

Notice of Change to the Terms and Conditions for HSBC IPO Nominees Services and IPO Loan Facility

Dear customer,

Thank you for investing with HSBC. We are changing the Terms and Conditions for HSBC IPO Nominees Services and IPO Loan Facility ("**T&C**", formerly known as Terms and Conditions for HSBC IPO Nominees Services and IPO Loan), which form part of our Integrated Account Terms and Conditions, Terms and Conditions for Securities Margin Trading Services, and Securities Account Terms and Conditions. The T&C will be revised with effect from 1 October 2023 ("**Effective Date**").

We are changing the T&C to ensure a seamless migration to FINI (Fast Interface for New Issuance) and to improve our financing service for your IPO applications. FINI is a new platform developed by the Hong Kong Exchanges and Clearing Limited to modernise the infrastructure of the Hong Kong IPO settlement process.

Summary of the Key Changes

A summary of the key changes we are making to the T&C are set out below:

- **Maintenance of sufficient available cleared funds (clauses 7(c) and 21(b)(ii)).** As under our existing T&C, there must be sufficient funds for the settlement of your IPO applications in your account with us. Under the amended T&C, you must ensure that there are sufficient available cleared funds in your account at all times between: (A) the time we receive an IPO application from you; and (B) the time we debit the relevant amount from your account for the purposes of settling your IPO application. Under both the existing and amended T&C, you authorise us to overdraw your account if it contains insufficient funds for the settlement of your IPO application.
- **Removal of multiple or suspected multiple applications (clause 8(c)).** You are reminded under the new clause 8(c) that, where multiple (or suspected multiple) applications for the same IPO from you are identified by the issuer, the issuer's share registrar or the issuer's advisers, your application for securities may be removed from balloting.
- **Additional modes of communication (clause 16(b)).** In addition to our existing modes of communication with you (such as by post, fax or email), we can now also notify you by electronic means to your last known mobile phone number or via our Push Notification Alerts Service.
- **Introduction of "IPO Loan Facility" (clause 21).** A new "IPO Loan Facility" arrangement will replace our current "IPO Loan" service to finance your IPO applications (where and to the extent applicable). Notable changes to the relevant terms include:
 - (a) Use of IPO Loan Facility: We may make available an "IPO Loan Facility" to you should you require finance for your IPO applications. Under the new arrangement, we will commit to a "Loan Facility Amount", being the maximum amount that we agree to lend to you with respect to an IPO application, but will apply the "Drawdown Amount", being the actual amount required to be advanced and drawn down by HSBC (as determined by HSBC), to your IPO application (please note that the Drawdown Amount may be lower than the Loan Facility Amount). We will hold the requisite Drawdown Amount, and any balance of the cost for your application that is not covered by the Drawdown Amount, until such amounts are required to be remitted to the receiving bank.
 - (b) Repayment of Drawdown Amount following an unsuccessful subscription application: If your IPO application is wholly or partially unsuccessful, any amounts released by us in our capacity as a designated bank, or refunded by the issuer's receiving bank if we have remitted the application money to the receiving bank, will be used to repay the Drawdown Amount (in whole or in part) within a reasonable time after such amount is released or repaid. In addition, you authorise us to deduct from your account an amount equal to the balance of the Drawdown Amount not repaid by the amount refunded. Any amount remaining after repayment of the Drawdown Amount in full will be credited to your account (without interest).
 - (c) Facility fee for providing the IPO Loan Facility: The "Facility Fee" is the fee that you are required to pay for our provision of the IPO Loan Facility and detailed pricing information will be provided to you

at the time of or prior to your IPO Loan Facility application. The Facility Fee is payable regardless of whether any amount is drawn down under the IPO Loan Facility and you irrevocably authorise us to deduct the Facility Fee from your account on the day a release or refund of application money is made by the designated bank or the issuer's receiving bank. Under no circumstances are we under an obligation to refund the Facility Fee, including where the IPO is cancelled or does not proceed for any reason.

(d) Cancellation of IPO Loan Facility and our overriding right of demand: We reserve the right to cancel or revoke an IPO Loan Facility at our discretion even if one has been granted to you, and/or advancement of any amount has been made to you under the IPO Loan Facility.

- **Security and our set-off right and lien (clauses 22 and 23)**. Our rights under clauses 22 and 23 are now extended to cover also the HSBC IPO Nominee Services, i.e. in addition to the IPO Loan Facility Services.
- **FX conversion (clause 24)**. Where conversion of one currency into another is required under the T&C, the conversion will be calculated at the prevailing exchange rate determined by us, and our determination will be conclusive and binding on you.

This Notice will remain unchanged and will be available for download until 1 October 2023. If you want to keep this Notice for future reference, you are advised to directly download and store it on or before 1 October 2023. Otherwise, you may no longer be able to access or download this Notice after 1 October 2024.

You can obtain copies of the amended T&C by visiting our website <https://www.hsbc.com.hk/important-notice/> under "Effective from 2023" or any of our Hong Kong branches. If there is any discrepancy between the English and Chinese versions of this Notice, the English version shall prevail.

What if you do not accept the changes

The above changes will be binding on you on or after the Effective Date. If you do not accept the above changes, you will need to close any account(s) that include the HSBC IPO Nominee Services and/or IPO Loan Facility Services before the Effective Date.

Contact us

Should you have any questions, please visit one of our Hong Kong branches or call our customer service hotlines (24 hours a day)

HSBC Global Private Banking customers:	(852) 2233 3033
HSBC Premier Elite customers:	(852) 2233 3033
HSBC Premier customers:	(852) 2233 3322
Other customers:	(852) 2233 3000

Thank you for choosing HSBC. It's always a pleasure to serve you.

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Issued by The Hongkong and Shanghai Banking Corporation Limited, Wealth and Personal Banking