Closing Price) (i.e. the Distribution Barrier Determination Date) is at or above the applicable Distribution Barrier Price. Provided that if the Daily Autocall Feature is triggered during such Observation Period, the fixed Potential Distribution Amount for such Observation Period is payable regardless of the price performance of the Linked Stock and will be calculated on a pro-rata basis from but excluding the relevant Period Start Date to and including the Autocall Trigger Date; or
 - (b) a Variable Distribution Rate – in such case, you will receive a variable Potential Distribution Amount for such Observation Period at the Variable Distribution Rate calculated in accordance with the following formula:

$$\text{Variable Distribution Rate} = \text{Reference Rate} \times \frac{\text{Days In}}{\text{Total Days}}$$

Where,

“**Days In**” means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period (or, if the Daily Autocall Feature is triggered during such Observation Period, the period commencing from but excluding the relevant Period Start Date to and including the Autocall Trigger Date) on which the Closing Price of the Linked Stock is at or above the applicable Distribution Barrier Price;

“**Total Days**” means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period. If the Daily Autocall Feature is triggered during such Observation Period, each Scheduled Trading Day from but excluding the Autocall Trigger Date to and including the relevant Period End Date for such Observation Period shall be deemed not to be a Disrupted Day;

“**Reference Rate**” means a percentage specified as such in the relevant Term Sheet and is the same for all Observation Periods; and

“**Distribution Barrier Price**” means the price equal to a specified percentage of the Initial Price applicable to an Observation Period, as specified in the relevant Term Sheet and may be different for each Observation Period.

You may not receive any Potential Distribution Amount for an Observation Period or even for the entire Scheduled Tenor of a Single ELI.

C. Daily Autocall Feature

- This category of the Single ELIs contains a Daily Autocall Feature. The Daily Autocall Feature will be triggered on an Autocall Determination Date if the Closing Price of the Linked Stock is at or above the Autocall Price on such Autocall Determination Date, which is set as each Scheduled Trading Day (excluding any Disrupted Day) during the period from and including the date as specified in the relevant Term Sheet, which is on or after the Issue Date, to but

excluding the Valuation Date (i.e. an Autocall Period). The Autocall Price is set as a percentage of the Initial Price, as specified in the relevant Term Sheet. The Autocall Price for each Autocall Determination Date is the same.

- Following the trigger of the Daily Autocall Feature on an Autocall Determination Date (the **“Autocall Trigger Date”**), we will terminate the Single ELI on the Autocall Trigger Date and you will receive a cash amount on a per Nominal Unit basis called the **“Autocall Cash Amount”** (being 100% of the Nominal Unit Value), together with any Potential Distribution Amount calculated up to the Autocall Trigger Date on the Autocall Settlement Date (being a date falling no later than 3 Business Days after such Autocall Trigger Date).

D. Settlement at expiry (on the Settlement Date)

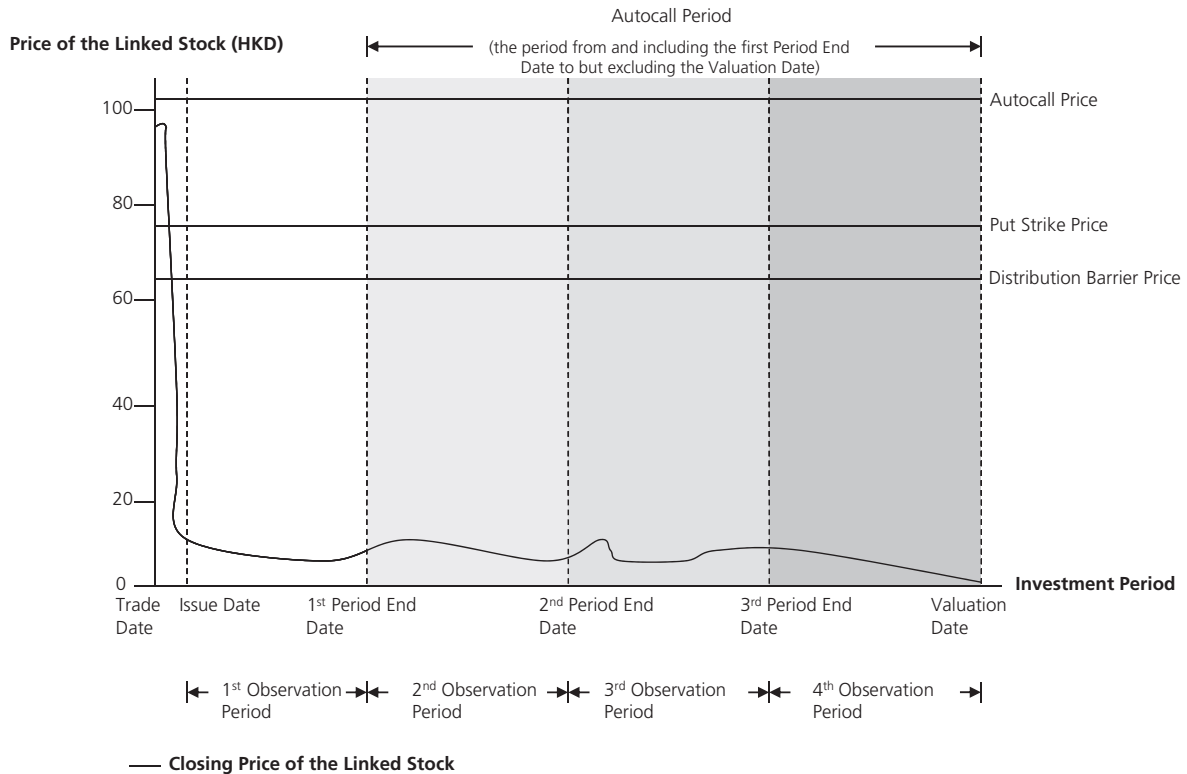
- If the Daily Autocall Feature has not been triggered and the Single ELI is not otherwise early terminated in accordance with the General Terms and Conditions, the settlement at expiry of the Single ELI will be as illustrated below:

If the Closing Price of the Linked Stock on the Valuation Date is:	You will receive on the Settlement Date (being a date falling no later than (in the case of any payment in cash) 3 Business Days or (in the case of delivery of the Stock Amount) 3 Clearance System Business Days after the Valuation Date) on a per Nominal Unit basis:
AT or ABOVE the Put Strike Price ¹	Cash Amount (being 100% of the Nominal Unit Value) and Potential Distribution Amount (if any) for the last Observation Period
BELOW the Put Strike Price ¹ (in which case the conditional put option will be exercised by us on the Valuation Date)	<p>The sum of:</p> <p>(i) Stock Amount[#] (being a number of the Linked Stock determined by reference to the Put Strike Price¹), subject to payment of all Delivery Expenses, calculated as follows:</p> $\frac{\text{Nominal Unit Value (converted into HKD at the Exchange Rate if the Settlement Currency is not HKD)}}{\text{Put Strike Price}^1}$ <p>(ii) cash payment of Fractional Stock (if any); and</p> <p>(iii) Potential Distribution Amount (if any) for the last Observation Period</p> <p>[#] You will suffer a loss in this scenario if the sum of the market value of the Stock Amount (calculated based on the Closing Price of the Linked Stock on the Valuation Date) together with the cash payment of Fractional Stock (if any) and any Potential Distribution Amount paid for the entire Scheduled Tenor is less than the Purchase Price.</p>

¹ **“Put Strike Price”** means the price equal to a specified percentage of the Initial Price, as specified in the relevant Term Sheet.

Worst case scenario

The following hypothetical example does not reflect a complete analysis of all possible gain or loss scenarios. You must not rely on them as an indication of the actual performance of the Linked Stock or the potential payout of the Single ELLs.



- In the above example:
 - (a) the Initial Price is the Closing Price of the Linked Stock on the Trade Date;
 - (b) the Purchase Price is equal to 100% of the Nominal Unit Value of the Single ELLs;
 - (c) the Fixed Distribution Rate applies to the first Observation Period and the Variable Distribution Rate applies to each of the second to fourth Observation Periods; and
 - (d) the Autocall Determination Dates are set as each Scheduled Trading Day (excluding any Disrupted Day) during the Autocall Period (being the period from and including the first Period End Date to but excluding the Valuation Date).
- The above example illustrates that:
 - (a) **No Potential Distribution Amount** – since the Closing Price of the Linked Stock falls below the Distribution Barrier Price (i) on the Period End Date of the first Observation Period (i.e. the Distribution Barrier Determination Date) and (ii) on each Scheduled Trading Day during each of the second to fourth Observation Periods, you will not receive any Potential Distribution Amount during the entire Scheduled Tenor of the Single ELLs;
 - (b) **No trigger of Daily Autocall Feature** – since the Closing Price of the Linked Stock falls below the Autocall Price on each Autocall Determination Date, no Daily Autocall Feature is triggered; and

- (c) **Delivery of the Stock Amount** – since the Closing Price of the Linked Stock falls below the Put Strike Price on the Valuation Date, you will receive the Stock Amount (and the cash payment of Fractional Stock (if any)) on the Settlement Date (subject to payment of the Delivery Expenses). You will suffer a loss as the Closing Price of the Linked Stock as of the Valuation Date is lower than the Put Strike Price, and therefore the market value of the Stock Amount (calculated based on the Closing Price of the Linked Stock on the Valuation Date) is less than the Purchase Price. **In the worst case, if the market price of the Linked Stock delivered remains at zero till the Settlement Date, you will lose all of your investment. You will also be exposed to the market risk of holding the Linked Stock if you choose not to sell the Stock Amount on the Settlement Date.**

How do you apply for a Single ELI?

If you wish to apply for a Single ELI, you must submit your application to a distributor prior to the end of the Offer Period. Your distributor will then apply for such Single ELI for you with us (as the Issuer). Payment should be made to your distributor in the manner in accordance with their normal operating procedures.

You should note that the Initial Price may either be (i) the Closing Price of the Linked Stock on the Trade Date; or (ii) a specific price of the Linked Stock as agreed between the Issuer and you (through the distributor) at the time of your application on the Trade Date and your purchase order will be executed at such agreed price. In case (i) above, the Distribution Barrier Price, the Put Strike Price and the Autocall Price will not be known at the time of your application, and you will be committed to invest in the Single ELI before these terms are finalised (unless there is a post-sale cooling-off period applicable to such Single ELI and you exercise such right). In both cases, we will deliver a notification letter to you through your distributor no later than 2 Business Days after the Trade Date setting out all the finalised trade specific terms. The finalised trade specific terms will also be set out in the final term sheet. Please refer to the paragraph headed “Where can you find more information about us and the Single ELIs?” on page 102 of this Product Booklet.

Commissions

We may pay a commission to your distributor calculated by reference to the aggregate Nominal Unit Value of the Single ELI that your distributor has purchased (for itself or on your behalf). Such percentage is mutually agreed by, among others, us and your distributor. Distributor(s)' commissions and other transaction costs (including our cost of hedging) will be indirectly factored and subsumed into the Purchase Price for our Single ELI.

What charges do you have to pay?

Delivery Expenses – If the Linked Stock is determined on the Valuation Date to be deliverable to you on the Settlement Date, you will have to pay for all out-of pocket expenses relating to the transfer and receipt of the Linked Stock (including the buyer's stamp duty, transaction levies, registration charges and/or other costs, duties or taxes arising from the delivery of the Linked Stock).

For the avoidance of doubt, no expenses are currently payable by you upon any payment in cash.

Distributor's charges – Your distributor may charge fees to open and maintain your securities or investment account. Please contact your distributor for further information.

You should note that any Delivery Expenses and distributor's charges will reduce the potential gain or increase the potential loss on your investment. Please refer to pages 95-96 of this Product Booklet for further details.

Post-sale cooling-off period

In respect of a Single ELI with an Investment Period of one year or less, the post-sale cooling-off period is not applicable.

In respect of a Single ELI with an Investment Period of more than one year, there is a post-sale cooling-off period and you have the right to cancel or unwind your order (as the case may be) (in whole but not in part) for your investment in the Single ELI by giving an irrevocable written instruction to your distributor within 5 Business Days after you place your purchase order (i.e. the post-sale cooling-off period). If you choose to do so, you will need to submit your instruction to your distributor between **11:00 a.m. and 2:30 p.m.** on any Business Day during the post-sale cooling-off period.

If you submit a written instruction to cancel your purchase order to your distributor **before the Trade Date**, the Purchase Price will not be deducted from your designated cash account on the Issue Date and no market value adjustment will be deducted from your designated cash account.

If you submit your written instruction to unwind your purchase order **on or after the Trade Date**, the full Purchase Price will be deducted from your designated cash account on the Issue Date and we will refund to you through your distributor a cash amount (equal to the full Purchase Price less any market value adjustment) on the third Business Day after the Issue Date.

Whether you cancel or unwind your purchase order during the post-sale cooling-off period, your distributor's commission (if any) will not be charged by your distributor. The cash amount for each Nominal Unit of a Single ELI refunded by your distributor will be capped at the Purchase Price. Your distributor may, however, charge you an administrative handling fee for cancelling or unwinding your purchase order during the post-sale cooling off period. Please check with your distributor for further details.

Please refer to the section headed "Is there a post-sale cooling-off period for our Single ELIs?" under "More information about our Single ELIs" on page 99 of this Product Booklet for further details.

Is there any market making arrangement before expiry of our Single ELIs?

In respect of our Single ELIs with an Investment Period of 6 months or less, there is no market making arrangement.

In respect of our Single ELIs with an Investment Period of more than 6 months, we, as the market agent, will provide limited market making arrangement for our Single ELIs on every first, third and if applicable, fifth Fridays of each month during the period from the Business Day immediately after the Issue Date up to the fifth Business Day immediately before the scheduled Valuation Date, or if any such day is not a day on which the Exchange opens, such day will be postponed to the next Business Day on which the Exchange opens (each a "**Market Making Day**").

Indicative bid price

On each Market Making Day, we (as the market agent) will make available (via your distributor) indicative bid prices (on a per Nominal Unit basis) for our Single ELIs during normal business hours on such Market Making Day. Each indicative bid price is provided to you (through your distributor) for your reference only and will be subject to intra-day changes as it may not be the same as the firm bid price at which we are willing to buy back your Nominal Units in a Single ELI.

Firm bid price

If you wish to sell your Nominal Units in a Single ELI on a particular Market Making Day, you must contact your distributor to request for a firm bid price between **11:00 a.m. and 2:30 p.m.** on such Market Making Day. The amount of the Single ELI you may sell back to us must be equal to, or be a multiple of, one Nominal Unit. Upon your request for a firm bid price, we, as the market agent, will determine a firm bid price (on a per Nominal Unit basis) at which we are willing to buy back your Nominal Units in a Single ELI in good faith and a commercially reasonable manner based on the indicative bid prices and the prevailing market conditions at the time of your request for a firm bid price. We will notify your distributor of such firm bid price and your distributor will in turn inform you. **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 your distributor.** Upon acceptance of the firm bid price by you within that specified period of time, we, as the market agent, will buy back your Nominal Units in a Single ELI at such firm bid price on such Market Making Day. Your distributor may also charge a fee for your sell back application under our market making arrangement. You will need to contact your distributor for further details. **You should note that the firm bid price at which we are willing to buy back each of your Nominal Units in a Single ELI before its expiry may be less than, or substantially less than, the Purchase Price.**

If you choose to sell your Nominal Units in a Single ELI to us on a Market Making Day, we will deliver the sale proceeds of your Nominal Units in the Single ELI to you via your distributor no later than the third Business Day after the Market Making Day. Please check with your distributor for further details.

Please note that indicative bid prices and/or firm bid prices and market making arrangements may not be available on a Market Making Day if certain events occur. Please refer to the section headed "Is there any market making arrangement for our Single ELIs before expiry?" under "More information about our Single ELIs" on page 100 of this Product Booklet for further details.

Offer Documents

This key facts statement does not contain all the information you need. You must read and understand the following Offer Documents for detailed information about us and the Single ELI before deciding whether to invest in the Single ELI:

- (a) the indicative term sheet for the relevant series of Single ELI you are considering;
- (b) our Information Memorandum dated 3 December 2012 together with any addendum as stated in the relevant indicative term sheet;

- (c) our Financial Disclosure Document together with any addendum as stated in the relevant indicative term sheet; and
- (d) this Product Booklet for Single ELIs dated 3 December 2012 together with any addendum as stated in the relevant indicative term sheet.

Your distributor is obliged to distribute to you all the Offer Documents in either English or Chinese language as you may prefer. If you are in any doubt about any of the contents of the Offer Documents, you should seek independent professional advice.

Adjustment to the terms and conditions and early termination of our Single ELIs

Upon the occurrence of a Potential Adjustment Event, a Merger Event or a Tender Offer, we, as the Calculation Agent, will amend or adjust some of the terms and conditions of the Single ELI (such as the Put Strike Price) to account for the economic effect of such events on the Single ELI in order to preserve the economic equivalence of the Single ELI. In the case of a Merger Event or a Tender Offer, if we, as the Calculation Agent, determine that we are unable to preserve the economic equivalence of the Single ELI to account for such event by adjustment, we will early terminate the Single ELI in accordance with the General Terms and Conditions.

Upon the occurrence of an Additional Disruption Event, we will early terminate the Single ELI in accordance with the General Terms and Conditions.

Any adjustments or early termination will be determined by us, as the Calculation Agent, in our sole and absolute discretion acting in good faith and in a commercially reasonable manner. We (as the Issuer) shall give notice of the occurrence of such event(s) and the corresponding adjustment(s) or early termination as soon as possible. You should refer to "General Terms and Conditions of Single ELIs" in Appendix 1 to this Product Booklet for further details.

Our ongoing disclosure obligations

We, as the Issuer and the Product Arranger, will keep the SFC and the distributors informed as soon as reasonably practicable if (a) we (as the Issuer) cease to meet any applicable eligibility requirements in the Code; (b) we (as the Product Arranger) cease to meet any applicable eligibility requirements in the Code; and (c) to the extent permitted by any applicable law, there are any changes in our financial condition or other circumstances which could reasonably be expected to have a material adverse effect on our ability (as the Issuer) to fulfil our commitment in connection with our Single ELIs. Your distributor will in turn inform you. Please contact your distributor for further details.

KEY FACTS STATEMENT (C)
Single ELIs (Periodic Autocall without Knock-in Feature)
issued by
Bank of China (Hong Kong) Limited

There are six categories of Single ELIs. This key facts statement only provides you with the key information about one category of the Single ELIs that we may issue – Single ELIs (Periodic Autocall without Knock-in Feature). This statement forms part of the Offer Documents (as defined below) for our Single ELIs. You should not invest in our Single ELIs based on this key facts statement alone and you should read all the Offer Documents for our Single ELIs before you decide whether to invest in this product. Capitalised terms used in this section and not otherwise defined herein shall have the meanings given to them in the general terms and conditions of Single ELIs in Appendix 1 to this Product Booklet (“General Terms and Conditions”).

What are the key risks?

- **Unlisted structured investment products.** Our Single ELIs are unlisted structured investment products embedded with derivatives and are NOT equivalent to time deposits.
- **Not covered by the Investor Compensation Fund.** Our Single ELIs are not listed on any stock exchange and are not covered by the Investor Compensation Fund.
- **Not principal protected.** Our Single ELIs are not principal protected: **you could lose all of your investment.**
- **No collateral.** Our Single ELIs are not secured on any of our assets or any collateral.
- **Capped maximum potential gain.** The maximum potential gain under our Single ELIs is capped at the sum of (i) the difference between the Nominal Unit Value of a Single ELI and the Purchase Price (if any) and (ii) the aggregate Potential Distribution Amount(s) payable during the Scheduled Tenor of the Single ELI. It is possible that you may not receive any Potential Distribution Amount for the entire Scheduled Tenor of a Single ELI.
- **Not the same as buying the Linked Stock.** Buying our Single ELIs is not the same as buying the Linked Stock. You do not acquire any right in the Linked Stock, except where the Stock Amount is determined on the Valuation Date to be deliverable to you on the Settlement Date, in which case you will be entitled to the rights of the Linked Stock as from the Valuation Date in accordance with the General Terms and Conditions. Changes in the market price of the Linked Stock may not lead to a corresponding change, or any change at all, in the market value of, or your potential gain or loss under, the Single ELI.
- **Limited market making arrangement.** Our Single ELIs are designed to be held until expiry. We will only provide limited market making arrangement for our Single ELIs with an Investment Period of more than 6 months on a bi-weekly basis. If you sell your investment in a Single ELI before expiry, you may receive an amount which is substantially less than your original investment amount.

- **Re-investment Risk.** Our Single ELIs will be early terminated upon the trigger of the Autocall Feature. You will not receive any further Potential Distribution Amount following such early termination. You may bear re-investment risk since the prevailing market conditions may have changed and may hinder you from making any further investment under similar investment terms. You may not be able to get the same rate of return if you re-invest in investments with similar risk parameters.
- **Maximum loss upon BOCHK's default or insolvency.** Our Single ELIs constitute general, unsecured and unsubordinated contractual obligations of Bank of China (Hong Kong) Limited and of no other person (including the ultimate holding company of our group, Bank of China Limited). If you purchase our Single ELIs, you are relying upon the creditworthiness of Bank of China (Hong Kong) Limited and have no rights under the terms of our Single ELIs against the issuer of the Linked Stock. In the worst case scenario, **you could lose all of your investment.**

BOCHK is not the ultimate holding company of the group to which we belong and with which our name is identified. The ultimate holding company of our group is Bank of China Limited which does not guarantee the performance of our obligations under our Single ELIs.

- **Exposure to price movements of the Linked Stock.** If it is determined on the Valuation Date that we are to deliver the Stock Amount upon settlement at expiry, you will be exposed to any price movement of the Linked Stock from the Valuation Date. If you choose not to sell the Linked Stock on the Settlement Date upon delivery, you will be exposed to the market risk of holding the Linked Stock thereafter.
- **You will be exposed to the risks associated with our Single ELIs starting from the Trade Date.** As all terms applicable to our Single ELIs are finalised on the Trade Date, you will be subject to the terms and conditions of our Single ELIs from the Trade Date, and you will be exposed to the risks associated with our Single ELIs from the Trade Date.
- **No direct contractual rights against the Issuer and reliance upon distributor.** Each series of our Single ELI will be represented by a global certificate and no individual certificate will be issued to you with respect to your interest in our Single ELIs. You do not have any direct contractual rights against us (as the Issuer). To assert your rights as an investor in our Single ELIs against us (as the Issuer), you will have to rely on your distributor (and, if applicable, its direct or indirect custodian) to take action on your behalf. If your distributor (i) fails to take action in accordance with your instructions; (ii) becomes insolvent; or (iii) defaults on its obligations under the terms of the customer agreement between you and your distributor, you may only have a claim as an unsecured creditor of such distributor, and you will need to take action against your distributor in accordance with the terms of such customer agreement. This is a complicated area of law and you should seek independent legal advice for further information.
- **English version of the terms and conditions prevails over Chinese version.** The global certificate representing a series of our ELIs and the terms and conditions of our ELIs will only be issued in English language for the purpose of lodgment with the relevant clearing system(s). If there is any inconsistency between the Chinese version and the English version of such terms and conditions of our Single ELIs, the English version will prevail over the Chinese version. If you do not understand the English version, you should seek independent professional advice.
- **Conflicts of interest.** Potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with our Single ELIs and our economic interests in each role may be adverse to your interests in our Single ELIs.

What is a Single ELI (Periodic Autocall without Knock-in Feature)?

A. Overview of this product

- **Product type:** It is a structured investment product which has an embedded conditional put option over the Linked Stock, under which you will be obliged to buy a number of the Linked Stock at expiry at a pre-fixed price if certain conditions are met.
- **Investment Period and Scheduled Tenor:** Its Investment Period commences from the scheduled Trade Date to the scheduled Valuation Date (both days inclusive), which generally ranges from 1 month to 3 years. The Scheduled Tenor of our Single ELIs commences from the Issue Date to the scheduled Settlement Date (both days inclusive).
- **Linked Stock:** The potential gain or loss on your investment in a Single ELI depends on the price performance of the Linked Stock. The Linked Stock will be shares of a company or units of a fund (being an exchange-traded fund or a real estate investment trust) listed on The Stock Exchange of Hong Kong Limited ("**Exchange**") and quoted in Hong Kong Dollars ("**HKD**"). However, not all stocks listed on the Exchange can be used as a Linked Stock for our Single ELIs – please contact your distributor for more details.
- **Issued in Nominal Units of Nominal Unit Value:** Each series of our Single ELI will be issued in units (the "**Nominal Units**"). Each Nominal Unit represents a specific nominal amount called "**Nominal Unit Value**" as specified in the relevant Term Sheet. The Purchase Price for each Nominal Unit is specified as a percentage of the Nominal Unit Value of the Single ELI in the relevant Term Sheet and may be set either as equal to or at a discount to the Nominal Unit Value of the Single ELI.

B. Potential Distribution Amount

- **Potential Distribution Amount:** You may receive a Potential Distribution Amount on a per Nominal Unit basis for each Observation Period (being a period commences from but excluding the relevant Period Start Date to and including the relevant Period End Date, as specified in the relevant Term Sheet) on each Distribution Payment Date depending on the price performance of the Linked Stock. Such Potential Distribution Amount for a particular Observation Period is calculated as follows:

Nominal Unit Value x the applicable Distribution Rate

- **Distribution Rate:** The Term Sheet will specify the Distribution Rate applicable to an Observation Period as either:
 - (a) a Fixed Distribution Rate – in such case, you will receive a fixed Potential Distribution Amount for such Observation Period at the Fixed Distribution Rate, being the Reference Rate, as specified in the relevant Term Sheet, if the Closing Price of the Linked Stock on the Period End Date for such Observation Period (subject to postponement in the case of a Disrupted Day for the purpose of determining the relevant Closing Price) (i.e. the Distribution Barrier Determination Date) is at or above the applicable Distribution Barrier Price; or

- (b) a Variable Distribution Rate – in such case, you will receive a variable Potential Distribution Amount for such Observation Period at the Variable Distribution Rate calculated in accordance with the following formula:

$$\text{Variable Distribution Rate} = \text{Reference Rate} \times \frac{\text{Days In}}{\text{Total Days}}$$

Where,

“**Days In**” means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period on which the Closing Price of the Linked Stock is at or above the applicable Distribution Barrier Price;

“**Total Days**” means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period;

“**Reference Rate**” means a percentage specified as such in the relevant Term Sheet and is the same for all Observation Periods; and

“**Distribution Barrier Price**” means the price equal to a specified percentage of the Initial Price applicable to an Observation Period, as specified in the relevant Term Sheet and may be different for each Observation Period.

You may not receive any Potential Distribution Amount for an Observation Period or even for the entire Scheduled Tenor of a Single ELI.

C. Periodic Autocall Feature

- This category of the Single ELIs contains a Periodic Autocall Feature. The Periodic Autocall Feature will be triggered on an Autocall Determination Date if the Closing Price of the Linked Stock is at or above the Autocall Price (set as a percentage of the Initial Price, as specified in the relevant Term Sheet) on such Autocall Determination Date, which is set as each Period End Date (excluding the Valuation Date) during the period as specified in the relevant Term Sheet (subject to postponement in the case of a Disrupted Day for the purpose of recording the relevant Closing Price). The Autocall Price for each Autocall Determination Date is the same.
- If the Periodic Autocall Feature is triggered following a postponed determination of the Closing Price in respect of an Autocall Determination Date which is a Disrupted Day, the Periodic Autocall Feature shall be deemed to have been triggered on that original Autocall Determination Date which is a Disrupted Day. The Autocall Determination Date on which the Periodic Autocall Feature is triggered or is deemed to be triggered is the Autocall Trigger Date. You should refer to “General Terms and Conditions of Single ELIs” in Appendix 1 to this Product Booklet for further details.
- Following the trigger of the Periodic Autocall Feature, we will terminate the Single ELIs on such Autocall Trigger Date and you will receive a cash amount on a per Nominal Unit basis called the “**Autocall Cash Amount**” (being 100% of the Nominal Unit Value), together with any Potential Distribution Amount for the relevant Observation Period during which the Periodic Autocall Feature is triggered or is deemed to be triggered, on the Autocall Settlement Date (being a date falling no later than 3 Business Days after such Autocall Trigger Date or where the Periodic Autocall Feature is deemed to be triggered on an Autocall Determination Date which is a Disrupted Day for the purpose of determining the Closing Price, no later than 3 Business Days after the day on which the Closing Price in respect of that Autocall Determination Date is determined).

D. Settlement at expiry (on the Settlement Date)

- If the Periodic Autocall Feature has not been triggered during any Observation Period and the Single ELI is not otherwise early terminated in accordance with the General Terms and Conditions, the settlement at expiry of the Single ELI will be as illustrated below:

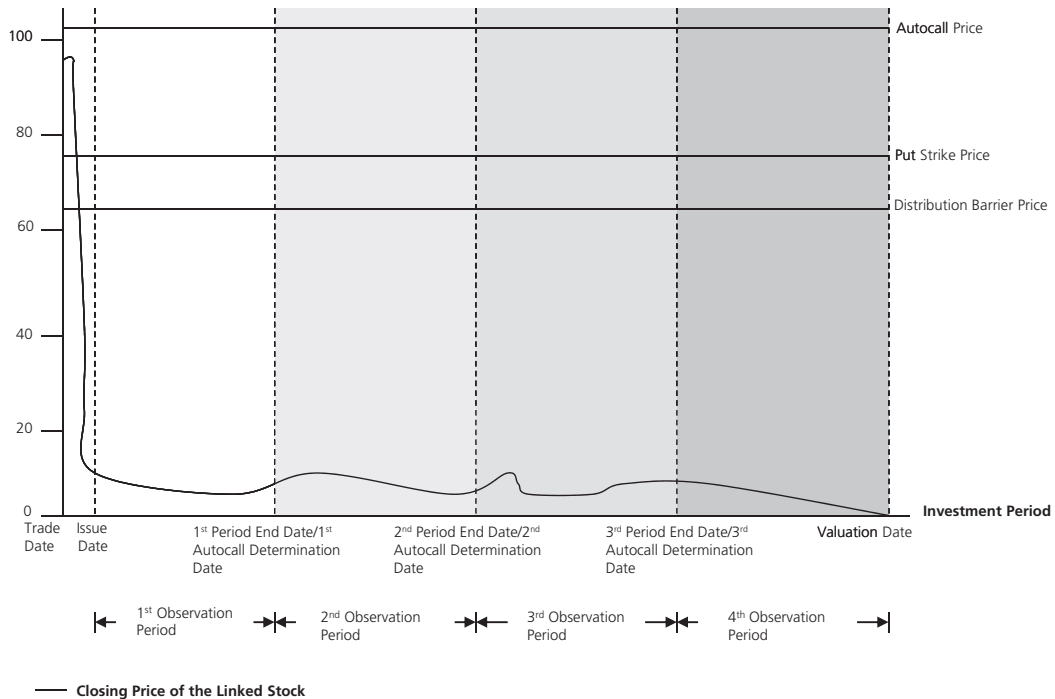
If the Closing Price of the Linked Stock on the Valuation Date is:	You will receive on the Settlement Date (being a date falling no later than (in the case of any payment in cash) 3 Business Days or (in the case of delivery of the Stock Amount) 3 Clearance System Business Days after the Valuation Date) on a per Nominal Unit basis:
AT or ABOVE the Put Strike Price ¹	Cash Amount (being 100% of the Nominal Unit Value) and Potential Distribution Amount (if any) for the last Observation Period
BELOW the Put Strike Price ¹ (in which case the conditional put option will be exercised by us on the Valuation Date)	<p>The sum of:</p> <p>(i) Stock Amount[#] (being a number of the Linked Stock determined by reference to the Put Strike Price¹), subject to payment of all Delivery Expenses, calculated as follows:</p> $\frac{\text{Nominal Unit Value (converted into HKD at the Exchange Rate if the Settlement Currency is not HKD)}}{\text{Put Strike Price}^1}$ <p>(ii) cash payment of Fractional Stock (if any); and</p> <p>(iii) Potential Distribution Amount (if any) for the last Observation Period</p> <p># You will suffer a loss in this scenario if the sum of the market value of the Stock Amount (calculated based on the Closing Price of the Linked Stock on the Valuation Date) together with the cash payment of Fractional Stock (if any) and any Potential Distribution Amount paid for the entire Scheduled Tenor is less than the Purchase Price.</p>

¹ “**Put Strike Price**” means the price equal to a specified percentage of the Initial Price, as specified in the relevant Term Sheet.

Worst case scenario

The following hypothetical example does not reflect a complete analysis of all possible gain or loss scenarios. You must not rely on them as an indication of the actual performance of the Linked Stock or the potential payout of the Single ELLs.

Price of the Linked Stock (HKD)



- In the above example:
 - (a) the Initial Price is the Closing Price of the Linked Stock on the Trade Date;
 - (b) the Purchase Price is equal to 100% of the Nominal Unit Value of the Single ELLs;
 - (c) the Fixed Distribution Rate applies to the first Observation Period and the Variable Distribution Rate applies to each of the second to fourth Observation Periods; and
 - (d) the Autocall Determination Dates are set as each Period End Date during the Investment Period, excluding the Valuation Date.

- The above example illustrates that:
 - (a) **No Potential Distribution Amount** – since the Closing Price of the Linked Stock is below the Distribution Barrier Price (i) on the Period End Date of the first Observation Period (i.e. the Distribution Barrier Determination Date) and (ii) on each Scheduled Trading Day during each of the second to fourth Observation Periods, you will not receive any Potential Distribution Amount during the entire Scheduled Tenor of the Single ELLs;
 - (b) **No trigger of Periodic Autocall Feature** – since the Closing Price of the Linked Stock falls below the Autocall Price on each Autocall Determination Date, no Periodic Autocall Feature is triggered; and

- (c) **Delivery of the Stock Amount** – since the Closing Price of the Linked Stock falls below the Put Strike Price on the Valuation Date, you will receive the Stock Amount (and the cash payment of Fractional Stock (if any)) on the Settlement Date (subject to payment of the Delivery Expenses). You will suffer a loss as the Closing Price of the Linked Stock as of the Valuation Date is lower than the Put Strike Price, and therefore the market value of the Stock Amount (calculated based on the Closing Price of the Linked Stock on the Valuation Date) is less than the Purchase Price. **In the worst case, if the market price of the Linked Stock delivered remains at zero till the Settlement Date, you will lose all of your investment. You will also be exposed to the market risk of holding the Linked Stock if you choose not to sell the Stock Amount on the Settlement Date.**

How do you apply for a Single ELI?

If you wish to apply for a Single ELI, you must submit your application to a distributor prior to the end of the Offer Period. Your distributor will then apply for such Single ELI for you with us (as the Issuer). Payment should be made to your distributor in the manner in accordance with their normal operating procedures.

You should note that the Initial Price may either be (i) the Closing Price of the Linked Stock on the Trade Date; or (ii) a specific price of the Linked Stock as agreed between the Issuer and you (through the distributor) at the time of your application on the Trade Date and your purchase order will be executed at such agreed price. In case (i) above, the Distribution Barrier Price, the Put Strike Price and the Autocall Price will not be known at the time of your application, and you will be committed to invest in the Single ELI before these terms are finalised (unless there is a post-sale cooling-off period applicable to such Single ELI and you exercise such right). In both cases, we will deliver a notification letter to you through your distributor no later than 2 Business Days after the Trade Date setting out all the finalised trade specific terms. The finalised trade specific terms will also be set out in the final term sheet. Please refer to the paragraph headed “Where can you find more information about us and the Single ELIs?” on page 102 of this Product Booklet.

Commissions

We may pay a commission to your distributor calculated by reference to the aggregate Nominal Unit Value of the Single ELI that your distributor has purchased (for itself or on your behalf). Such percentage is mutually agreed by, among others, us and your distributor. Distributor(s)' commissions and other transaction costs (including our cost of hedging) will be indirectly factored and subsumed into the Purchase Price for our Single ELI.

What charges do you have to pay?

Delivery Expenses – If the Linked Stock is determined on the Valuation Date to be deliverable to you on the Settlement Date, you will have to pay for all out-of pocket expenses relating to the transfer and receipt of the Linked Stock (including the buyer's stamp duty, transaction levies, registration charges and/or other costs, duties or taxes arising from the delivery of the Linked Stock).

For the avoidance of doubt, no expenses are currently payable by you upon any payment in cash.

Distributor's charges – Your distributor may charge fees to open and maintain your securities or investment account. Please contact your distributor for further information.

You should note that any Delivery Expenses and distributor's charges will reduce the potential gain or increase the potential loss on your investment. Please refer to pages 95-96 of this Product Booklet for further details.

Post-sale cooling-off period

In respect of a Single ELI with an Investment Period of one year or less, the post-sale cooling-off period is not applicable.

In respect of a Single ELI with an Investment Period of more than one year, there is a post-sale cooling-off period and you have the right to cancel or unwind your order (as the case may be) (in whole but not in part) for your investment in the Single ELI by giving an irrevocable written instruction to your distributor within 5 Business Days after you place your purchase order (i.e. the post-sale cooling-off period). If you choose to do so, you will need to submit your instruction to your distributor between **11:00 a.m. and 2:30 p.m.** on any Business Day during the post-sale cooling-off period.

If you submit a written instruction to cancel your purchase order to your distributor **before the Trade Date**, the Purchase Price will not be deducted from your designated cash account on the Issue Date and no market value adjustment will be deducted from your designated cash account.

If you submit your written instruction to unwind your purchase order **on or after the Trade Date**, the full Purchase Price will be deducted from your designated cash account on the Issue Date and we will refund to you through your distributor a cash amount (equal to the full Purchase Price less any market value adjustment) on the third Business Day after the Issue Date.

Whether you cancel or unwind your purchase order during the post-sale cooling-off period, your distributor's commission (if any) will not be charged by your distributor. The cash amount for each Nominal Unit of a Single ELI refunded by your distributor will be capped at the Purchase Price. Your distributor may, however, charge you an administrative handling fee for cancelling or unwinding your purchase order during the post-sale cooling off period. Please check with your distributor for further details.

Please refer to the section headed "Is there a post-sale cooling-off period for our Single ELIs?" under "More information about our Single ELIs" on page 99 of this Product Booklet for further details.

Is there any market making arrangement before expiry of our Single ELIs?

In respect of our Single ELIs with an Investment Period of 6 months or less, there is no market making arrangement.

In respect of our Single ELIs with an Investment Period of more than 6 months, we, as the market agent, will provide limited market making arrangement for our Single ELIs on every first, third and if applicable, fifth Fridays of each month during the period from the Business Day immediately after the Issue Date up to the fifth Business Day immediately before the scheduled Valuation Date, or if any such day is not a day on which the Exchange opens, such day will be postponed to the next Business Day on which the Exchange opens (each a “**Market Making Day**”).

Indicative bid price

On each Market Making Day, we (as the market agent) will make available (via your distributor) indicative bid prices (on a per Nominal Unit basis) for our Single ELIs during normal business hours on such Market Making Day. Each indicative bid price is provided to you (through your distributor) for your reference only and will be subject to intra-day changes as it may not be the same as the firm bid price at which we are willing to buy back your Nominal Units in a Single ELI.

Firm bid price

If you wish to sell your Nominal Units in a Single ELI on a particular Market Making Day, you must contact your distributor to request for a firm bid price between **11:00 a.m. and 2:30 p.m.** on such Market Making Day. The amount of the Single ELI you may sell back to us must be equal to, or be a multiple of, one Nominal Unit. Upon your request for a firm bid price, we, as the market agent, will determine a firm bid price (on a per Nominal Unit basis) at which we are willing to buy back your Nominal Units in a Single ELI in good faith and a commercially reasonable manner based on the indicative bid prices and the prevailing market conditions at the time of your request for a firm bid price. We will notify your distributor of such firm bid price and your distributor will in turn inform you. **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 your distributor.** Upon acceptance of the firm bid price by you within that specified period of time, we, as the market agent, will buy back your Nominal Units in a Single ELI at such firm bid price on such Market Making Day. Your distributor may also charge a fee for your sell back application under our market making arrangement. You will need to contact your distributor for further details. **You should note that the firm bid price at which we are willing to buy back each of your Nominal Units in a Single ELI before its expiry may be less than, or substantially less than, the Purchase Price.**

If you choose to sell your Nominal Units in a Single ELI to us on a Market Making Day, we will deliver the sale proceeds of your Nominal Units in the Single ELI to you via your distributor no later than the third Business Day after the Market Making Day. Please check with your distributor for further details.

Please note that indicative bid prices and/or firm bid prices and market making arrangements may not be available on a Market Making Day if certain events occur. Please refer to the section headed “Is there any market making arrangement for our Single ELIs before expiry?” under “More information about our Single ELIs” on page 100 of this Product Booklet for further details.

Offer Documents

This key facts statement does not contain all the information you need. You must read and understand the following Offer Documents for detailed information about us and the Single ELI before deciding whether to invest in the Single ELI:

- (a) the indicative term sheet for the relevant series of Single ELI you are considering;
- (b) our Information Memorandum dated 3 December 2012 together with any addendum as stated in the relevant indicative term sheet;
- (c) our Financial Disclosure Document together with any addendum as stated in the relevant indicative term sheet; and
- (d) this Product Booklet for Single ELIs dated 3 December 2012 together with any addendum as stated in the relevant indicative term sheet.

Your distributor is obliged to distribute to you all the Offer Documents in either English or Chinese language as you may prefer. If you are in any doubt about any of the contents of the Offer Documents, you should seek independent professional advice.

Adjustment to the terms and conditions and early termination of our Single ELIs

Upon the occurrence of a Potential Adjustment Event, a Merger Event or a Tender Offer, we, as the Calculation Agent, will amend or adjust some of the terms and conditions of the Single ELI (such as the Put Strike Price) to account for the economic effect of such events on the Single ELI in order to preserve the economic equivalence of the Single ELI. In the case of a Merger Event or a Tender Offer, if we, as the Calculation Agent, determine that we are unable to preserve the economic equivalence of the Single ELI to account for such event by adjustment, we will early terminate the Single ELI in accordance with the General Terms and Conditions.

Upon the occurrence of an Additional Disruption Event, we will early terminate the Single ELI in accordance with the General Terms and Conditions.

Any adjustments or early termination will be determined by us, as the Calculation Agent, in our sole and absolute discretion acting in good faith and in a commercially reasonable manner. We (as the Issuer) shall give notice of the occurrence of such event(s) and the corresponding adjustment(s) or early termination as soon as possible. You should refer to "General Terms and Conditions of Single ELIs" in Appendix 1 to this Product Booklet for further details.

Our ongoing disclosure obligations

We, as the Issuer and the Product Arranger, will keep the SFC and the distributors informed as soon as reasonably practicable if (a) we (as the Issuer) cease to meet any applicable eligibility requirements in the Code; (b) we (as the Product Arranger) cease to meet any applicable eligibility requirements in the Code; and (c) to the extent permitted by any applicable law, there are any changes in our financial condition or other circumstances which could reasonably be expected to have a material adverse effect on our ability (as the Issuer) to fulfil our commitment in connection with our Single ELIs. Your distributor will in turn inform you. Please contact your distributor for further details.

KEY FACTS STATEMENT (D)
Single ELLs (without Autocall and with Knock-in Feature)
issued by
Bank of China (Hong Kong) Limited

There are six categories of Single ELLs. This key facts statement only provides you with the key information about one category of the Single ELLs that we may issue – Single ELLs (without Autocall and with Knock-in Feature). This statement forms part of the Offer Documents (as defined below) for our Single ELLs. You should not invest in our Single ELLs based on this key facts statement alone and you should read all the Offer Documents for our Single ELLs before you decide whether to invest in this product. Capitalised terms used in this section and not otherwise defined herein shall have the meanings given to them in the general terms and conditions of Single ELLs in Appendix 1 to this Product Booklet (“General Terms and Conditions”).

What are the key risks?

- **Unlisted structured investment products.** Our Single ELLs are unlisted structured investment products embedded with derivatives and are NOT equivalent to time deposits.
- **Not covered by the Investor Compensation Fund.** Our Single ELLs are not listed on any stock exchange and are not covered by the Investor Compensation Fund.
- **Not principal protected.** Our Single ELLs are not principal protected: **you could lose all of your investment.**
- **No collateral.** Our Single ELLs are not secured on any of our assets or any collateral.
- **Capped maximum potential gain.** The maximum potential gain under our Single ELLs is capped at the sum of (i) the difference between the Nominal Unit Value of a Single ELL and the Purchase Price (if any) and (ii) the aggregate Potential Distribution Amount(s) payable during the Scheduled Tenor of the Single ELL. It is possible that you may not receive any Potential Distribution Amount for the entire Scheduled Tenor of a Single ELL.
- **Not the same as buying the Linked Stock.** Buying our Single ELLs is not the same as buying the Linked Stock. You do not acquire any right in the Linked Stock, except where the Stock Amount is determined on the Valuation Date to be deliverable to you on the Settlement Date, in which case you will be entitled to the rights of the Linked Stock as from the Valuation Date in accordance with the General Terms and Conditions. Changes in the market price of the Linked Stock may not lead to a corresponding change, or any change at all, in the market value of, or your potential gain or loss under, the Single ELL.
- **Limited market making arrangement.** Our Single ELLs are designed to be held until expiry. We will only provide limited market making arrangement for our Single ELLs with an Investment Period of more than 6 months on a bi-weekly basis. If you sell your investment in a Single ELL before expiry, you may receive an amount which is substantially less than your original investment amount.

- **Maximum loss upon BOCHK's default or insolvency.** Our Single ELLs constitute general, unsecured and unsubordinated contractual obligations of Bank of China (Hong Kong) Limited and of no other person (including the ultimate holding company of our group, Bank of China Limited). If you purchase our Single ELLs, you are relying upon the creditworthiness of Bank of China (Hong Kong) Limited and have no rights under the terms of our Single ELLs against the issuer of the Linked Stock. In the worst case scenario, **you could lose all of your investment.**

BOCHK is not the ultimate holding company of the group to which we belong and with which our name is identified. The ultimate holding company of our group is Bank of China Limited which does not guarantee the performance of our obligations under our Single ELLs.

- **Exposure to price movements of the Linked Stock.** If it is determined on the Valuation Date that we are to deliver the Stock Amount upon settlement at expiry, you will be exposed to any price movement of the Linked Stock from the Valuation Date. If you choose not to sell the Linked Stock on the Settlement Date upon delivery, you will be exposed to the market risk of holding the Linked Stock thereafter.
- **You will be exposed to the risks associated with our Single ELLs starting from the Trade Date.** As all terms applicable to our Single ELLs are finalised on the Trade Date, you will be subject to the terms and conditions of our Single ELLs from the Trade Date, and you will be exposed to the risks associated with our Single ELLs from the Trade Date.
- **No direct contractual rights against the Issuer and reliance upon distributor.** Each series of our Single ELL will be represented by a global certificate and no individual certificate will be issued to you with respect to your interest in our Single ELLs. You do not have any direct contractual rights against us (as the Issuer). To assert your rights as an investor in our Single ELLs against us (as the Issuer), you will have to rely on your distributor (and, if applicable, its direct or indirect custodian) to take action on your behalf. If your distributor (i) fails to take action in accordance with your instructions; (ii) becomes insolvent; or (iii) defaults on its obligations under the terms of the customer agreement between you and your distributor, you may only have a claim as an unsecured creditor of such distributor, and you will need to take action against your distributor in accordance with the terms of such customer agreement. This is a complicated area of law and you should seek independent legal advice for further information.
- **English version of the terms and conditions prevails over Chinese version.** The global certificate representing a series of our ELLs and the terms and conditions of our ELLs will only be issued in English language for the purpose of lodgment with the relevant clearing system(s). If there is any inconsistency between the Chinese version and the English version of such terms and conditions of our Single ELLs, the English version will prevail over the Chinese version. If you do not understand the English version, you should seek independent professional advice.
- **Conflicts of interest.** Potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with our Single ELLs and our economic interests in each role may be adverse to your interests in our Single ELLs.

What is a Single ELI (without Autocall and with Knock-in Feature)?

A. Overview of this product

- **Product type:** It is a structured investment product which has an embedded conditional put option over the Linked Stock, under which you will be obliged to buy a number of the Linked Stock at expiry at a pre-fixed price if certain conditions are met.
- **Investment Period and Scheduled Tenor:** Its Investment Period commences from the scheduled Trade Date to the scheduled Valuation Date (both days inclusive), which generally ranges from 1 month to 3 years. The Scheduled Tenor of our Single ELIs commences from the Issue Date to the scheduled Settlement Date (both days inclusive).
- **Linked Stock:** The potential gain or loss on your investment in a Single ELI depends on the price performance of the Linked Stock. The Linked Stock will be shares of a company or units of a fund (being an exchange-traded fund or a real estate investment trust) listed on The Stock Exchange of Hong Kong Limited ("**Exchange**") and quoted in Hong Kong Dollars ("**HKD**"). However, not all stocks listed on the Exchange can be used as a Linked Stock for our Single ELIs – please contact your distributor for more details.
- **Issued in Nominal Units of Nominal Unit Value:** Each series of our Single ELI will be issued in units (the "**Nominal Units**"). Each Nominal Unit represents a specific nominal amount called "**Nominal Unit Value**" as specified in the relevant Term Sheet. The Purchase Price for each Nominal Unit is specified as a percentage of the Nominal Unit Value of the Single ELI in the relevant Term Sheet and may be set either as equal to or at a discount to the Nominal Unit Value of the Single ELI.

B. Potential Distribution Amount

- **Potential Distribution Amount:** You may receive a Potential Distribution Amount on a per Nominal Unit basis for each Observation Period (being a period commencing from but excluding the relevant Period Start Date to and including the relevant Period End Date, as specified in the relevant Term Sheet) on each Distribution Payment Date depending on the price performance of the Linked Stock. Such Potential Distribution Amount for a particular Observation Period is calculated as follows:

Nominal Unit Value x the applicable Distribution Rate

- **Distribution Rate:** The Term Sheet will specify the Distribution Rate applicable to an Observation Period as either:
 - (a) a Fixed Distribution Rate – in such case, you will receive a fixed Potential Distribution Amount for such Observation Period at the Fixed Distribution Rate, being the Reference Rate as specified in the relevant Term Sheet if the Closing Price of the Linked Stock on the Period End Date for such Observation Period (subject to postponement in the case of a Disrupted Day for the purpose of determining the relevant Closing Price) (i.e. the Distribution Barrier Determination Date) is at or above the applicable Distribution Barrier Price; or

- (b) a Variable Distribution Rate – in such case, you will receive a variable Potential Distribution Amount for such Observation Period at the Variable Distribution Rate calculated in accordance with the following formula:

$$\text{Variable Distribution Rate} = \text{Reference Rate} \times \frac{\text{Days In}}{\text{Total Days}}$$

Where,

“**Days In**” means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period on which the Closing Price of the Linked Stock is at or above the applicable Distribution Barrier Price;

“**Total Days**” means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period;

“**Reference Rate**” means a percentage specified as such in the relevant Term Sheet and is the same for all Observation Periods; and

“**Distribution Barrier Price**” means the price equal to a specified percentage of the Initial Price applicable to an Observation Period, as specified in the relevant Term Sheet and may be different for each Observation Period.

You may not receive any Potential Distribution Amount for an Observation Period or even for the entire Scheduled Tenor of a Single ELI.

C. Knock-in Feature and settlement at expiry (on the Settlement Date)

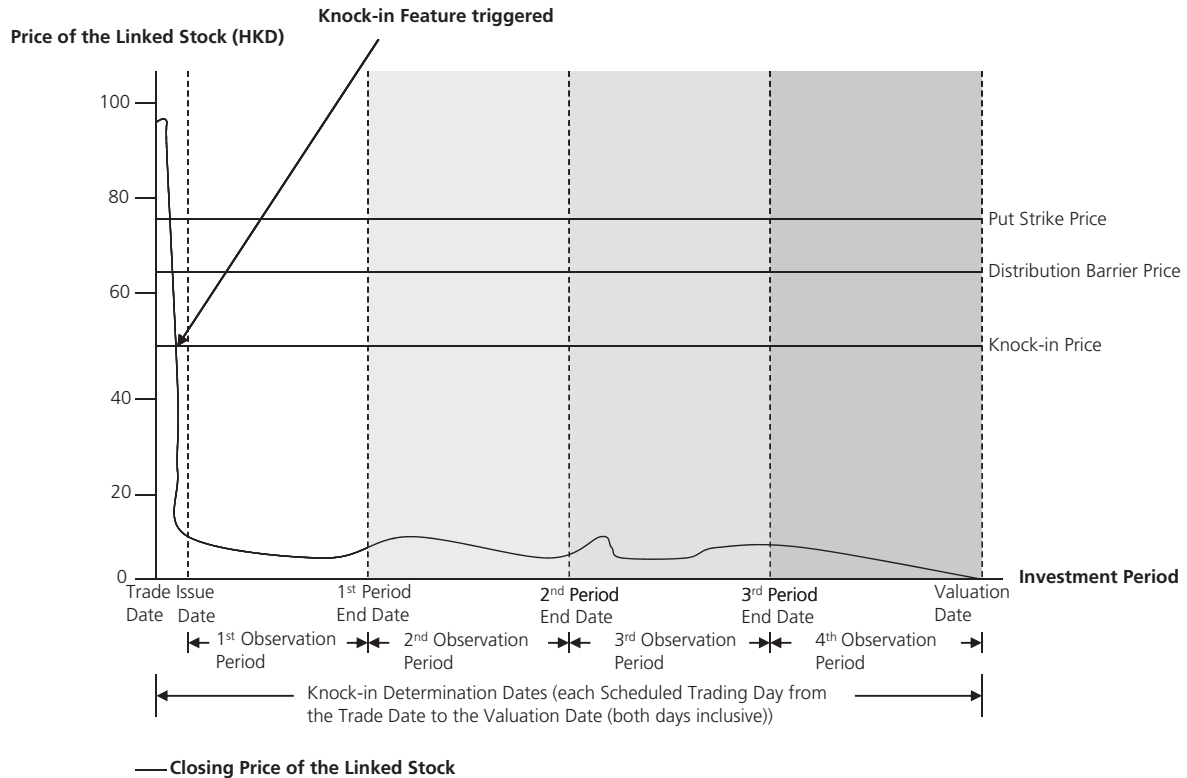
- The Knock-in Feature is triggered if the Closing Price of the Linked Stock is below the Knock-in Price on any Knock-in Determination Date, which is set as each Scheduled Trading Day during the Investment Period (excluding any Disrupted Days, except for the Valuation Date which is subject to postponement in the case of a Disrupted Day for the purpose of recording the relevant Closing Price).
- The Knock-in Price will always be set at a price below the Put Strike Price. Both the Knock-in Price and the Put Strike Price are set as a percentage of the Initial Price as specified in the relevant Term Sheet.

- If the Single ELL is not early terminated in accordance with the General Terms and Conditions, the settlement at expiry of the Single ELL will be as illustrated below:

If the Closing Price of the Linked Stock is:	If the Closing Price of the Linked Stock on the Valuation Date is:	You will receive on the Settlement Date (being a date falling no later than (in the case of any payment in cash) 3 Business Days or (in the case of a delivery of the Stock Amount) 3 Clearance System Business Days after the Valuation Date) on a per Nominal Unit basis:
AT or ABOVE the Knock-in Price on each Knock-in Determination Date (ie the Knock-in Feature has not been triggered)	Not relevant (as the Knock-in Feature has not been triggered)	Cash Amount (being 100% of the Nominal Unit Value) and Potential Distribution Amount (if any) for the last Observation Period
BELOW the Knock-in Price on any Knock-in Determination Date(s) (ie the Knock-in Feature has been triggered)	AT or ABOVE the Put Strike Price [^] [^] This scenario will not occur if the Knock-in Feature was triggered on the Valuation Date as the Knock-in Price will be set at a price lower than the Put Strike Price.	Cash Amount (being 100% of the Nominal Unit Value) and Potential Distribution Amount (if any) for the last Observation Period
BELOW the Knock-in Price on any Knock-in Determination Date(s) (ie the Knock-in Feature has been triggered)	BELOW the Put Strike Price (in which case the conditional put option will be exercised by us on the Valuation Date)	<p>The sum of:</p> <ul style="list-style-type: none"> (i) Stock Amount[#] (being a number of the Linked Stock determined by reference to the Put Strike Price), subject to payment of all Delivery Expenses, calculated as follows: <ul style="list-style-type: none"> Nominal Unit Value (converted into HKD at the Exchange Rate if the Settlement Currency is not HKD) <hr/> Put Strike Price (ii) cash payment of Fractional Stock (if any); and (iii) Potential Distribution Amount (if any) for the last Observation Period <p>[#] You will suffer a loss in this scenario if the sum of the market value of the Stock Amount (calculated based on the Closing Price of the Linked Stock on the Valuation Date) together with the cash payment of Fractional Stock (if any) and any Potential Distribution Amount paid for the entire Scheduled Tenor is less than the Purchase Price.</p>

Worst case scenario

The following hypothetical example does not reflect a complete analysis of all possible gain or loss scenarios. You must not rely on them as an indication of the actual performance of the Linked Stock or the potential payout of the Single ELIs.



- In the above example:
 - the Initial Price is the Closing Price of the Linked Stock on the Trade Date;
 - the Purchase Price is equal to 100% of the Nominal Unit Value of the Single ELIs; and
 - the Fixed Distribution Rate applies to the first Observation Period and the Variable Distribution Rate applies to each of the second to fourth Observation Periods.
- The above example illustrates that:
 - No Potential Distribution Amount** – since the Closing Price of the Linked Stock falls below the Distribution Barrier Price (i) on the Period End Date of the first Observation Period (i.e. the Distribution Barrier Determination Date) and (ii) on each Scheduled Trading Day during each of the second to fourth Observation Periods, you will not receive any Potential Distribution Amount during the entire Scheduled Tenor of the Single ELIs; and
 - Knock-in Feature triggered and delivery of the Stock Amount** – Since:
 - the Closing Price of the Linked Stock falls below the Knock-in Price on at least one Knock-in Determination Date (which is set as each Scheduled Trading Day during the Investment Period), the Knock-in Feature has been triggered; and

- (ii) the Closing Price of the Linked Stock falls below the Put Strike Price on the Valuation Date,

you will receive the Stock Amount (and the cash payment of Fractional Stock (if any)) on the Settlement Date (subject to payment of the Delivery Expenses). You will suffer a loss as the Closing Price of the Linked Stock as of the Valuation Date is lower than the Put Strike Price, and therefore the market value of the Stock Amount (calculated based on the Closing Price of the Linked Stock on the Valuation Date) is less than the Purchase Price. **In the worst case, if the market price of the Linked Stock delivered remains at zero till the Settlement Date, you will lose all of your investment. You will also be exposed to the market risk of holding the Linked Stock if you choose not to sell the Stock Amount on the Settlement Date.**

How do you apply for a Single ELI?

If you wish to apply for a Single ELI, you must submit your application to a distributor prior to the end of the Offer Period. Your distributor will then apply for such Single ELI for you with us (as the Issuer). Payment should be made to your distributor in the manner in accordance with their normal operating procedures.

You should note that the Initial Price may either be (i) the Closing Price of the Linked Stock on the Trade Date; or (ii) a specific price of the Linked Stock as agreed between the Issuer and you (through the distributor) at the time of your application on the Trade Date and your purchase order will be executed at such agreed price. In case (i) above, the Distribution Barrier Price, the Put Strike Price and the Knock-in Price will not be known at the time of your application, and you will be committed to invest in the Single ELI before these terms are finalised (unless there is a post-sale cooling-off period applicable to such Single ELI and you exercise such right). In both cases, we will deliver a notification letter to you through your distributor no later than 2 Business Days after the Trade Date setting out all the finalised trade specific terms. The finalised trade specific terms will also be set out in the final term sheet. Please refer to the paragraph headed "Where can you find more information about us and the Single ELIs?" on page 102 of this Product Booklet.

Commissions

We may pay a commission to your distributor calculated by reference to the aggregate Nominal Unit Value of the Single ELI that your distributor has purchased (for itself or on your behalf). Such percentage is mutually agreed by, among others, us and your distributor. Distributor(s)' commissions and other transaction costs (including our cost of hedging) will be indirectly factored and subsumed into the Purchase Price for our Single ELI.

What charges do you have to pay?

Delivery Expenses – If the Linked Stock is determined on the Valuation Date to be deliverable to you on the Settlement Date, you will have to pay for all out-of pocket expenses relating to the transfer and receipt of the Linked Stock (including the buyer's stamp duty, transaction levies, registration charges and/or other costs, duties or taxes arising from the delivery of the Linked Stock).

For the avoidance of doubt, no expenses are currently payable by you upon any payment in cash.

Distributor's charges – Your distributor may charge fees to open and maintain your securities or investment account. Please contact your distributor for further information.

You should note that any Delivery Expenses and distributor's charges will reduce the potential gain or increase the potential loss on your investment. Please refer to pages 95-96 of this Product Booklet for further details.

Post-sale cooling-off period

In respect of a Single ELI with an Investment Period of one year or less, the post-sale cooling-off period is not applicable.

In respect of a Single ELI with an Investment Period of more than one year, there is a post-sale cooling-off period and you have the right to cancel or unwind your order (as the case may be) (in whole but not in part) for your investment in the Single ELI by giving an irrevocable written instruction to your distributor within 5 Business Days after you place your purchase order (i.e. the post-sale cooling-off period). If you choose to do so, you will need to submit your instruction to your distributor between **11:00 a.m. and 2:30 p.m.** on any Business Day during the post-sale cooling-off period.

If you submit a written instruction to cancel your purchase order to your distributor **before the Trade Date**, the Purchase Price will not be deducted from your designated cash account on the Issue Date and no market value adjustment will be deducted from your designated cash account.

If you submit your written instruction to unwind your purchase order **on or after the Trade Date**, the full Purchase Price will be deducted from your designated cash account on the Issue Date and we will refund to you through your distributor a cash amount (equal to the full Purchase Price less any market value adjustment) on the third Business Day after the Issue Date.

Whether you cancel or unwind your purchase order during the post-sale cooling-off period, your distributor's commission (if any) will not be charged by your distributor. The cash amount for each Nominal Unit of a Single ELI refunded by your distributor will be capped at the Purchase Price. Your distributor may, however, charge you an administrative handling fee for cancelling or unwinding your purchase order during the post-sale cooling off period. Please check with your distributor for further details.

Please refer to the section headed "Is there a post-sale cooling-off period for our Single ELIs?" under "More information about our Single ELIs" on page 99 of this Product Booklet for further details.

Is there any market making arrangement before expiry of our Single ELIs?

In respect of our Single ELIs with an Investment Period of 6 months or less, there is no market making arrangement.

In respect of our Single ELIs with an Investment Period of more than 6 months, we, as the market agent, will provide limited market making arrangement for our Single ELIs on every first, third and if applicable, fifth Fridays of each month during the period from the Business Day immediately after the Issue Date up to the fifth Business Day immediately before the scheduled Valuation Date, or if any such day is not a day on which the Exchange opens, such day will be postponed to the next Business Day on which the Exchange opens (each a “**Market Making Day**”).

Indicative bid price

On each Market Making Day, we (as the market agent) will make available (via your distributor) indicative bid prices (on a per Nominal Unit basis) for our Single ELIs during normal business hours on such Market Making Day. Each indicative bid price is provided to you (through your distributor) for your reference only and will be subject to intra-day changes as it may not be the same as the firm bid price at which we are willing to buy back your Nominal Units in a Single ELI.

Firm bid price

If you wish to sell your Nominal Units in a Single ELI on a particular Market Making Day, you must contact your distributor to request for a firm bid price between **11:00 a.m. and 2:30 p.m.** on such Market Making Day. The amount of the Single ELI you may sell back to us must be equal to, or be a multiple of, one Nominal Unit. Upon your request for a firm bid price, we, as the market agent, will determine a firm bid price (on a per Nominal Unit basis) at which we are willing to buy back your Nominal Units in a Single ELI in good faith and a commercially reasonable manner based on the indicative bid prices and the prevailing market conditions at the time of your request for a firm bid price. We will notify your distributor of such firm bid price and your distributor will in turn inform you. **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 your distributor.** Upon acceptance of the firm bid price by you within that specified period of time, we, as the market agent, will buy back your Nominal Units in a Single ELI at such firm bid price on such Market Making Day. Your distributor may also charge a fee for your sell back application under our market making arrangement. You will need to contact your distributor for further details. **You should note that the firm bid price at which we are willing to buy back each of your Nominal Units in a Single ELI before its expiry may be less than, or substantially less than, the Purchase Price.**

If you choose to sell your Nominal Units in a Single ELI to us on a Market Making Day, we will deliver the sale proceeds of your Nominal Units in the Single ELI to you via your distributor no later than the third Business Day after the Market Making Day. Please check with your distributor for further details.

Please note that indicative bid prices and/or firm bid prices and market making arrangements may not be available on a Market Making Day if certain events occur. Please refer to the section headed “Is there any market making arrangement for our Single ELIs before expiry?” under “More information about our Single ELIs” on page 100 of this Product Booklet for further details.

Offer Documents

This key facts statement does not contain all the information you need. You must read and understand the following Offer Documents for detailed information about us and the Single ELI before deciding whether to invest in the Single ELI:

- (a) the indicative term sheet for the relevant series of Single ELI you are considering;
- (b) our Information Memorandum dated 3 December 2012 together with any addendum as stated in the relevant indicative term sheet;
- (c) our Financial Disclosure Document together with any addendum as stated in the relevant indicative term sheet; and
- (d) this Product Booklet for Single ELIs dated 3 December 2012 together with any addendum as stated in the relevant indicative term sheet.

Your distributor is obliged to distribute to you all the Offer Documents in either English or Chinese language as you may prefer. If you are in any doubt about any of the contents of the Offer Documents, you should seek independent professional advice.

Adjustment to the terms and conditions and early termination of our Single ELIs

Upon the occurrence of a Potential Adjustment Event, a Merger Event or a Tender Offer, we, as the Calculation Agent, will amend or adjust some of the terms and conditions of the Single ELI (such as the Put Strike Price) to account for the economic effect of such events on the Single ELI in order to preserve the economic equivalence of the Single ELI. In the case of a Merger Event or a Tender Offer, if we, as the Calculation Agent, determine that we are unable to preserve the economic equivalence of the Single ELI to account for such event by adjustment, we will early terminate the Single ELI in accordance with the General Terms and Conditions.

Upon the occurrence of an Additional Disruption Event, we will early terminate the Single ELI in accordance with the General Terms and Conditions.

Any adjustments or early termination will be determined by us, as the Calculation Agent, in our sole and absolute discretion acting in good faith and in a commercially reasonable manner. We (as the Issuer) shall give notice of the occurrence of such event(s) and the corresponding adjustment(s) or early termination as soon as possible. You should refer to "General Terms and Conditions of Single ELIs" in Appendix 1 to this Product Booklet for further details.

Our ongoing disclosure obligations

We, as the Issuer and the Product Arranger, will keep the SFC and the distributors informed as soon as reasonably practicable if (a) we (as the Issuer) cease to meet any applicable eligibility requirements in the Code; (b) we (as the Product Arranger) cease to meet any applicable eligibility requirements in the Code; and (c) to the extent permitted by any applicable law, there are any changes in our financial condition or other circumstances which could reasonably be expected to have a material adverse effect on our ability (as the Issuer) to fulfil our commitment in connection with our Single ELIs. Your distributor will in turn inform you. Please contact your distributor for further details.

KEY FACTS STATEMENT (E)
Single ELLs (Daily Autocall with Knock-in Feature)
issued by
Bank of China (Hong Kong) Limited

There are six categories of Single ELLs. This key facts statement only provides you with the key information about one category of the Single ELLs that we may issue – Single ELLs (Daily Autocall with Knock-in Feature). This statement forms part of the Offer Documents (as defined below) for our Single ELLs. You should not invest in our Single ELLs based on this key facts statement alone and you should read all the Offer Documents for our Single ELLs before you decide whether to invest in this product. Capitalised terms used in this section and not otherwise defined herein shall have the meanings given to them in the general terms and conditions of Single ELLs in Appendix 1 to this Product Booklet (“General Terms and Conditions”).

What are the key risks?

- **Unlisted structured investment products.** Our Single ELLs are unlisted structured investment products embedded with derivatives and are NOT equivalent to time deposits.
- **Not covered by the Investor Compensation Fund.** Our Single ELLs are not listed on any stock exchange and are not covered by the Investor Compensation Fund.
- **Not principal protected.** Our Single ELLs are not principal protected: **you could lose all of your investment.**
- **No collateral.** Our Single ELLs are not secured on any of our assets or any collateral.
- **Capped maximum potential gain.** The maximum potential gain under our Single ELLs is capped at the sum of (i) the difference between the Nominal Unit Value of a Single ELL and the Purchase Price (if any) and (ii) the aggregate Potential Distribution Amount(s) payable during the Scheduled Tenor of the Single ELL. It is possible that you may not receive any Potential Distribution Amount for the entire Scheduled Tenor of a Single ELL.
- **Not the same as buying the Linked Stock.** Buying our Single ELLs is not the same as buying the Linked Stock. You do not acquire any right in the Linked Stock, except where the Stock Amount is determined on the Valuation Date to be deliverable to you on the Settlement Date, in which case you will be entitled to the rights of the Linked Stock as from the Valuation Date in accordance with the General Terms and Conditions. Changes in the market price of the Linked Stock may not lead to a corresponding change, or any change at all, in the market value of, or your potential gain or loss under, the Single ELL.
- **Limited market making arrangement.** Our Single ELLs are designed to be held until expiry. We will only provide limited market making arrangement for our Single ELLs with an Investment Period of more than 6 months on a bi-weekly basis. If you sell your investment in a Single ELL before expiry, you may receive an amount which is substantially less than your original investment amount.

- **Re-investment Risk.** Our Single ELIs will be early terminated upon the trigger of the Autocall Feature. You will not receive any further Potential Distribution Amount following such early termination. You may bear re-investment risk since the prevailing market conditions may have changed and may hinder you from making any further investment under similar investment terms. You may not be able to get the same rate of return if you re-invest in investments with similar risk parameters.
- **Maximum loss upon BOCHK's default or insolvency.** Our Single ELIs constitute general, unsecured and unsubordinated contractual obligations of Bank of China (Hong Kong) Limited and of no other person (including the ultimate holding company of our group, Bank of China Limited). If you purchase our Single ELIs, you are relying upon the creditworthiness of Bank of China (Hong Kong) Limited and have no rights under the terms of our Single ELIs against the issuer of the Linked Stock. In the worst case scenario, **you could lose all of your investment.**

BOCHK is not the ultimate holding company of the group to which we belong and with which our name is identified. The ultimate holding company of our group is Bank of China Limited which does not guarantee the performance of our obligations under our Single ELIs.

- **Exposure to price movements of the Linked Stock.** If it is determined on the Valuation Date that we are to deliver the Stock Amount upon settlement at expiry, you will be exposed to any price movement of the Linked Stock from the Valuation Date. If you choose not to sell the Linked Stock on the Settlement Date upon delivery, you will be exposed to the market risk of holding the Linked Stock thereafter.
- **You will be exposed to the risks associated with our Single ELIs starting from the Trade Date.** As all terms applicable to our Single ELIs are finalised on the Trade Date, you will be subject to the terms and conditions of our Single ELIs from the Trade Date, and you will be exposed to the risks associated with our Single ELIs from the Trade Date.
- **No direct contractual rights against the Issuer and reliance upon distributor.** Each series of our Single ELI will be represented by a global certificate and no individual certificate will be issued to you with respect to your interest in our Single ELIs. You do not have any direct contractual rights against us (as the Issuer). To assert your rights as an investor in our Single ELIs against us (as the Issuer), you will have to rely on your distributor (and, if applicable, its direct or indirect custodian) to take action on your behalf. If your distributor (i) fails to take action in accordance with your instructions; (ii) becomes insolvent; or (iii) defaults on its obligations under the terms of the customer agreement between you and your distributor, you may only have a claim as an unsecured creditor of such distributor, and you will need to take action against your distributor in accordance with the terms of such customer agreement. This is a complicated area of law and you should seek independent legal advice for further information.
- **English version of the terms and conditions prevails over Chinese version.** The global certificate representing a series of our ELIs and the terms and conditions of our ELIs will only be issued in English language for the purpose of lodgment with the relevant clearing system(s). If there is any inconsistency between the Chinese version and the English version of such terms and conditions of our Single ELIs, the English version will prevail over the Chinese version. If you do not understand the English version, you should seek independent professional advice.
- **Conflicts of interest.** Potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with our Single ELIs and our economic interests in each role may be adverse to your interests in our Single ELIs.

What is a Single ELI (Daily Autocall with Knock-in Feature)?

A. Overview of this product

- **Product type:** It is a structured investment product which has an embedded conditional put option over the Linked Stock, under which you will be obliged to buy a number of the Linked Stock at expiry at a pre-fixed price if certain conditions are met.
- **Investment Period and Scheduled Tenor:** Its Investment Period commences from the scheduled Trade Date to the scheduled Valuation Date (both days inclusive), which generally ranges from 1 month to 3 years. The Scheduled Tenor of our Single ELIs commences from the Issue Date to the scheduled Settlement Date (both days inclusive).
- **Linked Stock:** The potential gain or loss on your investment in a Single ELI depends on the price performance of the Linked Stock. The Linked Stock will be shares of a company or units of a fund (being an exchange-traded fund or a real estate investment trust) listed on The Stock Exchange of Hong Kong Limited ("**Exchange**") and quoted in Hong Kong Dollars ("**HKD**"). However, not all stocks listed on the Exchange can be used as a Linked Stock for our Single ELIs – please contact your distributor for more details.
- **Issued in Nominal Units of Nominal Unit Value:** Each series of our Single ELI will be issued in units (the "**Nominal Units**"). Each Nominal Unit represents a specific nominal amount called "**Nominal Unit Value**" as specified in the relevant Term Sheet. The Purchase Price for each Nominal Unit is specified as a percentage of the Nominal Unit Value of the Single ELI in the relevant Term Sheet and may be set either as equal to or at a discount to the Nominal Unit Value of the Single ELI.

B. Potential Distribution Amount

- **Potential Distribution Amount:** You may receive a Potential Distribution Amount on a per Nominal Unit basis for each Observation Period (being a period commences from but excluding the relevant Period Start Date to and including the relevant Period End Date, as specified in the relevant Term Sheet) on each Distribution Payment Date depending on the price performance of the Linked Stock. Such Potential Distribution Amount for a particular Observation Period is calculated as follows:

Nominal Unit Value x the applicable Distribution Rate

- **Distribution Rate:** The Term Sheet will specify the Distribution Rate applicable to an Observation Period as either:
 - (a) a Fixed Distribution Rate – in such case, you will receive a fixed Potential Distribution Amount for such Observation Period at the Fixed Distribution Rate, being the Reference Rate as specified in the relevant Term Sheet if the Closing Price of the Linked Stock on the Period End Date for such Observation Period (subject to postponement in the case of a Disrupted Day for the purpose of determining the relevant Closing Price) (i.e. the Distribution Barrier Determination Date) is at or above the applicable Distribution Barrier Price. Provided that if the Daily Autocall Feature is triggered during such Observation Period, the fixed Potential Distribution Amount for such Observation Period is payable regardless of the price performance of the Linked Stock and will be calculated on a pro-rata basis from but excluding the relevant Period Start Date to and including the Autocall Trigger Date; or

- (b) a Variable Distribution Rate – in such case, you will receive a variable Potential Distribution Amount for such Observation Period at the Variable Distribution Rate calculated in accordance with the following formula:

$$\text{Variable Distribution Rate} = \text{Reference Rate} \times \frac{\text{Days In}}{\text{Total Days}}$$

Where,

“**Days In**” means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period (or, if the Daily Autocall Feature is triggered during such Observation Period, the period commencing from but excluding the relevant Period Start Date to and including the Autocall Trigger Date) on which the Closing Price of the Linked Stock is at or above the applicable Distribution Barrier Price;

“**Total Days**” means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period. If the Daily Autocall Feature is triggered during such Observation Period, each Scheduled Trading Day from but excluding the Autocall Trigger Date to and including the relevant Period End Date for such Observation Period shall be deemed not to be a Disrupted Day;

“**Reference Rate**” means a percentage specified as such in the relevant Term Sheet and is the same for all Observation Periods; and

“**Distribution Barrier Price**” means the price equal to a specified percentage of the Initial Price applicable to an Observation Period, as specified in the relevant Term Sheet and may be different for each Observation Period.

You may not receive any Potential Distribution Amount for an Observation Period or even for the entire Scheduled Tenor of a Single ELI.

C. Daily Autocall Feature

- This category of the Single ELIs contains a Daily Autocall Feature. The Daily Autocall Feature will be triggered on an Autocall Determination Date if the Closing Price of the Linked Stock is at or above the Autocall Price on such Autocall Determination Date, which is set as each Scheduled Trading Day (excluding any Disrupted Day) during the period from and including the date as specified in the relevant Term Sheet, which is on or after the Issue Date, to but excluding the Valuation Date (i.e. an Autocall Period). The Autocall Price is set as a percentage of the Initial Price, as specified in the relevant Term Sheet. The Autocall Price for each Autocall Determination Date is the same.
- Following the trigger of the Daily Autocall Feature on an Autocall Determination Date (the “**Autocall Trigger Date**”), we will terminate the Single ELI on the Autocall Trigger Date and you will receive a cash amount on a per Nominal Unit basis called the “**Autocall Cash Amount**” (being 100% of the Nominal Unit Value), together with any Potential Distribution Amount calculated up to the Autocall Trigger Date on the Autocall Settlement Date (being a date falling no later than 3 Business Days after such Autocall Trigger Date).

D. Knock-in Feature and settlement at expiry (on the Settlement Date)

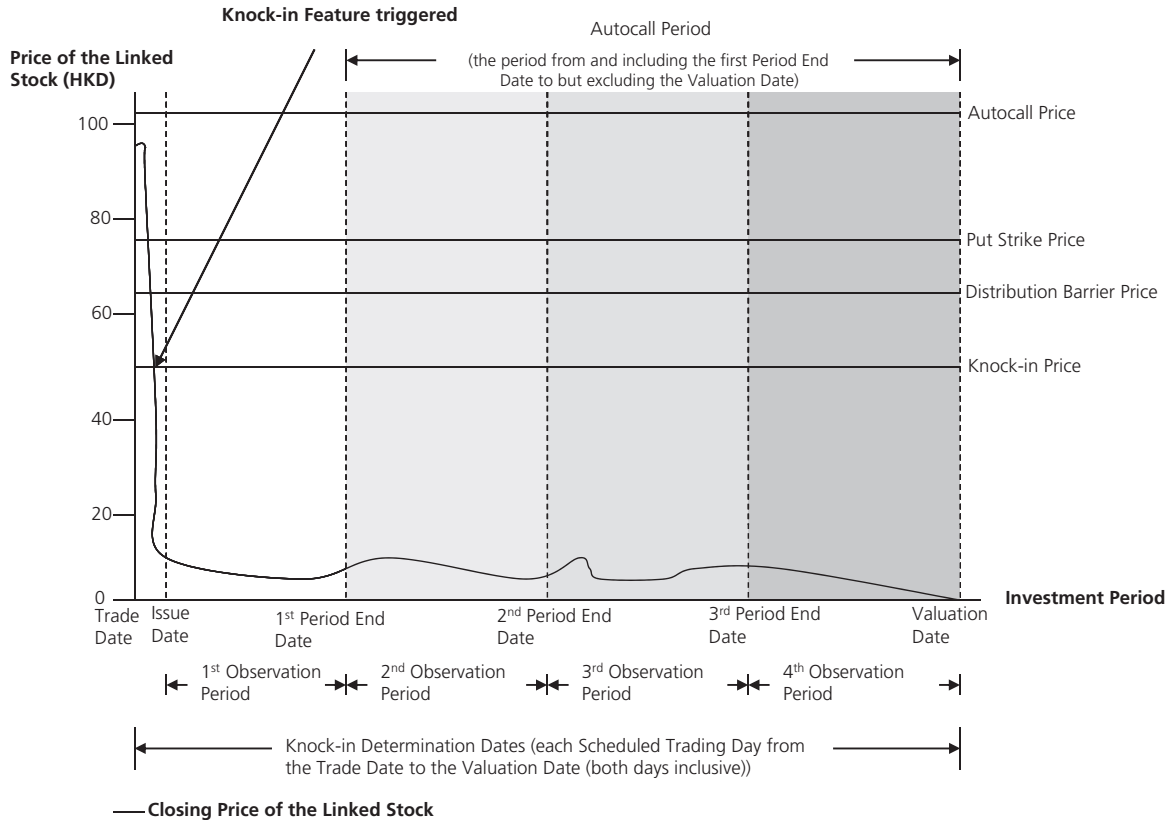
- The Knock-in Feature is triggered if the Closing Price of the Linked Stock is below the Knock-in Price on any Knock-in Determination Date, which is set as each Scheduled Trading Day during the Investment Period (excluding any Disrupted Days, except for the Valuation Date which will be subject to postponement in the case of a Disrupted Day for the purpose of recording the relevant Closing Price).
- The Knock-in Price will always be set at a price below the Autocall Price and the Put Strike Price. Both the Knock-in Price and the Put Strike Price are set as a percentage of the Initial Price as specified in the relevant Term Sheet.

- If the Daily Autocall Feature has not been triggered and the Single ELL is not otherwise early terminated in accordance with the General Terms and Conditions, the settlement at expiry of the Single ELL will be as illustrated below:

If the Closing Price of the Linked Stock is:	If the Closing Price of the Linked Stock on the Valuation Date is:	You will receive on the Settlement Date (being a date falling no later than (in the case of any payment in cash) 3 Business Days or (in the case of delivery of the Stock Amount) 3 Clearance System Business Days after the Valuation Date) on a per Nominal Unit basis:
AT or ABOVE the Knock-in Price on each Knock-in Determination Date (ie the Knock-in Feature has not been triggered)	Not relevant (as the Knock-in Feature has not been triggered)	Cash Amount (being 100% of the Nominal Unit Value) and Potential Distribution Amount (if any) for the last Observation Period
BELOW the Knock-in Price on any Knock-in Determination Date(s) (ie the Knock-in Feature has been triggered)	AT or ABOVE the Put Strike Price [^] [^] This scenario will not occur if the Knock-in Feature is triggered on the Valuation Date as the Knock-in Price will be set at a price lower than the Put Strike Price.	Cash Amount (being 100% of the Nominal Unit Value) and Potential Distribution Amount (if any) for the last Observation Period
BELOW the Knock-in Price on any Knock-in Determination Date(s) (ie the Knock-in Feature has been triggered)	BELOW the Put Strike Price (in which case the conditional put option will be exercised by us on the Valuation Date)	The sum of: (i) Stock Amount [#] (being a number of the Linked Stock determined by reference to the Put Strike Price), subject to payment of all Delivery Expenses, calculated as follows: $\frac{\text{Nominal Unit Value (converted into HKD at the Exchange Rate if the Settlement Currency is not HKD)}}{\text{Put Strike Price}}$ (ii) cash payment of Fractional Stock (if any); and (iii) Potential Distribution Amount (if any) for the last Observation Period [#] You will suffer a loss in this scenario if the sum of the market value of the Stock Amount (calculated based on the Closing Price of the Linked Stock on the Valuation Date) together with the cash payment of Fractional Stock (if any) and any Potential Distribution Amount paid for the entire Scheduled Tenor is less than the Purchase Price.

Worst case scenario

The following hypothetical example does not reflect a complete analysis of all possible gain or loss scenarios. You must not rely on them as an indication of the actual performance of the Linked Stock or the potential payout of the Single ELIs.



- In the above example:
 - (a) the Initial Price is the Closing Price of the Linked Stock on the Trade Date;
 - (b) the Purchase Price is equal to 100% of the Nominal Unit Value of the Single ELIs;
 - (c) the Fixed Distribution Rate applies to the first Observation Period and the Variable Distribution Rate applies to each of the second to fourth Observation Periods; and
 - (d) the Autocall Determination Dates are set as each Scheduled Trading Day (excluding any Disrupted Day) during the Autocall Period (being the period from and including the first Period End Date to but excluding the Valuation Date).

- The above example illustrates that:
 - (a) **No Potential Distribution Amount** – since the Closing Price of the Linked Stock falls below the Distribution Barrier Price (i) on the Period End Date of the first Observation Period (i.e. the Distribution Barrier Determination Date) and (ii) on each Scheduled Trading Day during each of the second to fourth Observation Periods, you will not receive any Potential Distribution Amount during the entire Scheduled Tenor of the Single ELIs;
 - (b) **No trigger of Daily Autocall Feature** – since the Closing Price of the Linked Stock falls below the Autocall Price on each Autocall Determination Date, no Daily Autocall Feature is triggered; and

(c) **Knock-in Feature triggered and delivery of the Stock Amount** – Since:

- (i) the Closing Price of the Linked Stock falls below the Knock-in Price on at least one Knock-in Determination Date (which is set as each Scheduled Trading Day during the Investment Period), the Knock-in Feature has been triggered; and
- (ii) the Closing Price of the Linked Stock falls below the Put Strike Price on the Valuation Date,

you will receive the Stock Amount (and the cash payment of Fractional Stock (if any)) on the Settlement Date (subject to payment of the Delivery Expenses). You will suffer a loss as the Closing Price of the Linked Stock as of the Valuation Date is lower than the Put Strike Price, and therefore the market value of the Stock Amount (calculated based on the Closing Price of the Linked Stock on the Valuation Date) is less than the Purchase Price. **In the worst case, if the market price of the Linked Stock delivered remains at zero till the Settlement Date, you will lose all of your investment. You will also be exposed to the market risk of holding the Linked Stock if you choose not to sell the Stock Amount on the Settlement Date.**

How do you apply for a Single ELI?

If you wish to apply for a Single ELI, you must submit your application to a distributor prior to the end of the Offer Period. Your distributor will then apply for such Single ELI for you with us (as the Issuer). Payment should be made to your distributor in the manner in accordance with their normal operating procedures.

You should note that the Initial Price may either be (i) the Closing Price of the Linked Stock on the Trade Date; or (ii) a specific price of the Linked Stock as agreed between the Issuer and you (through the distributor) at the time of your application on the Trade Date and your purchase order will be executed at such agreed price. In case (i) above, the Distribution Barrier Price, the Put Strike Price, the Autocall Price and the Knock-in Price will not be known at the time of your application, and you will be committed to invest in the Single ELI before these terms are finalised (unless there is a post-sale cooling-off period applicable to such Single ELI and you exercise such right). In both cases, we will deliver a notification letter to you through your distributor no later than 2 Business Days after the Trade Date setting out all the finalised trade specific terms. The finalised trade specific terms will also be set out in the final term sheet. Please refer to the paragraph headed “Where can you find more information about us and the Single ELIs?” on page 102 of this Product Booklet.

Commissions

We may pay a commission to your distributor calculated by reference to the aggregate Nominal Unit Value of the Single ELI that your distributor has purchased (for itself or on your behalf). Such percentage is mutually agreed by, among others, us and your distributor. Distributor(s)' commissions and other transaction costs (including our cost of hedging) will be indirectly factored and subsumed into the Purchase Price for our Single ELI.

What charges do you have to pay?

Delivery Expenses – If the Linked Stock is determined on the Valuation Date to be deliverable to you on the Settlement Date, you will have to pay for all out-of pocket expenses relating to the transfer and receipt of the Linked Stock (including the buyer's stamp duty, transaction levies, registration charges and/or other costs, duties or taxes arising from the delivery of the Linked Stock).

For the avoidance of doubt, no expenses are currently payable by you upon any payment in cash.

Distributor's charges – Your distributor may charge fees to open and maintain your securities or investment account. Please contact your distributor for further information.

You should note that any Delivery Expenses and distributor's charges will reduce the potential gain or increase the potential loss on your investment. Please refer to pages 95-96 of this Product Booklet for further details.

Post-sale cooling-off period

In respect of a Single ELI with an Investment Period of one year or less, the post-sale cooling-off period is not applicable.

In respect of a Single ELI with an Investment Period of more than one year, there is a post-sale cooling-off period and you have the right to cancel or unwind your order (as the case may be, in whole but not in part) for your investment in the Single ELI by giving an irrevocable written instruction to your distributor within 5 Business Days after you place your purchase order (i.e. the post-sale cooling-off period). If you choose to do so, you will need to submit your instruction to your distributor between **11:00 a.m. and 2:30 p.m.** on any Business Day during the post-sale cooling-off period.

If you submit a written instruction to cancel your purchase order to your distributor **before the Trade Date**, the Purchase Price will not be deducted from your designated cash account on the Issue Date and no market value adjustment will be deducted from your designated cash account.

If you submit your written instruction to unwind your purchase order **on or after the Trade Date**, the full Purchase Price will be deducted from your designated cash account on the Issue Date and we will refund to you through your distributor a cash amount (equal to the full Purchase Price less any market value adjustment) on the third Business Day after the Issue Date.

Whether you cancel or unwind your purchase order during the post-sale cooling-off period, your distributor's commission (if any) will not be charged by your distributor. The cash amount for each Nominal Unit of a Single ELI refunded by your distributor will be capped at the Purchase Price. Your distributor may, however, charge you an administrative handling fee for cancelling or unwinding your purchase order during the post-sale cooling off period. Please check with your distributor for further details.

Please refer to the section headed "Is there a post-sale cooling-off period for our Single ELIs?" under "More information about our Single ELIs" on page 99 of this Product Booklet for further details.

Is there any market making arrangement before expiry of our Single ELIs?

In respect of our Single ELIs with an Investment Period of 6 months or less, there is no market making arrangement.

In respect of our Single ELIs with an Investment Period of more than 6 months, we, as the market agent, will provide limited market making arrangement for our Single ELIs on every first, third and if applicable, fifth Fridays of each month during the period from the Business Day immediately after the Issue Date up to the fifth Business Day immediately before the scheduled Valuation Date, or if any such day is not a day on which the Exchange opens, such day will be postponed to the next Business Day on which the Exchange opens (each a “**Market Making Day**”).

Indicative bid price

On each Market Making Day, we (as the market agent) will make available (via your distributor) indicative bid prices (on a per Nominal Unit basis) for our Single ELIs during normal business hours on such Market Making Day. Each indicative bid price is provided to you (through your distributor) for your reference only and will be subject to intra-day changes as it may not be the same as the firm bid price at which we are willing to buy back your Nominal Units in a Single ELI.

Firm bid price

If you wish to sell your Nominal Units in a Single ELI on a particular Market Making Day, you must contact your distributor to request for a firm bid price between **11:00 a.m. and 2:30 p.m.** on such Market Making Day. The amount of the Single ELI you may sell back to us must be equal to, or be a multiple of, one Nominal Unit. Upon your request for a firm bid price, we, as the market agent, will determine a firm bid price (on a per Nominal Unit basis) at which we are willing to buy back your Nominal Units in a Single ELI in good faith and a commercially reasonable manner based on the indicative bid prices and the prevailing market conditions at the time of your request for a firm bid price. We will notify your distributor of such firm bid price and your distributor will in turn inform you. **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 your distributor.** Upon acceptance of the firm bid price by you within that specified period of time, we, as the market agent, will buy back your Nominal Units in a Single ELI at such firm bid price on such Market Making Day. Your distributor may also charge a fee for your sell back application under our market making arrangement. You will need to contact your distributor for further details. **You should note that the firm bid price at which we are willing to buy back each of your Nominal Units in a Single ELI before its expiry may be less than, or substantially less than, the Purchase Price.**

If you choose to sell your Nominal Units in a Single ELI to us on a Market Making Day, we will deliver the sale proceeds of your Nominal Units in the Single ELI to you via your distributor no later than the third Business Day after the Market Making Day. Please check with your distributor for further details.

Please note that indicative bid prices and/or firm bid prices and market making arrangements may not be available on a Market Making Day if certain events occur. Please refer to the section headed “Is there any market making arrangement for our Single ELIs before expiry?” under “More information about our Single ELIs” on page 100 of this Product Booklet for further details.

Offer Documents

This key facts statement does not contain all the information you need. You must read and understand the following Offer Documents for detailed information about us and the Single ELI before deciding whether to invest in the Single ELI:

- (a) the indicative term sheet for the relevant series of Single ELI you are considering;
- (b) our Information Memorandum dated 3 December 2012 together with any addendum as stated in the relevant indicative term sheet;
- (c) our Financial Disclosure Document together with any addendum as stated in the relevant indicative term sheet; and
- (d) this Product Booklet for Single ELIs dated 3 December 2012 together with any addendum as stated in the relevant indicative term sheet.

Your distributor is obliged to distribute to you all the Offer Documents in either English or Chinese language as you may prefer. If you are in any doubt about any of the contents of the Offer Documents, you should seek independent professional advice.

Adjustment to the terms and conditions and early termination of our Single ELIs

Upon the occurrence of a Potential Adjustment Event, a Merger Event or a Tender Offer, we, as the Calculation Agent, will amend or adjust some of the terms and conditions of the Single ELI (such as the Put Strike Price) to account for the economic effect of such events on the Single ELI in order to preserve the economic equivalence of the Single ELI. In the case of a Merger Event or a Tender Offer, if we, as the Calculation Agent, determine that we are unable to preserve the economic equivalence of the Single ELI to account for such event by adjustment, we will early terminate the Single ELI in accordance with the General Terms and Conditions.

Upon the occurrence of an Additional Disruption Event, we will early terminate the Single ELI in accordance with the General Terms and Conditions.

Any adjustments or early termination will be determined by us, as the Calculation Agent, in our sole and absolute discretion acting in good faith and in a commercially reasonable manner. We (as the Issuer) shall give notice of the occurrence of such event(s) and the corresponding adjustment(s) or early termination as soon as possible. You should refer to "General Terms and Conditions of Single ELIs" in Appendix 1 to this Product Booklet for further details.

Our ongoing disclosure obligations

We, as the Issuer and the Product Arranger, will keep the SFC and the distributors informed as soon as reasonably practicable if (a) we (as the Issuer) cease to meet any applicable eligibility requirements in the Code; (b) we (as the Product Arranger) cease to meet any applicable eligibility requirements in the Code; and (c) to the extent permitted by any applicable law, there are any changes in our financial condition or other circumstances which could reasonably be expected to have a material adverse effect on our ability (as the Issuer) to fulfil our commitment in connection with our Single ELIs. Your distributor will in turn inform you. Please contact your distributor for further details.

KEY FACTS STATEMENT (F)
Single ELIs (Periodic Autocall with Knock-in Feature)
issued by
Bank of China (Hong Kong) Limited

There are six categories of Single ELIs. This key facts statement only provides you with the key information about one category of the Single ELIs that we may issue – Single ELIs (Periodic Autocall with Knock-in Feature). This statement forms part of the Offer Documents (as defined below) for our Single ELIs. You should not invest in our Single ELIs based on this key facts statement alone and you should read all the Offer Documents for our Single ELIs before you decide whether to invest in this product. Capitalised terms used in this section and not otherwise defined herein shall have the meanings given to them in the general terms and conditions of Single ELIs in Appendix 1 to this Product Booklet (“General Terms and Conditions”).

What are the key risks?

- **Unlisted structured investment products.** Our Single ELIs are unlisted structured investment products embedded with derivatives and are NOT equivalent to time deposits.
- **Not covered by the Investor Compensation Fund.** Our Single ELIs are not listed on any stock exchange and are not covered by the Investor Compensation Fund.
- **Not principal protected.** Our Single ELIs are not principal protected: **you could lose all of your investment.**
- **No collateral.** Our Single ELIs are not secured on any of our assets or any collateral.
- **Capped maximum potential gain.** The maximum potential gain under our Single ELIs is capped at the sum of (i) the difference between the Nominal Unit Value of a Single ELI and the Purchase Price (if any) and (ii) the aggregate Potential Distribution Amount(s) payable during the Scheduled Tenor of the Single ELI. It is possible that you may not receive any Potential Distribution Amount for the entire Scheduled Tenor of a Single ELI.
- **Not the same as buying the Linked Stock.** Buying our Single ELIs is not the same as buying the Linked Stock. You do not acquire any right in the Linked Stock, except where the Stock Amount is determined on the Valuation Date to be deliverable to you on the Settlement Date, in which case you will be entitled to the rights of the Linked Stock as from the Valuation Date in accordance with the General Terms and Conditions. Changes in the market price of the Linked Stock may not lead to a corresponding change, or any change at all, in the market value of, or your potential gain or loss under, the Single ELI.
- **Limited market making arrangement.** Our Single ELIs are designed to be held until expiry. We will only provide limited market making arrangement for our Single ELIs with an Investment Period of more than 6 months on a bi-weekly basis. If you sell your investment in a Single ELI before expiry, you may receive an amount which is substantially less than your original investment amount.

- **Re-investment Risk.** Our Single ELIs will be early terminated upon the trigger of the Autocall Feature. You will not receive any further Potential Distribution Amount following such early termination. You may bear re-investment risk since the prevailing market conditions may have changed and may hinder you from making any further investment under similar investment terms. You may not be able to get the same rate of return if you re-invest in investments with similar risk parameters.
- **Maximum loss upon BOCHK's default or insolvency.** Our Single ELIs constitute general, unsecured and unsubordinated contractual obligations of Bank of China (Hong Kong) Limited and of no other person (including the ultimate holding company of our group, Bank of China Limited). If you purchase our Single ELIs, you are relying upon the creditworthiness of Bank of China (Hong Kong) Limited and have no rights under the terms of our Single ELIs against the issuer of the Linked Stock. In the worst case scenario, **you could lose all of your investment.**

BOCHK is not the ultimate holding company of the group to which we belong and with which our name is identified. The ultimate holding company of our group is Bank of China Limited which does not guarantee the performance of our obligations under our Single ELIs.

- **Exposure to price movements of the Linked Stock.** If it is determined on the Valuation Date that we are to deliver the Stock Amount upon settlement at expiry, you will be exposed to any price movement of the Linked Stock from the Valuation Date. If you choose not to sell the Linked Stock on the Settlement Date upon delivery, you will be exposed to the market risk of holding the Linked Stock thereafter.
- **You will be exposed to the risks associated with our Single ELIs starting from the Trade Date.** As all terms applicable to our Single ELIs are finalised on the Trade Date, you will be subject to the terms and conditions of our Single ELIs from the Trade Date, and you will be exposed to the risks associated with our Single ELIs from the Trade Date.
- **No direct contractual rights against the Issuer and reliance upon distributor.** Each series of our Single ELI will be represented by a global certificate and no individual certificate will be issued to you with respect to your interest in our Single ELIs. You do not have any direct contractual rights against us (as the Issuer). To assert your rights as an investor in our Single ELIs against us (as the Issuer), you will have to rely on your distributor (and, if applicable, its direct or indirect custodian) to take action on your behalf. If your distributor (i) fails to take action in accordance with your instructions; (ii) becomes insolvent; or (iii) defaults on its obligations under the terms of the customer agreement between you and your distributor, you may only have a claim as an unsecured creditor of such distributor, and you will need to take action against your distributor in accordance with the terms of such customer agreement. This is a complicated area of law and you should seek independent legal advice for further information.
- **English version of the terms and conditions prevails over Chinese version.** The global certificate representing a series of our ELIs and the terms and conditions of our ELIs will only be issued in English language for the purpose of lodgment with the relevant clearing system(s). If there is any inconsistency between the Chinese version and the English version of such terms and conditions of our Single ELIs, the English version will prevail over the Chinese version. If you do not understand the English version, you should seek independent professional advice.
- **Conflicts of interest.** Potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with our Single ELIs and our economic interests in each role may be adverse to your interests in our Single ELIs.

What is a Single ELI (Periodic Autocall with Knock-in Feature)?

A. Overview of this product

- **Product type:** It is a structured investment product which has an embedded conditional put option over the Linked Stock, under which you will be obliged to buy a number of the Linked Stock at expiry at a pre-fixed price if certain conditions are met.
- **Investment Period and Scheduled Tenor:** Its Investment Period commences from the scheduled Trade Date to the scheduled Valuation Date (both days inclusive), which generally ranges from 1 month to 3 years. The Scheduled Tenor of our Single ELIs commences from the Issue Date to the scheduled Settlement Date (both days inclusive).
- **Linked Stock:** The potential gain or loss on your investment in a Single ELI depends on the price performance of the Linked Stock. The Linked Stock will be shares of a company or units of a fund (being an exchange-traded fund or a real estate investment trust) listed on The Stock Exchange of Hong Kong Limited ("**Exchange**") and quoted in Hong Kong Dollars ("**HKD**"). However, not all stocks listed on the Exchange can be used as a Linked Stock for our Single ELIs – please contact your distributor for more details.
- **Issued in Nominal Units of Nominal Unit Value:** Each series of our Single ELI will be issued in units (the "**Nominal Units**"). Each Nominal Unit represents a specific nominal amount called "**Nominal Unit Value**" as specified in the relevant Term Sheet. The Purchase Price for each Nominal Unit is specified as a percentage of the Nominal Unit Value of the Single ELI in the relevant Term Sheet and may be set either as equal to or at a discount to the Nominal Unit Value of the Single ELI.

B. Potential Distribution Amount

- **Potential Distribution Amount:** You may receive a Potential Distribution Amount on a per Nominal Unit basis for each Observation Period (being a period commences from but excluding the relevant Period Start Date to and including the relevant Period End Date, as specified in the relevant Term Sheet) on each Distribution Payment Date depending on the price performance of the Linked Stock. Such Potential Distribution Amount for a particular Observation Period is calculated as follows:

Nominal Unit Value x the applicable Distribution Rate

- **Distribution Rate:** The Term Sheet will specify the Distribution Rate applicable to an Observation Period as either:
 - (a) a Fixed Distribution Rate – in such case, you will receive a fixed Potential Distribution Amount for such Observation Period at the Fixed Distribution Rate, being the Reference Rate, as specified in the relevant Term Sheet, if the Closing Price of the Linked Stock on the Period End Date for such Observation Period (subject to postponement in the case of a Disrupted Day for the purpose of determining the relevant Closing Price) (i.e. the Distribution Barrier Determination Date) is at or above the applicable Distribution Barrier Price; or
 - (b) a Variable Distribution Rate – in such case, you will receive a variable Potential Distribution Amount for such Observation Period at the Variable Distribution Rate calculated in accordance with the following formula:

$$\text{Variable Distribution Rate} = \text{Reference Rate} \times \frac{\text{Days In}}{\text{Total Days}}$$

Where,

“Days In” means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period on which the Closing Price of the Linked Stock is at or above the applicable Distribution Barrier Price;

“Total Days” means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period;

“Reference Rate” means a percentage specified as such in the relevant Term Sheet and is the same for all Observation Periods; and

“Distribution Barrier Price” means the price equal to a specified percentage of the Initial Price applicable to an Observation Period, as specified in the relevant Term Sheet and may be different for each Observation Period.

You may not receive any Potential Distribution Amount for an Observation Period or even for the entire Scheduled Tenor of a Single ELI.

C. Periodic Autocall Feature

- This category of the Single ELIs contains a Periodic Autocall Feature. The Periodic Autocall Feature will be triggered on an Autocall Determination Date if the Closing Price of the Linked Stock is at or above the Autocall Price (set as a percentage of the Initial Price, as specified in the relevant Term Sheet) on such Autocall Determination Date, which is set as each Period End Date (excluding the Valuation Date) during the period as specified in the relevant Term Sheet (subject to postponement in the case of a Disrupted Day for the purpose of recording the relevant Closing Price). The Autocall Price for each Autocall Determination Date is the same.
- If the Periodic Autocall Feature is triggered following a postponed determination of the Closing Price in respect of an Autocall Determination Date which is a Disrupted Day, the Periodic Autocall Feature shall be deemed to have been triggered on that original Autocall Determination Date which is a Disrupted Day. The Autocall Determination Date on which the Periodic Autocall Feature is triggered or is deemed to be triggered is the Autocall Trigger Date. You should refer to “General Terms and Conditions of Single ELIs” in Appendix 1 to this Product Booklet for further details.
- Following the trigger of the Periodic Autocall Feature, we will terminate the Single ELIs on such Autocall Trigger Date and you will receive a cash amount on a per Nominal Unit basis called the **“Autocall Cash Amount”** (being 100% of the Nominal Unit Value), together with any Potential Distribution Amount for the relevant Observation Period during which the Periodic Autocall Feature is triggered or is deemed to be triggered, on the Autocall Settlement Date (being a date falling no later than 3 Business Days after such Autocall Trigger Date or where the Periodic Autocall Feature is deemed to be triggered on an Autocall Determination Date which is a Disrupted Day for the purpose of determining the Closing Price, no later than 3 Business Days after the day on which the Closing Price in respect of that Autocall Determination Date is determined).

D. Knock-in Feature and settlement at expiry (on the Settlement Date)

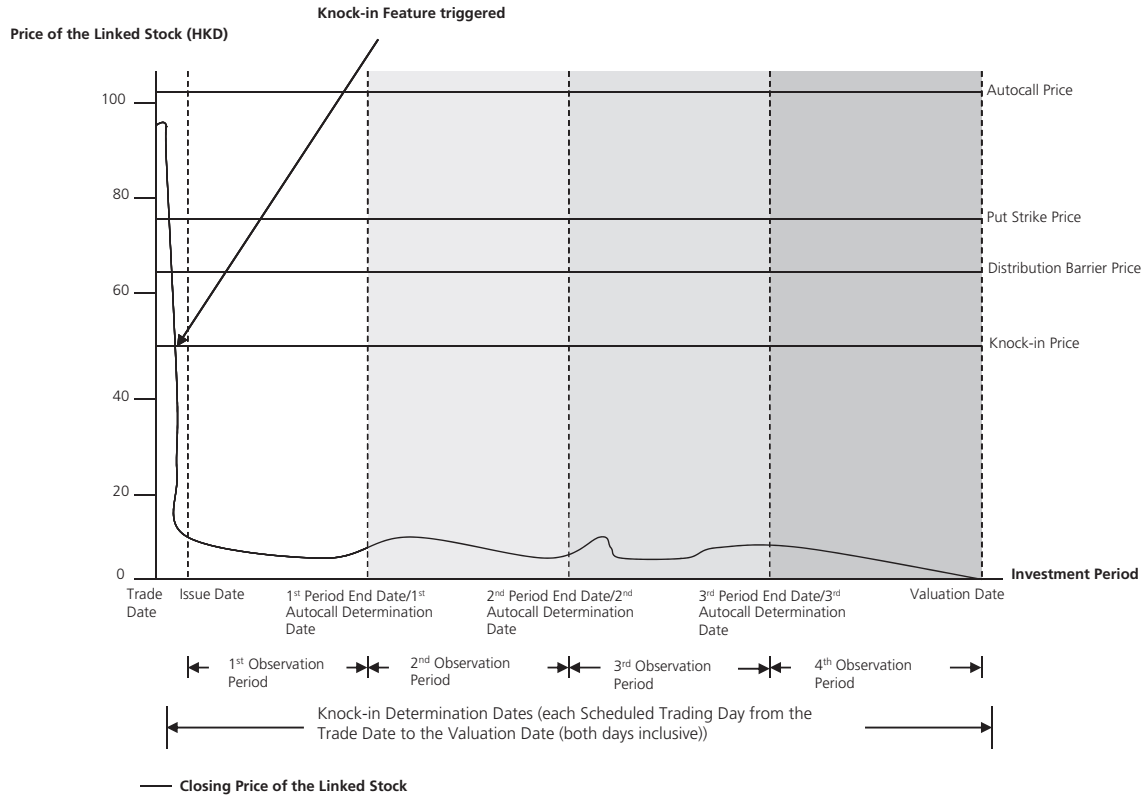
- The Knock-in Feature is triggered if the Closing Price of the Linked Stock is below the Knock-in Price on any Knock-in Determination Date, which is set as each Scheduled Trading Day during the Investment Period (excluding any Disrupted Days, except for the Valuation Date which will be subject to postponement in the case of a Disrupted Day for the purpose of recording the relevant Closing Price).
- The Knock-in Price will always be set at a price below the Autocall Price and the Put Strike Price. Both the Knock-in Price and the Put Strike Price are set as a percentage of the Initial Price as specified in the relevant Term Sheet.

- If the Periodic Autocall Feature has not been triggered during any Observation Period and the Single ELI is not otherwise early terminated in accordance with the General Terms and Conditions, the settlement at expiry of the Single ELI will be as illustrated below:

If the Closing Price of the Linked Stock is:	If the Closing Price of the Linked Stock on the Valuation Date is:	You will receive on the Settlement Date (being a date falling no later than (in the case of any payment in cash) 3 Business Days or (in the case of delivery of the Stock Amount) 3 Clearance System Business Days after the Valuation Date) on a per Nominal Unit basis:
AT or ABOVE the Knock-in Price on each Knock-in Determination Date (ie the Knock-in Feature has not been triggered)	Not relevant (as the Knock-in Feature has not been triggered)	Cash Amount (being 100% of the Nominal Unit Value) and Potential Distribution Amount (if any) for the last Observation Period
BELOW the Knock-in Price on any Knock-in Determination Date(s) (ie the Knock-in Feature has been triggered)	AT or ABOVE the Put Strike Price [^] [^] This scenario will not occur if the Knock-in Feature is triggered on the Valuation Date as the Knock-in Price will be set at a price lower than the Put Strike Price.	Cash Amount (being 100% of the Nominal Unit Value) and Potential Distribution Amount (if any) for the last Observation Period
BELOW the Knock-in Price on any Knock-in Determination Date(s) (ie the Knock-in Feature has been triggered)	BELOW the Put Strike Price (in which case the conditional put option will be exercised by us on the Valuation Date)	<p>The sum of:</p> <ul style="list-style-type: none"> (i) Stock Amount[#] (being a number of the Linked Stock determined by reference to the Put Strike Price), subject to payment of all Delivery Expenses, calculated as follows: <ul style="list-style-type: none"> <li style="text-align: center;"> $\frac{\text{Nominal Unit Value (converted into HKD at the Exchange Rate if the Settlement Currency is not HKD)}}{\text{Put Strike Price}}$ (ii) cash payment of Fractional Stock (if any); and (iii) Potential Distribution Amount (if any) for the last Observation Period <p>[#] You will suffer a loss in this scenario if the sum of the market value of the Stock Amount (calculated based on the Closing Price of the Linked Stock on the Valuation Date) together with the cash payment of Fractional Stock (if any) and any Potential Distribution Amount paid for the entire Scheduled Tenor is less than the Purchase Price.</p>

Worst case scenario

The following hypothetical example does not reflect a complete analysis of all possible gain or loss scenarios. You must not rely on them as an indication of the actual performance of the Linked Stock or the potential payout of the Single ELLs.



- In the above example:
 - (a) the Initial Price is the Closing Price of the Linked Stock on the Trade Date;
 - (b) the Purchase Price is equal to 100% of the Nominal Unit Value of the Single ELLs;
 - (c) the Fixed Distribution Rate applies to the first Observation Period and the Variable Distribution Rate applies to each of the second to fourth Observation Periods; and
 - (d) the Autocall Determination Dates are set as each Period End Date during the Investment Period, excluding the Valuation Date.

- The above example illustrates that:
 - (a) **No Potential Distribution Amount** – since the Closing Price of the Linked Stock is below the Distribution Barrier Price (i) on the Period End Date of the first Observation Period (i.e. the Distribution Barrier Determination Date) and (ii) on each Scheduled Trading Day during each of the second to fourth Observation Periods, you will not receive any Potential Distribution Amount during the entire Scheduled Tenor of the Single ELLs;
 - (b) **No trigger of Periodic Autocall Feature** – since the Closing Price of the Linked Stock falls below the Autocall Price on each Autocall Determination Date, no Periodic Autocall Feature is triggered; and

(c) **Knock-in Feature triggered** – Since:

- (i) the Closing Price of the Linked Stock falls below the Knock-in Price on at least one Knock-in Determination Date (which is set as each Scheduled Trading Day during the Investment Period), the Knock-in Feature has been triggered; and
- (ii) the Closing Price of the Linked Stock falls below the Put Strike Price on the Valuation Date,

you will receive the Stock Amount (and the cash payment of Fractional Stock (if any)) on the Settlement Date (subject to payment of the Delivery Expenses). You will suffer a loss as the Closing Price of the Linked Stock as of the Valuation Date is lower than the Put Strike Price, and therefore the market value of the Stock Amount (calculated based on the Closing Price of the Linked Stock on the Valuation Date) is less than the Purchase Price. **In the worst case, if the market price of the Linked Stock delivered remains at zero till the Settlement Date, you will lose all of your investment. You will also be exposed to the market risk of holding the Linked Stock if you choose not to sell the Stock Amount on the Settlement Date.**

How do you apply for a Single ELI?

If you wish to apply for a Single ELI, you must submit your application to a distributor prior to the end of the Offer Period. Your distributor will then apply for such Single ELI for you with us (as the Issuer). Payment should be made to your distributor in the manner in accordance with their normal operating procedures.

You should note that the Initial Price may either be (i) the Closing Price of the Linked Stock on the Trade Date; or (ii) a specific price of the Linked Stock as agreed between the Issuer and you (through the distributor) at the time of your application on the Trade Date and your purchase order will be executed at such agreed price. In case (i) above, the Distribution Barrier Price, the Put Strike Price, the Autocall Price and the Knock-in Price will not be known at the time of your application, and you will be committed to invest in the Single ELI before these terms are finalised (unless there is a post-sale cooling-off period applicable to such Single ELI and you exercise such right). In both cases, we will deliver a notification letter to you through your distributor no later than 2 Business Days after Trade Date setting out all the finalised trade specific terms. The finalised trade specific terms will also be set out in the final term sheet. Please refer to the paragraph headed “Where can you find more information about us and the Single ELIs?” on page 102 of this Product Booklet.

Commissions

We may pay a commission to your distributor calculated by reference to the aggregate Nominal Unit Value of the Single ELI that your distributor has purchased (for itself or on your behalf). Such percentage is mutually agreed by, among others, us and your distributor. Distributor(s)' commissions and other transaction costs (including our cost of hedging) will be indirectly factored and subsumed into the Purchase Price for our Single ELI.

What charges do you have to pay?

Delivery Expenses – If the Linked Stock is determined on the Valuation Date to be deliverable to you on the Settlement Date, you will have to pay for all out-of pocket expenses relating to the transfer and receipt of the Linked Stock (including the buyer's stamp duty, transaction levies, registration charges and/or other costs, duties or taxes arising from the delivery of the Linked Stock).

For the avoidance of doubt, no expenses are currently payable by you upon any payment in cash.

Distributor's charges – Your distributor may charge fees to open and maintain your securities or investment account. Please contact your distributor for further information.

You should note that any Delivery Expenses and distributor's charges will reduce the potential gain or increase the potential loss on your investment. Please refer to pages 95-96 of this Product Booklet for further details.

Post-sale cooling-off period

In respect of a Single ELI with an Investment Period of one year or less, the post-sale cooling-off period is not applicable.

In respect of a Single ELI with an Investment Period of more than one year, there is a post-sale cooling-off period and you have the right to cancel or unwind your order (as the case may be) (in whole but not in part) for your investment in the Single ELI by giving an irrevocable written instruction to your distributor within 5 Business Days after you place your purchase order (i.e. the post-sale cooling-off period). If you choose to do so, you will need to submit your instruction to your distributor between **11:00 a.m. and 2:30 p.m.** on any Business Day during the post-sale cooling-off period.

If you submit a written instruction to cancel your purchase order to your distributor **before the Trade Date**, the Purchase Price will not be deducted from your designated cash account on the Issue Date and no market value adjustment will be deducted from your designated cash account.

If you submit your written instruction to unwind your purchase order **on or after the Trade Date**, the full Purchase Price will be deducted from your designated cash account on the Issue Date and we will refund to you through your distributor a cash amount (equal to the full Purchase Price less any market value adjustment) on the third Business Day after the Issue Date.

Whether you cancel or unwind your purchase order during the post-sale cooling-off period, your distributor's commission (if any) will not be charged by your distributor. The cash amount for each Nominal Unit of a Single ELI refunded by your distributor will be capped at the Purchase Price. Your distributor may, however, charge you an administrative handling fee for cancelling or unwinding your purchase order during the post-sale cooling off period. Please check with your distributor for further details.

Please refer to the section headed "Is there a post-sale cooling-off period for our Single ELIs?" under "More information about our Single ELIs" on page 99 of this Product Booklet for further details.

Is there any market making arrangement before expiry of our Single ELIs?

In respect of our Single ELIs with an Investment Period of 6 months or less, there is no market making arrangement.

In respect of our Single ELIs with an Investment Period of more than 6 months, we, as the market agent, will provide limited market making arrangement for our Single ELIs on every first, third and if applicable, fifth Fridays of each month during the period from the Business Day immediately after the Issue Date up to the fifth Business Day immediately before the scheduled Valuation Date, or if any such day is not a day on which the Exchange opens, such day will be postponed to the next Business Day on which the Exchange opens (each a “**Market Making Day**”).

Indicative bid price

On each Market Making Day, we (as the market agent) will make available (via your distributor) indicative bid prices (on a per Nominal Unit basis) for our Single ELIs during normal business hours on such Market Making Day. Each indicative bid price is provided to you (through your distributor) for your reference only and will be subject to intra-day changes as it may not be the same as the firm bid price at which we are willing to buy back your Nominal Units in a Single ELI.

Firm bid price

If you wish to sell your Nominal Units in a Single ELI on a particular Market Making Day, you must contact your distributor to request for a firm bid price between **11:00 a.m. and 2:30 p.m.** on such Market Making Day. The amount of the Single ELI you may sell back to us must be equal to, or be a multiple of, one Nominal Unit. Upon your request for a firm bid price, we, as the market agent, will determine a firm bid price (on a per Nominal Unit basis) at which we are willing to buy back your Nominal Units in a Single ELI in good faith and a commercially reasonable manner based on the indicative bid prices and the prevailing market conditions at the time of your request for a firm bid price. We will notify your distributor of such firm bid price and your distributor will in turn inform you. **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 your distributor.** Upon acceptance of the firm bid price by you within that specified period of time, we, as the market agent, will buy back your Nominal Units in a Single ELI at such firm bid price on such Market Making Day. Your distributor may also charge a fee for your sell back application under our market making arrangement. You will need to contact your distributor for further details. **You should note that the firm bid price at which we are willing to buy back each of your Nominal Units in a Single ELI before its expiry may be less than, or substantially less than, the Purchase Price.**

If you choose to sell your Nominal Units in a Single ELI to us on a Market Making Day, we will deliver the sale proceeds of your Nominal Units in the Single ELI to you via your distributor no later than the third Business Day after the Market Making Day. Please check with your distributor for further details.

Please note that indicative bid prices and/or firm bid prices and market making arrangements may not be available on a Market Making Day if certain events occur. Please refer to the section headed “Is there any market making arrangement for our Single ELIs before expiry?” under “More information about our Single ELIs” on page 100 of this Product Booklet for further details.

Offer Documents

This key facts statement does not contain all the information you need. You must read and understand the following Offer Documents for detailed information about us and the Single ELI before deciding whether to invest in the Single ELI:

- (a) the indicative term sheet for the relevant series of Single ELI you are considering;
- (b) our Information Memorandum dated 3 December 2012 together with any addendum as stated in the relevant indicative term sheet;
- (c) our Financial Disclosure Document together with any addendum as stated in the relevant indicative term sheet; and
- (d) this Product Booklet for Single ELIs dated 3 December 2012 together with any addendum as stated in the relevant indicative term sheet.

Your distributor is obliged to distribute to you all the Offer Documents in either English or Chinese language as you may prefer. If you are in any doubt about any of the contents of the Offer Documents, you should seek independent professional advice.

Adjustment to the terms and conditions and early termination of our Single ELIs

Upon the occurrence of a Potential Adjustment Event, Merger Event or a Tender Offer, we, as the Calculation Agent, will amend or adjust some of the terms and conditions of the Single ELI (such as the Put Strike Price) to account for the economic effect of such events on the Single ELI in order to preserve the economic equivalence of the Single ELI. In the case of a Merger Event or a Tender Offer, if we, as the Calculation Agent, determine that we are unable to preserve the economic equivalence of the Single ELI to account for such event by adjustment, we will early terminate the Single ELI in accordance with the General Terms and Conditions.

Upon the occurrence of an Additional Disruption Event, we will early terminate the Single ELI in accordance with the General Terms and Conditions.

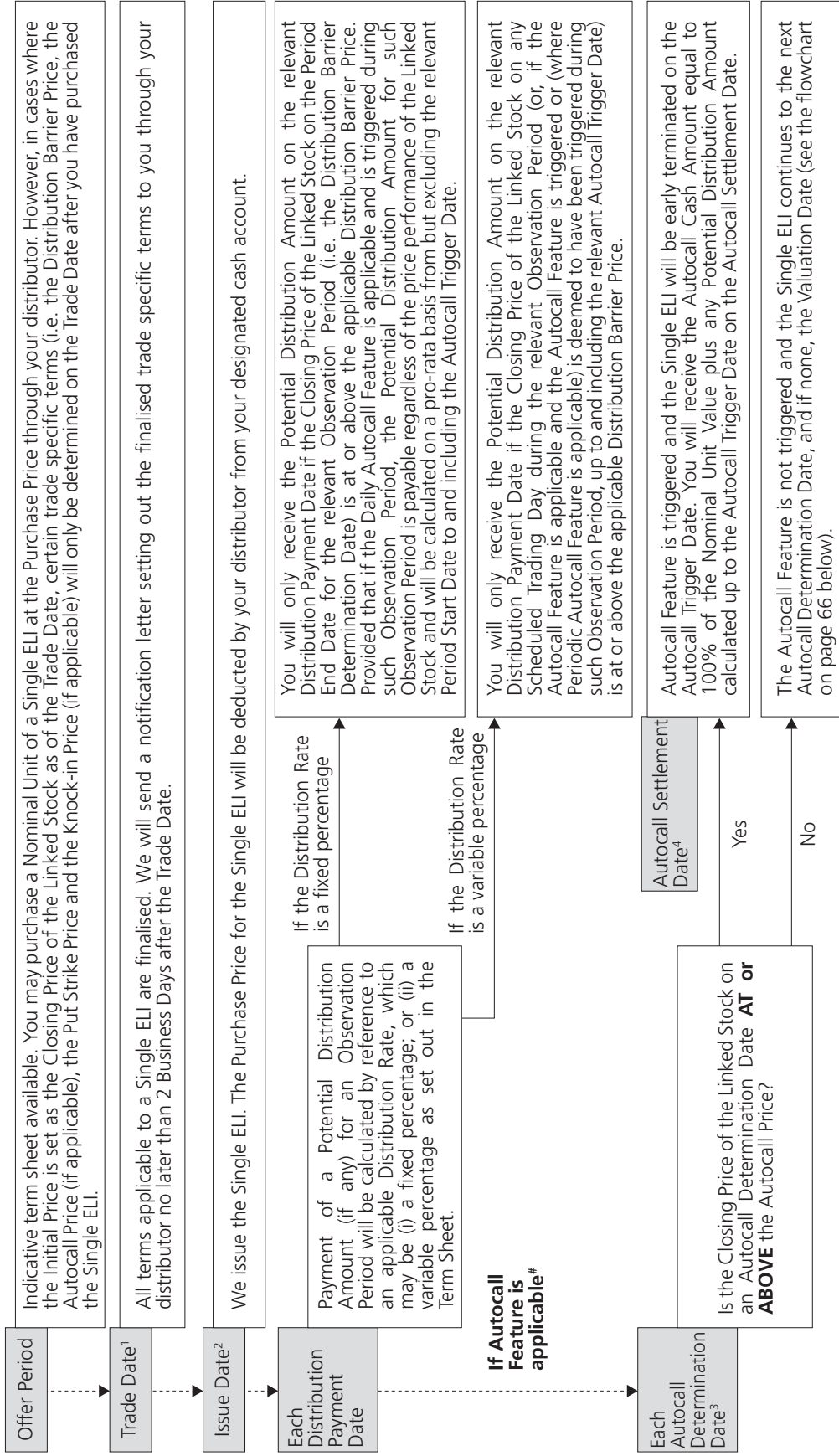
Any adjustments or early termination will be determined by us, as the Calculation Agent, in our sole and absolute discretion acting in good faith and in a commercially reasonable manner. We (as the Issuer) shall give notice of the occurrence of such event(s) and the corresponding adjustment(s) or early termination as soon as possible. You should refer to "General Terms and Conditions of Single ELIs" in Appendix 1 to this Product Booklet for further details.

Our ongoing disclosure obligations

We, as the Issuer and the Product Arranger, will keep the SFC and the distributors informed as soon as reasonably practicable if (a) we (as the Issuer) cease to meet any applicable eligibility requirements in the Code; (b) we (as the Product Arranger) cease to meet any applicable eligibility requirements in the Code; and (c) to the extent permitted by any applicable law, there are any changes in our financial condition or other circumstances which could reasonably be expected to have a material adverse effect on our ability (as the Issuer) to fulfil our commitment in connection with our Single ELIs. Your distributor will in turn inform you. Please contact your distributor for further details.

HOW DOES OUR SINGLE ELI WORK? – A FLOWCHART DESCRIPTION

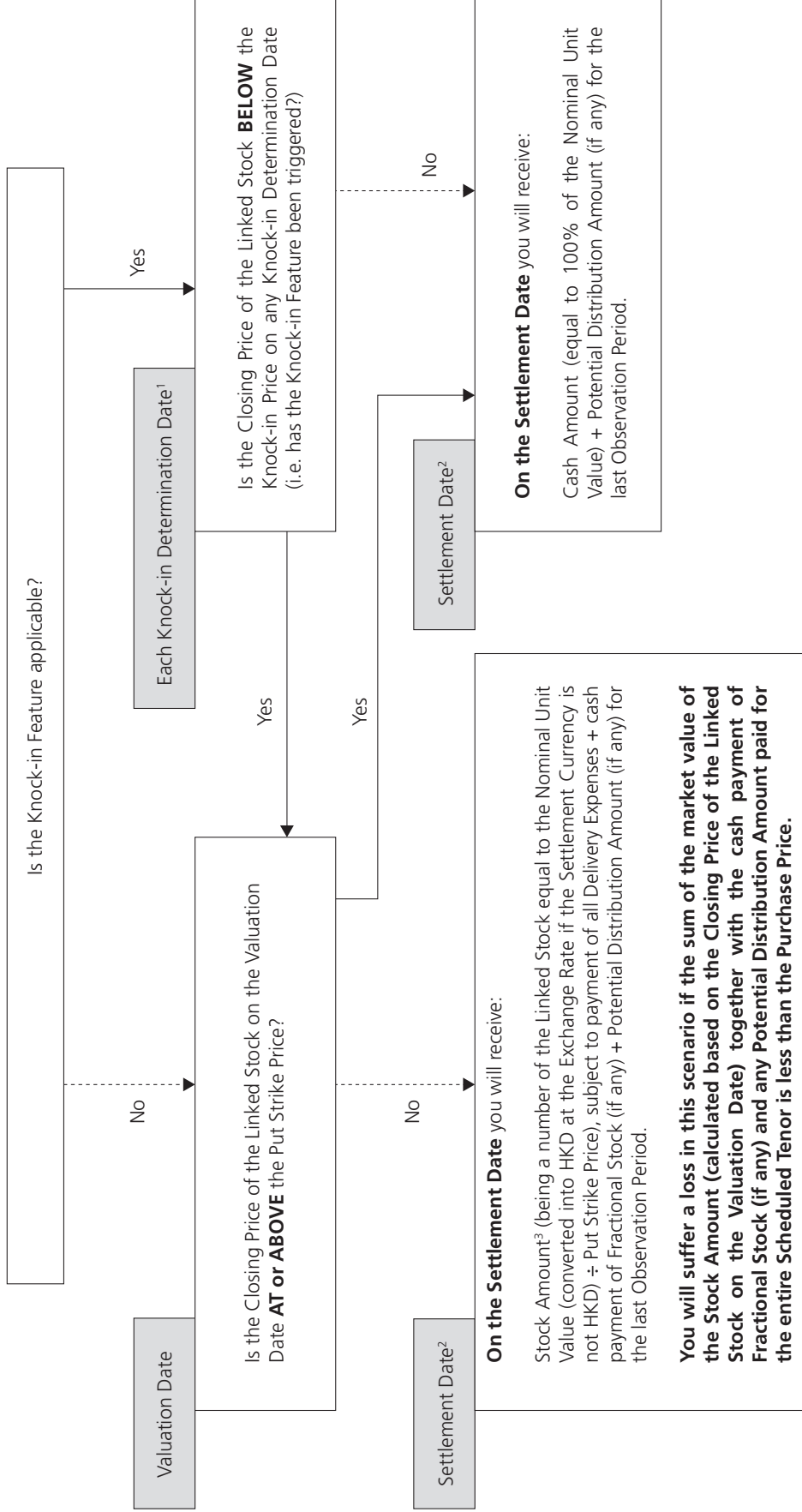
(A) During the Investment Period of the Single ELI:



[#] If Autocall Feature is not applicable, the Single ELI continues to the Valuation Date (see the flowchart on page 66 below).

- 1 The Trade Date will be the last day of the Offer Period.
- 2 The Issue Date is set as 3 to 10 Business Days after the Trade Date.
- 3 Each Autocall Determination Date is set as (if Daily Autocall Feature is applicable) each Scheduled Trading Day (excluding any Disrupted Day) during the period from and including the date as specified in the relevant Term Sheet, which is on or after the Issue Date, to but excluding the Valuation Date; or (if Periodic Autocall Feature is applicable) each Period End Date (excluding the Valuation Date) during the period as specified in the relevant Term Sheet.
- 4 The Autocall Settlement Date will be a date falling no later than 3 Business Days after the Autocall Trigger Date (i.e. the Autocall Determination Date on which the Autocall Feature is triggered) or where Periodic Autocall Feature applies and is deemed to be triggered on an Autocall Determination Date which is a Disrupted Day for the purpose of determining the Closing Price, no later than 3 Business Days after the day on which the Closing Price in respect of that Autocall Determination Date is determined.

(B) Settlement at expiry – the Autocall Feature is not applicable or (if applicable) is not triggered and the Single ELI is not otherwise early terminated in accordance with the General Terms and Conditions:



- 1 A Knock-in Determination Date is set as each Scheduled Trading Day during the Investment Period (excluding any Disrupted Days except for the Valuation Date, which will be subject to postponement in the case of a Disrupted Day for the purpose of recording the relevant Closing Price).
- 2 The Settlement Date will be a date falling no later than (in case of any payment in cash) 3 Business Days or (in case of delivery of the Stock Amount) 3 Clearance System Business Days after the Valuation Date.
- 3 If you receive the Stock Amount on the Settlement Date, you will also be exposed to the fluctuation of the market price of the Linked Stock between the Valuation Date (on which your Stock Amount is determined) and the Settlement Date (on which you will receive your Stock Amount). The market price of the Linked Stock may fall further below the Closing Price of the Linked Stock as of the Valuation Date after you receive the Linked Stock. If you choose not to sell the Stock Amount on the Settlement Date, you will be further exposed to the market risk of holding the Linked Stock.

RISK FACTORS

This section sets out the risks applicable to our Single ELIs. You should read this section together with the section headed "What are the key risks?" in each of the Key Facts Statements in this Product Booklet, the "Important Risk Warnings" and other risk factors highlighted in the relevant Term Sheet.

Risks relating to Single ELIs

- **Single ELIs are non-principal protected**

Our Single ELIs are non-principal protected unlisted structured investment products embedded with derivatives. They are not equivalent to conventional time deposits. The settlement under our Single ELIs at expiry may be the Cash Amount or the Stock Amount comprising a number of the Linked Stock. In case the Stock Amount is deliverable to you, the sum of the market value of the Stock Amount (calculated based on the Closing Price of the Linked Stock on the Valuation Date) together with the cash payment of Fractional Stock (if any) and any Potential Distribution Amount paid for the entire Scheduled Tenor may be less or substantially less than the Purchase Price. **In the worst case scenario, you may lose all of your investment.**

- **Capped maximum potential gain**

Upon termination of our Single ELIs at expiry or upon trigger of an Autocall Feature (if applicable), the maximum potential gain is capped at the sum of (i) the difference between the Nominal Unit Value of a Single ELI and the Purchase Price (if any); and (ii) the aggregate Potential Distribution Amount payable under the Single ELI.

You will not receive any Potential Distribution Amount in respect of an Observation Period:

- (a) where Fixed Distribution Rate applies to that Observation Period, if the Closing Price of the Linked Stock is below the Distribution Barrier Price on the Distribution Barrier Determination Date; or
- (b) where Variable Distribution Rate applies to that Observation Period, if the Closing Price of the Linked Stock is below the Distribution Barrier Price on each Scheduled Trading Day of that Observation Period.

It is possible that you may not receive any Potential Distribution Amount during the entire Scheduled Tenor of a Single ELI.

- **Single ELIs are not listed on any stock exchange and are not covered by the Investor Compensation Fund**

As our Single ELIs are not listed on any stock exchange, our Single ELIs are not covered by the Investor Compensation Fund.

- **The terms applicable to the Single ELI may not be finalised at the time of your application**

Certain specific commercial terms applicable to a series of Single ELI may only be determined by us (as the Issuer) and finalised after the close of trading of the Exchange on the Trade Date after the Offer Period. The Initial Price of the Linked Stock may be set out in the indicative term sheet as (i) the Closing Price of the Linked Stock on the Trade Date, or (ii) a specific price of the Linked Stock as agreed between the Issuer and you (through the distributor) at the time of your application on the Trade Date. In the case of (i), certain terms such as the Distribution Barrier Price, the Autocall Price (if applicable), the Put Strike Price and the Knock-in Price (if applicable) will each be expressed as a specified percentage of the Initial Price in the indicative term sheet. Accordingly, in such case, you may not know the exact prices for the Initial Price, the Distribution Barrier Price, the Autocall Price (if applicable), the Put Strike Price and the Knock-in Price (if applicable) at the time of your application. By submitting an application through your distributor for a Single ELI, you will be committed to invest in such Single ELI while such specific commercial terms are not yet finalised unless a post-sale cooling-off period applies to such Single ELI and you exercise such right.

- **Post-sale cooling-off period only applies to our Single ELIs with an Investment Period of more than one year and the amount to be returned for cancellation or unwinding may be substantially less than original investment**

Post-sale cooling-off period does not apply to a Single ELI with an Investment Period of one year or less.

If you have purchased a Single ELI with an Investment Period of more than one year, you can choose to cancel or unwind your purchase order (as the case may be) (in whole but not in part) for the Single ELI during the post-sale cooling-off period. If you submit your instruction to unwind your purchase order to your distributor on or after the Trade Date, the amount refunded to you will be reduced by any market value adjustments (the value of which will be calculated by us (as the Calculation Agent) in our sole discretion, acting in good faith and in a commercially reasonable manner, based on many factors, including without limitation, the market price and the expected price volatility of the Linked Stock; the expected dividends on the Linked Stock (if any); the market interest rate movements; the time remaining to expiry of the Single ELI; our financial conditions and creditworthiness; the cost incurred by us in unwinding any related underlying hedging arrangements entered into in respect of the Single ELI; and the market value of the relevant embedded conditional put option (where Autocall Feature and/or Knock-in Feature applies) or put option (where Autocall Feature and Knock-in Feature do not apply). If you submit your instructions to cancel your purchase order to your distributor before the Trade Date, there will be no market value adjustment. However, in both cases, your distributor may charge you an administrative handling fee for cancelling or unwinding your purchase order during the post-sale cooling-off period. Please refer to the section headed "Is there a post-sale cooling-off period for our Single ELIs?" under "More information about our Single ELIs" on page 99 of this Product Booklet for further details of how the Purchase Price will be refunded to you. **The amount for each Nominal Unit of a Single ELI refunded to you may be less than, or substantially less than, the Purchase Price.**

- **There will be limited market making arrangements only for some of our Single ELIs**

Our Single ELIs are designed to be held until expiry. You should be prepared to invest your funds for the entire Investment Period.

In respect of our Single ELIs with an Investment Period of 6 months or less, there is no market making arrangement. The limited market making arrangements only apply to our Single ELIs with an Investment Period of more than 6 months. Any indicative bid prices provided under the market making arrangements will be subject to intra-day changes to reflect the changes in the spot reference price of the Linked Stock during the relevant Market Making Day and are provided for your reference only as they may not be the same as the firm bid price at which we, as the market agent, are willing to buy back your Nominal Units in a Single ELI. You should note that any firm bid price provided to you by your distributor will only be valid for a limited period of time on the relevant Market Making Day.

Please note that the firm bid price at which we are willing to buy back each of your Nominal Units in a Single ELI before its expiry may be less than, or substantially less than, the Purchase Price. Your distributor may also charge a fee for your sell back application under our market making arrangement. You will need to contact your distributor for further details.

You should note that we will not be able to provide market making arrangements on a Market Making Day if:

- (a) there is a market disruption or suspension of trading of the Linked Stock; or
- (b) if we (as the market agent) experience technical problems beyond our control affecting our ability to provide indicative bid prices or firm bid prices for our Single ELIs on such Market Making Day, including any power failure or breakdown of our computer system.

In such case, the Market Making Day will be postponed to the next Business Day which is also a Scheduled Trading Day on which we (as the market agent) are able to provide market making arrangements.

Please refer to the section headed "Is there any market making arrangement for our Single ELIs before expiry?" under "More information about our Single ELIs" on page 100 of this Product Booklet for further details of our market making arrangement (including the circumstances under which we may not be able to provide market making arrangements on a Market Making Day).

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

The global certificate representing a series of our ELIs and the terms and conditions of our ELIs will only be issued in English language for the purpose of lodgment with the relevant clearing system(s). If there is any inconsistency between the Chinese version and the English version of such terms and conditions of our Single ELIs, the English version will prevail over the Chinese version. If you do not understand the English version, you should seek independent professional advice.

- **Exchange rate risk**

You should note that there may be an exchange rate risk in respect of our Single ELIs where the settlement is converted from one currency into another. A series of our Single ELI may be issued and settled in a currency other than HKD whereas the Linked Stock is always quoted in HKD. If the Settlement Currency of a Single ELI is not HKD, we will convert the Settlement Currency into HKD when making calculations of the Stock Amount and convert the cash payment for the Fractional Stock (if any) into the Settlement Currency at the exchange rate determined in accordance with the relevant Term Sheet, in which case, you would bear the risk of exchange rate fluctuation during the Investment Period of our Single ELIs.

- **Re-investment risk**

If a Single ELI is early terminated by us following the trigger of the Autocall Feature (if applicable), you will not receive any further Potential Distribution Amount following such early termination. You may bear re-investment risk since the prevailing market conditions may have changed and may hinder you from making any further investment under similar investment terms. You may not be able to get the same rate of return if you re-invest in investments with similar risk parameters.

- **You will be exposed to the risks associated with our Single ELIs starting from the Trade Date**

As all terms applicable to our Single ELIs are finalised on the Trade Date, you will be subject to the terms and conditions of our Single ELIs from the Trade Date, and you will be exposed to the risks associated with our Single ELIs starting from the Trade Date.

- **No direct contractual rights against the Issuer and reliance upon distributor**

Each series of our Single ELI will be represented by a global certificate and no individual certificate will be issued to you with respect to your interest in our Single ELIs. Only your distributor or its direct or indirect custodian (as the case may be) will have direct contractual rights against us (as the Issuer) under the Deed of Covenant. You do not have any direct contractual rights against us (as the Issuer) or your distributor's direct or indirect custodian (as the case may be). To assert your rights as an investor in our Single ELIs against us (as the Issuer), you will have to rely on your distributor (and, if applicable, through its direct or indirect custodian) to take action on your behalf. If your distributor (i) fails to take action in accordance with your instructions; (ii) becomes insolvent; or (iii) defaults on its obligations, you will need to take action against your distributor in accordance with the customer agreement you sign with your distributor to establish your interest in our Single ELIs first before you could assert your right of claim against your distributor's direct or indirect custodian (if applicable) and us (as the Issuer). You may experience difficulties in taking such legal proceedings. This is a complicated area of law and you should seek independent legal advice for further information.

- **You rely on the creditworthiness of your distributor and (where applicable) its custodian, the Principal Paying Agent and Paying Agent or the nominee of the relevant clearing system(s)**

We (as the Issuer) will make all cash payments, procure delivery of the Stock Amount and/or distribute notices in respect of the Single ELIs through the Principal Paying Agent and/or the

Paying Agent to the nominee of the relevant clearing system(s), being the ELI Holder. Once we have done so, you will have to rely on:

- (i) the Principal Paying Agent and/or the Paying Agent and the nominee of the relevant clearing system(s) to distribute notices to or credit the accounts of and/or deliver the Stock Amount to your distributor (or, where applicable, its direct or indirect custodian(s)); and
- (ii) your distributor (or, where applicable, its direct or indirect custodian(s)) to distribute notices to you or credit your account with payment and/or deliver the Stock Amount to you.

As a result of having to rely on your distributor (and, where applicable, its direct or indirect custodian(s)) and our Principal Paying Agent and/or Paying Agent in these circumstances, you will be exposed to the credit risks and other default risks of these parties. You will also be exposed to the credit risks and other default risks of the nominee of the relevant clearing system(s).

There is no assurance of protection against a default by your distributor or, where applicable, its direct or indirect custodian(s), in respect of its obligations under the customer agreement between you and your distributor. If your distributor becomes insolvent or default on its obligations under the customer agreement agreed between you and your distributor, you may only have a claim as an unsecured creditor of such distributor. You will need to take action against your distributor in accordance with such customer agreement. If your distributor's custodian(s) or the nominee of the relevant clearing system(s) becomes insolvent or defaults on its obligations, you will have no direct contractual rights against such custodian or the nominee of the relevant clearing system(s) and will have to rely on your distributor to take action against such custodian or the nominee of the relevant clearing system(s). **In the worst case scenario, you could lose all of your investment in our Single ELIs** regardless of the performance of the Linked Stock and our performance of our obligations under our Single ELIs.

Risks relating to the Linked Stock

- **Not the same as buying the Linked Stock**

Buying our Single ELIs is not the same as buying the Linked Stock. You do not acquire any right in the Linked Stock (including any right to dividends or declarations, or any voting rights attached to the Linked Stock), except where the Stock Amount is determined on the Valuation Date to be deliverable to you on the Settlement Date, in which case you will be entitled to the rights of the Linked Stock as if you had been registered as the holder of such number of Linked Stock comprising the Stock Amount as from and including the Valuation Date in accordance with the General Terms and Conditions.

You should note that during the period from and including the Valuation Date until such time as the Stock Amount is delivered to you (such period, the "**Intervening Period**"), none of the Issuer, the Principal Paying Agent or our respective nominee will be obliged to deliver to you (via your distributor) any letter, certificate, notice, circular, dividends or any

other document or payment whatsoever received by us (as the Issuer) or our agent or nominee in its capacity as a holder of such Linked Stock or to exercise any other rights that a holder of the Linked Stock would normally be entitled to during such Intervening Period. However, your distributor will be notified of any such dividends received by us (as the Issuer) or our respective nominee during the Intervening Period as described further in Condition 4(i) and we (as the Issuer) will make available such dividend or distribution payment or Linked Stock to such ELI Holder in a commercially reasonable manner upon production of such evidence of entitlement and identification as we (as the Issuer) may reasonably require. You should discuss with your distributor the arrangements with respect to the Stock Amount during the Intervening Period.

Further, changes in the market price of the Linked Stock may not lead to a corresponding change, or any change at all, in the market value of, or your potential gain or loss under, our Single ELLs.

- **Exposure to price movements of the Linked Stock in the case of physical delivery of the Stock Amount**

If the Autocall Feature (if applicable) is not triggered, the Knock-in Feature (if applicable) is triggered and the Closing Price of the Linked Stock drops below the Put Strike Price on the Valuation Date, you will receive the Stock Amount. However, actual delivery of the Stock Amount will only be made on the Settlement Date. Therefore, you will be exposed to any movement in the market price of the Linked Stock during the Intervening Period. You should note that subsequent to the delivery of the Stock Amount to you on the Settlement Date, you will be exposed to the market risk of holding the Linked Stock if you choose not to sell your holding on the Settlement Date as the market price of the Linked Stock may fall further below its Closing Price on the Valuation Date after the Settlement Date. **In the worst case scenario, the Linked Stock comprising the Stock Amount delivered may be worthless and you could lose all of your investment in our Single ELLs.**

- **You may receive odd lots of the Linked Stock**

If the settlement at expiry is determined to be physical delivery of the Stock Amount, you may receive odd lots of the Linked Stock. You should note that the Linked Stock is generally traded in board lots on the Exchange. Accordingly, you may have difficulty in selling odd lots of the Linked Stock and even if you manage to do so, the sale price for such odd lots of the Linked Stock may be lower than that for the Linked Stock trading in board lots.

- **Adjustment related risk and early termination of our Single ELLs**

Adjustment to the terms and conditions of our Single ELLs

If we (as the Calculation Agent) determine in our sole and absolute discretion acting in good faith and in a commercially reasonable manner that (i) a Potential Adjustment Event (such as a subdivision or consolidation of the Linked Stock) or (ii) a Merger Event or (iii) a Tender Offer affecting the Linked Stock has occurred during the period between the Trade Date and the Valuation Date (both days inclusive) (details of which are set out in Condition 9 of the General Terms and Conditions), we (as the Calculation Agent) will, in our sole and

absolute discretion acting in good faith and in a commercially reasonable manner, adjust certain terms and conditions of the Single ELI, including but not limited to the Distribution Barrier Price, the Autocall Price (if applicable), the Put Strike Price, the Knock-in Price (if applicable) and the Stock Amount, to account for the dilution, concentration or other economic effect of the relevant event so as to preserve the economic equivalence of the Single ELIs.

In determining the aforesaid adjustment(s):

- (a) if options contracts or futures contracts of the Linked Stock are traded on the Exchange or any other exchange, we (as the Calculation Agent) will follow any adjustment to the terms of the relevant options contract or futures contract made and announced by the Exchange or such other exchange, unless following such adjustment is not able to preserve the economic equivalence of the Single ELIs. In such case, we (as the Calculation Agent) will determine the aforesaid adjustment(s) in our sole and absolute discretion acting in good faith and in a commercially reasonable manner so as to preserve the economic equivalence of the Single ELIs; or
- (b) if there are no options contracts or futures contracts of the Linked Stock traded on the Exchange or any other exchange, we (as the Calculation Agent) will take into account and (where, and to the extent, applicable) follow the relevant rules as set out in the Operational Trading Procedures for Options Trading Exchange Participants of the Stock Exchange so as to preserve the economic equivalence of the Single ELIs.

You should note that we (as the Calculation Agent), when determining whether to make any adjustments and/or in making any such adjustments, although acting in good faith and in a commercially reasonable manner, will not take into account your specific circumstances and/or tax or other consequences of such adjustments in any particular jurisdiction.

Early Termination of our Single ELIs

If during the period between the Trade Date and the Valuation Date (both days inclusive), we (as the Calculation Agent) determine in our sole and absolute discretion acting in good faith and in a commercially reasonable manner that (i) any adjustments to the terms and conditions of the Single ELI is not able to account for the Merger Event or Tender Offer (as described above) so as to preserve the economic equivalence of the Single ELI, or (ii) an Additional Disruption Event (such as De-Listing, Insolvency and Hedging Disruption as described in Condition 19) has occurred, we will early terminate the Single ELI by payment of the Early Termination Amount.

The Early Termination Amount will be an amount determined by us (as the Calculation Agent) in our sole and absolute discretion acting in good faith and in a commercially reasonable manner, equal to the fair market value of each Nominal Unit of a Single ELI as of the date of termination of our Single ELI, based on many factors, including without limitation, the market price and the expected price volatility of the Linked Stock; the expected dividends of the Linked Stock (if any); the market interest rates movement, the time remaining to expiry of the Single ELI; any Potential Distribution Amount of the relevant Observation Period for the relevant Single ELI; our financial condition and creditworthiness; the cost incurred by us in unwinding any related underlying hedging arrangements entered

into in respect of such Single ELI; and the market value of the embedded conditional put option (where Autocall Feature and/or Knock-in Feature applies) or put option (where Autocall Feature and Knock-in Feature do not apply). **Depending on the then prevailing market conditions, the Early Termination Amount may be less, or substantially less, than the Purchase Price.**

You should refer to Conditions 9 and 10 of the General Terms and Conditions for further details. **Any adjustments or early termination of the Single ELI will be made by us (as the Calculation Agent) in our sole and absolute discretion acting in good faith and in a commercially reasonable manner.**

- **Risks relating to Single ELIs linked to a unit of a fund**

Where the Linked Stock is a unit of a fund, being a real estate investment trust (“REIT”) and/or an exchange traded fund (“ETF”), neither we nor our affiliates have the ability to control or predict the actions of the manager and/or the trustee of the fund. The manager and/or the trustee of the fund are not involved in the offer of our Single ELIs in any way and have no obligation to consider your interests in taking any action that might affect the market value of the units of the fund and our Single ELIs.

We have no role in relation to the units of the fund. The manager of the fund is responsible for making strategic, investment and other trading decisions with respect to the management of the fund assets, consistent with its investment objectives and/or investment restrictions as set out in its constitutive documents. The performance of the fund assets is significantly dependent upon the capabilities of the management team of the manager of the fund. The manner in which the fund assets are managed and the timing of such decisions will have a significant impact on the performance of the fund assets, and hence, on the performance of the fund and the potential gain or loss of our Single ELIs.

There is also a risk that (i) the investment objectives and/or investment restrictions as set out in the constitutive documents in relation to the funds are materially changed after the date when our Single ELIs are offered or are not complied with; or (ii) the method of calculating the net asset value of the fund assets is materially changed after the date when our Single ELIs are offered. Such changes will impact on the performance of the fund assets and on the Linked Stock. The applicable laws and regulations governing the funds may restrict the operations of the funds and restrict their ability to achieve the investment objectives. In such case, we (as the Calculation Agent), may decide, in our sole and absolute discretion acting in good faith and in a commercially reasonable manner, to early terminate our Single ELIs in accordance with Condition 9(c). The Early Termination Amount that you will receive may be less, or substantially less, than the Purchase Price.

You should read the offering documents of the fund comprising the Linked Stock for further information.

- **Risk factors specific to Single ELIs linked to a unit of an ETF**

Where the Linked Stock is a unit in a fund which is an ETF, you should note that an ETF is exposed to the political, economic, currency and other risks related to the underlying asset pool 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 asset pool 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 underlying asset pool or index that the ETF is designed to track is subject to restricted access, the efficiency in the unit creation or redemption to keep the market price of the ETF in line with its net asset value may be disrupted, causing the ETF to trade at a higher premium or discount to its net asset value. Such risks may have a negative impact on the performance of the ETF and may adversely affect the market value of our Single ELIs and/or the potential gain or loss of our Single ELIs.

If an ETF adopts a synthetic replication investment strategy to achieve its investment objectives by investing in financial derivative instruments linked to the performance of an underlying asset pool or index that the ETF is designed to track, you should also note that:

- (a) investments in financial derivative instruments will expose the ETF to the credit, potential contagion and concentration risks of the counterparties who issued such financial derivative instruments. If the ETF has collateral to reduce the counterparty risk, there may still be a risk that the market value of the collateral has fallen substantially when the ETF seeks to realise the collateral; and
- (b) the ETF may be exposed to higher liquidity risk if the ETF invests in financial derivative instruments which do not have an active secondary market.

- **Risk factors specific to Single ELIs linked to a unit of a REIT**

Where the Linked Stock is a unit in a fund which is a REIT, you should note that the investment objective of a REIT 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 relative illiquidity of real estate investment; (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 (a) the market value and perceived prospects of the real estate portfolio; (b) changes in economic or market conditions; (c) changes in market valuations of similar companies; (d) changes in interest rates; (e) the perceived attractiveness of the units of the REIT against those of other equity securities; (f) the future size and liquidity of the market for the units and the real estate investment trust market generally; (g) any future changes to the regulatory system, including the tax system; and (h) 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 Linked Stock and therefore the potential gain or loss of our Single ELIs. In addition, increase in the market price of units of the REIT or its real estate portfolio may not lead to an increase in the market value of our Single ELIs of the same magnitude or even any increase at all.

Risks relating to certain disruption events

- **Impact of a Disrupted Day**

If a Disrupted Day occurs or exists in respect of the Linked Stock of our Single ELIs, such that the Closing Price of that Linked Stock is not available, on:

- (a) in the case where the Periodic Autocall Feature applies, any Autocall Determination Date for the purpose of determining if the Periodic Autocall Feature is triggered;
- (b) in the case where a Fixed Distribution Rate applies to an Observation Period, the Distribution Barrier Determination Date for the purpose of determining whether the Potential Distribution Amount is payable in respect of such Observation Period;
- (c) in the case where the Knock-in Feature applies, the Knock-in Determination Date which is the Valuation Date; or
- (d) the Valuation Date,

as the case may be, and on which we need to record the Closing Price of that Linked Stock, then our recording of the Closing Price may be postponed up to the eighth scheduled trading day after the original scheduled date. We will notify your distributor of the postponement as soon as practicable and in any event no later than 1 Business Day after such postponement. If it continues to be a Disrupted Day after such eighth scheduled trading day, we (as the Calculation Agent) will act in good faith and in a commercially reasonable manner to determine the Closing Price on the basis of our estimate of the fair price of the Linked Stock that would have prevailed on that eighth scheduled trading day by reference to, without limitation, the last reported price of the Linked Stock and prevailing market conditions. Our determination may have an unforeseen adverse impact on your potential gain or loss on the relevant Single ELI.

Any such postponement will result in the corresponding postponement of the Distribution Payment Date and/or the Autocall Settlement Date or the Settlement Date (as the case may be). We will not be liable for any interest in respect of the amount due or any loss or damage that you may suffer as a result of such postponement as a result of a Disrupted Day.

If a Disrupted Day occurs or exists in respect of the Linked Stock of a Single ELI, such that the Closing Price of that Linked Stock is not available, on:

- (a) in the case where Daily Autocall Feature applies, any Autocall Determination Date;
- (b) in the case where a Variable Distribution Rate applies to such Observation Period, any Scheduled Trading Day during an Observation Period for the purpose of determining the Potential Distribution Amount payable in respect of such Observation Period; or
- (c) in the case where the Knock-in Feature applies, any Knock-in Determination Date (except for the Valuation Date),

as the case may be, then (i) that Autocall Determination Date will be excluded for the purpose of determining whether the Daily Autocall Feature is triggered, (ii) that Scheduled

Trading Day during such Observation Period will be excluded for the purpose of determining the "Total Days" and whether such date is a "Days In" (for the avoidance of doubt, no Potential Distribution Amount will be payable if the "Days In" is zero, irrespective of the number of "Total Days"), and (iii) that Knock-in Determination Date will be excluded for the purpose of determining whether the Knock-in Feature is triggered.

If the Initial Price is set as the Closing Price of the Linked Stock on the Trade Date and the Initial Price cannot be recorded on the Trade Date as a result of it being a Disrupted Day, your purchase order for the Single ELI will be cancelled. Please refer to page 83 of this Product Booklet under "Trade Date" for further details.

- **Delay in settlement**

Upon the occurrence of a Settlement Disruption Event as provided in Condition 4(g) on the scheduled Settlement Date, the delivery of the Stock Amount to the designated securities account(s) will be postponed to the first succeeding date on which delivery of the Stock Amount can take place through the Clearance System. If a Settlement Disruption Event prevents settlement on each of the eight Clearance System Business Days immediately following the scheduled Settlement Date, then the delivery of the Stock Amount will be postponed until it can be effected through the relevant Clearance System or in any other commercially reasonable manner (as determined by us (as the Calculation Agent) in our sole and absolute discretion acting in good faith and in a commercially reasonable manner). There is no assurance of the duration of such delay in delivery of the Stock Amount. We will not pay any interest or other amount as a result of such delay. Any movement in the market price of the Linked Stock during the deferred period could adversely affect the market value of the Stock Amount delivered to you on the deferred Settlement Date. We will notify your distributor about the delay in settlement in accordance with Condition 4(g).

Risks relating to us as the Issuer

- **When you invest in our Single ELIs, you will be relying on the creditworthiness of BOCHK**

When investing in our Single ELIs, you will be relying upon the creditworthiness of Bank of China (Hong Kong) Limited. Our Single ELIs represent our general, unsecured and unsubordinated contractual obligations and are not secured on any assets. If we become insolvent or default on our obligations under our Single ELIs, you will have to rely on your distributor (by itself or through its direct or indirect custodian) to take action on your behalf to claim as our unsecured creditor regardless of the performance of the Linked Stock. **In the worst case scenario, you may lose all of your investment.**

BOCHK is not the ultimate holding company of the group to which we belong and with which our name is identified. The ultimate holding company of our group is Bank of China Limited which does not guarantee the performance of our obligations under our Single ELIs.

- **Risk relating to hedging activities**

We (as the Issuer) and/or our respective affiliates may enter into hedging transactions with counterparties in the market to enable us to fulfil our obligations under a Single ELI. These transactions typically involve contracts for the purchase and/or sale of the Linked Stock and the establishment of long and/or short positions in the Linked Stock which may be constantly adjusted. The unwinding or adjustment of the positions in the Linked Stock shortly before the time at which the Closing Price of the Linked Stock is recorded may affect the Closing Price of the Linked Stock recorded on dates such as a Scheduled Trading Day during an Observation Period, a Knock-in Determination Date (if applicable), the Valuation Date and an Autocall Determination Date (if applicable), particularly if there is otherwise low trading volume in the Linked Stock at that time.

It is possible that this activity could:

- (a) where a Fixed Distribution Rate applies to an Observation Period, push the Closing Price of the Linked Stock down to a level below the Distribution Barrier Price on the Distribution Barrier Determination Date, resulting in the Potential Distribution Amount not being payable in respect of that Observation Period;
- (b) where a Variable Distribution Rate applies to an Observation Period, push the Closing Price of the Linked Stock down to a level below the Distribution Barrier Price on a Scheduled Trading Day during that Observation Period, resulting in the Potential Distribution Amount not being accrued in respect of that Scheduled Trading Day;
- (c) where the Autocall Feature is applicable, either push the Closing Price of the Linked Stock (i) down to a level below the Autocall Price on an Autocall Determination Date, resulting in the non-trigger of the Autocall Feature; or (ii) up to a level above the Autocall Price on an Autocall Determination Date, resulting in the trigger of the Autocall Feature and our Single ELIs will be early terminated upon the trigger of the Autocall Feature. In case (ii) above, you will not receive any further Potential Distribution Amount following such early termination and may bear re-investment risk since the prevailing market conditions may have changed and may hinder you from making any further investment under similar investment terms; and/or
- (d) where the Knock-in Feature is applicable, push the Closing Price of the Linked Stock down to a level below the Knock-in Price on a Knock-in Determination Date which leads to the trigger of the Knock-in Feature, and push the Closing Price of the Linked Stock down to a level below the Put Strike Price on the Valuation Date, resulting in the physical delivery of the Stock Amount with a market value less than or substantially less than the Purchase Price. In this case, you may lose all, or a substantial part, of your investment.

If the hedging counterparties default or fail to fulfill their obligations under the hedging transactions but such default or failure does not constitute a Hedging Disruption as defined in Condition 19, we (as the Issuer) will bear all the risks involved and we (as the Issuer) will keep the same terms and payout structure pursuant to the Single ELIs.

- **Conflicts of interest**

We, BOCHK, are the Issuer and the Product Arranger of our Single ELIs and also the market agent, the Principal Paying Agent, the Calculation Agent and a distributor for our Single ELIs. Potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with our Single ELIs. Although our economic interests in each role may have an adverse implication on your investment in our Single ELIs, we maintain regulatorily required information barriers between different business areas and have policies and procedure designed to minimise and manage such conflicts of interests to comply with applicable laws and regulations, and to ensure those transactions or dealings will be transacted at arms' length.

WHAT ARE THE KEY TERMS OF OUR SINGLE ELIs?

The terms and conditions applicable to a series of Single ELI are constituted by the general terms and conditions of the Single ELIs set out in Appendix 1 to this Product Booklet (“**General Terms and Conditions**”), as amended, varied or supplemented by the final term sheet attached to or endorsed upon the relevant Global Certificate.

The following table summarises the meaning of the key terms of our Single ELIs. Please note that we are issuing our Single ELIs in series under our Programme and the following terms should be read as applying to each series separately.

Subscription

Offer Period

This is the period during which you may purchase our Single ELI of a particular series. We may at our sole discretion without prior notice shorten or extend the Offer Period or decide not to issue any Single ELIs at any time. We may at our sole and absolute discretion change the Offer Period and reschedule the Trade Date, Issue Date, Distribution Payment Dates(s), Period Start Date(s), Period End Date(s), Autocall Determination Date(s) (if applicable), Distribution Barrier Determination Date(s) (if applicable), Valuation Date and the Settlement Date. In the event of any change in the Offer Period, we will issue a revised indicative term sheet reflecting the rescheduled dates for your information through your distributor. In such case you will be able to cancel your purchase order within a specified period of time as notified to you by your distributor. Neither we nor your distributor will charge you any fees for such cancellation.

Nominal Unit and Nominal Unit Value

Each series of Single ELI, ie a Single ELI, is issued in units called “**Nominal Units**”.

Each Nominal Unit of a Single ELI represents a specified nominal value called the “**Nominal Unit Value**” as specified in the relevant Term Sheet. This is equivalent to the face value of a Nominal Unit of the Single ELI.

The relevant Term Sheet will specify the minimum amount of Nominal Unit Value (expressed in a cash amount in the Settlement Currency) that you must apply for under a particular series of Single ELI (“**Minimum Application Amount**”).

Purchase Price

This is the price you have to pay for purchasing each Nominal Unit of a Single ELI. It may be set either as equal to or at a discount to the Nominal Unit Value of the Single ELIs.

The Purchase Price for each Nominal Unit is specified as a percentage of the Nominal Unit Value of the Single ELIs (rounded up to the nearest 2 decimal places, with 0.005 or above being rounded upwards) in the relevant Term Sheet.

The Purchase Price is determined by us for each series of Single ELI based on a number of factors, including but not limited to:

- the choice of the Linked Stock;
- the price volatility of the Linked Stock;
- the length of the Investment Period (i.e. the period between the scheduled Trade Date and the scheduled Valuation Date (both days inclusive));
- the length of the Scheduled Tenor (i.e. the period between the Issue Date and the scheduled Settlement Date (both days inclusive));
- the prevailing market interest rate;
- the expected dividends (if any) of the Linked Stock;
- the Put Strike Price;
- the Distribution Barrier Price(s);
- the Autocall Price (if applicable);
- the frequency of Autocall Determination Dates (if applicable);
- the Knock-in Price (if applicable);
- the Distribution Rate;
- the commission we offer to the distributors and other transaction costs (including our cost of hedging); and

- the market value of the embedded conditional put option (where Autocall Feature and/or Knock-in Feature applies) or put option (where Autocall Feature and Knock-in Feature do not apply).

Subject to the operating procedures of your distributor, you may need to pay the Purchase Price to your distributor at the time of your application for a Single ELI. Please ask your distributor for details.

Trade Date

This is the date on which all terms applicable to our Single ELIs are finalised and we will specify the Trade Date (which will be the last day of the Offer Period) in the relevant Term Sheet.

We will record the Initial Price of the Linked Stock on the Trade Date.

We will send a notification letter setting out the finalised trade specific terms to you through your distributor no later than 2 Business Days after the Trade Date.

If the Initial Price is set as the Closing Price of the Linked Stock on the Trade Date and the Initial Price cannot be recorded on the Trade Date as a result of it being a Disrupted Day, your purchase order for the Single ELI will be cancelled. The Purchase Price will not be deducted from the designated cash account that you hold with your distributor on the Issue Date and we and your distributor will not charge you any fees for such cancellation. However, if the Initial Price has been agreed between the Issuer and you (through the distributor) at the time of your application on the Trade Date, your purchase order for the Single ELI will not be cancelled despite the Trade Date being a Disrupted Day and will be executed at such agreed price.

Disrupted Day

This is a Scheduled Trading Day on which the Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event (such as Trading Disruption, Exchange Disruption or Early Closure) has occurred.

Issue Date

This is the date as specified in the relevant Term Sheet on which we issue the series of Single ELI.

The Issue Date will be set as a number of Business Days, being 3 to 10 Business Days after the Trade Date as specified in the relevant Term Sheet.

Settlement Currency

This is the currency in which our Single ELIs are denominated. You will pay the Purchase Price and receive any cash payment under a Single ELI in the Settlement Currency.

If the Settlement Currency of a Single ELI is not HKD, we will convert the Settlement Currency into HKD when making calculations of the Stock Amount and convert the cash payment for the Fractional Stock (if any) into the Settlement Currency at the Exchange Rate as set out in the relevant Term Sheet.

Exchange Rate (only applicable where the Settlement Currency is not HKD)

It is the exchange rate (expressed as the amount of HKD per 1 unit of the Settlement Currency) which appears as the mid-market rate on the specified Reuters or Bloomberg screen page at the scheduled weekday closing time of the Exchange (without regard to after hours or any other trading outside of the regular trading session hours of the Exchange) on the Valuation Date, or if the relevant page or the relevant rate is not displayed at such time on such date, such exchange rate as determined by the Calculation Agent in its sole discretion (acting in good faith and a commercially reasonable manner) on the Valuation Date.

The relevant Term Sheet will specify if the Exchange Rate is applicable and if so, what it is, for a particular series of Single ELI.

Linked Stock

Potential gain or loss on a Single ELI is linked to the performance of the Linked Stock. The Linked Stock will be shares of a company or units of a fund (being an exchange traded fund or a real estate investment trust) listed on the Exchange and quoted in HKD. The relevant Term Sheet will specify such Linked Stock. Not all Hong Kong listed stocks can be used as the Linked Stock for our Single ELIs. Please contact your distributor for details.

Exchange

This is The Stock Exchange of Hong Kong Limited, being the exchange on which the Linked Stock is listed.

Closing Price

In respect of the Linked Stock on a particular Scheduled Trading Day, its official closing price quoted by the Exchange as at the Valuation Time (being the scheduled weekday closing time of the Exchange (without regard to after hours or any other trading outside of the regular trading session hours of the Exchange) or, if the Exchange closes earlier, such actual closing time of the Exchange) on that day.

Initial Price

This is either (i) the Closing Price of the Linked Stock on the Trade Date; or (ii) a specific price of the Linked Stock as agreed between the Issuer and you (through the distributor) at the time of your application on the Trade Date and your purchase order will be executed at such agreed price.

The various benchmark prices which may affect your potential gain or loss under a Single ELI will each be set as a fixed percentage of the Initial Price.

Investment Period

This is the period between the date on which all the terms of the Single ELIs you wish to purchase are finalised and the date on which the settlement at expiry is scheduled to be determined, i.e. the period from the scheduled Trade Date to the scheduled Valuation Date (both days inclusive).

You should note that there is a time gap of 3 to 10 Business Days between the Trade Date and the Issue Date. You will be exposed to the risks associated with our Single ELIs starting from the Trade Date.

You should note that although all the terms of our Single ELIs are finalised on the Trade Date, our Single ELIs will only be issued on the Issue Date. In addition, although the mode of settlement at expiry will be determined on the Valuation Date, the payment of the Cash Amount or delivery of the Stock Amount and the cash payment of the Fractional Stock (if any) to you will only be made on the Settlement Date, being a date falling no later than 3 Business Days (in the case of any payment of in cash) or 3 Clearance System Business Days (in the case of delivery of the Stock Amount) after the Valuation Date.

Scheduled Tenor

This is the period commencing from the Issue Date to the scheduled Settlement Date (both days inclusive).

**During the Investment
Period:**

In respect of each Observation Period

Observation Period

This is a period in respect of which a Potential Distribution Amount (if any) may be payable. An Observation Period commences from but excluding the relevant Period Start Date to and including the relevant Period End Date, as specified in the relevant Term Sheet. For the avoidance of doubt, the Period Start Date and the Period End Date will not be subject to any postponement in case of a Disrupted Day.

Distribution Payment Date

A Distribution Payment Date is the date on which a Potential Distribution Amount may be paid.

The Distribution Payment Date will be a date falling no later than 3 Business Days after the Period End Date of the relevant Observation Period as specified in the relevant Term Sheet, provided that (a) where a Fixed Distribution Rate applies and the determination of the Closing Price on the Period End Date of the relevant Observation Period (i.e. the Distribution Barrier Determination Date) is postponed as a result of a Disrupted Day, the Distribution Payment Date for such Observation Period shall be no later than 3 Business Days after the day on which such Closing Price is determined; (b) where the Autocall Feature applies and is triggered or is deemed to have been triggered during such Observation Period, the Distribution Payment Date for such Observation Period shall be the Autocall Settlement Date; and (c) the Distribution Payment Date in relation to the last Observation Period shall be the Settlement Date.

Potential Distribution Amount

You may receive a Potential Distribution Amount on a per Nominal Unit basis on the relevant Distribution Payment Date for an Observation Period.

Whether a Potential Distribution Amount is payable and the amount of the Potential Distribution Amount payable in respect of an Observation Period are subject to the performance of the Linked Stock by reference to its Distribution Barrier Price.

The amount of Potential Distribution Amount (if any) payable in respect of an Observation Period is calculated by reference to the applicable Distribution Rate in accordance with the following formula (rounded up to the nearest 2 decimal places, with 0.005 or above being rounded upwards):

Nominal Unit Value x the applicable Distribution Rate

You should note that it is possible that you will not receive any Potential Distribution Amount throughout the entire Scheduled Tenor of our Single ELIs.

Distribution Rate

The Distribution Rate may be a fixed percentage or a variable percentage as specified in the relevant Term Sheet.

(a) Fixed Distribution Rate

The relevant Term Sheet will specify the Observation Period(s) to which the Fixed Distribution Rate is applicable. The Potential Distribution Amount will be a fixed amount. You will only receive the Potential Distribution Amount for the relevant Observation Period if the Closing Price of the Linked Stock is at or above its Distribution Barrier Price on the Distribution Barrier Determination Date (being the Period End Date of such Observation Period or, if such day is not a Scheduled Trading Day, the following Scheduled Trading Day), provided that if such day is a Disrupted Day, the determination of the relevant Closing Price will be subject to postponement.

Provided that if the Daily Autocall Feature is triggered during such Observation Period, the fixed Potential Distribution Amount for such Observation Period is payable regardless of the price performance of the Linked Stock and will be calculated on a pro-rata basis from but excluding the relevant Period Start Date to and including the Autocall Trigger Date, in accordance with the following formula:

$$\text{Nominal Unit Value} \times \text{the Fixed Distribution Rate} \times \frac{n}{N}$$

Where:

- “**n**” means the number of Scheduled Trading Day(s) (regardless of whether any such day is a Disrupted Day) from but excluding the relevant Period Start Date to and including the Autocall Trigger Date; and
- “**N**” means the number of Scheduled Trading Day(s) (regardless of whether any such day is a Disrupted Day) in the relevant Observation Period.

(b) Variable Distribution Rate

The Distribution Rate may be a variable percentage depending on the daily performance of the Linked Stock during the relevant Observation Period.

The relevant Term Sheet will specify the Observation Period(s) to which the Variable Distribution Rate is applicable and the formula to calculate the Variable Distribution Rate. The Variable Distribution Rate for each relevant Observation Period will be determined in accordance with the following formula:

$$\text{Reference Rate} \times \frac{\text{Days In}}{\text{Total Days}}$$

- **“Reference Rate”** means a fixed percentage applicable to an Observation Period as specified in the relevant Term Sheet. The Reference Rate is the same for all Observation Periods;
- **“Days In”** means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period (or, if the Daily Autocall Feature applies, where the Daily Autocall Feature is triggered, the period commencing from but excluding the relevant Period Start Date to and including the Autocall Trigger Date), on which the Closing Price of the Linked Stock is at or above its applicable Distribution Barrier Price; and
- **“Total Days”** means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period. If the Daily Autocall Feature applies and is triggered during such Observation Period, each Scheduled Trading Day from but excluding the Autocall Trigger Date to and including the relevant Period End Date for such Observation Period shall be deemed not to be a Disrupted Day.

Distribution Barrier Price

The Distribution Barrier Price in respect of an Observation Period will be specified as a fixed percentage of the Initial Price (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards) in the relevant Term Sheet. There may be a different Distribution Barrier Price for each Observation Period. The Distribution Barrier Price will normally be set at a price below the Initial Price.

It is the benchmark price used to determine whether the fixed Potential Distribution Amount in respect of an Observation Period is payable for our Single ELIs and whether a particular Scheduled Trading Day in an Observation Period is a “Days in” for the purpose of the calculation of the Variable Distribution Rate.

**During the Autocall Period
(if applicable):**

**Early termination of our Single ELIs if the Autocall
Feature is triggered**

Autocall Feature

There are two variations of the Autocall Feature: (i) Daily Autocall Feature and (ii) Periodic Autocall Feature. The relevant Term Sheet will specify which type of the Autocall Feature applies.

The Autocall Feature is triggered on an Autocall Determination Date (i.e. the Autocall Trigger Date) if the Closing Price of the Linked Stock on that Autocall Determination Date is at or above the Autocall Price.

If the Autocall Feature is triggered, the Single ELI will be terminated on the Autocall Trigger Date, following which you will receive the Autocall Cash Amount and the Potential Distribution Amount (if any) on the Autocall Settlement Date. We will have no further obligation to make any further payments or to procure the delivery of any Linked Stock pursuant to that Single ELI following such payment.

Autocall Price

The Autocall Price for the Linked Stock will be specified as a fixed percentage of the Initial Price (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards) in the relevant Term Sheet. The Autocall Price for each Autocall Determination Date will be the same.

It is the benchmark price used to determine if an Autocall Feature is triggered on an Autocall Determination Date.

Autocall Period

Where the Daily Autocall Feature applies to a series of Single ELI, the Autocall Period will be specified in the Term Sheet, which will be the period from and including a date specified in the relevant Term Sheet, which is on or after the Issue Date, to but excluding the Valuation Date.

Autocall Trigger Date

The Autocall Trigger Date is the Autocall Determination Date on which the Autocall Feature is triggered or (if Periodic Autocall Feature applies, where the determination of the Closing Price for the Autocall Determination Date is postponed as a result of a Disrupted Day) is deemed to have been triggered.

Autocall Determination Date

The Autocall Determination Dates will be specified in the relevant Term Sheet, provided that if any such day is not a Scheduled Trading Day in respect of the Linked Stock, such Autocall Determination Date will be postponed to the next Scheduled Trading Day.

An Autocall Determination Date could be set as any of the following:

- (a) where the Daily Autocall Feature applies to a series of Single ELI, each Scheduled Trading Day (excluding the Valuation Date) during the relevant Autocall Period as specified in the relevant Term Sheet; or
- (b) where the Periodic Autocall Feature applies to a series of Single ELI, each Period End Date (excluding the Valuation Date) during the period as specified in the relevant Term Sheet.

Where the Daily Autocall Feature applies to a series of Single ELI, all Disrupted Days will be excluded for the purpose of determining whether the Autocall Feature is triggered on that day.

Where the Periodic Autocall Feature applies to a series of Single ELI, an Autocall Determination Date may be postponed for up to eight Scheduled Trading Days as a result of a Disrupted Day as described in the General Terms and Conditions. We, as the Calculation Agent, will then determine, in our sole discretion acting in good faith and in a commercially reasonable manner, (i) the good faith estimate of the fair price of the Linked Stock (by reference to, without limitation, the last reported price of the Linked Stock and prevailing market conditions) as of the closing time of the Exchange on that eighth Scheduled Trading Day, notwithstanding that it is a Disrupted Day, and such fair price shall be deemed to be the Closing Price of the Linked Stock on such postponed day; and (ii) whether an Autocall Feature has been triggered in respect of such postponed Autocall Determination Date, provided that if the Periodic Autocall Feature is triggered following the postponed determination of the Closing Price of the Linked Stock, the Periodic Autocall Feature shall be deemed to have been triggered on the original Autocall Determination Date for the purpose of determining the relevant Potential Distribution Amount.

Autocall Cash Amount

We will pay the Autocall Cash Amount on a per Nominal Unit basis on the Autocall Settlement Date together with the Potential Distribution Amount (if any) upon the trigger of the Autocall Feature.

The Autocall Cash Amount per Nominal Unit is a cash amount equal to 100% of the Nominal Unit Value.

Autocall Settlement Date

This is the date on which we will pay the Autocall Cash Amount together with the Potential Distribution Amount for the relevant Observation Period (if any) to your distributor. It will be a date falling no later than 3 Business Days after the Autocall Trigger Date, or where the Periodic Autocall Feature applies and is deemed to be triggered on an Autocall Determination Date which is a Disrupted Day for the purpose of determining the Closing Price, no later than 3 Business Days after the day on which the Closing Price in respect of that Autocall Determination Date is determined.

On the Settlement Date:**Mode of settlement on the Settlement Date*****For Single ELIs where Knock-in Feature does not apply***

Settlement on the Settlement Date for Single ELIs where Knock-in Feature does not apply

If our Single ELI is not early terminated (in the case where the Autocall Feature applies to the Single ELI but is not triggered or otherwise in accordance with the General Terms and Conditions) and the Knock-in Feature does not apply, the mode of settlement at expiry of the Single ELI will be determined by reference to the Closing Price of the Linked Stock on the Valuation Date as follows:

- (a) if the Closing Price of the Linked Stock on the Valuation Date is at or above the Put Strike Price, you will receive the Cash Amount together with any Potential Distribution Amount for the last Observation Period on the Settlement Date; or
- (b) if the Closing Price of the Linked Stock on the Valuation Date is below the Put Strike Price, you will receive the Stock Amount together with cash payment of the Fractional Stock (if any) and payment of any Potential Distribution Amount for the last Observation Period on the Settlement Date (subject to payment of the Delivery Expenses).

For Single ELIs where Knock-in Feature applies

Settlement on the Settlement Date for Single ELIs where Knock-in Feature applies

If our Single ELI is not early terminated (in the case where the Autocall Feature applies to the Single ELI but is not triggered or otherwise in accordance with the General Terms and Conditions) and the Knock-in Feature applies, the mode of settlement at expiry of the Single ELI will be determined by reference to the Closing Price of the Linked Stock on each Knock-in Determination Date as well as the Valuation Date as follows:

- (a) (i) if the Knock-in Feature has not been triggered; or (ii) if the Knock-in Feature has been triggered but the Closing Price of the Linked Stock on the Valuation Date is at or above the Put Strike Price, you will receive the Cash Amount together with any Potential Distribution Amount for the last Observation Period on the Settlement Date; or

- (b) if the Knock-in Feature has been triggered and the Closing Price of the Linked Stock on the Valuation Date is below the Put Strike Price, you will receive the Stock Amount together with cash payment of the Fractional Stock (if any) and payment of any Potential Distribution Amount for the last Observation Period on the Settlement Date.

Knock-in Feature

The Knock-in Feature is triggered if the Closing Price of the Linked Stock on any Knock-in Determination Date is below its Knock-in Price.

Knock-in Determination Dates

Knock-in Determination Dates are each Scheduled Trading Day during the Investment Period, provided that (a) any Knock-in Determination Date (except for the Valuation Date) that is a Disrupted Day shall be excluded from the determination of the trigger of the Knock-in Feature, and (b) the Knock-in Determination Date that is the Valuation Date shall be subject to postponement in the case of a Disrupted Day as described in the General Terms and Conditions (see “Valuation Date” below).

Knock-in Price

The Knock-in Price applicable to the Linked Stock will be specified as a fixed percentage of the Initial Price (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards) in the relevant Term Sheet. The Knock-in Price for each Knock-in Determination Date will be the same. It will be set at a price lower than the Autocall Price (where the Autocall Feature applies) and the Put Strike Price. It is used to determine whether the Knock-in Feature is triggered.

For each of the 6 categories of Single ELIs, whether Knock-in Feature applies or not

Put Strike Price

The Put Strike Price for the Linked Stock will be specified as a fixed percentage of the Initial Price (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards) in the relevant Term Sheet. It will be set at a price lower than the Initial Price. It is the benchmark price used to determine the settlement of a Single ELI on the Settlement Date.

Valuation Date

If the Single ELI is not early terminated (in the case where the Autocall Feature applies to the Single ELI but is not triggered or otherwise in accordance with the General Terms and Conditions), this is a date on which the Closing Price of the Linked Stock is recorded and the mode of settlement of a Single ELI at expiry is determined.

The relevant Term Sheet will specify the scheduled Valuation Date. The Valuation Date is subject to postponement for up to 8 Scheduled Trading Days as a result of a Disrupted Day as described in the General Terms and Conditions.

Cash Amount

The Cash Amount per Nominal Unit is a cash amount equal to 100% of the Nominal Unit Value.

Stock Amount

The Stock Amount per Nominal Unit is a number of the Linked Stock calculated by reference to the Put Strike Price with the following formula (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards):

$$\text{Stock Amount per Nominal Unit} = \frac{\text{Nominal Unit Value (converted into the HKD at the Exchange Rate if the Settlement Currency is not HKD)}}{\text{Put Strike Price}}$$

provided that if the Stock Amount deliverable on the Settlement Date is not a whole number, you will receive the number of the Linked Stock comprising the Stock Amount per Nominal Unit rounded down to the nearest whole stock and cash payment of the Fractional Stock, calculated by reference to the Closing Price of the Linked Stock on the Valuation Date (rounded up to the nearest 2 decimal places, with 0.005 or above being rounded upwards).

The market value of the Stock Amount deliverable on the Settlement Date may be substantially less than the Purchase Price. When the Stock Amount is determined on the Valuation Date to be deliverable to you on the Settlement Date, you will be exposed to the fluctuation of the market price of the Linked Stock between the Valuation Date (on which your Stock Amount is determined) and the Settlement Date (on which you will receive your Stock Amount). You will be exposed to the market risk of holding the Stock Amount if you choose not to sell your holding once delivered to you. The maximum loss of your investment could be your entire investment amount.

Fractional Stock

If the Stock Amount consists of Fractional Stock, you will receive on the Settlement Date, a cash payment in the Settlement Currency calculated in accordance with the formula below (rounded up to the nearest 2 decimal places, with 0.005 or above being rounded upwards):

$$\begin{array}{l} \text{Cash payment} \\ \text{of Fractional} \\ \text{Stock for each} \\ \text{Nominal Unit} \end{array} = \frac{\begin{array}{l} \text{Closing Price of the Linked} \\ \text{Stock on the Valuation Date} \\ \text{(converted into Settlement} \\ \text{Currency at the Exchange Rate} \\ \text{if the Settlement Currency is not HKD)} \end{array}}{\begin{array}{l} \text{the number} \\ \text{of Fractional} \\ \text{Stock} \end{array}} \times \begin{array}{l} \text{the number} \\ \text{of Fractional} \\ \text{Stock} \end{array}$$

Settlement Date

This is the date which is no later than 3 Business Days (in case of any payment in cash) or 3 Clearance System Business Days (in case of delivery of the Stock Amount) after the Valuation Date on which you will receive (a) the Cash Amount or (b) the Stock Amount and cash payment of the Fractional Stock (if any), together with any Potential Distribution Amount for the last Observation Period, provided that in the case of delivery of the Stock Amount and the occurrence of a Settlement Disruption Event, such date will be postponed in accordance with Condition 4(g) of the General Terms and Conditions.

No interest will be payable if settlement occurs after the originally scheduled Settlement Date.

Business Day

A day other than a Saturday, Sunday, or public holiday, on which banks and foreign exchange market are open for business in Hong Kong and any other Additional Business Centre(s) as specified in the relevant Term Sheet.

Clearance System Business Day

Any day on which the Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions, where "Clearance System" means the Central Clearing and Settlement System of Hong Kong ("**CCASS**") or such other applicable clearance system (through which transfers of the number of the Linked Stock which form the Stock Amount are customarily settled as approved by the Issuer), or any successor to such clearance system.

Delivery Expenses

If the Stock Amount is deliverable, you will have to pay for all Delivery Expenses and any other charges payable in connection with the provision of custodial, transfer and clearing services.

Delivery Expenses are all out-of-pocket expenses relating to the transfer and receipt of the Linked Stock, including the buyer's stamp duty, transaction levies and registration charges. Please contact your distributor for further information.

For the avoidance of doubt, no expenses are payable by you upon any payment in cash.

Distributor's charges

Your distributor may charge fees for opening and maintaining the securities or investment account for the Single ELI, and may also charge handling fees for your request under the market making arrangement or post-sale cooling-off arrangement. Please contact your distributor for further information.

Dates for payment, deliveries or determination of the Closing Price

Unless otherwise specified in the relevant Term Sheet, (i) scheduled dates for payment of any cash (such as the Distribution Payment Date) must be a Business Day; and (ii) scheduled dates for delivery of the Stock Amount must be a Clearance System Business Day. We will not pay any interest or amount for the delay in the payment of cash or delivery of the Stock Amount in the event that the scheduled date for payment or delivery is not a Business Day or a Clearance System Business Day respectively.

Scheduled dates for determining the Closing Price of a Linked Stock must be a Scheduled Trading Day (i.e. a day on which the Exchange is scheduled to be open for its regular trading sessions) that is not a Disrupted Day. Please see the General Terms and Conditions for the detailed meanings of these terms and for details about the situations where we will determine, in our sole discretion acting in good faith and in a commercially reasonable manner, the Closing Price of the Linked Stock on the basis of our good faith determination of the fair price of such Linked Stock (by reference to, without limitation, the last reported price of the Linked Stock and the prevailing market conditions).

MORE INFORMATION ABOUT DELIVERY OF THE STOCK AMOUNT

When will the Stock Amount be delivered?

- You will receive the Stock Amount on the Settlement Date (subject to payment of all the Delivery Expenses and any other charges levied by the distributor in connection with the provision of custodial, transfer and clearing services) if the Closing Price of the Linked Stock on the Valuation Date is less than its Put Strike Price and where the Knock-in Feature applies, the Knock-in Feature has been triggered.
- If it is determined on the Valuation Date that a number of the Linked Stock comprising the Stock Amount is deliverable to you on the Settlement Date, we (as the Issuer) will arrange for the relevant number of the Linked Stock comprising the Stock Amount to be delivered through the Principal Paying Agent and/or the Paying Agent to the ELI Holder (being a nominee for Euroclear and/or Clearstream, Luxembourg), who will in turn instruct the relevant Clearance System (being CCASS or such other applicable clearance system (through which transfers of the number of the Linked Stock comprising the Stock Amount are customarily settled as approved by the Issuer), or any successor to such clearance system) to deliver the same to the accounts of the distributor(s) (or, where applicable, the accounts of its/their direct or indirect custodian(s)) by way of electronic settlement through the relevant Clearance System. Once we have done so, you will have to rely on:
 - (i) the Principal Paying Agent and/or the Paying Agent, the ELI Holder and the relevant Clearance System to deliver the relevant number of the Linked Stock comprising the Stock Amount to your distributor (or, where applicable, its direct or indirect custodian(s)); and
 - (ii) your distributor (or, where applicable, its direct or indirect custodian(s)) to deliver the relevant number of the Linked Stock comprising the Stock Amount to you.
- Scheduled date for the delivery of the Stock Amount must be a Clearance System Business Day.
- Upon the occurrence of a Settlement Disruption Event (being an event which we (the Issuer), in our sole and absolute discretion acting in good faith and in a commercially reasonable manner, determines to be beyond our control and to be an event as a result of which the Clearance System cannot clear the transfer of the Stock Amount) on the scheduled Settlement Date, the delivery of the Stock Amount to your designated account(s) will be postponed to the first succeeding date on which delivery of the Stock Amount can take place through the Clearance System unless a Settlement Disruption Event prevents settlement on each of the eight Clearance System Business Days immediately following the original date that, but for the Settlement Disruption Event, would have been the Settlement Date. In that case,
 - (i) if such Stock Amount can be delivered in any other commercially reasonable manner (as determined by the Calculation Agent in its sole and absolute discretion acting in good faith and in a commercially reasonable manner), then the Settlement Date will be that eighth Clearance System Business Day on which delivery of the Stock Amount can be effected through the use of such other commercially reasonable manner; and

- (ii) if such Stock Amount cannot be delivered in any other commercially reasonable manner (as determined by the Calculation Agent in its sole and absolute discretion acting in good faith and in a commercially reasonable manner), then the Settlement Date will be postponed until delivery can be effected through the Clearance System or in any other commercially reasonable manner.
- We will give notice to your distributor of any postponement of the Settlement Date no later than 1 Business Day after the originally scheduled Settlement Date following the occurrence of the Settlement Disruption Event. We will give further notice to your distributor on that eighth Clearance System Business Day following the originally scheduled Settlement Date regarding whether we are able to deliver the Stock Amount to you in any other commercially reasonable manner or whether the delivery of the Stock Amount will be postponed indefinitely until delivery through the Clearance System or in any other commercially reasonable manner is possible. You should note that the delay may persist for a prolonged period or indefinitely and we will not make any payment, whether of interest or otherwise, on such Single ELI as a result of any delay in the delivery of the Stock Amount.

You should refer to Condition 4(g) of the General Terms and Conditions for further details.

What if a fraction of a Linked Stock or odd lots of a Linked Stock is deliverable?

- The number of the Linked Stock deliverable will be calculated on a per Nominal Unit basis and may not be in multiples of that Linked Stock's trading board lot. We will calculate the Stock Amount on a per Nominal Unit basis. This means that if a greater number of the Linked Stock could be deliverable by calculating on an aggregated basis, we will still deliver the lower number of the Linked Stock calculated on a per Nominal Unit basis.
- If the number of the Linked Stock deliverable on the Settlement Date comprises any odd lots, you will receive such odd lots of the Linked Stock. You may not be able to sell odd lots of the Linked Stock, and even if you manage to sell such odd lots of the Linked Stock, they may be sold at a lower price per Linked Stock than the Linked Stock in board lot or multiples of board lot.
- If the Stock Amount comprises Fractional Stock, you will receive the cash payment of the Fractional Stock (rounded up to the nearest 2 decimal places, with 0.005 or above being rounded upwards) equal to the Closing Price of the Linked Stock on the Valuation Date multiplied by the number of the Fractional Stock and converted into the Settlement Currency at the Exchange Rate if the Settlement Currency is not HKD.

MORE INFORMATION ABOUT OUR SINGLE ELIs

What will be the Linked Stock for Single ELIs?

We currently intend to issue Single ELIs from time to time over a wide range of stocks (being shares of a company or units of a fund (being real estate investment trusts or exchange traded funds)) listed on the Exchange and quoted in Hong Kong dollars only. However, not all Hong Kong listed stocks can be used as the Linked Stock for Single ELIs. Please contact your distributor for more details.

Is there a post-sale cooling-off period for our Single ELIs?

Single ELIs with an Investment Period of one year or less

A post-sale cooling-off period does not apply to a Single ELI with an Investment Period of one year or less.

Single ELIs with an Investment Period of more than one year

A post-sale cooling-off period only applies to a Single ELI with an Investment Period of more than one year. You have the right to cancel or unwind your purchase order (as the case may be) (in whole but not in part) for your investment in the Single ELI by giving an irrevocable written instruction to your distributor within 5 Business Days after you place your purchase order (i.e. the post-sale cooling-off period). If you choose to do so, you will need to submit your instruction to your distributor between **11:00 am and 2:30 pm** on any Business Day during the post-sale cooling-off period.

If you submit a written instruction to cancel your purchase order to your distributor before the Trade Date, the Purchase Price will not be deducted from your designated cash account that you hold with your distributor on the Issue Date and no market value adjustment will be deducted from your designated cash account.

If you submit a written instruction to unwind your purchase order to your distributor on or after the Trade Date, the Purchase Price will be deducted from your designated cash account that you hold with your distributor on the Issue Date and we will refund to you through your distributor a cash amount (equal to the full Purchase Price less any market value adjustment) on the third Business Day after the Issue Date. Please check with your distributor for further details.

The market value adjustment (if any) to the Purchase Price will be calculated by us (as the Calculation Agent) in our sole discretion, acting in good faith and in a commercially reasonable manner, based on many factors, including without limitation, the market price and the expected price volatility of the Linked Stock; the expected dividends on the Linked Stock (if any); the market interest rate movements; the time remaining to expiry of the Single ELI; our financial conditions and creditworthiness; the cost incurred by us in unwinding any related underlying hedging arrangements entered into in respect of the Single ELI; the market value of the relevant embedded conditional put option (where Autocall Feature and/or Knock-in Feature applies) or put option (where Autocall Feature and Knock-in Feature do not apply). **You should note that if you submit a written instruction to unwind your purchase order to your distributor**

on or after the Trade Date, the cash amount for each Nominal Unit that you will receive will be capped at and may be substantially less than the Purchase Price, and you will suffer a loss on your investment by unwinding your purchase order in this case.

Whether you submit a written instruction to cancel or unwind your purchase order during the post-sale cooling off period, your distributor's commission (if any) will not be charged by your distributor. You should note that your distributor may, however, charge you an administrative handling fee for cancelling or unwinding your purchase order during the post-sale cooling off period. Please check with your distributor for further details.

Is there any market making arrangement for our Single ELIs before expiry?

Single ELIs with an Investment Period of 6 months or less

In respect of Single ELIs with an Investment Period of 6 months or less, there is no market making arrangement.

Single ELIs with an Investment Period of more than 6 months

In respect of Single ELIs with an Investment Period of more than 6 months, we, as the market agent, will provide limited market making arrangement for our Single ELIs on every first, third and if applicable, fifth Fridays of each month during the period from the Business Day immediately after the Issue Date up to the fifth Business Day immediately before the scheduled Valuation Date, or if any such day is not a Scheduled Trading Day, such day will be postponed to the next Business Day on which the Exchange opens (each a "**Market Making Day**").

Indicative bid price

On each Market Making Day, we (as the market agent) will make available (via your distributor) indicative bid prices (on a per Nominal Unit basis) for our Single ELIs during normal business hours. Each indicative bid price will be determined by us (as the market agent) in our sole and absolute discretion (acting in good faith and in a commercially reasonable manner) taking into account certain factors including but not limited to:

- (i) the market price of the Linked Stock;
- (ii) the expected price volatility of the Linked Stock;
- (iii) the expected dividends on the Linked Stock (if any);
- (iv) market interest rates movement;
- (v) the time remaining to expiry of the Single ELI;
- (vi) any Potential Distribution Amount of the relevant Observation Period for the relevant Single ELI accrued up to and including the relevant Market Making Day;
- (vii) our financial conditions;

- (viii) our creditworthiness;
- (ix) the cost incurred by us in unwinding any related underlying hedging arrangements entered into in respect of the Single ELI; and
- (x) the market value of the relevant embedded conditional put option (where Autocall Feature and/or Knock-in Feature applies) or put option (where Autocall Feature and Knock-in Feature do not apply).

Each indicative bid price provided by us on a Market Making Day will be subject to intra-day changes to reflect the changes in the spot reference price of the Linked Stock during the relevant Market Making Day. **Each indicative bid price is provided for your reference only as it may not be the same as and could be either higher or lower than the firm bid price at which we are willing to buy back each of your Nominal Units in a Single ELI.**

Firm bid price

Following our provision of an indicative bid price on a Market Making Day, if you wish to sell your Nominal Units in a Single ELI on such Market Making Day, you must contact your distributor to request for a firm bid price between **11:00 am and 2:30 pm** on such Market Making Day. The amount of the Single ELI you may sell back to us must be equal to, or be a multiple of, one Nominal Unit.

Upon your request for a firm bid price, we, as the market agent, will determine the firm bid price (on a per Nominal Unit basis) (acting in good faith and in a commercially reasonable manner) at which we are willing to buy back each of your Nominal Units in a Single ELI based on the indicative bid price and depending on the prevailing market conditions at the time you request for the firm bid price, adjusted for any intra-day market changes. We will notify your distributor of such firm bid price and your distributor will in turn inform you. **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 your distributor.** Upon acceptance of the firm bid price by you within that specified period of time, we, as the market agent, will buy back your Nominal Units in a Single ELI at such firm bid price on such Market Making Day. **You should note that the firm bid price at which we are willing to buy back each of your Nominal Units in a Single ELI before its expiry may be less than, or substantially less than, the Purchase Price.**

If you choose to sell your Nominal Units in the Single ELI back to us on a Market Making Day, such Nominal Units in the Single ELI will be early terminated and we will deliver the sale proceeds of your Nominal Units in the Single ELI to you via your distributor no later than the third Business Day after the Market Making Day. Please check with your distributor for further details.

For the avoidance of doubt, the indicative bid price and firm bid price provided by us take into account any Potential Distribution Amount of the relevant Observation Period for the relevant Single ELI accrued up to and including the relevant Market Making Day. We will only pay you (through your distributor) a cash amount representing the executed firm bid price and will not make a separate payment of any such Potential Distribution Amount.

Fee may be charged by your distributor

Your distributor may also charge a fee for your sell back application under our market making arrangement. You should contact your distributor for further details.

Potential suspension of market making arrangement

You should note that we will not be able to provide market making arrangements on a Market Making Day if:

- there is a market disruption or suspension of trading of the Linked Stock, or
- if we (as the market agent) experience technical problems beyond our control affecting our ability to provide indicative bid prices or firm bid prices for our Single ELIs on such Market Making Day, including any power failure or breakdown of our computer system.

In such case, the Market Making Day will be postponed to the next Business Day which is also a Scheduled Trading Day on which we (as the market agent) are able to provide market making arrangements.

Where can you find more information about us and the Single ELIs?

Our Single ELIs are issued under the Programme. The Programme is described in our Information Memorandum dated 3 December 2012. Please read and understand the Offer Documents carefully before you decide whether to buy our Single ELIs. You can obtain printed copies and electronic copies (if available) of the Offer Documents and CD-Rom copies (if available) of the Information Memorandum, Product Booklet and Financial Disclosure Document (including any addendum to these documents) free of charge during the Offer Period of any particular series of our Single ELI from your distributor. Whether or not CD-Rom copies of the Information Memorandum, Product Booklet and Financial Disclosure Document (including any addendum to these documents) and electronic copies of the Offer Documents are available for a particular series of our Single ELI will be specified in the relevant Term Sheet.

During the Offer Period and the Investment Period of any particular series of our Single ELI, you can read copies of the documents about our Single ELIs as specified in the section headed "Where can you read copies of our documentation?" on page 19 of our Information Memorandum free of charge by visiting our office during normal business hours (other than on Saturdays, Sundays or public holidays). A reasonable fee will be charged if you want to take photocopies of any of such documents whilst they are on display.

Who is responsible for the Offer Documents?

The Offer Documents include particulars given in compliance with the Code for the purpose of giving information with regard to BOCHK (as the Issuer and the Product Arranger), the Programme and our Single ELIs. We (as the Issuer and the Product Arranger) accept full responsibility for the contents of, and the completeness and the accuracy of the information contained in the Offer Documents and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there is no untrue or misleading statement, or other facts the omission of which would make any statement therein untrue or misleading. We also confirm that we (as the Issuer and the Product Arranger) meet the respective eligibility requirements under the Code and our Single ELIs comply with the Code.

Our Information Memorandum and our Financial Disclosure Document (taken together with, and as supplemented by, this Product Booklet) is accurate at the date of this Product Booklet. You must not assume that information in our Information Memorandum, our Financial Disclosure Document or this Product Booklet is accurate at any time after the date of this Product Booklet. The relevant Term Sheet will tell you if an addendum to our Information Memorandum, Financial Disclosure Document or this Product Booklet has been published.

None of the distributors who sell our Single ELIs is responsible in any way to ensure the accuracy of the Offer Documents.

What is the governing law of our Single ELIs?

Our Single ELIs are governed by Hong Kong law. The General Terms and Conditions provide that the courts of Hong Kong have non-exclusive jurisdiction to settle any disputes in connection with our Single ELIs. If you are in any doubt as to the application of Hong Kong law, you should consult your solicitor and other independent professional advisers.

References to “investors” and “you”

References in the Offer Documents to “investors” or to “you” are references to investors who have made an application for a Single ELI through a distributor, notwithstanding that the legal holder of our Single ELIs are the relevant nominee for Euroclear and/or Clearstream, Luxembourg.

The Offer Documents are not prospectuses

The Offer Documents do not constitute a prospectus under the Companies Ordinance (Cap. 32, Laws of Hong Kong). We have not and do not intend to lodge or register the Offer Documents under the securities laws of any jurisdiction outside Hong Kong. Investors in those jurisdictions are required to inform themselves of, and observe, any applicable restrictions in making applications for any Single ELI.

On-going disclosure by BOCHK

We, as the Issuer and the Product Arranger, will keep the SFC and the distributors informed as soon as reasonably practicable if (a) we (as the Issuer) cease to meet any applicable eligibility requirements in the Code; (b) we (as the Product Arranger) cease to meet any applicable eligibility requirements in the Code; and (c) to the extent permitted by any applicable law, there are any changes in our financial condition or other circumstances which could reasonably be expected to have a material adverse effect on our ability (as the Issuer) to fulfil our commitment in connection with our Single ELIs. Your distributor will in turn inform you. Please contact your distributor for further details.

Who may consider investing in our Single ELIs?

You may consider investing in our Single ELIs if you:

- have experience in investing in unlisted structured investment products embedded with derivatives and are looking for more tailored ways of investing in accordance with your market views;

- accept that our Single ELIs are non-principal protected structured investment products;
- understand that our Single ELIs are not equivalent to time deposits or direct investments in the Linked Stock;
- take a neutral to mildly positive outlook on the market price of the Linked Stock;
- would like to earn potentially higher returns than conventional time deposits and are prepared to take a higher level of risk for a part of your investment portfolio;
- understand that our Single ELIs are designed to be held until expiry and we will only provide limited market making arrangement for our Single ELIs with an Investment Period of more than 6 months; and
- understand that you may receive the Stock Amount (the market value of which may be substantially less than the Purchase Price and you may lose all of your investment).

APPENDIX 1 – GENERAL TERMS AND CONDITIONS OF SINGLE ELIs

*The following is the text of the general terms and conditions (the “**General Terms and Conditions**”) applicable to the Single ELI. The relevant Term Sheet (as defined below) in relation to the issue of any series of Single ELI may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with these General Terms and Conditions, amend, vary or supplement these General Terms and Conditions for the purpose of such series of Single ELI. These General Terms and Conditions, together with the relevant Term Sheet for a series of Single ELI, will be endorsed upon, or attached to, the Global Certificate (as defined below) and each definitive Single ELI of a series of Single ELI (if applicable). Capitalised terms used in these General Terms and Conditions and not otherwise defined herein shall have the meaning given to them in the relevant Term Sheet.*

The Single ELIs (in global and definitive form) and related terms and conditions will be issued in the English language, which shall prevail over any Chinese language version in the event of conflict or discrepancy.

The SFC takes no responsibility as to the contents of the General Terms and Conditions. The SFC’s authorisation of this Product Booklet does not imply SFC’s endorsement of the General Terms and Conditions.

1 Single ELI Form, Status, Transfer and Title

(a) Form and Title

The Single ELIs are issued in registered form and, in the case of definitive Single ELIs, serially numbered. Each Series of Single ELI is subject to and with the benefit of a global certificate (the “**Global Certificate**”) made by the Issuer and the Agency Agreement. The ELI Holders (as defined below) are entitled to the benefit of the Deed of Covenant (the “**Deed of Covenant**”) dated 17 January 2008 and made by the Issuer under the terms of which accountholders in Euroclear and/or Clearstream are given direct enforceable rights against the Issuer under the Single ELIs. The original of the Deed of Covenant is held by the Principal Paying Agent.

Single ELIs in definitive form will only be issued in exchange for a Global Certificate in whole but not in part if both Euroclear and Clearstream are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or do so cease business and, in any such case, no successor clearing system is available. In the event of any such exchange, references in these General Terms and Conditions to the Global Certificate shall be deemed to be, as appropriate, references to such definitive certificates.

The applicable Term Sheet for a Series of Single ELI is endorsed upon, or attached to, the Global Certificate and amends, varies or supplements these General Terms and Conditions and may specify other terms and conditions which shall amend, vary and supplement these General Terms and Conditions for the purpose of a Single ELI. References herein to the “relevant Term Sheet” are to the Term Sheet or Term Sheets (in the case of any further Nominal Units of a Single ELI issued pursuant to Condition 13) attached to the Global Certificate.

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 relevant Term Sheet, the Deed of Covenant and the Agency Agreement.

(b) Status

The obligation of the Issuer under a Series of Single ELI is neither a deposit liability of the Issuer nor a debt of any kind. It is a general, unsecured and unsubordinated contractual obligation of the Issuer which will rank equally with all other present and future general, unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law.

(c) Transfers

The Single 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. Transfers of beneficial interests in a Single ELI will be effected only in an amount equal to the Nominal Unit Value or integral multiples thereof in accordance with the rules and procedures of the time being of either Euroclear and/or Clearstream.

(d) Title

Each person who is for the time being shown in the records of Euroclear and/or Clearstream as the holder of a particular number of Nominal Units of a Series of Single ELI shall be treated by the Issuer and the Agents as the absolute owner and holder of such number of Nominal Units of such Series of Single ELI. The expression "**ELI Holders**" shall be construed accordingly.

2 Single ELI rights and expenses

(a) Single ELI rights

Each Nominal Unit of a Single ELI gives each ELI Holder, upon compliance with Condition 4 or 7, the right to receive the Autocall Cash Amount on the Autocall Settlement Date (if applicable), or as the case may be, the Cash Amount or the Stock Amount and cash payment of the Fractional Stock (if any) (as the case may be) on the Settlement Date.

In respect of an Observation Period where a Potential Distribution Amount is payable, the Issuer will pay each of the ELI Holders the Potential Distribution Amount in accordance with Condition 6.

(b) *Expenses*

In the case where the Issuer has to procure the delivery of the Stock Amount on the Settlement Date pursuant to Condition 4, the following provision will apply:

ELI Holders entitled to delivery of the Stock Amount will be required to pay to the Issuer a sum, as determined by the Issuer, equal to the Delivery Expenses provided that the ELI Holders shall not be liable for the transferor's share of any stamp duty. An amount equivalent to the Delivery Expenses must be paid by the ELI Holders in accordance with Condition 4.

3 No rights in respect of Linked Stock

Subject to Condition 4,

- (a) the ELI Holders have no rights in respect of the Linked Stock;
- (b) in the event the Issuer and/or any of its affiliates should hold any Linked Stock during the Investment Period, all such Linked Stock will be held solely for the account of the Issuer and/or its affiliates as appropriate but in no circumstances whatsoever will any Linked Stock be allocated or deemed allocated by the Issuer for the benefit of any Single ELI or for the fulfilment by the Issuer (as the case may be) of any of its obligations under these General Terms and Conditions and/or for the benefit of any ELI Holders;
- (c) the Issuer will have no obligations to any ELI Holders whatsoever, in relation to any Linked Stock held by the Issuer during the Investment Period; and
- (d) neither the Issuer nor its agent or nominee shall be under any obligation to deliver to such ELI Holders any letter, certificate, notice, circular, dividend or any other document or payment whatsoever received by the Issuer or its agent or nominee in its capacity as a holder of such Linked Stock.

4 Settlement of Single ELIs

- (a) Single ELIs may only be terminated in an amount equal to the Nominal Unit Value or integral multiples thereof.
- (b) *No requirement to deliver any notice*

The ELI Holders will not be required to deliver any notice for any purpose in relation to the expiry or settlement of Single ELIs.

- (c) *Cancellation*

The Issuer will procure that the Registrar will, with effect from the Business Day following the Settlement Date or the Autocall Settlement Date (if applicable) or such date as the Series of Single ELI has been early terminated pursuant to Conditions 9(b)

or 9(c) (as the case may be), remove from its Register the names of the ELI Holders in respect of the Series of Single ELI which has expired or has been terminated in accordance with these General Terms and Conditions and thereby cancel such Series of Single ELI.

(d) Settlement at expiry

In respect of a Single ELI, if there is no trigger of an Autocall Feature under Condition 7 (where Autocall Feature is applicable) or early termination under these General Terms and Conditions, the Single ELI will automatically expire on the Valuation Date (without notice being given to the ELI Holders), and:

- (i) where the Knock-in Feature is not applicable, if the Closing Price of the Linked Stock on the Valuation Date is at or above its Put Strike Price; or where the Knock-in Feature is applicable, (x) if the Knock-in Feature has not been triggered or (y) if the Knock-in Feature has been triggered but the Closing Price of the Linked Stock on the Valuation Date is at or above its Put Strike Price, the Issuer shall pay to each of the ELI Holders the applicable Cash Amount in accordance with this Condition 4 on the Settlement Date; or
- (ii) where the Knock-in Feature is not applicable, if the Closing Price of the Linked Stock on the Valuation Date is below its Put Strike Price; or where the Knock-in Feature is applicable, the Knock-in Feature has been triggered and the Closing Price of the Linked Stock on the Valuation Date is below its Put Strike Price, the Issuer shall procure the delivery of the Stock Amount to each of the ELI Holders, provided that in respect of any Fractional Stock, the Issuer shall pay the cash payment of the Fractional Stock in accordance with Condition 5 on the Settlement Date.

For the avoidance of doubt, where the Single ELI has expired on the Valuation Date, subject as provided below in the case of a Settlement Disruption Event, payment of the Cash Amount or delivery of the Stock Amount and cash payment of the Fractional Stock (if any) (as the case may be) will be despatched to the ELI Holders on the Settlement Date, which shall constitute full and final settlement of the obligations of the Issuer with respect to the Single ELI. Subject to such payment or delivery, as the case may be, having been made, the Issuer shall have no further obligations in respect of the Single ELI.

(e) Cash Settlement

Payments of the Cash Amount (if any), the Autocall Cash Amount (if applicable), Early Termination Amount (if any) or cash payment for the Fractional Stock (if any) pursuant to these General Terms and Conditions (as the case may be) in respect of a Single ELI will be made by crediting that amount to the respective Designated Accounts of each of the ELI Holders.

(f) *Physical Settlement*

- (i) In the case where the Stock Amount is determined on the Valuation Date to be deliverable to the ELI Holders, the Issuer will procure the delivery of the relevant number of Linked Stock comprising the Stock Amount to each ELI Holder on the Settlement Date by way of electronic settlement through the Clearance System.
- (ii) In order to obtain delivery of the relevant Stock Amount, (x) all Delivery Expenses must be paid by the ELI Holders to the Issuer and (y) the ELI Holders must notify the Issuer of such details as are required by the Issuer for the delivery of the Stock Amount which may include account details and/or the name and address of any person(s) into whose name evidence of the Stock Amount is to be registered and/or any bank or agent to whom documents evidencing the Stock Amount are to be delivered.
- (iii) Subject as provided below in the case of a Settlement Disruption Event, the Issuer will procure:
 - (x) the delivery of the relevant Stock Amount using the method specified in this Condition 4(f) to the ELI Holders on the Settlement Date; and
 - (y) the despatch of any cash payment to which an ELI Holder is entitled, including the Fractional Stock pursuant to Condition 5 below and the Potential Distribution Amount pursuant to Condition 6 below, if any, on the Settlement Date.

(g) *Settlement Disruption Event*

If, prior to the delivery of the Stock Amount in accordance with this Condition 4, a Settlement Disruption Event occurs and is subsisting and which means that delivery of the Stock Amount will not be able to be effected on the originally scheduled Settlement Date, then the Settlement Date will be the first succeeding date on which delivery of the Stock Amount can take place through the Clearance System unless a Settlement Disruption Event prevents settlement on each of the eight Clearance System Business Days immediately following the original Settlement Date that, but for the Settlement Disruption Event, would have been the Settlement Date. In that case,

- (i) if such Stock Amount can be delivered in any other commercially reasonable manner (as determined by the Calculation Agent in its sole and absolute discretion acting in good faith and in a commercially reasonable manner), then the Settlement Date will be that eighth Clearance System Business Day on which delivery of the Stock Amount can be effected through the use of such other commercially reasonable manner (which other manner of delivery will be deemed the relevant Clearance System for the purposes of delivery of the relevant Stock Amount under Condition 4(f)), and
- (ii) if such Stock Amount cannot be delivered in any other commercially reasonable manner (as determined by the Calculation Agent in its sole and absolute discretion acting in good faith and in a commercially reasonable manner), then

the Settlement Date will be postponed until delivery can be effected through the Clearance System or in any other commercially reasonable manner.

The Issuer shall notify the ELI Holders of any such postponement in accordance with Condition 12 (x) no later than 1 Business Day after the originally scheduled Settlement Date following the occurrence of the Settlement Disruption Event and (y) on that eighth Clearance System Business Day following the originally scheduled Settlement Date regarding whether it will be able to deliver the Stock Amount to the ELI Holders in any other commercially reasonable manner or whether the delivery of the Stock Amount will be postponed indefinitely until delivery through the Clearance System or in any other commercially reasonable manner is possible. Such ELI Holders shall not be entitled to any payment, whether of interest or otherwise, on such Single ELI as a result of any delay in the delivery of the Stock Amount pursuant to this Condition 4(g). Where delivery of the Stock Amount has been postponed as provided in this Condition 4(g), the Issuer shall not be in breach of these General Terms and Conditions and no liability in respect thereof shall attach to the Issuer.

(h) Registration

The Issuer shall not be under any obligation to register or procure the registration of the ELI Holders or any other person as the registered holder in the register of members of the relevant Listed Entity.

(i) Intervening Period

- (i) In the case where the Issuer is to procure the delivery of the Stock Amount to an ELI Holder on the Settlement Date pursuant to Condition 4(f) and subject to sub-paragraph (ii) of this Condition 4(i) below, such ELI Holder shall become entitled to all those rights attaching to the Linked Stock to be delivered to him as from (and including) the Valuation Date. Such rights shall include the rights that he would have become entitled to if he had been registered as the holder of such Linked Stock on the Valuation Date.
- (ii) Notwithstanding sub-paragraph (i) of this Condition 4(i) above, during the Intervening Period, none of the Issuer, the Principal Paying Agent, nor any other person shall at any time:
 - (x) be under any obligation to deliver or procure the delivery to such ELI Holder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of the Linked Stock,
 - (y) be under any obligation to exercise or procure exercise of any or all rights attaching to the Linked Stock; or
 - (z) be under any liability to such ELI Holder in respect of any loss or damage which such ELI Holder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as a legal owner of the Linked Stock.

- (iii) Notwithstanding anything in this Condition 4(i), the Issuer shall:
- (x) notify such ELI Holder of the receipt by the Issuer or the Principal Paying Agent or their nominee during the Intervening Period of any dividend, distribution, bonus issue, shares or units issued pursuant to a subdivision or consolidation in respect of the Linked Stock; and
 - (y) make available such dividend or distribution payment or Linked Stock to such ELI Holder in a commercially reasonable manner upon production of such evidence of entitlement and identification as may reasonably be required by the Issuer.
- (iv) This Condition 4(i) shall not be construed so as to give rise to any relationship of agency, trust or fiduciary between (x) the Issuer, the Principal Paying Agent or their nominee and (y) any ELI Holder. None of the Issuer, the Principal Paying Agent or their nominee shall owe any duty of a fiduciary nature to any ELI Holder.

5 Fractional Stock

If the Stock Amount consists of Fractional Stock, the Issuer shall on the Settlement Date pay to each of the ELI Holders a cash amount in the Settlement Currency equal to the Closing Price of the Linked Stock on the Valuation Date multiplied by the number of Fractional Stock and converted into the Settlement Currency at the Exchange Rate (where the Settlement Currency is not HKD) (rounded up to the nearest 2 decimal places, with 0.005 or above being rounded upwards) by crediting such cash amount to the respective Designated Accounts of each of the ELI Holders.

6 Potential distributions

(a) Potential distribution for an Observation Period

In respect of an Observation Period, the Calculation Agent will calculate the Potential Distribution Amount for that Observation Period and the Issuer will pay the Potential Distribution Amount (if any) calculated in accordance with the following formula in accordance with Condition 6(c) on the immediately following Distribution Payment Date:

$$\text{Nominal Unit Value} \times \text{Distribution Rate}$$

(b) Fixed Distribution Rate and Variable Distribution Rate

(i) Fixed Distribution Rate

In respect of each Observation Period to which the "Fixed Distribution Rate" is specified to be applicable in the Term Sheet, the Distribution Rate shall be the Reference Rate, provided that the Potential Distribution Amount for each Observation Period to which the Fixed Distribution Rate applies is only payable on the relevant Distribution Payment Date if the Closing Price of the Linked Stock is

at or above the Distribution Barrier Price on the relevant Distribution Barrier Determination Date. Provided that where the Daily Autocall Feature is specified as applicable in the Term Sheet and the Daily Autocall Feature is triggered during the Observation Period, the fixed Potential Distribution Amount for such Observation Period is payable regardless of the price performance of the Linked Stock and will be calculated on a pro-rata basis from but excluding the relevant Period Start Date to and including the Autocall Trigger Date, in accordance with the following formula:

$$\text{Nominal Unit Value} \times \text{the Fixed Distribution Rate} \times \frac{n}{N}$$

Where:

“**n**” means the number of Scheduled Trading Day(s)(regardless of whether any such day is a Disrupted Day) from but excluding the relevant Period Start Date to and including the Autocall Trigger Date; and

“**N**” means the number of Scheduled Trading Day(s) (regardless of whether any such day is a Disrupted Day) in the relevant Observation Period.

(ii) *Variable Distribution Rate*

In respect of each Observation Period to which the “Variable Distribution Rate” is specified to be applicable in the Term Sheet, the Distribution Rate shall be a rate in percentage determined by the Calculation Agent in accordance with the following formula (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards):

$$\text{Reference Rate} \times \frac{\text{Days In}}{\text{Total Days}}$$

Where:

“**Days In**” means the total number of Scheduled Trading Days (excluding any Disrupted Day) in (A) the relevant Observation Period; or (B) where the Daily Autocall Feature is specified as applicable in the Term Sheet and the Daily Autocall Feature is triggered, the period commencing from but excluding the relevant Period Start Date to and including the Autocall Trigger Date, on which the Closing Price of the Linked Stock is at or above the Distribution Barrier Price on the Distribution Barrier Determination Date of such Observation Period.

“**Total Days**” means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period. If the Daily Autocall Feature applies and is triggered during such Observation Period, each Scheduled Trading Day from but excluding the Autocall Trigger Date to and including the relevant Period End Date for such Observation Period shall be deemed not to be a Disrupted Day.

(c) *Payment*

Subject to Conditions 6(a) and 6(b), a Potential Distribution Amount shall be paid to each of the ELI Holders by crediting that amount to the respective Designated Accounts of each of the ELI Holders. If an Autocall Feature is specified as applicable in the Term Sheet and is triggered on an Autocall Trigger Date in accordance with Condition 7, no Potential Distribution Amount is payable in respect of the Observation Period(s) falling after the Autocall Trigger Date. For the avoidance of doubt, no interest is payable due to any postponement of Valuation Date or determination of Closing Price as a result of a Disrupted Day in accordance with these General Terms and Conditions.

7 Autocall Feature

- (a) This Condition 7 will apply only if an Autocall Feature is specified as applicable in the Term Sheet.
- (b) An Autocall Feature is triggered if the Closing Price of the Linked Stock on an Autocall Determination Date is equal to or greater than the Autocall Price. Upon the trigger of the Autocall Feature, the Single ELI will be terminated on the Autocall Trigger Date.
- (c) A Single ELI is automatically terminated during an Observation Period pursuant to the trigger of the Autocall Feature, without notice being given to the ELI Holders. The ELI Holders will not be required to deliver any notice and the Issuer must pay to each ELI Holder the Autocall Cash Amount together with any Potential Distribution Amount for that Observation Period (as determined in accordance with Condition 6) no later than the Autocall Settlement Date in accordance with Condition 4. Upon payment of the Autocall Cash Amount together with any Potential Distribution Amount, the Issuer shall have no further obligations in respect of the Single ELI.

8 Knock-in Feature

- (a) This Condition 8 will apply only if a Knock-in Feature is specified as applicable in the Term Sheet.
- (b) A Knock-in Feature is triggered if the Closing Price of the Linked Stock is below the Knock-in Price on any Knock-in Determination Date. Subject to Condition 7, upon the trigger of a Knock-in Feature, the Single ELI shall be settled in accordance with Condition 4(d)(ii) above.

9 Adjustments and early termination

(a) *Potential Adjustment Events*

If the Calculation Agent determines in its sole and absolute discretion acting in good faith and in a commercially reasonable manner that a Potential Adjustment Event has occurred during the period between the Trade Date and the Valuation Date (both days inclusive), the Calculation Agent will, in its sole and absolute discretion acting in good

faith and in a commercially reasonable manner determine any corresponding adjustment(s) to the terms and conditions of the Single ELI which are appropriate to account for the diluting, concentrative or other economic effect of such event(s) on the Single ELI so as to preserve the economic equivalence of the Single ELI. In determining such adjustment(s):

- (i) if options contracts or futures contracts of the Linked Stock are traded on the Exchange or the Related Exchange, the Calculation Agent will follow any adjustment to the terms of the relevant options contract or futures contract made and announced by the Exchange or the Related Exchange, unless following such adjustment is not able to preserve the economic equivalence of the Single ELI. In such case, the Calculation Agent will determine the aforesaid adjustment(s) in its sole and absolute discretion acting in good faith and in a commercially reasonable manner so as to preserve the economic equivalence of the Single ELI; or
- (ii) if there are no options contracts or futures contracts of the Linked Stock traded on the Exchange or the Related Exchange, the Calculation Agent will take into account and (where, and to the extent, applicable) follow the relevant rules as set out in the Operational Trading Procedures for Options Trading Exchange Participants of the Stock Exchange so as to preserve the economic equivalence of the Single ELI.

The Calculation Agent 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, any such ex-date(s) or other relevant date(s) as provided by the Exchange or the Related Exchange as the effective date(s) of such adjustment(s).

(b) Merger Event or Tender Offer

If the Calculation Agent determines in its sole and absolute discretion acting in good faith and in a commercially reasonable manner that a Merger Event or a Tender Offer has occurred during the period between the Trade Date and the Valuation Date (both days inclusive):

- (i) subject to Condition 9(b)(ii) below, the Calculation Agent will, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner make the corresponding adjustment(s), relevant to the settlement, payment or other terms of the Single ELI as the Calculation Agent determines appropriate to account for the economic effect of such event(s) on the Single ELI so as to preserve the economic equivalence of the Single ELI. In determining such adjustment(s):
 - (x) if options contracts or futures contracts of the Linked Stock are traded on the Exchange or the Related Exchange, the Calculation Agent will follow any adjustment to the terms of the relevant options contract or futures contract made and announced by the Exchange or the Related Exchange, unless

following such adjustment is not able to preserve the economic equivalence of the Single ELI. In such case, the Calculation Agent will determine the aforesaid adjustment(s) in its sole and absolute discretion acting in good faith and in a commercially reasonable manner so as to preserve the economic equivalence of the Single ELI; or

- (y) if there are no options contracts or futures contracts of the Linked Stock traded on the Exchange or the Related Exchange, the Calculation Agent will take into account and (where, and to the extent, applicable) follow the relevant rules as set out in the Operational Trading Procedures for Options Trading Exchange Participants of the Stock Exchange so as to preserve the economic equivalence of the Single ELI; or

The Calculation Agent 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, any such ex-date(s) or other relevant date(s) as provided by the Exchange or the Related Exchange as the effective date(s) of such adjustment(s).

- (ii) if the Calculation Agent determines in its 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 economic effect of such event(s) on the Single ELI so as to preserve the economic equivalence of the Single ELI, the Single ELI will be terminated as of the date selected by the Calculation Agent in its sole and absolute discretion acting in good faith and in a commercially reasonable manner and entitlement of each ELI Holder to receive the Cash Amount or the Stock Amount and the cash payment of Fractional Stock (if any) (as the case may be) shall cease and the Issuer's obligation under the Single ELI shall be satisfied in full upon payment of the Early Termination Amount no later than 3 Business Days after the effective date of such early termination.

(c) *Additional Disruption Event*

If, during the period between the Trade Date and the Valuation Date (both days inclusive), the Calculation Agent determines in its sole and absolute discretion acting in good faith and in a commercially reasonable manner that an Additional Disruption Event has occurred, the Single ELI shall be early terminated as of the date selected by the Calculation Agent in its sole and absolute discretion acting in good faith and in a commercially reasonable manner and entitlement of each ELI Holder to each receive the Cash Amount or the Stock Amount and the cash payment of Fractional Stock (if any) (as the case may be) shall cease and the Issuer's obligation under the Single ELI shall be satisfied in full upon payment of the Early Termination Amount no later than 3 Business Days after the effective date of such early termination.

(d) Notification of adjustment or early termination

The Issuer shall give notice as soon as practicable of the occurrence of any event described in this Condition 9 and the corresponding adjustment(s) or early termination (as the case may be) and of the effective date of such adjustment(s) or early termination and in the case of an early termination, the relevant Early Termination Amount payable upon termination to the ELI Holders in accordance with Condition 12.

10 Early Termination Amount

- (a) Where a Single ELI is to be terminated pursuant to Condition 9 above, the Single ELI will be terminated by payment of the Early Termination Amount in accordance with Condition 4(e). Upon payment of such amount, the Issuer shall have no further obligations in respect of the Single ELI.
- (b) The Early Termination Amount will be an amount in the Settlement Currency as determined by the Calculation Agent, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner, equal to the fair market value of each Nominal Unit of a Single ELI as of the date of termination of the Single ELI, based on many factors, including without limitation, the market price and the expected price volatility of the Linked Stock, the expected dividends of the Linked Stock (if any), the market interest rates movement, the time remaining to expiry of the Single ELI, any Potential Distribution Amount of the relevant Observation Period for the relevant Single ELI, the Issuer's financial condition and creditworthiness, the cost incurred by the Issuer in unwinding any related underlying hedging arrangements entered into in respect of such Single ELI, and the market value of the embedded conditional put option (where Autocall Feature and/or Knock-in Feature applies) or put option (where Autocall Feature and Knock-in Feature do not apply).

11 Benefit of Agreement

References to the Issuer include references to its successors, including, without limitation, an entity which assumes the rights and obligations of the Issuer by operation of the law of the jurisdiction of incorporation or domicile of the Issuer.

12 Notices

All notices regarding Single ELIs in definitive form will be deemed to be validly given if sent by mail or (if posted to an address overseas) by airmail to the ELI Holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing.

For so long as the Single ELIs are represented by a Global Certificate held on behalf of Euroclear and/or Clearstream, notice may be delivered to Euroclear and/or Clearstream for communication by them to the ELI Holders.

Notice to be given by any ELI Holder shall be in writing and given by lodging the same, together (in the case of any Single ELI in definitive form) with the relevant definitive Single ELI, with the Issuer. Whilst any of the Single ELIs is represented by a Global Certificate, such

notice may be given by any ELI Holder to the Issuer through Euroclear and/or Clearstream, in such manner as the Issuer and Euroclear and/or Clearstream, as the case may be, may approve for this purpose.

Where the determination of the Closing Price in respect of the Valuation Date, a Distribution Barrier Determination Date or (where Periodic Autocall Feature applies) an Autocall Determination Date is postponed as a result of a Disrupted Day in accordance with these General Terms and Conditions, the Issuer will notify the ELI Holders of the postponement as soon as practicable and in any event no later than 1 Business Day after such postponement in accordance with this Condition 12.

13 Further Issues

The Issuer shall be at liberty from time to time, without the consent of the ELI Holders, to create and issue further Nominal Units of a Series of Single ELI so as to form a single series with such Series of Single ELI.

14 No Waiver

No failure by the Issuer to exercise a right or power, and no delay by the Issuer in exercising a right or power, operates as a waiver of that or any other right or power.

15 Purchase

The Issuer or any of its Affiliates may at any time purchase Single ELIs at any price in the open market or by private arrangement. Any Single ELI so purchased may be held or resold or surrendered for cancellation.

16 Governing Law and Jurisdiction

These General Terms and Conditions are governed by the laws of Hong Kong and the Issuer and each ELI Holder agree to submit to the non-exclusive jurisdiction of the courts of Hong Kong.

17 Language

In the event of any inconsistency between the Chinese version of these General Terms and Conditions and the English version of these General Terms and Conditions, the English version of these General Terms and Conditions shall prevail.

18 Modification

The Issuer may, without the consent of the ELI Holders, effect any modification of the provisions of the Single ELI or the Global Certificate which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law. Any such modifications shall be determined by the Issuer in its sole discretion acting in good faith and in a commercially reasonable manner, binding on the ELI Holders and notified to the ELI Holders in accordance with Condition 12 as soon as practicable after it has been made.

19 Definitions

In these General Terms and Conditions unless the context otherwise requires:

“Additional Business Centre” means the business centres specified as such in the Term Sheet.

“Additional Disruption Event” means any of Change of Law, De-Listing, Hedging Disruption, Increased Cost of Hedging, Insolvency, Insolvency Filing and Nationalisation; and in case of the Linked Stock which is a unit of a fund, Extraordinary Fund Event.

“Affiliates” means any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer or any entity directly or indirectly under common control with the Issuer. For these purposes, “control” means ownership of a majority of the voting power of an entity.

“Agency Agreement” means the Agency Agreement, as amended and/or supplemented and/or restated from time to time, dated as of 17 January 2008 and made between the Issuer, Bank of China (Hong Kong) Limited as principal paying agent and as calculation agent, and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch as paying agent and as registrar.

“Agent” means each of the Principal Paying Agent and the Paying Agent.

“Autocall Cash Amount” in respect of each Nominal Unit, means 100% of the Nominal Unit Value.

“Autocall Determination Date” means:

- (a) where Daily Autocall Feature applies, each Scheduled Trading Day (excluding any Disrupted Day) during the Autocall Period; or
- (b) where Periodic Autocall Feature applies, each Period End Date (excluding the Valuation Date) during the period as specified in the Term Sheet, provided that:
 - (i) if any such day is not a Scheduled Trading Day, the determination of the Closing Price shall be postponed to the following Scheduled Trading Day;
 - (ii) if any such day is a Disrupted Day, the determination of the Closing Price in respect of that Autocall Determination Date will be postponed to the following Scheduled Trading Day, unless each of the eight Scheduled Trading Days immediately following that Autocall Determination Date is a Disrupted Day. In that case:
 - (A) the Calculation Agent shall determine in its sole and absolute discretion acting in good faith and in a commercially reasonable manner the fair price of the Linked Stock as of the closing time of the Exchange on that eighth Scheduled Trading Day (by reference to, without limitation, the last reported price of the Linked Stock and the prevailing market conditions), notwithstanding that it is a Disrupted Day; and

- (B) such fair price shall be deemed to be the Closing Price for that Autocall Determination Date; and
- (iii) if the Periodic Autocall Feature is triggered following a postponed determination of the Closing Price in respect of an Autocall Determination Date which is a Disrupted Day, the Periodic Autocall Feature shall be deemed to have been triggered on that original Autocall Determination Date which is a Disrupted Day.

“Autocall Feature” means the Autocall Feature as described in Condition 7, which is either a Daily Autocall Feature or a Periodic Autocall Feature, specified as applicable in the Term Sheet.

“Autocall Period” means (where Daily Autocall Feature is specified as applicable in the Term Sheet) the period specified as such in the relevant Term Sheet.

“Autocall Price” means the price specified as such in the relevant Term Sheet, being a specified percentage of the Initial Price (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards).

“Autocall Settlement Date” means such number of Business Days (in any case, no later than 3 Business Days) after the Autocall Trigger Date as specified in the Term Sheet, or where Periodic Autocall Feature applies and is deemed to be triggered on an Autocall Determination Date which is a Disrupted Day for the purpose of determining the Closing Price, such number of Business Days (in any case, no later than 3 Business Days) after the day on which the Closing Price in respect of that Autocall Determination Date is determined.

“Autocall Trigger Date” means the Autocall Determination Date on which the Autocall Feature is triggered or (where Periodic Autocall Feature applies and the determination of the Closing Price for the relevant Autocall Determination Date has been postponed as a result of a Disrupted Day) is deemed to have been triggered in accordance with the definition of “Autocall Determination Date”.

“Business Day” means a day other than a Saturday, Sunday, or public holiday, on which banks and foreign exchange market are open for business in Hong Kong and any other Additional Business Centre(s).

“Calculation Agent” means Bank of China (Hong Kong) Limited acting in the capacity as calculation agent under the Agency Agreement and its successor.

“Cash Amount” in respect of each Nominal Unit, means 100% of the Nominal Unit Value.

“Change in Law” means that:

- (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 Calculation Agent determines in its sole and absolute discretion acting in good faith and in a commercially reasonable manner that:

- (i) it has become illegal for the Issuer to hold, acquire or dispose any Linked Stock relating to the Single ELI; or
- (ii) the Issuer will incur a materially increased cost in performing its obligations in relation to the Single ELI (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“Clearance System” means, in respect of a Single ELI, Central Clearing and Settlement System of Hong Kong (**“CCASS”**) or such other applicable clearance system (through which transfers of the number of the Linked Stock which form the Stock Amount are customarily settled as approved by the Issuer), or any successor to such clearance system.

“Clearance System Business Day” means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

“Clearstream” means Clearstream Banking, société anonyme.

“Closing Price” means, in respect of a Scheduled Trading Day, the official closing price per unit or share (as the case may be) of the Linked Stock quoted by the Exchange as at the Valuation Time on that Scheduled Trading Day.

“Condition” means a condition in these General Terms and Conditions.

“Daily Autocall Feature” means the Autocall Feature described in Condition 7 whereby the Autocall Determination Date is set to be each Scheduled Trading Day (excluding any Disrupted Day) during the Autocall Period.

“Delivery Expenses” means all costs, taxes, duties and/or expenses, including buyers’ stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the Stock Amount.

“De-Listing” means the Exchange announces that pursuant to the rules of such Exchange, the Linked Stock ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) 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.

“Designated Account” means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by an ELI Holder with a Designated Bank and identified as such in the Register.

“Designated Bank” means (in the case of payment in a Settlement Currency other than euro) a bank in the principal financial centre of the country of such Settlement Currency (which, if the Settlement Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Wellington, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

“Disrupted Day” means, in respect of the Linked Stock, a Scheduled Trading Day on which the Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“Distribution Barrier Determination Date” means, in respect of each Observation Period to which the Fixed Distribution Rate is specified as applicable in the Term Sheet, the Period End Date of such Observation Period or, if such day is not a Scheduled Trading Day, the following Scheduled Trading Day, provided that if such day is a Disrupted Day, the determination of the Closing Price in respect of that scheduled Distribution Barrier Determination Date will be postponed to the following Scheduled Trading Day, unless each of the eight Scheduled Trading Days immediately following that scheduled Distribution Barrier Determination Date is a Disrupted Day.

In that case:

- (a) the Calculation Agent shall determine in its sole and absolute discretion acting in good faith and in a commercially reasonable manner the fair price of the Linked Stock as of the closing time of the Exchange on that eighth Scheduled Trading Day (by reference to, without limitation, the last reported price of the Linked Stock and the prevailing market conditions), notwithstanding that it is a Disrupted Day; and
- (b) such fair price shall be deemed to be the Closing Price for that scheduled Distribution Barrier Determination Date.

“Distribution Barrier Price” in respect of each Observation Period, means the relevant price specified as such in the Term Sheet for the relevant Observation Period, being a specified percentage of the Initial Price (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards).

“Distribution Payment Date” means such number of Business Days (in any case no later than 3 Business Days) after the relevant Period End Date as specified in the Term Sheet, provided that:

- (a) where the Fixed Distribution Rate applies and the determination of the Closing Price on the relevant Distribution Barrier Determination Date is postponed as a result of a Disrupted Day, the Distribution Payment Date for the relevant Observation Period shall be such number of Business Days (in any case no later than 3 Business Days) as specified in the Term Sheet after the day on which such Closing Price in respect of the scheduled Distribution Barrier Determination Date is determined;
- (b) where an Autocall Feature applies and is triggered or is deemed to have been triggered during an Observation Period, the Distribution Payment Date for the relevant Observation Period shall be the Autocall Settlement Date; and
- (c) the Distribution Payment Date in relation to the last Observation Period shall be the Settlement Date (provided that no Autocall Feature, if applicable, has been triggered).

“Distribution Rate” means, in respect of an Observation Period, the relevant Fixed Distribution Rate or the relevant Variable Distribution Rate as may be specified as applicable in the Term Sheet.

“Early Closure” means, in respect of the Linked Stock, closure of the Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour (which shall exclude, where relevant, any time period when the Exchange or Related Exchange is closed between the end of the morning trading session and the start of the afternoon trading session) prior to (a) the actual closing time for the regular trading session on such Exchange or Related Exchange, or (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time.

“Early Termination Amount” means such amount in the Settlement Currency as determined by the Calculation Agent in accordance with Condition 10.

“Exchange” means The Stock Exchange of Hong Kong Limited.

“Exchange Rate” means, if applicable, the rate specified as such in the Term Sheet.

“Exchange Disruption” in respect of the Linked Stock, means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent in its sole and absolute discretion acting in good faith and in a commercially reasonable manner) the ability of market participants in general (a) to effect transactions in, or obtain market prices for, the Linked Stock on the Exchange, or (b) to effect transactions in, or obtain market prices for, futures or options contracts relating to the Linked Stock on the relevant Related Exchange.

“Extraordinary Fund Event” means, where the Linked Stock is a unit of a fund, in the determination of the Calculation Agent (acting in good faith and in a commercially reasonable manner), the occurrence of any of the following events:

- (a) the Linked Stock ceases to exist;
- (b) the units in the Linked Stock are reclassified or the index that the Linked Stock tracks changes or it is acquired by or aggregated to another fund, whose mandate, risk-profile and/or benchmarks is deemed by the Calculation Agent to be different from the mandate, risk-profile and/or benchmark of the Linked Stock stated as of the Trade Date (or any proposal for the foregoing occurs);
- (c) the resignation, termination, or replacement of its Fund Administrator or Fund Advisor;
- (d) any change or modification of the related Fund Documents that could reasonably be expected to affect the market price of the Linked Stock or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the date on which the Linked Stock was first included in the Single ELL;
- (e) any breach or violation of any strategy or investment guidelines stated in the related Fund Documents that is reasonably likely to affect the market price of the Linked Stock, or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent); or

- (f) (i) cancellation, suspension or revocation of the registration or approval of the Linked Stock or the Listed Entity by any governmental, legal or regulatory entity with authority over the Linked Stock or the Listed Entity, (ii) any change in the legal, tax, accounting, or regulatory treatments of the Listed Entity or its Fund Advisor that is reasonably likely to have an adverse impact on the market price of the Linked Stock or on any investor therein (as determined by the Calculation Agent), or (iii) the Listed Entity or any of its Fund Administrator or Fund Advisor 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 Listed Entity, its Fund Administrator or Fund Advisor.

"Euroclear" means Euroclear Bank S.A./N.V.

"Fixed Distribution Rate" means the rate calculated in accordance with Condition 6(b)(i).

"Fractional Stock" means a fraction of the Linked Stock.

"Fund Administrator" means, in respect of a Listed Entity that is a fund, the trustee of the Listed Entity from time to time.

"Fund Advisor" means, in respect of a Listed Entity that is a fund, the manager of the Listed Entity from time to time.

"Fund Documents" means, in respect of a Listed Entity that is a fund, the constitutive and governing documents, subscription agreements and other agreements of the Listed Entity specifying the terms and conditions relating to the Linked Stock and any additional fund documents, for example, the offering memorandum of the Listed Entity, in each case, as amended from time to time.

"General Terms and Conditions" means these terms and conditions.

"Global Certificate" means the certificate of the Single ELLs as specified in Condition 1(a).

"HK\$", "HKD" or "Hong Kong cents" means the currency of Hong Kong.

"Hedging Disruption" means that the Issuer and/or any of its Affiliates are unable, after using commercially reasonable efforts, to:

- (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of the Issuer issuing and performing its obligations with respect to the Single ELL; or
- (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s),

provided that any such inability that is incurred due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed a Hedging Disruption.

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“Increased Cost of Hedging” means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to:

- (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of the Issuer issuing and performing its obligations with respect to the Single ELIs; or
- (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s),

provided that any such materially increased amount that is incurred due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“Initial Price” means the Closing Price of the Linked Stock as of the Trade Date or a specific price of the Linked Stock, as specified in the Term Sheet.

“Insolvency” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting the Listed Entity:

- (a) all the shares of that Listed Entity are required to be transferred to a trustee, liquidator or other similar official; or
- (b) holders of the shares of that Listed Entity become legally prohibited from transferring them.

“Insolvency Filing” means that the Listed Entity 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 judgement 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 Listed Entity shall not be deemed an Insolvency Filing.

“Intervening Period” means such period of time as from (and including) the Valuation Date until such time as the ELI Holders are delivered with the Stock Amount.

“Investment Period” means the duration between the date on which all of the terms of the relevant Series of Single ELI are finalised and the scheduled date on which the mode of settlement at expiry is determined, i.e. the period from the scheduled Trade Date to the scheduled Valuation Date (both days inclusive).

“Issue Date” means the Issue Date specified in the Term Sheet or, if such date is not a Business Day, the following Business Day.

“Issuer” means Bank of China (Hong Kong) Limited.

“Knock-in Determination Date” means each Scheduled Trading Day during the Investment Period, provided that, for the purpose of determining whether a Knock-in Feature is triggered, (a) any Knock-in Determination Date (except for the Valuation Date) that is a Disrupted Day shall be excluded; and (b) the Knock-in Determination Date that is the Valuation Date shall be subject to postponement in the case of a Disrupted Day in accordance with the definition of “Valuation Date”.

“Knock-in Feature” means the knock-in feature as described in Condition 8.

“Knock-in Price” means the price specified as such in the Term Sheet, being a specified percentage of the Initial Price (rounded up to the nearest 4 decimal places with 0.00005 or above being rounded upwards).

“Linked Stock” means the stock or unit of the Listed Entity specified as such in the Term Sheet.

“Listed Entity” means the company or the fund (being an exchange-traded fund or a real estate investment trust) listed on the Exchange, the stocks or units of which are the subject of a Series of Single ELI offered by the Issuer under these General Terms and Conditions.

“Market Disruption Event” means the occurrence or existence of:

- (a) a Trading Disruption or an Exchange Disruption, which is (in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner) material, at any time during the one hour period that ends, at the relevant Valuation Time;
- (b) an Early Closure; or
- (c) the hoisting of the tropical cyclone warning signal number 8 or above or the issuance of a “BLACK” rainstorm warning by the Hong Kong Observatory which either results in the Exchange being closed for dealings for an entire day or results in the Exchange being closed prior to its regular time for close of trading on any day, provided that there shall be no Market Disruption Event solely by reason of the Exchange opening for trading later than its regular time for the opening of trading on such day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm warning having been hoisted or issued.

“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 Calculation Agent in its sole and absolute discretion acting in good faith and in a commercially reasonable manner.

“Merger Event” means any:

- (a) reclassification or change of the Linked Stock that results in a transfer of, or an irrevocable commitment to transfer, all such Linked Stock outstanding to another entity or person;
- (b) consolidation, amalgamation, merger or binding share exchange of an Listed Entity with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Listed Entity is the continuing entity and which does not result in any such reclassification or change of all such Linked Stock outstanding);
- (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Linked Stock of the Listed Entity that results in a transfer of or an irrevocable commitment to transfer all such Linked Stock (other than such Linked Stock owned or controlled by such other entity or person); or
- (d) consolidation, amalgamation, merger or binding share exchange of the Listed Entity or its subsidiaries with or into another entity in which the Listed Entity is the continuing entity and which does not result in a reclassification or change of all such Linked Stock outstanding but results in the outstanding Linked Stock (other than Linked Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Linked Stock immediately following such event.

“Nationalisation” means that all the Linked Stock or all or substantially all the assets of a Listed Entity are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or person thereof.

“Nominal Unit” means each unit representing the Nominal Unit Value of the Single ELI.

“Nominal Unit Value” means the amount of Single ELI represented by each Nominal Unit in the Settlement Currency as specified in the Term Sheet.

“Observation Period” means each period specified as such in the Term Sheet.

“Paying Agent” means The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch acting in the capacity as paying agent under the Agency Agreement and any of its successor.

“Periodic Autocall Feature” means the Autocall Feature described in Condition 7 whereby the Autocall Determination Date is set to be each Period End Date (excluding the Valuation Date) during the period as specified in the Term Sheet.

“Potential Adjustment Event” means any of the following:

- (a) a subdivision, consolidation or reclassification of the Linked Stock (unless resulting in a Merger Event), or a free distribution or dividend of the Linked Stock to existing holders by way of bonus, capitalisation or similar issue;

- (b) a distribution, issue or dividend to existing holders of the Linked Stock of:
 - (i) additional Linked Stock; or
 - (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation and dissolution of the Listed Entity equally or proportionately with such payments to holders of such Linked Stock; or
 - (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Listed Entity as a result of a spin-off or other similar transaction; or
 - (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent in its sole and absolute discretion acting in good faith and in a commercially reasonable manner;
- (d) a call by the Listed Entity in respect of the Linked Stock that are not fully paid;
- (e) a repurchase by the Listed Entity or any of its subsidiaries of the Linked Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of the Listed Entity, 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 such Listed Entity, 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 instrument or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that has or may have, in the opinion of the Calculation Agent acting in good faith and in a commercially reasonable manner, a diluting, concentrative or other economic effect on the theoretical value of the relevant Linked Stock.

“Potential Distribution Amount” in respect of an Observation Period and each Nominal Unit, means the amount calculated in accordance with Condition 6.

“Principal Paying Agent” means Bank of China (Hong Kong) Limited acting in the capacity as principal paying agent under the Agency Agreement and any of its successor.

“Purchase Price” in respect of each Nominal Unit means the amount specified as such in the Term Sheet, being a specified percentage of the Nominal Unit Value (rounded up to the nearest 2 decimal places, with 0.005 or above being rounded upwards).

“Put Strike Price” in respect of the Linked Stock means the price specified as such in the Term Sheet, being a specified percentage of the Initial Price (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards).

“Reference Rate” means the percentage specified as such in the Term Sheet.

“Register” means the register kept by the Registrar in accordance with the provisions of the Agency Agreement.

“Registrar” means The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch acting in the capacity as registrar under the Agency Agreement and any of its successor, or such other registrar as appointed by the Issuer and notified to the ELI Holders.

“Related Exchange” in respect of the Linked Stock, means each exchange or quotation system (if any) on which options or futures contracts relating to the Linked Stock are traded or quoted, as determined by the Calculation Agent.

“Scheduled Closing Time” in respect of an Exchange or Related Exchange and a Scheduled Trading Day means the scheduled weekday closing time of the relevant 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 Trading Day” in respect of the Linked Stock means a day on which the relevant Exchange and Related Exchange are scheduled to be open for its regular trading sessions.

“Series” means one or more Nominal Units of a Single ELI with the same terms and conditions (except for the Purchase Price or the Issue Date) and with the same series number as specified in the Term Sheet.

“Settlement Currency” means the currency specified as such in the Term Sheet.

“Settlement Date” means:

- (a) in the case of any payment in cash, such number of Business Days (in any case, no later than 3 Business Days after the Valuation Date) as specified in the Term Sheet; or
- (b) in the case of delivery of the Stock Amount, such number of Clearance System Business Days (in any case, no later than 3 Clearance System Business Days after the Valuation Date) as specified in the Term Sheet, provided that where a Settlement Disruption Event occurs, the Settlement Date will be determined in accordance with Condition 4.

“Settlement Disruption Event” 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 Clearance System cannot clear the transfer of the Stock Amount.

“Single ELI” means a Series of the equity linked investments linked to a single stock constituted by these General Terms and Conditions and the Term Sheet.

“Stock Amount” in respect of each Nominal Unit, means the deliverable number of the Linked Stock determined in accordance with the following formula (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards):

$$\frac{\text{Nominal Unit Value (converted into HKD at the Exchange Rate if the Settlement Currency is not HKD)}}{\text{Put Strike Price}}$$

“Tender Offer” means, in respect of the Linked Stock, a takeover offer, 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 per cent. and less than 100 per cent. of the outstanding voting shares of the Listed Entity, as determined by the Calculation Agent in its sole and absolute discretion acting in good faith and in a commercially reasonable manner, based upon the making of filings with governmental or self regulatory agencies or such other information as the Calculation Agent deems relevant.

“Term Sheet” in respect of a Series of Single ELI means the final term sheet issued under these General Terms and Conditions, based on the standard format set out in Appendix 2 to the Product Booklet for Non-Principal Protected Unlisted Equity Linked Investments Linked to a Single Stock dated 3 December 2012.

“Trade Date” means the date specified as such in the Term Sheet.

“Trading Disruption” means, in respect of the Linked Stock, any suspension of or limitation imposed on trading by the 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 Linked Stock on the Exchange, or (b) in futures or options contracts relating to the Linked Stock on the relevant Related Exchange.

“US\$” or **“USD”** means the currency of the United States of America.

“Valuation Date” means the date specified as such in the Term Sheet provided that, if such day is a Disrupted Day in respect of the Linked Stock, the Valuation Date shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day in respect of the Linked Stock, unless each of the eight Scheduled Trading Days immediately following the scheduled Valuation Date is a Disrupted Day in respect of the Linked Stock. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that it is a Disrupted Day; and
- (b) the Calculation Agent shall determine in its sole and absolute discretion acting in good faith and in a commercially reasonable manner the fair price of the Linked Stock as of the closing time of the Exchange on that eighth Scheduled Trading Day (by reference to, without limitation, the last reported price of the Linked Stock and the prevailing market conditions); and
- (c) such fair price shall be deemed to be the Closing Price for that Valuation Date.

“Valuation Time” in respect of the Exchange or a Related Exchange and a Scheduled Trading Day means the Scheduled Closing Time of the Exchange or the relevant Related Exchange on such Scheduled Trading Day in relation to the Linked Stock. If the Exchange or the relevant Related Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

“Variable Distribution Rate” means the rate calculated in accordance with Condition 6(b)(ii).

20 Interpretation

Headings are for convenience only and do not affect interpretation.

The following rules apply unless the context requires otherwise:

- (a) The singular includes the plural and the converse.
- (b) A gender includes all genders.
- (c) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (e) A reference to a paragraph or schedule is a reference to a paragraph of, or schedule to, these Conditions.
- (f) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (g) A reference to “writing” includes a facsimile transmission and any means of reproducing words in a tangible and permanently visible form.
- (h) Mentioning anything after “include”, “includes”, or “including” does not limit what else might be included.

APPENDIX 2 – STANDARD FORMAT OF TERM SHEET FOR SINGLE ELIs

The standard format of the indicative term sheet and the Term Sheet for Single ELIs is set out below. Each indicative term sheet or Term Sheet covers one series of Single ELI only.

We may issue more than one series of Single ELI on any Issue Date. You must obtain the relevant indicative term sheet before applying for a Single ELI. Certain trade specific terms about the relevant series of Single ELI may only be ascertained on the Trade Date and such terms are noted with asterisks () in the indicative term sheet, and the exact amount will be specified in the Term Sheet. The Term Sheet setting out the finalised trade specific terms will be available for inspection at our office from the Issue Date. You will also receive (through your distributor) a notification letter setting out the exact prices of such trade specific terms no later than 2 Business Days after the Trade Date.*

References to “investors” or to “you” in the indicative term sheet are references to investors who decide to make an application for a Single ELI through a distributor, while such references in the Term Sheet are references to the ELI Holders.

[Indicative] Term Sheet for Non-Principal Protected Unlisted Equity Linked Investments Linked to a Single Stock ([without] [Periodic] [Daily] Autocall [and] [with] [without] Knock-in Feature) (“Single ELI ([Without Autocall] [Periodic Autocall] [Daily Autocall] [and] [with Knock-in Feature] [without Knock-in Feature])” or in this term sheet, the “Single ELI”)

[insert date]

IMPORTANT

[[Insert the following sections for indicative term sheet:]]

This indicative term sheet must be read in conjunction with our information memorandum dated 3 December 2012 (“**Information Memorandum**”) [together with the addendum dated [insert date]], our financial disclosure document dated [insert date] (“**Financial Disclosure Document**”) [together with the addendum dated [insert date]] and the product booklet for the Single ELIs dated 3 December 2012 (“**Product Booklet**”) [together with the addendum dated [insert date]] (the Information Memorandum, the Financial Disclosure Document, the Product Booklet together with [any relevant addendum and] this indicative term sheet are collectively “**Offer Documents**”). The applicable general terms and conditions for the Single ELI are set out in Appendix 1 to the Product Booklet (pages 105-130) (“**General Terms and Conditions**”).

Printed copies of the Offer Documents [and CD-Rom copies of the Information Memorandum, Product Booklet and Financial Disclosure Document [and the addendum dated *[insert date]* to the [Information Memorandum]/[Product Booklet]/[Financial Disclosure Document]]] are available from our registered office and printed copies [and] [electronic copies] of the Offer Documents [and CD-Rom copies of the Information Memorandum, Product Booklet and Financial Disclosure Document [and the addendum dated *[insert date]* to the [Information Memorandum]/[Product Booklet]/[Financial Disclosure Document]]] are available from your distributor. Your distributor is obliged to distribute all of the Offer Documents to you in either English or Chinese language version, as you may prefer. **If English is not your preferred language, you may request for a copy of the Chinese language version of this Term Sheet from your distributor.** 倘若英文並非閣下屬意的語言，閣下可向閣下的分銷商索取本條款表的中文語言版本。

You are warned that the market value of our Single ELLs may fluctuate and **you may sustain a total loss of your investment.** You should therefore ensure that you understand the nature of our Single ELLs and carefully study the risk factors set out in the Offer Documents and, where necessary, seek independent professional advice, before you decide whether to invest in our Single ELLs.

The Securities and Futures Commission ("**SFC**") has authorised the Single ELLs under section 104A(1) of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("**SFO**") and the issue of this indicative term sheet based on the standard format set out in Appendix 2 to the Product Booklet under section 105(1) of the SFO. The SFC takes no responsibility for the Single ELLs or the contents of this indicative term sheet, makes no representation as to its 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 indicative term sheet. The SFC's authorisation does not imply its endorsement or recommendation of the Single ELLs referred to in this indicative term sheet nor does it imply that the SFC guarantees the commercial merits of the Single ELLs or their performance. The SFC's authorisation does not mean the Single ELLs 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 advice before investing in the Single ELLs.

The Offer 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 Bank of China (Hong Kong) Limited (as the Issuer and the Product Arranger), the Programme and our Single ELLs. We (as the Issuer and the Product Arranger) accept full responsibility for the contents of, and the completeness and the accuracy of the information contained in the Offer Documents and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there is no untrue or misleading statement, or other facts the omission of which would make any statement therein untrue or misleading. We also confirm that we (as the Issuer and the Product Arranger) meet the respective eligibility requirements under the Code and our Single ELLs comply with the Code.]

[[Insert the following section for final term sheet:]]

This Term Sheet constitutes the final Term Sheet for the purposes of the "General Terms and Conditions of Single ELLs" ("**Terms and Conditions**") as set out in Appendix 1 in the Product Booklet dated 3 December 2012. The SFC takes no responsibility for the contents of this Term Sheet. The SFC's authorisation does not imply its endorsement of the terms as set out in this Term Sheet.]

Capitalised terms not defined in this [indicative term sheet]/[Term Sheet] have the meaning given to them in the Product Booklet.

[[Insert this section for indicative term sheet:]]

IMPORTANT RISK WARNINGS

- **Unlisted structured investment products.** Our Single ELIs are unlisted structured investment products embedded with derivatives and are NOT equivalent to time deposits.
- **Not covered by the Investor Compensation Fund.** Our Single ELIs are not listed on any stock exchange and are not covered by the Investor Compensation Fund.
- **Not principal protected.** Our Single ELIs are not principal protected: **you could lose all of your investment.**
- **No collateral.** Our Single ELIs are not secured on any of our assets or any collateral.
- **Capped maximum potential gain.** The maximum potential gain under our Single ELIs is capped at the sum of (i) the difference between its Nominal Unit Value and the Purchase Price you pay for each Nominal Unit of a Single ELI (if any) plus (ii) the aggregate Potential Distribution Amount(s) payable during the Scheduled Tenor of the relevant Single ELIs. It is possible that you may not receive any Potential Distribution Amount for the entire Scheduled Tenor of our Single ELIs.
- **Not the same as buying the Linked Stock.** Buying our Single ELIs is not the same as buying the Linked Stock. You do not acquire any right in the Linked Stock, except where the Stock Amount is determined on the Valuation Date to be deliverable to you on the Settlement Date, in which case you will be entitled to the rights of the Linked Stock as from the Valuation Date in accordance with the General Terms and Conditions. Changes in the market price of the Linked Stock may not lead to a corresponding change, or any change at all, in the market value of, or your potential gain or loss under, the Single ELIs.
- **Limited market making arrangement.** Our Single ELIs are designed to be held until expiry. We will only provide limited market making arrangement for our Single ELIs with an Investment Period of more than 6 months on a bi-weekly basis. If you sell your investment in a Single ELI before expiry, you may receive an amount which is substantially less than your original investment amount.
- **Re-investment Risk.** Our Single ELIs will be early terminated upon the trigger of the Autocall Feature. You will not receive any further Potential Distribution Amount following such early termination. You may bear re-investment risk since the prevailing market conditions may have changed and may hinder you from making any further investment under similar investment terms. You may not be able to get the same rate of return if you re-invest in investments with similar risk parameters.]

- **Maximum loss upon BOCHK's default or insolvency.** Our Single ELLs constitute general, unsecured and unsubordinated contractual obligations of Bank of China (Hong Kong) Limited and of no other person (including the ultimate holding company of our group, Bank of China Limited). If you purchase our Single ELLs, you are relying upon the creditworthiness of Bank of China (Hong Kong) Limited and have no rights under the terms of our Single ELLs against the issuer of the Linked Stock. In the worst case scenario, **you could lose all of your investment.**

BOCHK is not the ultimate holding company of the group to which we belong and with which our name is identified. The ultimate holding company of our group is Bank of China Limited who does not guarantee the performance of our obligations under our Single ELLs.

- **Exposure to price movements of the Linked Stock.** If it is determined on the Valuation Date that we are to deliver the Stock Amount upon settlement at expiry, you will be exposed to any price movement of the Linked Stock from the Valuation Date. If you choose not to sell the Linked Stock on the Settlement Date upon delivery, you will be exposed to the market risk of holding the Linked Stock thereafter.
- **You will be exposed to the risks associated with our Single ELLs starting from Trade Date.** As all terms applicable to our Single ELLs are finalised on the Trade Date, you will be subject to the terms and conditions of our Single ELLs from the Trade Date, and you will be exposed to the risks associated with our Single ELLs from the Trade Date.
- **No direct contractual rights against the Issuer and reliance upon distributor.** Each series of our Single ELL will be represented by a global certificate and no individual certificate will be issued to you with respect to your interest in our Single ELLs. You do not have any direct contractual rights against us (as the Issuer). To assert your rights as an investor in our Single ELLs against us (as the Issuer), you will have to rely on your distributor (and, if applicable, its direct or indirect custodian) to take action on your behalf. If your distributor (i) fails to take action in accordance with your instructions; (ii) becomes insolvent; or (iii) defaults on its obligations under the terms of the customer agreement between you and your distributor, you may only have a claim as an unsecured creditor of such distributor, and you will need to take action against your distributor in accordance with the terms of such customer agreement. This is a complicated area of law and you should seek independent legal advice for further information.
- **English version of the terms and conditions prevails over Chinese version.** The global certificate representing a series of our ELLs and the terms and conditions of our ELLs will only be issued in English language for the purpose of lodgment with the relevant clearing system(s). If there is any inconsistency between the Chinese version and the English version of such terms and conditions of our Single ELLs, the English version will prevail over the Chinese version. If you do not understand the English version, you should seek independent professional advice.
- **Conflicts of interest.** Potential and actual conflicts of interest may arise from the different roles played by us and our subsidiaries and affiliates in connection with our Single ELLs and our economic interests in each role may be adverse to your interests in our Single ELLs.]

SUMMARY TERMS

Issuer:	Bank of China (Hong Kong) Limited (“ BOCHK ”)
Product Arranger:	BOCHK
Offer Period:	<i>[insert time]</i> on <i>[insert date]</i> to <i>[insert time]</i> on <i>[insert date]</i> (may change without prior notice)
Series Number:	<i>[insert series number]</i>
Trade Date:	<i>[insert scheduled Trade Date, being the last day of the Offer Period]</i>
Issue Date:	<i>[insert number of business days, being between 3 to 10]</i> Business Days after the Trade Date (Expected to be <i>[insert issue date]</i>)
Minimum Application Amount:	<i>[insert currency and amount]</i> [and thereafter in increments of <i>[insert currency and amount]</i>]
Nominal Unit Value:	<i>[insert currency and amount]</i> per Nominal Unit
Aggregate Nominal Unit Value:	[To be determined on Trade Date]/ <i>[insert aggregate Nominal Unit Value]</i>
Purchase Price:	<i>[insert currency and amount]</i> (being <i>[insert percentage]</i> % of the Nominal Unit Value) (rounded up to the nearest 2 decimal places, with 0.005 or above being rounded upwards)
Valuation Date:	<i>[insert scheduled Valuation Date]</i> , subject to postponement in the case of a Disrupted Day as provided in the General Terms and Conditions
Investment Period:	The period from the scheduled Trade Date to the scheduled Valuation Date (both days inclusive)
Scheduled Tenor:	The period from the Issue Date to the scheduled Settlement Date (both days inclusive)

[Exchange Rate:	The exchange rate (expressed as the amount of HKD per 1 unit of Settlement Currency) which appears as the mid-market rate on [Reuters] [Bloomberg] screen [<i>insert the Reuters or Bloomberg (as the case may be) screen page</i>] at the Scheduled Closing Time on the Exchange on the Valuation Date, or if the relevant page or the relevant rate is not displayed at such time on such date, such exchange rate as determined by the Calculation Agent in its sole discretion (acting in good faith and a commercially reasonable manner) on the Valuation Date.]
Linked Stock:	[Share]/[Unit] of [<i>insert name of Listed Entity</i>] ([Stock Code]/[Reuters RIC Code]: [<i>insert stock code</i>].HK)
Exchange:	The Stock Exchange of Hong Kong Limited
Put Strike Price^{1*}:	[[<i>insert the exact price</i>], being] [<i>insert percentage</i>]% of the Initial Price (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards)
Initial Price^{1*}:	[[<i>insert the exact price</i>], being] [the] [The] Closing Price of the Linked Stock on the Trade Date)/[<i>insert an agreed price of the Linked Stock</i>]
Closing Price:	In respect of a Scheduled Trading Day, the official closing price per [share]/[unit] of the Linked Stock quoted by the Exchange as at the Valuation Time on that Scheduled Trading Day.
Observation Period:	Each period commencing from but excluding the relevant Period Start Date (see Table below) to and including the relevant Period End Date (see Table below) and in each case without any adjustment

[AUTOCALL FEATURE *[delete this section where Autocall Feature is not applicable]*

Autocall Feature: [Daily Autocall Feature]/[Periodic Autocall Feature] applies

An Autocall Feature is triggered if the Closing Price of the Linked Stock on an Autocall Determination Date is at or above the Autocall Price.

If the Autocall Feature is triggered, the Single ELL will be terminated on the Autocall Trigger Date and the Autocall Cash Amount together with any Potential Distribution Amount will be paid on the Autocall Settlement Date. We will have no further obligation to make any further payments or to procure the delivery of any Linked Stock pursuant to the Single ELL.

Autocall Price^[*]: *[[insert the exact price], being] [insert percentage]% of the Initial Price (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards)*

Autocall Trigger Date: The Autocall Determination Date on which the Autocall Feature is triggered *[insert where Periodic Autocall Feature applies: or (where the determination of the Closing Price for the relevant Autocall Determination Date has been postponed as a result of a Disrupted Day) is deemed to have been triggered in accordance with the definition of "Autocall Determination Date" below].*

[insert where Daily Autocall Feature applies:

Autocall Period: The period from and including *[specify date which is on or after the Issue Date]* [the Period End Date of the *[nth]* Observation Period] to but excluding the Valuation Date].

Autocall Determination Date: *[insert where Daily Autocall Feature applies: Each Scheduled Trading Day (excluding any Disrupted Day) during the Autocall Period.]*

*[insert where Periodic Autocall Feature applies: Each Period End Date during the period from and including the Period End Date of the *[nth]* Observation Period to but excluding the Valuation Date, provided that:*

- (i) if any such day is not a Scheduled Trading Day, the determination of the Closing Price shall be postponed to the following Scheduled Trading Day;

- (ii) if any such day is a Disrupted Day, the determination of the Closing Price in respect of the relevant Autocall Determination Date will be postponed as provided in the General Terms and Conditions for the purposes of determining if the Periodic Autocall Feature has been triggered in respect of the relevant Autocall Determination Date; and
- (iii) if the Periodic Autocall Feature is triggered following a postponed determination of the Closing Price in respect of an Autocall Determination Date which is a Disrupted Day, the Periodic Autocall Feature shall be deemed to have been triggered on that original Autocall Determination Date which is a Disrupted Day.]

Autocall Cash Amount: In respect of each Nominal Unit, 100% of the Nominal Unit Value.

Autocall Settlement Date: [*insert number*] Business Days (in any case, no later than 3 Business Days) after the Autocall Trigger Date [[*insert where Periodic Autocall Feature applies:*] or where Periodic Autocall Feature is deemed to be triggered on an Autocall Determination Date which is a Disrupted Day for the purpose of determining the Closing Price, [*insert number*] Business Days (in any case, no later than 3 Business Days) after the day on which the Closing Price in respect of that Autocall Determination Date is determined.]

POTENTIAL DISTRIBUTION AMOUNT(S)

Distribution Barrier Price¹: In respect of each Observation Period, see Table below, being a specified percentage of the Initial Price (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards).

Potential Distribution Amount: In respect of an Observation Period and each Nominal Unit, an amount (if any) calculated in accordance with the following formula (rounded up to the nearest 2 decimal places, with 0.005 or above being rounded upwards):

$$\text{Nominal Unit Value} \times \text{Distribution Rate}$$

Distribution Rate:

In respect of each Observation Period,

[insert where Fixed Distribution Rate applies:

Fixed Distribution Rate – applicable to the [1st]/[nth] Observation Period [to the [last]/[nth] Observation Period (both inclusive)], being the Reference Rate. The Potential Distribution Amount for each Observation Period to which the Fixed Distribution Rate applies is only payable on the relevant Distribution Payment Date if the Closing Price of the Linked Stock is at or above the Distribution Barrier Price on the relevant Distribution Barrier Determination Date.

Where:

“Distribution Barrier Determination Date” means, in respect of each Observation Period to which Fixed Distribution Rate applies, the Period End Date of such Observation Period or, if such day is not a Scheduled Trading Day, the following Scheduled Trading Day, provided that if such date is a Disrupted Day, the determination of the relevant Closing Price will be subject to postponement as provided in the General Terms and Conditions.]

[[insert where Daily Autocall Feature applies:] Provided that if the Daily Autocall Feature is triggered during such Observation Period, the fixed Potential Distribution Amount for such Observation Period is payable regardless of the price performance of the Linked Stock and will be calculated on a pro-rata basis from but excluding the relevant Period Start Date to and including the Autocall Trigger Date, in accordance with the following formula:

$$\text{Nominal Unit Value} \times \text{the Fixed Distribution Rate} \times \frac{n}{N}$$

Where:

“n” means the number of Scheduled Trading Day(s) (regardless of whether any such day is a Disrupted Day) from but excluding the relevant Period Start Date to and including the Autocall Trigger Date; and

“N” means the number of Scheduled Trading Day(s) (regardless of whether any such day is a Disrupted Day) in the relevant Observation Period.]

[insert where Variable Distribution Rate applies:

Variable Distribution Rate – applicable to the [1st]/[nth] Observation Period [to the [last]/[nth] Observation Period (both inclusive)], being a rate in percentage determined by the Calculation Agent in accordance with the following formula (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards):

$$\text{Reference Rate} \times \frac{\text{Days In}}{\text{Total Days}}$$

Where:

“Days In” means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period *[[insert where Autocall Feature applies:]* or where an Autocall Feature is triggered during the relevant Observation Period, in the period commencing from but excluding the relevant Period Start Date to and including the Autocall Trigger Date], on which the Closing Price of the Linked Stock is at or above the Distribution Barrier Price; and

“Total Days” means the total number of Scheduled Trading Days (excluding any Disrupted Day) in the relevant Observation Period. *[[insert if Autocall Feature applies:]* If the Daily Autocall Feature applies and is triggered during such Observation Period, each Scheduled Trading Day from but excluding the Autocall Trigger Date to and including the relevant Period End Date for such Observation Period shall be deemed not to be a Disrupted Day.]

For the avoidance of doubt, no Potential Distribution Amount will be payable if the “Days In” is zero, irrespective of the number of “Total Days”.]

Reference Rate:

[insert percentage]%

Distribution Payment Dates: *[insert number]* Business Days (in any case, no later than 3 Business Days) after a Period End Date provided that:

[(i)] *[insert where Fixed Distribution Rate applies: where Fixed Distribution Rate applies and the determination of the Closing Price on the relevant Distribution Barrier Determination Date is postponed as a result of a Disrupted Day, the Distribution Payment Date in relation to the relevant Observation Period shall be no later than 3 Business Days after the day on which such Closing Price in respect of the scheduled Distribution Barrier Determination Date is determined[;]; and]/[.]*

[(i)]/[(ii)] *[insert when Autocall Feature applies: where Autocall Feature applies and is triggered or is deemed to have been triggered during an Observation Period, the Distribution Payment Date in relation to the relevant Observation Period shall be the Autocall Settlement Date[; and]/[.]*

[(i)]/[(ii)]/[(iii)] *the Distribution Payment Date in relation to the last Observation Period shall be the Settlement Date [insert where Autocall Feature applies: (provided that no Autocall Feature has been triggered).]*

[KNOCK-IN FEATURE] *[delete this section where Knock-in Feature is not applicable]*

Knock-in Feature: Knock-in Feature is triggered if the Closing Price of the Linked Stock is below the Knock-in Price on any Knock-in Determination Date.

Knock-in Price^[*]: *[[insert exact price], being] [insert percentage]% of the Initial Price (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards)*

Knock-in Determination Date: Each Scheduled Trading Day during the Investment Period, provided that for the purposes of determining whether a Knock-in Feature has been triggered, (i) any Knock-in Determination Date (except for the Valuation Date) that is a Disrupted Day shall be excluded; and (ii) the Knock-in Determination Date that is the Valuation Date shall be subject to postponement in the case of a Disrupted Day in accordance with the provisions set out in the definition of "Valuation Date".]

FINAL SETTLEMENT

Settlement Date:

- (a) in the case of payment of the Cash Amount, *[insert number]* Business Days (in any case no later than 3 Business Days) after the Valuation Date; and
- (b) in the case of delivery of the Stock Amount, *[insert number]* Clearance System Business Days (in any case no later than 3 Clearance System Business Days) after the Valuation Date, provided that where a Settlement Disruption Event occurs, the Settlement Date will be determined in accordance with the General Terms and Conditions.

For the avoidance of doubt, no interest will be payable for any such postponement or if settlement occurs after the originally scheduled Settlement Date.

Settlement Currency:

[HKD]/[USD]/*[insert other currency which is non-restricted and freely convertible]*

Settlement on the Settlement Date:

[insert where Autocall Feature applies: Provided that no Autocall Feature has been triggered,] [in]/[In] respect of each Nominal Unit:

- (i) if: *[insert where the Knock-in Feature is applicable:*
 - (a) the Knock-in Feature has not been triggered; or
 - (b) the Knock-in Feature has been triggered but] the Closing Price of the Linked Stock on the Valuation Date is at or above the Put Strike Price,

you will receive the Cash Amount together with any Potential Distribution Amount for the last Observation Period on the Settlement Date; or

- (ii) if *[insert where Knock-in Feature is applicable: the Knock-in Feature has been triggered and]* the Closing Price of the Linked Stock on the Valuation Date is below the Put Strike Price, you will receive the Stock Amount together with any Potential Distribution Amount for the last Observation Period on the Settlement Date (subject to the payment of Delivery Expenses).

Where,

“**Cash Amount**” in respect of each Nominal Unit means 100% of the Nominal Unit Value; and

“**Stock Amount**” in respect of each Nominal Unit means the number of the Linked Stock determined in accordance with the following formula (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards):

$$\frac{\text{Nominal Unit Value (converted into HKD at the Exchange Rate if the Settlement Currency is not HKD)}}{\text{Put Strike Price}}$$

Provided that only an integral number of the Linked Stock will be delivered. If the Stock Amount deliverable on the Settlement Date comprises any Fractional Stock, the Fractional Stock will be settled in cash by reference to the Closing Price of the Linked Stock on the Valuation Date (converted into the Settlement Currency at the Exchange Rate if the Settlement Currency is not HKD and rounded up to the nearest 2 decimal places, with 0.005 or above being rounded upwards) as provided in the General Terms and Conditions.

Delivery Expenses:

If the Stock Amount is deliverable, you will have to pay the Delivery Expenses (being the buyer’s stamp duty (currently at a rate of [0.1]% of the value of the consideration paid calculated at the Put Strike Price of the Linked Stock), transaction levies, registration charges, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the Stock Amount).

Additional Business Centre(s):

[insert any additional business centres]

Table

Observation Period	Fixed/Variable Distribution Rate applies	Period Start Date (exclusive)[#]	Period End Date (inclusive)[#]	Distribution Barrier Price^[*]
[number]	[Fixed]/[Variable] Distribution Rate	[date]	[date]	[[insert exact price], being] [percentage]% of Initial Price
[number]	[Fixed]/[Variable] Distribution Rate	[date]	[date]	[[insert exact price], being] [percentage]% of Initial Price
[number]	[Fixed]/[Variable] Distribution Rate	[date]	Valuation Date	[[insert exact price], being] [percentage]% of Initial Price

[#] If such date is not a Scheduled Trading Day, the following Scheduled Trading Day. For the avoidance of doubt, such date will not be subject to any postponement in case of a Disrupted Day.

[[Insert this section for indicative term sheet:]]

Post-sale cooling-off period

[[insert where the Investment Period is 1 year or less:]] Post-sale cooling-off period is not applicable.]

[[insert where the Investment Period is more than 1 year:]] You may cancel or unwind your purchase order (as the case may be) (in whole but not in part) by giving an irrevocable written instruction to your distributor within 5 Business Days after you place your purchase order. You should ask your distributor for further details of its operating procedures for this cooling-off arrangements. Please refer to the paragraph headed “Is there a post-sale cooling-off period for our Single ELIs?” on page 99 of the Product Booklet.]

Market making arrangements

[[insert where the Investment Period is 6 months or less:]] Market making arrangement is not applicable.]

[[insert where the Investment Period is more than 6 months:]] On each Market Making Day, BOCHK (as the market agent) will make available (through your distributor) (i) indicative bid prices (on a per Nominal Unit basis) for our Single ELI during normal business hours; and (ii) a firm bid price to buy back your Nominal Unit(s) in a Single ELI (on a per Nominal Unit basis) upon your request, provided that your request for a firm bid price is submitted to your distributor between **11:00 am and 2:30 pm**. The amount of the Single ELI you may sell back to us must be equal to, or be a multiple of, one Nominal Unit.

Market Making Day means every first, third and if applicable fifth Fridays of each month during the period from the Business Day immediately after the Issue Date up to the fifth Business Day immediately before the scheduled Valuation Date, or if any such day is not a day on which the Exchange opens, the next Business Day on which the Exchange opens.

Please refer to the paragraph headed "Is there any market making arrangement for our Single ELIs before expiry?" on page 100 of the Product Booklet for further details about our market making arrangement.]

Cancellation of offer

We reserve the right to cancel the offering of this Single ELI on or before the end of the Offer Period in our absolute discretion. Upon such cancellation, we will notify your distributor who will in turn notify you of such cancellation. Please contact your distributor for further information on how and when your purchase monies will be refunded to you in such circumstances.

[[Risk factor to be inserted for newly listed securities with a trading history of less than 60 Business Days and with a minimum market capitalisation of HKD10 billion as of the Trade Date:]]

Newly Listed Stock

The securities of *[insert name of newly listed stock]* were listed on the Exchange on *[insert date]*. Prior to the listing of the securities, there had been no public market for the securities and an active public market for the securities may not develop or be sustained in the future. You will not be able to analyse or compare the trading history of the securities, particularly in relation to either the volatility or liquidity which may have an impact on the gain or loss on your investment.

Although the securities are listed on the Exchange, there is no guarantee that a trading market for the securities will develop or, if a market does develop, the liquidity of that market. Also the price and trading volume of the securities 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.]

[[Risk factor to be inserted where the Linked Stock is an exchange traded fund:]]

Risks related to Single ELIs linked to a unit of an ETF

The Linked Stock is a unit of an ETF, neither we nor our affiliates have the ability to control or predict the actions of the manager and/or the trustee of such fund. The manager and/or the trustee of the fund are not involved in the offer of our Single ELIs in any way and have no obligation to consider your interests in taking any action that might affect the market value of the units of an ETF and our Single ELIs.

We have no role in managing the underlying assets of the ETF. The manager of the fund is responsible for making strategic, investment and other trading decisions with respect to the management of the fund assets, consistent with its investment objectives and/or investment restrictions as set out in its constitutive documents. The performance of the fund assets is significantly dependent upon the capabilities of the management team of the manager of the

fund. The manner in which the fund assets are managed and the timing of such decisions will have a significant impact on the performance of the fund assets, and hence, on the performance of the ETF and the potential gain or loss of our Single ELIs.

An ETF is exposed to the political, economic, currency and other risks related to the underlying asset pool 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 asset pool 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 underlying asset pool or index that the ETF is designed to track 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 higher premium or discount to its net asset value. Such risks may have a negative impact on the performance of the ETF and may adversely affect the market value of our Single ELIs and/or the potential gain or loss of our Single ELIs.

[[insert where the ETF adopts a synthetic replication investment strategy:]] The ETF adopts a synthetic replication investment strategy to achieve its investment objectives by investing in financial derivative instruments linked to the performance of an underlying asset pool or index that the ETF is designed to track, you should also note that:

- (a) investments in financial derivative instruments will expose the ETF to the credit, potential contagion and concentration risks of the counterparties who issued such financial derivative instruments. If the ETF has collateral to reduce the counterparty risk, there may still be a risk that the market value of the collateral has fallen substantially when the ETF seeks to realise the collateral; and
- (b) the ETF may be exposed to higher liquidity risk if the ETF invests in financial derivative instruments which do not have an active secondary market.]

You should read the offering document of the ETF for further information about the risks applicable to the ETF.]

[[Risk Factor to be inserted where the Linked Stock is a real estate investment trust:]]

Risks related to Single ELIs linked to a unit of a real estate investment trust

The trust deed constituting a real estate investment trust (as amended from time to time) contains provisions for the trustee and/or the manager of the trust to consider termination of the trust. The trust can also be terminated as a result of a resolution by the unitholders of the trust. In these circumstances, you may lose all, or a substantial part, of your investment.]

Information about the Linked Stock/Listed Entity

The Linked Stock is listed on the Exchange and the issuer of the Linked Stock (“**Listed Entity**”) is required by the Exchange to continuously disclose information that has a material impact on market activity in and the market price of the Linked Stock. You can find information about the Listed Entity (including its published audited financial statements and interim financial statements) on the Exchange’s website at <http://www.hkex.com.hk/index.htm>. You may obtain historical closing price information of the Linked Stock on the website of the Exchange at <http://www.hkexnews.com.hk>.

Information included on any third party's websites referred to in this indicative term sheet does not form part of the Offer Documents.

The issue of this Single ELI is made solely on the basis of the information contained in the Offer Documents. Accordingly, you should exercise an appropriate degree of caution when assessing the value of other sources of information relating to the Issuer, the Single ELI or a Listed Entity.

[Updated information]

[The *[insert number]* paragraph under the *[sub-]section* headed *[insert heading]* on page[s] *[insert number]* [to *[insert number]*] of the *[insert name of document]* shall be [deleted/amended/supplemented as follows/ replaced by the following:]/[deleted/replaced, the details of which are set out in an addendum dated *[insert date]*] [The following shall be inserted after the *[insert number]* paragraph under the *[sub-]section* headed *[insert heading]* on page *[insert number]* [to *[insert number]*] of the [Information Memorandum]/[Financial Disclosure Document]/[Product Booklet]:]

[insert details of changes]

[No] [M][m]aterial adverse change

[Save as disclosed in [page *[insert number]* of] the [Information Memorandum] [Financial Disclosure Document] [addendum to the [Information Memorandum]/[Financial Disclosure Document]] [and] this indicative term sheet[,] [There/there] has been no material adverse change in the financial, business or trading position of the Issuer since the date of our financial statements for the period ended *[insert date]* that is material in the context of the offer of the Single ELI.

[No] [M][m]aterial litigation

[Save as disclosed in [page *[insert number]* of] the [Information Memorandum] [Financial Disclosure Document] [addendum to the [Information Memorandum]/[Financial Disclosure Document]] [and] this indicative term sheet[,] [The/the] Issuer is not involved in any litigation, claims or arbitration proceedings against or affecting the Issuer, nor is the Issuer aware of any claims pending or, to its knowledge, threatened against the Issuer, which are material in the context of the offer of the Single ELI.

This indicative term sheet has been prepared by the Issuer for information purposes only. This document is an indicative summary of the terms and conditions of the Single ELI described herein. The final terms and conditions of the Single ELI are set out in Appendix 1 to the Product Booklet (as amended, varied or supplemented by the Term Sheet attached to or endorsed upon the relevant Global Certificate), you will receive a notification letter setting out the trade specific terms of the Single ELI no later than 2 Business Days after the Trade Date.

The Issuer is acting solely as principal and not as advisor or fiduciary. The Issuer does not provide, and has not provided, any investment advice or recommendation to you in relation to the transaction and/or any related securities described herein. You may not rely on any communication (written or oral) from the Issuer as investment advice or as a recommendation to enter into any transaction. Accordingly the Issuer is under no obligation to, and shall not, determine the suitability for you of the transaction described herein.]

The information contained in the Information Memorandum, Financial Disclosure Documents and the Product Booklet (taken together with, and as updated by, any relevant addendum and this indicative term sheet) is accurate as at the date of this indicative term sheet.]

**[ANNEX
INFORMATION SUPPLEMENTAL TO THE [INFORMATION
MEMORANDUM]/[FINANCIAL DISCLOSURE DOCUMENT]**

We have published *[insert name of document]* on *[insert date]*. Selected relevant parts of the *[insert name of document]* are set out below. The selected relevant parts of the *[insert name of document]* supplement certain information contained in the *[Information Memorandum]/[Product Booklet]/[Financial Disclosure Document]*.

[insert details]

APPENDIX 3 – ILLUSTRATION OF POTENTIAL GAIN OR LOSS OF OUR SINGLE ELIS

You should note that the following example is purely hypothetical for illustrative purposes only and is by no means an indication of past or future gain or loss and the actual performance of the Linked Stock. In addition, it does not take into account any expenses relating to Single ELIs held by you, including without limitation: (i) handling fees or other charges which may be levied by a distributor and/or (ii) Delivery Expenses in connection with the delivery of any Linked Stock, which would adversely affect your potential gain or loss in the Single ELIs.

This scenario analysis is based on the following terms:

Nominal Unit Value:	HKD10,000 per Nominal Unit (for all scenarios)/USD1,000 for scenario 2(1)(ii) and 2(2)(iii).
Purchase Price:	100.00% of the Nominal Unit Value.
Linked Stock:	A Company Shares.
Trade Date:	12 August 20XX.
Issue Date:	26 August 20XX (10 Business Days after Trade Date).
Investment Period:	107 days (being the number of days from the Trade Date to the scheduled Valuation Date (both days inclusive)).
Initial Price:	HKD84.0000, being the Closing Price of A Company Shares on the Trade Date.
Autocall Price:	HKD88.2000 (105% of the Initial Price).
Autocall Cash Amount:	100% of the Nominal Unit Value.
Valuation Date:	26 November 20XX (3 months after the Issue Date).

Settlement Date:	29 November 20XX (3 Business Days after the Valuation Date).
Put Strike Price:	HKD79.8000 (95% of the Initial Price).
Knock-in Price:	HKD63.0000 (75% of the Initial Price).
Cash Amount:	100% of the Nominal Unit Value, i.e. HKD10,000 per Nominal Unit.
Settlement Currency:	Hong Kong dollars ("HKD") (for all scenarios)/United States dollars ("USD") for scenario 2(1)(ii) and 2(2)(iii).
Exchange Rate:	7.8 (where the Settlement Currency is USD).

Observation Period	Period Start Date (exclusive)	Period End Date (inclusive)	Total Days	Distribution Barrier Price	Distribution Rate
1	26 August 20XX	26 September 20XX	18	HKD4.20 (5% of the Initial Price)	2% ¹ (Fixed)
2	26 September 20XX	26 October 20XX	21	HKD71.40 (85% of the Initial Price)	X% ² (Variable)
3	26 October 20XX	26 November 20XX	21	HKD71.40 (85% of the Initial Price)	X% ² (Variable)

Note 1 The Potential Distribution Amount for this Observation Period is only payable on the relevant Distribution Payment Date if the Closing Price of the Linked Stock on the Period End Date of this Observation Period (subject to adjustment in the case of a Disrupted Day for the purpose of determining the relevant Closing Price) is at or above the Distribution Barrier Price.

Note 2 $X = \text{Reference Rate} \times \frac{\text{Days In}}{\text{Total Days}}$

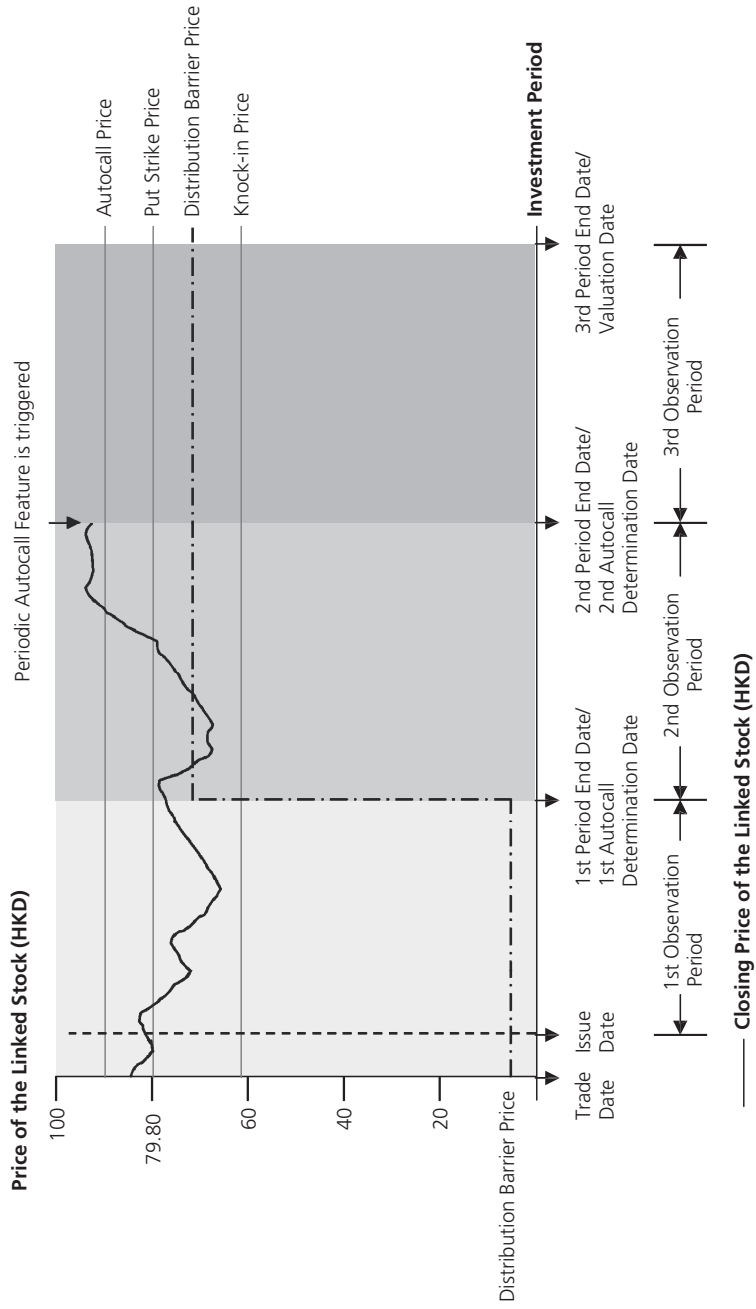
Where: "Reference Rate" means 2%.

Scenario 1 – Potential Distribution Amount and where the Daily Autocall Feature or the Periodic Autocall Feature is triggered on an Autocall Trigger Date

(1) Where the Periodic Autocall Feature applies

Assuming that:

- (i) the Periodic Autocall Feature applies and the Autocall Determination Date is set as each Period End Date other than the Valuation Date; and
- (ii) the Closing Price of the Linked Stock on the 2nd Autocall Determination Date (i.e. 2nd Period End Date) is above the Autocall Price, as shown below.



The Periodic Autocall Feature is triggered on the 2nd Autocall Determination Date and our Single ELIs will be early terminated.

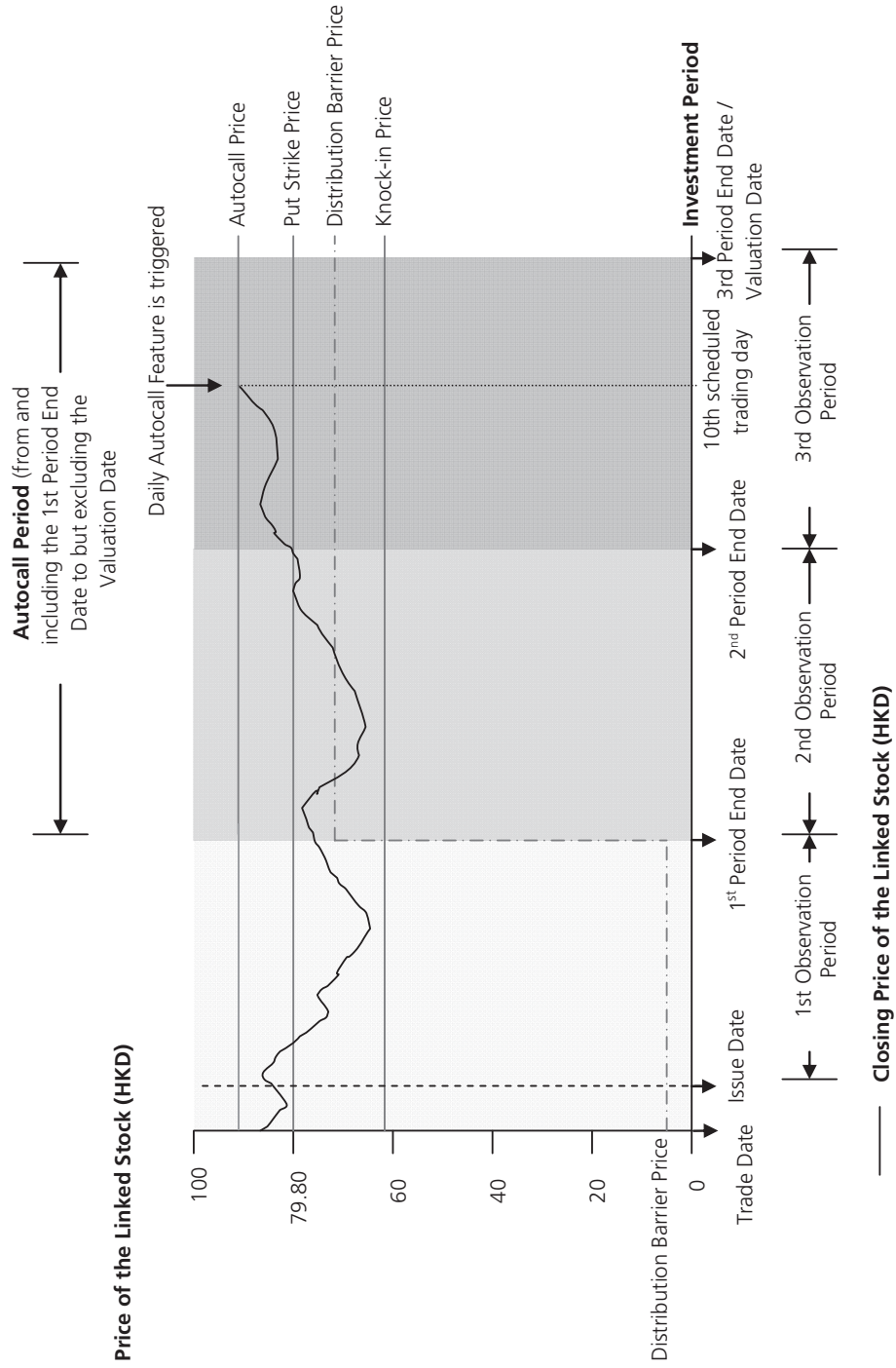
Observation Period	Has the Autocall Feature been triggered?	Days In	Total Days	Is the Closing Price on the Period End Date \geq Distribution Barrier Price?	Potential Distribution Amount (rounded up to the nearest 2 decimal places, with 0.005 or above being rounded upwards)	Autocall Cash Amount payable on the Autocall Settlement Date
1st Observation Period	No	Not applicable	Not applicable	Yes	= HKD10,000 x 2% = HKD200 payable on the 1st Distribution Payment Date	N/A
2nd Observation Period (Closing Price on the 2nd Autocall Determination Date > Autocall Price)	Yes	15	21	Not applicable	= HKD10,000 x (2% x 15/21) = HKD142.86 payable on the Autocall Settlement Date	HKD10,000

In the above scenario analysis, if you make an investment of HKD10,000 (being the Purchase Price), you will receive in total HKD10,342.86 (i.e. HKD200 + HKD142.86 + HKD10,000) (being the total Potential Distribution Amounts for the 1st and 2nd Observation Periods and the Autocall Cash Amount).

(2) Where the Daily Autocall Feature applies

Assuming that:

- (i) the Daily Autocall Feature applies and the Autocall Determination Date is set as each Scheduled Trading Day during the Autocall Period (being the period from and including the Period End Date of the 1st Observation Period to but excluding the Valuation Date); and
- (ii) the Closing Price of the Linked Stock on the 10th Scheduled Trading Day in the 3rd Observation Period is at the Autocall Price, as shown below.



The Daily Autocall Feature is triggered on the 10th Scheduled Trading Day in the 3rd Observation Period and our Single ELIs will be early terminated.

Observation Period	Has the Autocall Feature been triggered?	Days In	Total Days	Is the Closing Price on the Period End Date \geq Distribution Barrier Price?	Potential Distribution Amount (rounded up to the nearest 2 decimal places, with 0.005 or above being rounded upwards)	Autocall Cash Amount payable on the Autocall Settlement Date
1st Observation Period	No	Not applicable	Not applicable	Yes	= HKD10,000 x 2% = HKD200 payable on the 1st Distribution Payment Date	N/A
2nd Observation Period	No	15	21	Not applicable	= HKD10,000 x (2% x 15/21) = HKD142.86 payable on the 2nd Distribution Payment Date	N/A
3rd Observation Period (Closing Price on the 10th Scheduled Trading Day > Autocall Price)	Yes	10	21	Not applicable	= HKD10,000 x (2% x 10/21) = HKD95.24 payable on the Autocall Settlement Date	HKD10,000

In the above scenario analysis, if you make an investment of HKD10,000 (being the Purchase Price), you will receive in total HKD10,438.10 (i.e. HKD200 + HKD142.86 + HKD95.24 + HKD10,000) (being the total Potential Distribution Amounts for the 1st, 2nd and 3rd Observation Periods and the Autocall Cash Amount).

* In the above scenario analysis, the Daily Autocall Feature is triggered and our Single ELIs will be early terminated and the relevant Potential Distribution Amount for the 3rd Observation Period will be calculated up to (and including) the Autocall Trigger Date on which the Autocall Feature is triggered, notwithstanding that the Total Days will remain unchanged.

Scenario 2 – Potential Distribution Amount and Settlement at expiry where the Periodic Autocall Feature is not triggered

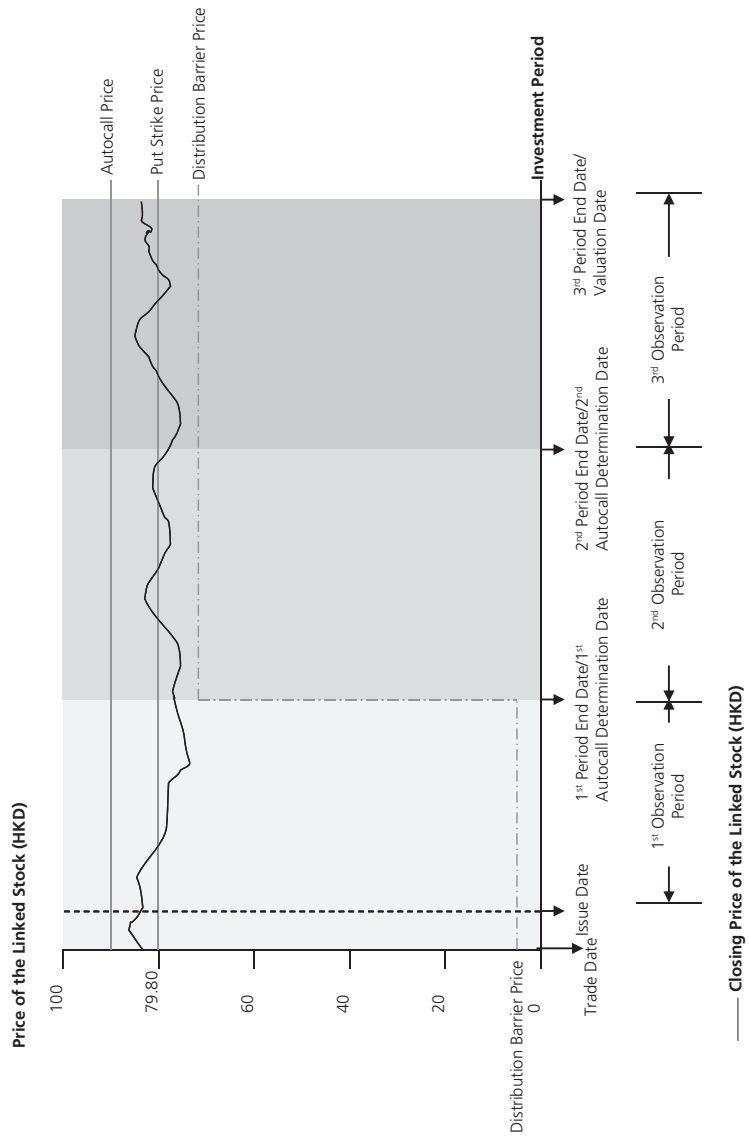
(1) Where the Knock-in Feature does not apply

Assuming that the Periodic Autocall Feature applies and the Autocall Determination Date is set as each Period End Date other than the Valuation Date, and no Periodic Autocall Feature has been triggered as the Closing Price of the Linked Stock is below the Autocall Price on each Autocall Determination Date.

The settlement at expiry will be calculated as follows:

Scenarios	Is the Closing Price as of the Valuation Date at or above the Put Strike Price?	Settlement on the Settlement Date
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- | | | |
|---|-----|--|
| (i) Best case scenario (i.e. you receive the maximum Potential Distribution Amount for all Observation Periods (being HKD600*) and the Cash Amount at expiry as the Closing Price as of the Valuation Date is above the Put Strike Price): Closing Price as of the Valuation Date = HKD82 | Yes | The Cash Amount, being HKD10,000 + Potential Distribution Amount for the last Observation Period (being HKD200*) |
|---|-----|--|



In the above scenario analysis, if you make an investment of HKD10,000 (being the Purchase Price), you will receive in total HKD10,600 (i.e. HKD200 + HKD200 + HKD200 + HKD10,000) (being the total Potential Distribution Amounts for the 1st, 2nd and 3rd Observation Periods and the Cash Amount).

* The Potential Distribution Amount for each Observation Period is calculated as follows:

Observation Period	Days In	Total Days	Potential Distribution Amount (rounded up to the nearest 2 decimal places, with 0.005 or above being rounded upwards)
1st Observation Period	Not applicable	Not applicable	<p>= HKD10,000 x 2%</p> <p>= HKD200 payable on the 1st Distribution Payment Date</p> <p>You receive the Potential Distribution Amount for the 1st Observation Period as the Closing Price of the Linked Stock is above the Distribution Barrier Price on the Period End Date for 1st Observation Period.</p>
2nd Observation Period	21	21	<p>= HKD10,000 x (2% x 21/21)</p> <p>= HKD200 payable on the 2nd Distribution Payment Date</p> <p>You receive the maximum Potential Distribution Amount for the 2nd Observation Period as the Closing Price of the Linked Stock is above the Distribution Barrier Price on each Scheduled Trading Day during the 2nd Observation Period.</p>
3rd Observation Period	21	21	<p>= HKD10,000 x (2% x 21/21)</p> <p>= HKD200 payable on the Settlement Date</p> <p>You receive the maximum Potential Distribution Amount for the 3rd Observation Period as the Closing Price of the Linked Stock is above the Distribution Barrier Price on each Scheduled Trading Day during the 3rd Observation Period.</p>

Scenarios	Is the Closing Price as of the Valuation Date at or above the Put Strike Price?	Settlement on the Settlement Date
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(ii) Worst case scenario (i.e. you will not receive any Potential Distribution Amount for each Observation Period as the Closing Price of the Linked Stock is below the Distribution Barrier Price on the Period End Date of the 1st Observation Period (i.e. the Distribution Barrier Determination Date) and each Scheduled Trading Day during the 2nd and 3rd Observation Periods and receive the Stock Amount at expiry as the Closing Price as of the Valuation Date is below the Put Strike Price): Closing Price as of the Valuation Date = HKD2

If the Settlement Currency is HKD:
 125 A Company Shares¹ + cash payment of Fractional Stock of HKD0.63¹

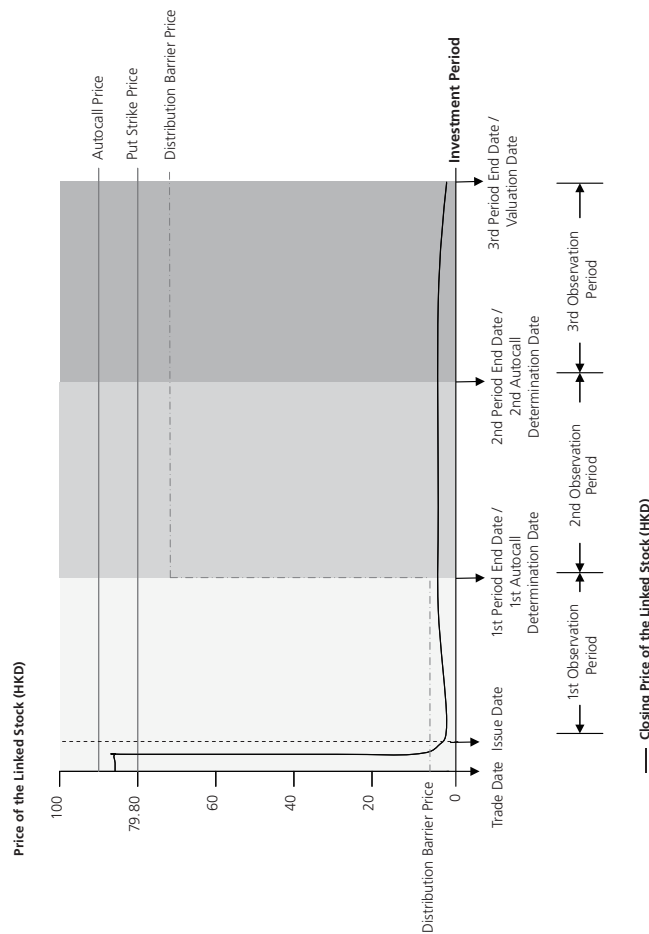
If you make an investment of HKD10,000 (being the Purchase Price), you will suffer an unrealized loss of HKD9,749.37 (being HKD10,000 (i.e. the Purchase Price) – HKD250.63² (i.e. the market value of the Stock Amount, calculated based on the Closing Price of the Linked Stock as of the Valuation Date and the cash payment of Fractional Stock))

If the Settlement Currency is USD:
 97 A Company Shares³ + cash payment of Fractional Stock of USD0.19³

If you make an investment of USD1,000 (being the Purchase Price), you will suffer an unrealized loss of USD974.94 (being USD1,000 (i.e. the Purchase Price) – USD25.06⁴ (i.e. the market value of the Stock Amount, calculated based on the Closing Price of the Linked Stock as of the Valuation Date and the cash payment of Fractional Stock))

Please note that you will suffer a loss in your investment in this scenario. Our Single ELIs may even expire worthless if the market value of the Stock Amount falls to zero on the Valuation Date.

The accompanying notes are specified on page 163 of this Product Booklet.



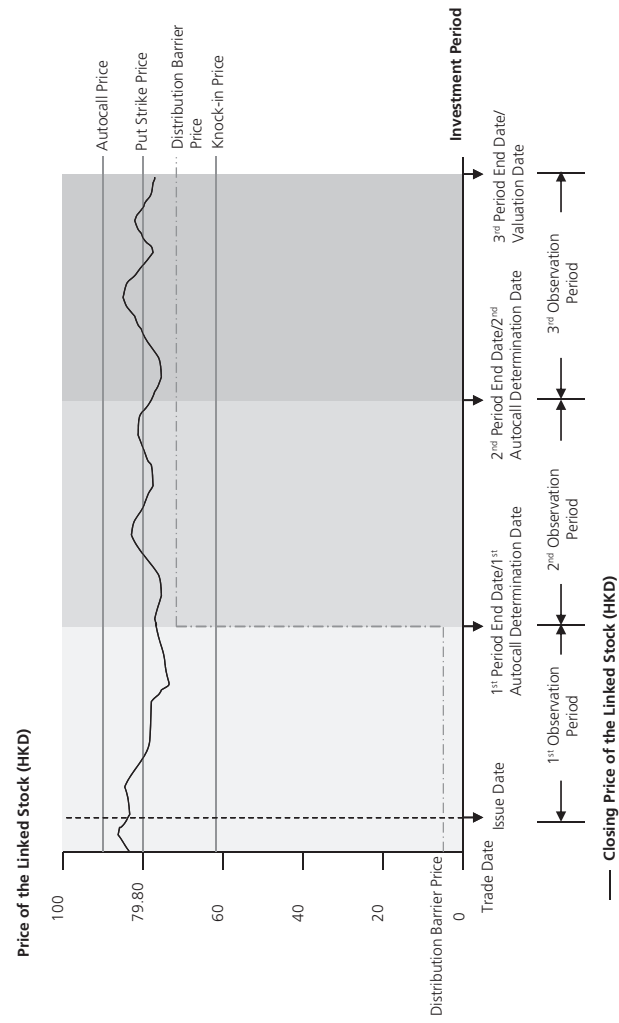
(2) Where the Knock-in Feature applies

Assuming that the Periodic Autocall Feature applies and the Autocall Determination Date is set as each Period End Date other than the Valuation Date, and no Autocall Feature has been triggered as the Closing Price of the Linked Stock is below the Autocall Price on each Autocall Determination Date.

The settlement at expiry will be calculated as follows:

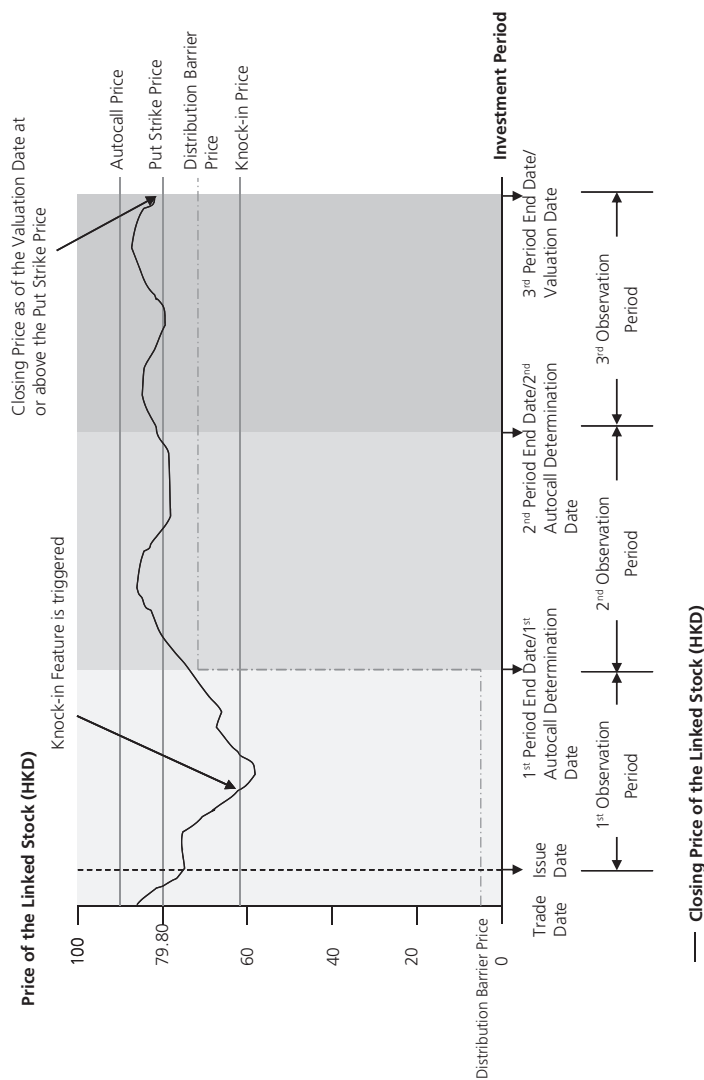
Scenarios	Has the Knock-in Feature been triggered?	Is the Closing Price as of the Valuation Date at or above the Put Strike Price?	Settlement on the Settlement Date
(i) Best case scenario I (i.e. you receive the maximum Potential Distribution Amount for all Observation Periods (being HKD600*) and the Cash Amount at expiry as the Knock-in Feature has not been triggered): Closing Price as of the Valuation Date = HKD75	No	Not relevant as the Knock-in Feature has not been triggered	The Cash Amount, being HKD10,000 + Potential Distribution Amount for the last Observation Period (being HKD200*)

(i) Best case scenario I (i.e. you receive the maximum Potential Distribution Amount for all Observation Periods (being HKD600*) and the Cash Amount at expiry as the Knock-in Feature has not been triggered): Closing Price as of the Valuation Date = HKD75



Scenarios	Has the Knock-in Feature been triggered?	Is the Closing Price as of the Valuation Date at or above the Put Strike Price?	Settlement on the Settlement Date
<p>(ii) Best case scenario II (i.e. you receive the maximum Potential Distribution Amount for all Observation Periods (being HKD600*) and the Cash Amount at expiry as the Closing Price as of the Valuation Date is above the Put Strike Price despite the Knock-in Feature has been triggered): Closing Price as of the Valuation Date = HKD82</p>	Yes	Yes	The Cash Amount, being HKD10,000 + Potential Distribution Amount for the last Observation Period (being HKD200*)

(ii) Best case scenario II (i.e. you receive the maximum Potential Distribution Amount for all Observation Periods (being HKD600*) and the Cash Amount at expiry as the Closing Price as of the Valuation Date is above the Put Strike Price despite the Knock-in Feature has been triggered): Closing Price as of the Valuation Date = HKD82



In the above best case scenario I and II, if you make an investment of HKD10,000 (being the Purchase Price), you will receive in total HKD10,600 (i.e. HKD200 + HKD200 + HKD200 + HKD10,000) (being the total Potential Distribution Amounts for the 1st, 2nd and 3rd Observation Periods and the Cash Amount).

* The Potential Distribution Amount for each Observation Period is calculated as follows:

Observation Period	Days In	Total Days	Potential Distribution Amount (rounded up to the nearest 2 decimal places, with 0.005 or above being rounded upwards)
1st Observation Period	Not applicable	Not applicable	<p>= HKD10,000 x 2%</p> <p>= HKD200 payable on the 1st Distribution Payment Date</p> <p>You receive the Potential Distribution Amount for the 1st Observation Period as the Closing Price of the Linked Stock is above the Distribution Barrier Price on the 1st Period End Date.</p>
2nd Observation Period	21	21	<p>= HKD10,000 x (2% x 21/21)</p> <p>= HKD200 payable on the 2nd Distribution Payment Date</p> <p>You receive the maximum Potential Distribution Amount for the 2nd Observation Period as the Closing Price of the Linked Stock is above the Distribution Barrier Price on each Scheduled Trading Day during the 2nd Observation Period.</p>
3rd Observation Period	21	21	<p>= HKD10,000 x (2% x 21/21)</p> <p>= HKD200 payable on the Settlement Date</p> <p>You receive the maximum Potential Distribution Amount for the 3rd Observation Period as the Closing Price of the Linked Stock is above the Distribution Barrier Price on each Scheduled Trading Day during the 3rd Observation Period.</p>

Scenarios	Has the Knock-in Feature been triggered?	Is the Closing Price as of the Valuation Date at or above the Put Strike Price?	Settlement on the Settlement Date
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(iii) Worst case scenario (i.e. you will not receive any Potential Distribution Amount for each Observation Period as the Closing Price of the Linked Stock is below the Distribution Barrier Price on the Period End Date of the 1st Observation Period (i.e. the Distribution Barrier Determination Date) and each Scheduled Trading Day during the 2nd and 3rd Observation Periods and receive the Stock Amount at expiry as the Knock-in Feature has been triggered and the Closing Price as of the Valuation Date is below the Put Strike Price): Closing Price as of the Valuation Date = HKD2

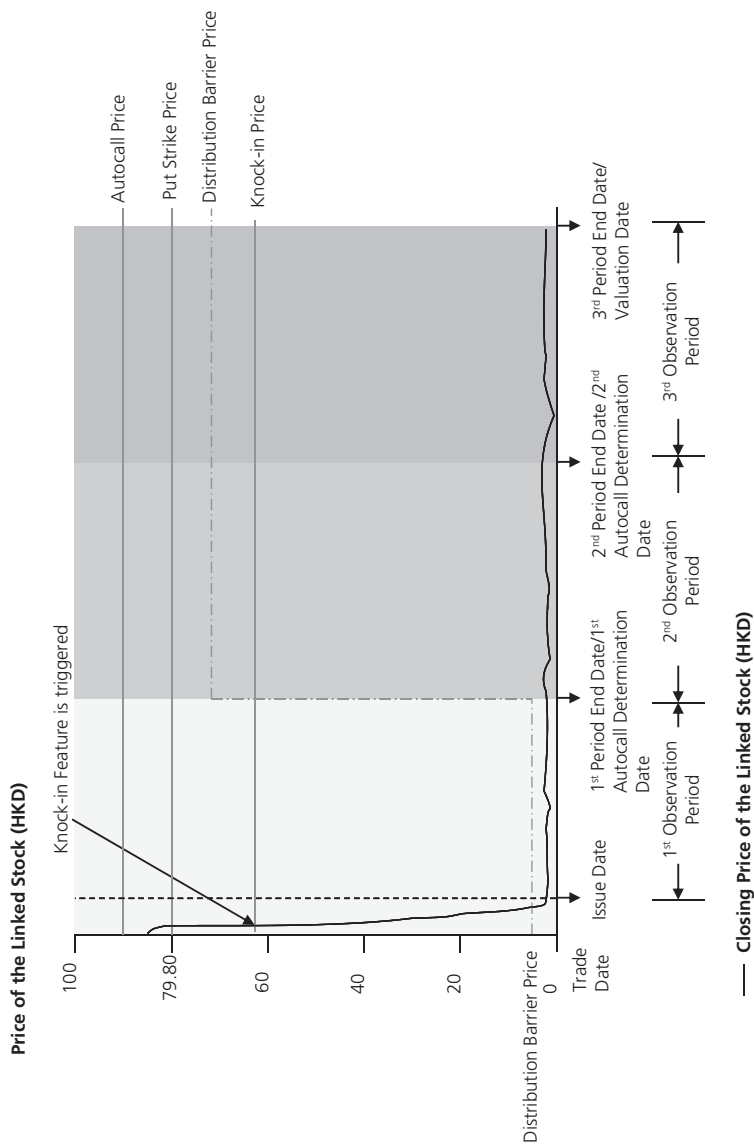
No

If the Settlement Currency is HKD:
 125 A Company Shares¹ + cash payment of Fractional Stock of HKD0.63¹
 If you make an investment of HKD10,000 (being the Purchase Price), you will suffer an unrealized loss of HKD9,749.37 (being HKD10,000 (ie the Purchase Price) – HKD250.63² (ie the market value of the Stock Amount, calculated based on the Closing Price of the Linked Stock as of the Valuation Date and the cash payment of Fractional Stock))

If the Settlement Currency is USD:
 97 A Company Shares³ + cash payment of Fractional Stock of USD0.19³
 If you make an investment of USD1,000 (being the Purchase Price), you will suffer an unrealized loss of USD974.94 (being USD1,000 (ie the Purchase Price) – USD25.06⁴ (ie the market value of the Stock Amount, calculated based on the Closing Price of the Linked Stock as of the Valuation Date and the cash payment of Fractional Stock))

Please note that you will suffer a loss in your investment in this scenario. Our Single ELIs may even expire worthless if the market value of the Stock Amount delivered falls to zero on the Valuation Date.

The accompanying notes are specified on page 163 of this Product Booklet.



Note 1 If the Settlement Currency is HKD, the Stock Amount per Nominal Unit will be calculated as follows (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards):

$$\frac{\text{Nominal Unit Value}}{\text{Put Strike Price}} = \frac{\text{HKD10,000}}{\text{HKD79.80}}$$

$$= 125.3133 \text{ A Company Shares}$$

The whole number of the Linked Stock (being 125 A Company Shares) will be settled by physical delivery at settlement. The fractional number of the Linked Stock comprising the Stock Amount (being 0.3133 A Company Shares) (“**Fractional Stock**”) will be settled by a cash payment in the Settlement Currency calculated as follows (rounded up to the nearest 2 decimal places, with 0.005 or above being rounded upwards):

$$\begin{aligned} \text{Cash payment of} &= \text{Fractional Stock} \times \text{Closing Price of the A Company Shares on the Valuation Date} \\ \text{Fractional Stock for} &= 0.3133 \text{ A Company Shares} \times \text{HKD2} \\ \text{each Nominal Unit} &= \text{HKD0.63} \end{aligned}$$

Note 2 If the Settlement Currency is HKD, the market value of the Stock Amount (calculated based on the Closing Price of the Linked Stock as of the Valuation Date) will be:

$$\begin{aligned} &125 \text{ A Company Shares} \times \text{Closing Price of the Linked Stock as of the Valuation Date} + \text{cash payment of Fractional Stock} \\ &= 125 \times \text{HKD2} + \text{HKD0.63} \\ &= \text{HKD250.63} \end{aligned}$$

Note 3 If the Settlement Currency is USD, the Stock Amount per Nominal Unit will be calculated as follows (rounded up to the nearest 4 decimal places, with 0.00005 or above being rounded upwards):

$$\frac{\text{Nominal Unit Value} \times \text{Exchange Rate}}{\text{Put Strike Price}} = \frac{\text{USD1,000} \times 7.8}{\text{HKD79.80}}$$

$$= 97.7444 \text{ A Company Shares}$$

The whole number of the Linked Stock (being 97 A Company Shares) will be settled by physical delivery at settlement. The fractional number of the Linked Stock comprising the Stock Amount (being 0.7444 A Company Shares) (“**Fractional Stock**”) will be settled by a cash payment in the Settlement Currency calculated as follows (rounded up to the nearest 2 decimal places, with 0.005 or above being rounded upwards):

$$\begin{aligned} \text{Cash payment of} &= \text{Fractional Stock} \times \text{Closing Price of the A Company Shares on the Valuation Date/Exchange Rate} \\ \text{Fractional Stock for} &= 0.7444 \text{ A Company Shares} \times \text{HKD2/7.8} \\ \text{each Nominal Unit} &= \text{USD0.19} \end{aligned}$$

Note 4 If the Settlement Currency is USD, the market value of the Stock Amount (calculated based on the Closing Price of the Linked Stock as of the Valuation Date) will be:

$$\begin{aligned} &97 \text{ A Company Shares} \times (\text{Closing Price of the Linked Stock as of the Valuation Date/Exchange Rate}) + \text{cash payment of Fractional Stock} \\ &= 97 \times (\text{HKD2/7.8}) + \text{USD0.19} \\ &= \text{USD25.06} \end{aligned}$$

You will suffer a further loss if the market price of the Linked Stock falls further after the Valuation Date.

Scenario 3 – where we (as the Issuer) become insolvent during the Investment Period or default on our obligations

If we (as the Issuer) become insolvent anytime between the Trade Date and the Settlement Date (both days inclusive) or default on our obligations under the Single ELI, you will have to rely on your distributor (and, if applicable, its direct or indirect custodian) to take action on your behalf to claim as our unsecured creditor. In the worst case scenario, you WILL NOT receive any of the Potential Distribution Amount on any Distribution Payment Date, the Autocall Cash Amount on the Autocall Settlement Date (if applicable), or the Cash Amount or Stock Amount on the Settlement Date (as the case may be) regardless of the performance of the Linked Stock and get nothing back and **the maximum potential loss could be 100% of your original investment amount.**

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