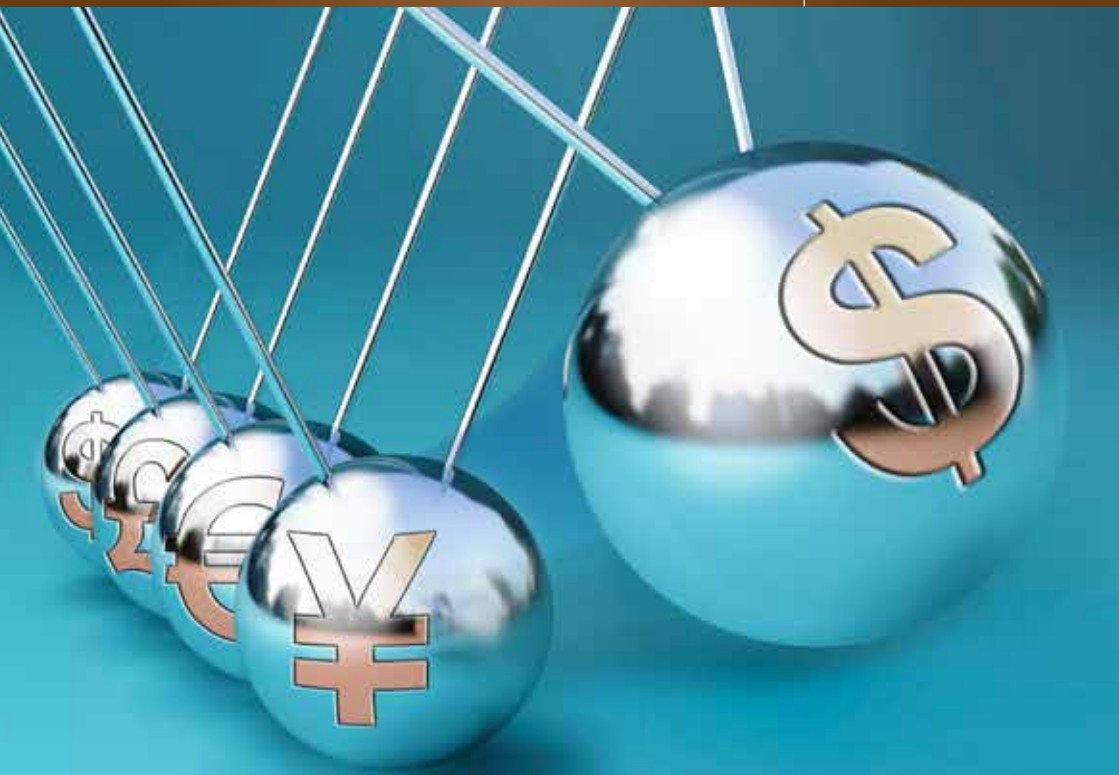
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Currency Linked Deposit

Important Facts Statement and Product Brochure

上海商業銀行
SHANGHAI COMMERCIAL BANK

處處為您着想

上海商業銀行
SHANGHAI COMMERCIAL BANK

Shanghai Commercial Bank Limited
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上海商業銀行有限公司
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Updated information

With effective from 21 September 2020, the section headed "Pre-Investment Cooling-off Period for retail customers" on pages 6 of the Currency Linked Deposit Important Facts Statement and Product Brochure issued in January 2017 shall be replaced by the following:

Pre-Investment Cooling-off Period for retail customers

Pre-Investment Cooling-off Period ("PICOP") is applicable to each particular dealing of this product if you are one of the following retail customer types who has no investment experience in currency linked structured investment products:

1. A customer aged below 65 and your asset concentration* is at or above 20%; or
2. An elderly customer aged 65 or above, unless your asset concentration* is below 20%, you will be allowed to opt out from the PICOP arrangement.

***Asset concentration** refers to the percentage of total net worth (excluding real estate properties) to be invested in CLD.

IMPORTANT FACTS STATEMENT

Currency Linked Deposit ("CLD") offered by Shanghai Commercial Bank Limited (the "Bank")

January 2017

This is a structured investment product which is NOT principal protected and is NOT protected by the Deposit Protection Scheme in Hong Kong.

The contents of this statement have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution before investing in this product. **This statement is a part of the offering documents for this product. You should not invest in this product based on this statement alone.** If you are in any doubt, you should obtain independent professional advice.

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

Quick facts

Issuer :	Shanghai Commercial Bank Limited
Product Type :	Currency Linked Deposit
Minimum Deposit :	USD 5,000 or equivalent
Tenor :	Range from 1 week to 6 months
Available Deposit Currency and Linked Currency :	10 currencies including HKD, USD, AUD, CAD, CHF, EUR, GBP, JPY, NZD and RMB
Interest Rate :	Depend on the selected currencies, tenor and market conditions
Interest Payment Date :	On maturity date
Principal Protection at Maturity :	No
Callable by the Bank :	No
Withdrawal or Termination prior to Maturity :	Will not be allowed
Embedded Derivatives :	Yes. In addition to traditional deposit interest, it pays an extra interest derived from the selling of a put option over the Linked Currency
Maximum Potential Gain :	Capped at the pre-determined interest rate
Maximum Potential Loss :	ALL of your principal amount

What is CLD?

CLD is a combination of traditional time deposit and currency option. In addition to traditional deposit interest, it pays an extra interest derived from the option premium, offering you a chance to enhance the potential returns by taking advantage of foreign exchange movements.

How does CLD work?

1. Select a "Deposit Currency";
2. Select a "Linked Currency";
3. Choose a deposit tenor;
4. Based on the above selection, the Bank will quote a Conversion Rate[+] and a premium interest rate for your deposit;
5. On the Fixing Date[#], the Bank will compare the Conversion Rate with the relevant market rate ("Fixing Rate")[^] to determine whether the principal and interest will be repaid in the Deposit Currency or Linked Currency :

   Scenario 1 : If the Fixing Rate of the Linked Currency against the Deposit Currency is at or above the Conversion Rate, the principal and interest will be repaid in the Deposit Currency on the Maturity Date[#].

   Scenario 2 : If the Fixing Rate of the Linked Currency against the Deposit Currency is below the Conversion Rate, the principal and interest will be repaid in the Linked Currency at the Conversion Rate on the Maturity Date.
6. The principal and interest in the Deposit Currency or Linked Currency will be credited to your designated account maintained at the Bank on the Maturity Date.

+ You can also choose a Conversion Rate.

Fixing Date and Maturity Date will be indicated on the deposit confirmation.

^ Fixing Rate refers to the prevailing market rate as quoted by the Bank on the Fixing Date at around 2:00 p.m.

IMPORTANT FACTS STATEMENT

What are the key risks?

- **Not a time deposit** - CLD is NOT the same as NOR should it be treated as a substitute for normal time deposits NOR exchange of currency.
- **Not a protected deposit** - **CLD is NOT principal protected and is NOT protected by the Deposit Protection Scheme in Hong Kong.**
- **Not the same as buying the Linked Currency** - Investing in CLD is NOT the same as buying the Linked Currency directly.
- **Derivatives risk** - CLD is embedded with currency option. Option transactions involve risks, especially when selling an option. Although the premium received from selling an option is fixed, you may sustain a loss well in excess of such premium amount, and your loss could be substantial.
- **Limited potential gain** - The amount of gain is limited to the pre-determined interest rate no matter how high the price of the Linked Currency has increased.
- **Maximum potential loss** - CLD is NOT supported by any collateral and its earning is subject to the market risk. You will bear the potential losses due to the fall in exchange of the Linked Currency. Such losses may reduce the principal amount AND the interest earnings. **You could lose the entire principal amount in the worst case scenario.**
- **Market risk** - The return of CLD is linked to the exchange rates of the Deposit Currency against the Linked Currency. Movements in exchange rates can be unpredictable, sudden and drastic, and affected by complex political and economic factors. You must be prepared to take risk, as the principal and interest may be converted into the Linked Currency.
- **Liquidity risk** - CLD is designed to be held till maturity. You DO NOT have a right to request early termination of this product before maturity.
- **Credit risk of the Bank** - CLD is NOT secured by any collateral and is subject to the credit risk / insolvency risk of the Bank. If the Bank becomes insolvent or defaults on its obligations under this product, you may lose the entire principal amount and will become an unsecured creditor of the Bank regardless of the performance of the Linked Currency.
- **Currency risk** - If the Deposit Currency and / or Linked Currency is NOT in your home currency, and you choose to convert it back to your home currency upon maturity, you may make a gain or loss due to exchange rate fluctuations.
- **Renminbi currency risk** - If Renminbi is involved in the investment product(s), offshore Renminbi exchange rate will be quoted. The offshore Renminbi exchange rate may be at a premium or discount to the exchange rate for onshore Renminbi and there may be significant bid and offer spreads. In addition, Renminbi is not freely convertible. The exchange rate and liquidity are affected by foreign exchange control policy and relevant restrictions. You should consider and understand the exchange rate fluctuation of Renminbi may result in gain or loss when you convert Renminbi into HKD or other currencies.
- **Risk of early termination by the Bank** - The Bank has the right to terminate the account and services as described in the relevant Terms and Conditions which may induce loss to you.
- **Concentration risk** - You have to be aware of the concentration risk of investment and are reminded to avoid over-concentration of investment in CLD.

You should read the relevant Terms and Conditions and risk warning notice before making any investment decision. Please also refer to the "Risk disclosure statement" section of this product brochure for further details.

What are the key features?

Premium interest rate from the embedded option

CLD may allow you to take advantage of foreign exchange movements to earn an extra interest which derived from the selling of a put option over the Linked Currency.

Variety of major currencies

We offer you a choice of 10 currencies including HKD, USD, AUD, CAD, CHF, EUR, GBP, JPY, NZD and RMB.

Minimum deposit requirement

Minimum of USD 5,000 or equivalent to set up a CLD.

Flexibility of deposit tenor

You will be able to choose from various deposit tenors range from 1 week to 6 months.

Interest rate

In addition to traditional deposit interest, an extra interest which derived from the selling of a put option over the Linked Currency will be offered. The interest rates depend on the selected currencies, tenor and market conditions.

Conversion Rate

To meet your needs, you can choose a Conversion Rate between the 2 selected currencies.

On the Fixing Date

The Bank will compare the Conversion Rate with the relevant market rate ("Fixing Rate")^ to determine whether the principal and interest will be repaid in the Deposit Currency or Linked Currency.

On the Maturity Date

The principal and interest in the Deposit Currency or Linked Currency will be credited to your designated account maintained at the Bank.

Early withdrawal or termination

No withdrawal or termination will be allowed prior to the maturity.

Fixing Date and Maturity Date will be indicated on the deposit confirmation.

^ Fixing Rate refers to the prevailing market rate as quoted by the Bank on the Fixing Date at around 2:00 p.m.

IMPORTANT FACTS STATEMENT

Scenario analysis

Illustrative example of the CLD

Deposit Currency and Principal : HKD 500,000
Linked Currency : NZD
Deposit Tenor : 1 week
Interest Rate : 26.78% p.a.
Conversion Rate : 6.2782

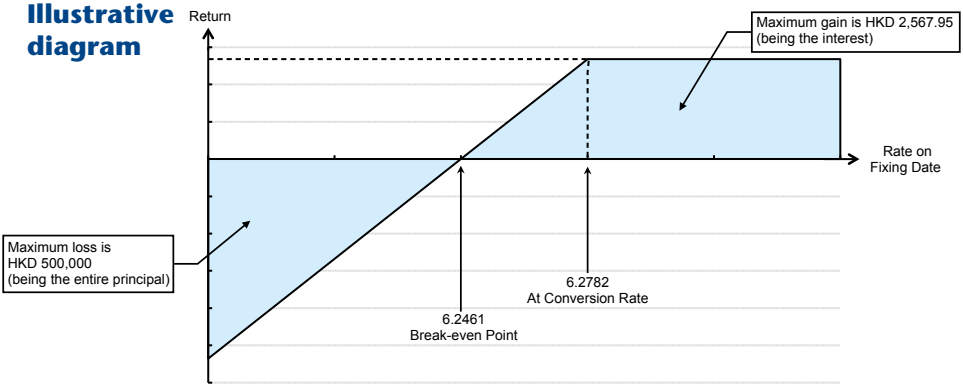
Normal time deposit

Principal	Deposit Tenor	Interest Rate (%p.a)	Interest Return	Total Proceeds at Maturity
HKD 500,000	**1 week**	**0.01%**	**HKD 0.96** = HKD 500,000 x 0.01% x 7 ÷ 365	**HKD 500,000.96** = HKD 500,000 + HKD 0.96

Scenario of the CLD

	Scenario 1 - Best Scenario	Scenario 2 - Middle - of- the - road Scenario	Scenario 3 - Loss Scenario
Scenario of Foreign Exchange Market on the Maturity Date	**NZD strengthens against HKD**	**NZD weakens slightly against HKD**	**NZD weakens significantly against HKD**
Fixing Rate	**6.2821** (Higher than Conversion Rate)	**6.2688** (Lower than Conversion Rate)	**6.2140** (Lower than Conversion Rate)
Principal	**HKD 500,000**		
Interest Return Calculation	**HKD 2,567.95** = HKD 500,000 x 26.78% x 7 ÷ 365		
Total Proceeds at Maturity	**HKD 502,567.95** = HKD 500,000 + HKD 2,567.95	**NZD 80,049.69** = (HKD 500,000 + HKD 2,567.95) ÷ 6.2782 (Conversion Rate)	
Total Proceeds in Deposit Currency on Maturity Date at Fixing Rate	**N/A**	**HKD 501,815.50** = NZD 80,049.69 x 6.2688 (Fixing Rate)	**HKD 497,428.77** = NZD 80,049.69 x 6.2140 (Fixing Rate)

Illustrative diagram



Scenario 4 : Worst case scenario

If there is a substantial depreciation in the market value of the Linked Currency, the principal and interest to be repaid in the Linked Currency on the Maturity Date may become valueless. In the worst case scenario, you could lose the entire principal amount.

Scenario 5 : The Bank becomes insolvent or defaults on its obligations

Should the Bank become insolvent during the tenor of this product or defaults on its obligations under this product, you could lose the entire principal amount and become an unsecured creditor of the Bank, regardless of the performance of the Linked Currency.

Note : The examples shown are for illustrative only and shall not constitute any representation or guarantee by the Bank in respect of any possible gains or losses.

How can you buy this product?

If you wish to place a CLD, you can contact our customer service officer through any of our branches in Hong Kong.

You are required to specify your preference of Deposit Currency, Linked Currency, deposit tenor and Conversion Rate. We will then quote the interest rate which is fixed when you place a CLD order.

Once you have placed the order, the deposit amount will be debited from your designated settlement account for the placement of CLD. The order cannot be revoked once you have confirmed the order.

If you have already successfully placed CLD at our branch for the first time, you can also place the CLD order through our Personal Internet Banking Service (For details, please visit our website www.shacombank.com.hk).

Fees and charges

There is no extra handling charge for the placement of CLD, and all fees and charges incurred by the Bank, whether for operational, administrative or hedging purposes and profit margins (if any), are already contained and subsumed into the calculation of the interest rate.

Pre-Investment Cooling-off Period for retail customers

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

1. An elderly customer aged 65 or above, unless you are not a first-time buyer of currency linked structured investment products AND your asset concentration* is below 20% AND you opt out from the PICOP arrangement; or
2. A non-elderly customer who is a first-time buyer of currency linked structured investment products AND your asset concentration is 20% or above.

*Asset concentration refers to the percentage of total net worth (excluding real estate properties) to be invested in CLD.

IMPORTANT FACTS STATEMENT

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

We may change any Terms and Conditions of our CLD at any time by notice to you. Not less than 30 days' prior notice will be given to you on changes of the Terms and Conditions that may adversely affect your liabilities or obligations. For other changes, reasonable advance notice will be given.

The Bank has the right to terminate the account and services as described in the relevant Terms and Conditions which may induce loss to you. You are NOT allowed to early terminate this product before maturity.

Offering documents for this product

The offering documents mentioned below contain detailed information about our CLD. You should read and understand all of these documents before deciding whether to invest in this product :

1. This Important Facts Statement
2. CLD Product Brochure
3. CLD Terms and Conditions

ALL of the above documents will be provided in your preferred language (either English or Chinese). Copies of the offering documents are available at any of our branches in Hong Kong.

Financial information of the Bank

The latest financial statements of the Bank can be obtained from the Bank's website www.shacombank.com.hk or any of our branches in Hong Kong.

PRODUCT BROCHURE

SCB Currency Linked Deposit

Enhance potential returns by capitalizing on foreign exchange movements

Shanghai Commercial Bank Limited (the "Bank") always strives to bring you the most comprehensive suite of products and services that allows you to capitalize on opportunities under different market conditions to grow and accumulate your wealth.

The Bank is pleased to present Currency Linked Deposit ("CLD"), which is a combination of traditional time deposit and currency option. In addition to traditional deposit interest, it pays an extra interest derived from the option premium, offering you a chance to enhance the potential returns by taking advantage of foreign exchange movements.

As an issuer of CLD, the Bank is regulated by the Hong Kong Monetary Authority, and you can obtain the latest financial statements of the Bank from the Bank's website www.shacombank.com.hk or any of our branches in Hong Kong.

What are the benefits offered by CLD?

Rewarding interest return

CLD may allow you to take advantage of foreign exchange movements to earn substantially higher returns than a traditional time deposit based on the pre-determined premium interest rate.

Variety of major currencies

We offer you a choice of 10 currencies including HKD, USD, AUD, CAD, CHF, EUR, GBP, JPY, NZD and RMB to meet your needs.

Low minimum deposit requirement

It only requires USD 5,000 or equivalent to set up a CLD. You can also choose a conversion rate between the 2 selected currencies ("Conversion Rate") to suit your different investment objectives and risk appetite.

Flexibility of deposit tenor

You will be able to choose from various deposit tenors starting from 1 week to 6 months, giving you more flexibility in reaching your investment goals to enhance wealth growth.

PRODUCT BROCHURE

Who should consider investing in CLD?

- Want to earn a higher return than the traditional time deposit; and
- Willing to hold both the Deposit Currency and the Linked Currency; or
- Believe the exchange rate between the Deposit Currency and the Linked Currency would be relatively stable

For customer enquiries

Shanghai Commercial Bank Limited
Hotline : 2818 0282
Email : contact@shacombank.com.hk
Website : www.shacombank.com.hk

PRODUCT BROCHURE

Risk disclosure statement

Investment involves risks, and the offering documents (where applicable) should be read for further details. Where past performance is quoted, the past performance figures shown are not indicative of future performance.

- CLD is NOT the same as NOR should it be treated as a substitute for normal time deposits NOR exchange of currency.
- CLD is NOT principal protected and is NOT protected by the Deposit Protection Scheme in Hong Kong.
- Investing in CLD is NOT the same as buying the Linked Currency directly. The amount of gain is limited to the pre-determined interest rate no matter how high the price of the Linked Currency has increased.
- CLD is embedded with currency option. Option transactions involve risks, especially when selling an option. Although the premium received from selling an option is fixed, you may sustain a loss well in excess of such premium amount, and your loss could be substantial.
- CLD is NOT supported by any collateral and its earning is subject to the market risk. You will bear the potential losses due to the fall in exchange of the Linked Currency. Such losses may reduce the principal amount AND the interest earnings. You could lose the entire principal amount in the worst case scenario.
- The return of CLD is linked to the exchange rates of the Deposit Currency against the Linked Currency. Movements in exchange rates can be unpredictable, sudden and drastic, and affected by complex political and economic factors. You must be prepared to take risk, as the principal and interest will be paid in the Deposit Currency or the Linked Currency, whichever has depreciated against the other, you will bear the potential losses due to depreciation. Such losses may reduce the interest earnings and the principal amount of the deposit substantially.
- CLD is designed to be held till maturity. You DO NOT have a right to request early termination of this product before maturity.
- CLD is NOT secured by any collateral and is subject to the credit risk / insolvency risk of the Bank. If the Bank becomes insolvent or defaults on its obligations under this product, you may lose the entire principal amount and will become an unsecured creditor of the Bank regardless of the performance of the Linked Currency.
- If the Deposit Currency and / or Linked Currency is NOT in your home currency, and you choose to convert it back to your home currency upon maturity, you may make a gain or loss due to exchange rate fluctuations.
- If Renminbi is involved in the investment product(s), offshore Renminbi exchange rate will be quoted. The offshore Renminbi exchange rate may be at a premium or discount to the exchange rate for onshore Renminbi and there may be significant bid and offer spreads. In addition, Renminbi is not freely convertible. The exchange rate and liquidity are affected by foreign exchange control policy and relevant restrictions. You should consider

and understand the exchange rate fluctuation of Renminbi may result in gain or loss when you convert Renminbi into HKD or other currencies.

- The Bank has the set-off and lien right to combine or consolidate any credit balances of your accounts with the Bank to set-off any liability owed by you to the Bank as described in the relevant Terms and Conditions.
- The Bank has the right to terminate the account and services as described in the relevant Terms and Conditions which may induce loss to you.
- You have to be aware of the concentration risk of investment and are reminded to avoid over-concentration of investment in CLD.
- You should assess your risk appetite and ability to bear risks before making decision regarding CLD.
- Conflicts of interest may arise and affect your interests if any subsidiaries, affiliates or associates of the Bank involved in connection with the CLD, even though the Bank has internal measures in place to minimize such conflicts. Nevertheless, the Bank will act in good faith and in a commercially reasonable manner in offering CLD.
- The Bank is not liable for any failure or delay to meet its obligations caused by force majeure events as described in the relevant Terms and Conditions of CLD.

Before making any investments, you should consult your own independent advisers on the legal, regulatory, tax, investment and financial implications of the investments to ensure that you understand the nature of the investments in order to consider whether the investments are suitable investments for you.

No indication, representation, guarantee or other assurance as to the outcome of any investment has been made or will be given to you by or on behalf of the Bank. Investors should seek independent legal and financial advice.

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