



## 2021 2Q Special Offer for Structured Products and Bonds

### Important risk warning

- Structured products and Bonds are investment products, structured products are complex in nature and may involve derivatives. The investment decision is yours but you should not invest 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.
- Investors should not make investment decision based on this marketing material alone.
- Investment involves risk and past performance is not indicative of future performance. Please refer to the offering documents for further details, including fees and charges and risk factors.
- The price of products may move up or down. Losses may be incurred as well as profits made as a result of buying and selling products.
- Issuer's Risk – Bonds, and structured products are subject to both the actual and perceived measures of creditworthiness of the issuer. There is no assurance of protection against a default by the issuer in respect of the repayment obligations. In the worst case scenario, you might not be able to recover the principal and interest/coupon if the issuer defaults on the Bonds and structured products.
- Deposit Plus (DPS)/ Capital Protected Investment Deposit (CPI)/ Equity Linked Investments (ELI)/ Private Placement Notes (PPN) and Bond are not equivalent to time deposits. DPS/ CPI/ ELI/ PPN/ Bond are not protected deposits, and they are NOT protected by the Deposit Protection Scheme in Hong Kong. DPS/ ELI/ some PPN and Bond are not principal protected.

Additional risks are disclosed in the “Risk Disclosure” section. Please refer to “Risk Disclosure” section for details.

### **Promotional Terms and Conditions**

#### **General terms and conditions**

1. The Hongkong and Shanghai Banking Corporation Limited, Hong Kong (and its successors and assigns) (the “Bank” or “HSBC”) reserves the right to change these Promotional Terms and Conditions at any time and the offer may be withdrawn or terminated by the Bank at its discretion without prior notice. The Bank accepts no liability for any such change, withdrawal and / or termination.
2. No person other than the Eligible Customer (as defined below) and the Bank will have any right under the Contracts (Rights of Third Parties) Ordinance to enforce or enjoy the benefit of any of the provisions of these Promotional Terms and Conditions.
3. In the event of any dispute arising out of this promotion, the decision of the Bank shall be final and conclusive.
4. All remarks and footnotes stated in the promotional materials are intended to serve as part of these Promotional Terms and Conditions. If there is any discrepancy between the remarks and footnotes and these Promotional Terms and Conditions, these Promotional Terms and Conditions shall apply and prevail.
5. The offer under this promotion is provided subject to the prevailing regulatory requirements.
6. These Promotional Terms and Conditions are governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region.

7. Where there is any discrepancy or inconsistency between the Chinese and English versions of these Promotional Terms and Conditions, the English version shall apply and prevail.

**Specific Terms and Conditions of 2021 2Q Special Offer for Structured Products and Bonds (the “Offer”)**

1. The Offer is from **19 April 2021 to 30 June 2021**, both dates inclusive (the “**Promotional Period**”).
2. The Promotion is exclusive to customers of the Bank who have fulfilled the following requirements (the “**Eligible Customers**”):
  - a. be aged 18 or above on **19 April 2021**; **AND**
  - b. not be a citizen of the United States of America (U.S.), a U.S. resident, and/or U.S. tax payer resident; **AND**
  - c. be the sole or principal (if a joint account) holder of any Integrated Account through the Bank (the “**Eligible Account**”); **AND**
  - d. be a New Customer to Structured Products without any holding or transaction of Deposit Plus, Capital Protected Investment Deposit, Equity Linked Investment and Private Placement Notes, or be a New Customer to Bonds without any holding or purchase transaction of Bonds (excluding iBond Series and Silver Bond Series) with the Bank **since 1 Oct 2020** (“**New Customer**”); **AND**
  - e. subject to Clause 4 below, successfully complete any one of the following transactions with a minimum single transaction amount of HKD200,000 or equivalent in other currencies with the Eligible Account during the Promotional Period (each an “**Eligible Transaction**”):
    - i. Subscription of a Deposit Plus
    - ii. Subscription of a Capital Protected Investment Deposit
    - iii. Subscription of an Equity Linked Investment
    - iv. Subscription of a Private Placement Note
    - v. Purchase of a Bond (excluding bonds in respect of initial public offering)
3. An Eligible Customer who has completed any Eligible Transactions will be entitled to HKD200 cash rebate for every transaction amount of HKD200,000 or equivalent in other currencies (the “**Reward**”).

**Example 1**

A Customer without holding and transaction of any Structured Products nor Bonds specified above since 1 Oct 2020 is eligible for the Offer who conducts the following transactions during the Promotional Period:

Trading Date	Products	Transaction Type and amount	Eligible Transaction for the Offer	Cash Rebate Entitled
22 Apr 2021	Equity Linked Investment	Buy HKD200,000	Yes	HKD200
6 May 2021	Bond	Buy HKD500,000	Yes	HKD400
20 May 2021	Bond	Sell HKD500,000	No	n/a (sell transaction is not Eligible Transaction)
24 May 2021	Deposit Plus	Buy HKD 150,000	No	n/a (Not reaching the Eligible Transaction required amount)
6 June 2021	Certificates of Deposit	Buy HKD300,000	No	n/a (Certificates of Deposit is not Eligible Transaction)

6 July 2021	Equity Linked Investment	Buy HKD500,000	No	n/a (not fall within Eligible Period of the Offer)
<b>Total</b>				<b>HKD 600</b>

### Example 2

A Customer without holding and transaction of any Structured Products but with holding/transaction of Bonds since 1 Oct 2020 is eligible for the Offer who conducts the following transactions during the Promotional Period:

Trading Date	Products	Transaction Type and amount	Eligible Transaction for the Offer	Cash Rebate Entitled
22 Apr 2021	Equity Linked Investment	Buy HKD200,000	Yes	HKD200
6 May 2021	Bond	Buy HKD500,000	No	n/a (Not a New Customer to Bonds)
20 May 2021	Bond	Sell HKD500,000	No	n/a (Not a New Customer to Bonds and sell transaction is not Eligible Transaction)
24 May 2021	Deposit Plus	Buy HKD 150,000	No	n/a (Not reaching the Eligible Transaction required amount)
6 July 2021	Equity Linked Investment	Buy HKD500,000	No	n/a (not within Eligible Period for the Offer)
<b>Total</b>				<b>HKD 200</b>

### Example 3

A Customer without holding and transaction of Bonds but with holding/ transaction of any Structured Products specified above since 1 Oct 2020 is eligible for the Offer who conducts the following transactions during the Promotional Period:

Trading Date	Products	Transaction Type and amount	Eligible Transaction for the Offer	Cash Rebate Entitled
22 Apr 2021	Equity Linked Investment	Buy HKD200,000	No	n/a (Not a New Customer to Structured Products)
6 May 2021	Bond	Buy HKD500,000	Yes	HKD400
20 May 2021	Bond	Sell HKD500,000	No	n/a (sell transaction is not Eligible Transaction)
24 May 2021	Deposit Plus	Buy HKD 150,000	No	n/a (Not a New Customer to Structured Products and not reaching the Eligible Transaction required amount)
6 July 2021	Equity Linked Investment	Buy HKD500,000	No	n/a (Not a New Customer to Structured Products and not within Eligible Period for the Offer)
<b>Total</b>				<b>HKD 400</b>

4. Eligible Customers must **not** cancel the Eligible Transaction, nor terminate the Eligible Accounts before the reimbursement date stated in Clause 7 of these Specific Terms and Conditions below.
5. All of the mentioned products are subject to respective terms and conditions. The deposit/investment transaction appearing in the Bank's records shall be final and conclusive.
6. For non-HKD denominated transactions, the transaction amount will be converted into HKD based on the relevant prevailing foreign exchange rate determined by the Bank for calculation of the Offer entitlement.
7. The cash rebate will be credited to the Eligible Customer's account on or before 30 September 2021.
8. If there is more than one prevailing promotional offer with respect to the same product or service (including an offer made available under a Direct Mailer programme), only the promotional offer with the highest value (as determined in the sole discretion of the Bank) will be entitled by the Eligible Customers.
9. The Bank reserves the right to change these Terms and Conditions and to withdraw and/or terminate the Promotion at any time at its discretion without prior notice. The Bank accepts no liability for any such change, withdrawal and/or termination.

#### **Risk disclosure:**

##### **Bonds Risk Disclosure**

- Bonds are mainly medium to long-term fixed income products, not for short-term speculation. You should be prepared to hold your funds in bonds for the full tenure; you could lose part or all of your principal if you choose to sell bonds prior to maturity.
- It is the issuer to pay interest and repay principal of bonds. If the issuer defaults, the holder of bonds may not be able to receive back the interest and principal. The holder of bonds bears the credit risk of the issuer and has no recourse to HSBC unless HSBC is the issuer itself.
- Indicative prices of bonds are available and bonds prices do fluctuate with market changes. Factors affecting the market price of bonds include, and are not limited to, fluctuations in Interest Rates, Credit Spreads and Liquidity Premiums. The fluctuation in yield generally has a greater effect on prices of longer tenor bonds. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling bonds.
- If you wish to sell bonds, HSBC may repurchase them based on the prevailing market price under normal market circumstances, but the selling price may differ from the original buying price due to changes in market conditions.
- There may be exchange rate risks if you choose to convert payments made on the bonds to your home currency.
- The secondary market for bonds may not provide significant liquidity or may trade at prices based on the prevailing market conditions and may not be in line with the expectations of holders of bonds.
- If bonds are redeemed early, you may not be able to enjoy the same rates of return when you use the funds to purchase other products.

##### **Deposit Plus (DPS) Risk Disclosure**

- Not a time deposit - Deposit Plus is NOT equivalent to, nor should it be treated as a substitute for, time deposit. It is NOT a protected deposit and is NOT protected by the Deposit Protection Scheme in Hong Kong.
- Derivatives risk - Deposit Plus is embedded with FX option(s). 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 maximum potential gain is limited to the interest on the deposit.
- Maximum potential loss – Deposit Plus is not principal protected. You must be prepared to incur loss as a result of depreciation in the value of the currency paid (if the deposit is converted to the linked currency at maturity). Such loss may offset the interest earned on the deposit and may even result in losses in the principal amount of the deposit.
- Not the same as buying the linked currency - Investing in Deposit Plus is not the same as buying the linked currency directly.
- Market risk – The net return of Deposit Plus will depend upon the exchange rate of deposit currency against the linked currency prevailing at the deposit fixing time on the fixing date. Movements in exchange rates can be unpredictable, sudden and drastic, and affected by complex political and economic factors.
- Liquidity risk - Deposit Plus is designed to be held until maturity. You do not have a right to request early termination of this product before maturity. Under special circumstances, the Bank has the right to accept your early redemption request at its sole discretion and on a case by case basis. The Bank will provide an indication of the redemption price upon such request. Your return upon such early redemption will likely be lower than that if the deposit were held until maturity and may be negative.
- Credit risk of the Bank –Deposit Plus is not secured by any collateral. When you invest in this product, you will be relying on the Bank's creditworthiness. If the Bank becomes insolvent or defaults on its obligations under this product, you can only claim as an unsecured creditor of the Bank. In the worst case, you could suffer a total loss of your deposit amount.
- Currency risk - If the deposit currency and/or linked currency is not your home currency, and you choose to convert it back to your home currency upon maturity, you may make a gain or loss due to exchange rate fluctuations.
- Risks relating to RMB – You should note that the value of RMB against other foreign currencies fluctuates and will be affected by, amongst other things, the PRC government's control (for example, the PRC government regulates conversion between RMB and foreign currencies), which may adversely affect your return under this product. In case you receive RMB as Linked Currency at maturity and you choose to convert your maturity proceed to other currencies, you may suffer loss in principal. This product will be denominated (if Deposit Currency being RMB) and settled (when receive RMB at maturity) in RMB deliverable in Hong Kong, which is different from that of RMB deliverable in Mainland China.

### **Capital Protected Investment Deposit (CPI) Risk Disclosure**

- Not a time deposit – Capital Protected Investment Deposit is NOT equivalent to, nor should it be treated as a substitute for, time deposit. It is NOT a protected deposit and is NOT protected by the Deposit Protection Scheme in Hong Kong.
- Derivatives risk – Capital Protected Investment Deposit is embedded with FX option(s). Option transactions involve risks. If the exchange rate of the currency pair performs against

expectation at the fixing time on the fixing date, you can only earn the minimum payout of the structure.

- Limited potential gain - The maximum potential gain is limited to higher payout on the deposit less the principal amount, when exchange rate of currency pair at fixing moves in line with your anticipated direction.
- Not the same as buying the linked currency - Investing in Capital Protected Investment Deposit is not the same as buying the linked currency directly.
- Market risk - The return of Capital Protected Investment Deposit will depend upon the exchange rates of currency pair against trigger rate at the fixing time on the fixing date. Movements in exchange rates can be unpredictable, sudden and drastic, and affected by complex political and economic factors. You must be prepared to take the risk of earning the lower payout/no return (if exchange rate performs against expectation) on the money invested.
- Liquidity risk – Capital Protected Investment Deposit is designed to be held until maturity. You do not have a right to request early termination of this product before maturity. Under special circumstances, the Bank has the right to accept your early redemption request at its sole discretion and on a case by case basis. The Bank will provide an indication of the redemption price upon such request. Your return upon such early redemption will likely be lower than that if the deposit were held until maturity and may be negative.
- Credit risk of the Bank – Capital Protected Investment Deposit is not secured by any collateral. When you invest in this product, you will be relying on the Bank's creditworthiness. If the Bank becomes insolvent or defaults on its obligations under this product, you can only claim as an unsecured creditor of the Bank. In the worst case, you could suffer a total loss of your deposit amount.
- Currency risk - If the deposit currency is not 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.
- Risk of early termination by the Bank - The Bank shall have the discretion to uplift a Deposit or any part thereof prior to the Maturity Date (subject to the deduction of such break costs or the addition of such proportion of the return or redemption amount, which may result in a figure less than the original principal amount of the Deposit) if it determines, in its sole discretion, that this is necessary or appropriate to protect any right of the Bank to combine accounts or set-off, or any security interest, or to protect the Customer's interests.
- Risks relating to RMB - You should note that the value of RMB against other foreign currencies fluctuates and will be affected by, amongst other things, the PRC government's control (for example, the PRC government regulates conversion between RMB and foreign currencies), which may adversely affect your return under this product when you convert RMB into your home currency. The value of your RMB deposit will be subject to the risk of exchange rate fluctuation. If you choose to convert your RMB deposit to other currencies at an exchange rate that is less favourable than that in which you made your original conversion to RMB, you may suffer loss in principal. This product (if denominated in RMB) will be denominated and settled in RMB deliverable in Hong Kong, which is different from that of RMB deliverable in Mainland China.

### **Equity Linked Investments ("ELIs") Risk Disclosure**

The following risks should be read together with the other risks contained in the "Risk Warnings" section in the relevant offering documents of the ELIs.

- You should note that the information contained in this material does NOT form part of the offering documents of our ELIs. You should read all the offering documents of our ELIs (including the programme memorandum, the financial disclosure document, the relevant product booklet and the indicative term sheet and any addendum to any of such documents) before deciding whether to invest in our ELIs. If you have doubt on the content of this material, you should seek independent professional advice.
- Not a time deposit - ELI is NOT equivalent to, nor should it be treated as a substitute for, time deposit. It is NOT a protected deposit and is NOT protected by the Deposit Protection Scheme in Hong Kong.
- Not principal protected – ELIs are not principal protected: you could lose all of your investment.
- Limited potential gain – you may not receive any potential cash dividend amount - The maximum potential gain under this product is capped at an amount equal to the sum of the difference between the issue price and the nominal amount of the ELIs (if any) (less any cash settlement expenses) and the maximum periodic potential cash dividend amount(s) payable during the scheduled tenor (i.e the period from (and including) the issue date to (and including) the settlement date) of the ELIs. It is possible that you may not receive any potential cash dividend amount for the entire scheduled tenor of the ELIs.
- Re-investment risk - If our ELIs are early terminated, we will pay you the nominal amount of the ELIs (less any cash settlement expenses) and any accrued potential cash dividend amount calculated up to (and including) that call date. No further potential cash dividend amount will be payable following such early termination. Market conditions may have changed and you may not be able to enjoy the same rate of return if you re-invest these proceeds in other investments with similar risk parameters.
- No collateral – ELIs are not secured on any of our assets or any collateral.
- Limited market making arrangements are available and you may suffer a loss if you sell your ELIs before expiry - Our ELIs are designed to be held to their settlement date. Limited market making arrangements are available on a bi-weekly basis for all our ELIs. If you try to sell your ELIs before expiry, the amount you receive for each ELI may be substantially less than the issue price you paid for each ELI.
- Not the same as investing in the reference asset – Investing in our ELIs is not the same as investing in the reference asset. Changes in the market price of the reference asset may not lead to a corresponding change in the market value of, or your potential payout under, the ELIs.
- Not covered by Investor Compensation Fund – Our ELIs are not listed on any stock exchange and are not covered by the Investor Compensation Fund. There may not be any active or liquid secondary market.
- Maximum loss upon HSBC's default or insolvency – Our ELIs constitute general, unsecured and unsubordinated contractual obligations of HSBC as issuer and of no other person (including the ultimate holding company of our group, HSBC Holdings plc). When you buy our ELIs, you will be relying on HSBC's creditworthiness. If HSBC becomes insolvent or defaults on its obligations under the ELIs, in the worst case scenario, you could lose all of your investment.
- Risks relating to RMB - You should note that the value of RMB against other foreign currencies fluctuates and will be affected by, amongst other things, the PRC government's control (for example, the PRC government regulates conversion between RMB and foreign currencies), which may adversely affect your return under this product when you convert RMB into your home currency. The value of your RMB-denominated ELIs will be subject to the risk of exchange rate fluctuation. If you choose to convert your RMB deposit to other

currencies at an exchange rate that is less favourable than that in which you made your original conversion to RMB, you may suffer loss in principal. This product (if denominated in RMB) will be denominated and settled in RMB deliverable in Hong Kong, which is different from that of RMB deliverable in Mainland China.

- You may, at settlement, receive physical delivery of reference asset(s).
- Our ELIs may be terminated early by us according to the terms as set out in offering documents of our ELIs.
- Our ELIs are structured investment products which are embedded with derivatives.
- Investment returns (if any) not denominated in home currency are exposed to exchange rate fluctuations. Rates of exchange may cause the value of investments to go up or down.
- The Hongkong and Shanghai Banking Corporation Limited is the issuer and product arranger of our ELIs.

### **Renminbi (“RMB”) Related Products Risk Disclosure**

- There may be exchange rate risks if you choose to convert RMB payments made on the bonds and securities to your home currency.
- RMB debt instruments are subject to interest rate fluctuations, which may adversely affect the return and performance of the RMB products.
- RMB products may suffer significant losses in liquidating the underlying investments if such investments do not have an active secondary market and their prices have large bid/offer spreads.
- You could lose part or all of your principal if you choose to sell your RMB bonds prior to maturity.

### **Private Placement Notes (PPN) Risk Disclosure**

The following risks should be read together with the other risks contained in the "Risk Factors" section in the relevant offering documents of the PPNs

- You should note that the information contained in this website does NOT form part of the offering documents of our PPNs. You should read all the offering documents of our PPNs (including the offering memorandum, and the indicative term sheet) before deciding whether to invest in our PPNs. If you have doubt on the content of this website, you should seek independent professional advice.
- Not a time deposit - PPN is NOT equivalent to, nor should it be treated as a substitute for, time deposit. It is NOT a protected deposit and is NOT protected by the Deposit Protection Scheme in Hong Kong.
- Not principal protected – some PPNs are not principal protected: you could lose all of your investment.
- Investment Return Risk –It is possible that you may not receive any potential cash dividend amount for the entire scheduled tenor of the PPNs.
- Re-investment risk - If our PPNs are early terminated, we will pay you the nominal amount of the PPNs (less any cash settlement expenses) and any accrued potential cash dividend amount calculated up to (and including) that call date. No further potential cash dividend amount will be payable following such early termination. Market conditions may have changed and you may not be able to enjoy the same rate of return if you re-invest these proceeds in other investments with similar risk parameters.
- No collateral – PPNs are not secured on any of our assets or any collateral.
- Limited market making arrangements are available and you may suffer a loss if you sell your PPNs before expiry - Our PPNs are designed to be held to their settlement date. Limited market making arrangements are available on a bi-weekly basis for all our PPNs.



If you try to sell your PPNs before expiry, the amount you receive for each PPN may be substantially less than the issue price you paid for each PPN.

- Not the same as investing in the reference asset – Investing in our PPNs is not the same as investing in the reference asset. Changes in the market price of the reference asset may not lead to a corresponding change in the market value of, or your potential payout under, the PPNs.
- Not covered by Investor Compensation Fund – Our PPNs are not listed on any stock exchange and are not covered by the Investor Compensation Fund. There may not be any active or liquid secondary market.
- Maximum loss upon HSBC's default or insolvency – Our PPNs constitute general, unsecured and unsubordinated contractual obligations of HSBC as issuer and of no other person (including the ultimate holding company of our group, HSBC Holdings plc). When you buy our PPNs, you will be relying on HSBC's creditworthiness. If HSBC becomes insolvent or defaults on its obligations under the PPNs, in the worst case scenario, you could lose all of your investment.
- Risks relating to RMB - You should note that the value of RMB against other foreign currencies fluctuates and will be affected by, amongst other things, the PRC government's control (for example, the PRC government regulates conversion between RMB and foreign currencies), which may adversely affect your return under this product when you convert RMB into your home currency. The value of your RMB-denominated PPNs will be subject to the risk of exchange rate fluctuation. If you choose to convert your RMB deposit to other currencies at an exchange rate that is less favourable than that in which you made your original conversion to RMB, you may suffer loss in principal. This product (if denominated in RMB) will be denominated and settled in RMB deliverable in Hong Kong, which is different from that of RMB deliverable in Mainland China.
- You may, at settlement, receive physical delivery of reference asset(s).
- Our PPNs may be terminated early by us according to the terms as set out in offering documents of our PPNs.
- Our PPNs are structured investment products which are embedded with derivatives.
- Investment returns (if any) not denominated in home currency are exposed to exchange rate fluctuations. Rates of exchange may cause the value of investments to go up or down.

The Hongkong and Shanghai Banking Corporation Limited is the issuer and product arranger of our ELIs.

HSBC Bank plc is the issuer and product arranger of our PPNs.

The information contained in this material and the content have not been reviewed by the Securities and Futures Commission of Hong Kong or any regulatory authority in Hong Kong.

Investment involves risk. The price of products may move up or down. Losses may be incurred as well as profits made as a result of buying and selling products.

You should carefully consider whether any investment products or services mentioned herein are appropriate for you in view of your investment experience, objectives, financial resources and circumstances.

Making available to you any advertisements, marketing or promotional materials, market information or other information relating to a product or service shall not, by itself, constitute solicitation of the sale or recommendation of any product or service. If you wish to receive solicitation or recommendation from us, please contact us and, where relevant, go through our suitability assessment before transacting. The remuneration for sales staff is determined based on the staff's overall performance with reference to a wide range of factors, and is subject to review from time to time, for the purpose of encouraging the building of deep, long-

lasting and mutually valuable relationships with customers. It is not determined solely on financial performance.

The information in this material does not constitute a solicitation or recommendation for making any deposit or an offer for the purchase or sale or investment in any products.

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