**General Promotional Terms and Conditions**

1. **Promotion Period:** 1 January – 30 September 2024 (both dates inclusive)
2. **Who can enjoy the Promotion:** This promotion (the "**Promotion**") is available for customers of the Bank who have fulfilled all the following requirements (each an "**Eligible Customer**"):
    a. be aged 18 or above when conducting the Eligible Transactions;
    b. not be a citizen/resident/tax payer resident of the United States of America (U.S.);
    c. be a sole or principal account holder (if a joint account) of any personal account with the Bank (**"Eligible Account"**). For the avoidance of doubt, FundMax Account is not eligible;
    d. fulfill the criteria listed in each or all of the Offers below.
3. All products under this promotion are subject to respective terms and conditions. The deposit/investment transaction appearing in the Bank's records shall be final and conclusive.
4. For the purposes of calculating an Eligible Customer's entitlement to the offers, the transaction amount of non-HKD denominated transactions will be converted into HKD based on the relevant prevailing foreign exchange rate as determined by the Bank.
5. 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"Bank" or "HSBC") reserves the right to change these Promotional Terms and Conditions at any time and the offer may be withdrawn or terminated by the Bank at its discretion without prior notice.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.
6. No person other than the Eligible Customer (as defined in these Promotional Terms and Conditions) 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 terms and conditions.
7. In the event of any dispute arising out of this promotion, the decision of the Bank shall be final and conclusive.
8. Where there is any discrepancy or inconsistency between the Chinese and English versions of these terms and conditions, the English version shall apply and prevail.
9. The offer under this promotion is provided subject to the prevailing regulatory requirements.
10. These terms and conditions are governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region.

HSBC

**Offer 1: Terms and conditions for 2024 New-to-Capital Protected Investment Deposit / Deposit Plus / Currency-linked Structured Note offer**

1. **Who can enjoy the offer:** Eligible Customers who are Premier Elite or Premier customers that are new to Capital Protected Investment Deposit, Deposit Plus and Currency-linked Structured Note (i.e. do not have any holdings or transactions of Capital Protected Investment Deposit, Deposit Plus or Currency-linked Structured Note with the Bank during the respective observation period ("**Observation period**")).

| Observation period | Date of Transaction/ Instruction eligible to Offer |
|---|---|
| 1 July 2023 - 31 December 2023 | 1 January 2024 – 31 March 2024 |
| 1 October 2023 – 31 March 2024 | 1 April 2024 – 30 June 2024 |
| 1 January 2024 – 30 June 2024 | 1 July 2024 – 30 September 2024 |

2. **What is the offer:** Eligible Customers who have successfully completed any one of the following transactions with a minimum single transaction amount or equivalent in other currencies ("**Eligible Transaction and Instruction**") with the Eligible Account during the Promotion Period will be entitled to receive cash rebate as per table below:

| Eligible Transaction and Instruction | Offer |
|---|---|
| ▪ Subscription of any Capital Protected Investment Deposit<br>▪ Subscription of any Deposit Plus | HKD160 cash rebate for every subscription amount of HKD200,000 or equivalent in other currencies. |
| ▪ Subscription of any Currency-linked Structured Note | HKD250 cash rebate for every subscription amount of HKD100,000 or equivalent in other currencies. |

There is no cap to the cash rebate during Promotion Period.

3. **Who cannot enjoy the offer:** Any Eligible Customer who no longer fulfils any of the conditions in Clause 2 in General Promotional Terms and Conditions above or cancels the Eligible Transaction or whose Eligible Account (through which the Eligible Transaction was conducted) is being closed or has been closed, in any instance, before or at the time the Bank deposits the cash to the customer's account.

4. **Fulfillment:** The cash rebate will be credited to the Eligible Customer's account by the dates listed in the table below.

| Date of Eligible Transaction/ Instruction | Cash rebate to be credited on or before the date specified below |
|---|---|
| 1 January 2024 – 31 March 2024 | 30 June 2024 |
| 1 April 2024 – 30 June 2024 | 30 September 2024 |
| 1 July 2024 – 30 September 2024 | 31 December 2024 |

HSBC

**Offer 2: Terms and conditions for 2024 New-to-Equity Linked Investment / Private Placement Note / Rate-linked Structured Note offer**

1. **Who can enjoy the offer:** Eligible Customers who are Premier Elite or Premier customers that are new to Equity Linked Investment, Private Placement Notes and Rate-linked Structured Note (i.e. do not have any holdings or transactions of Equity Linked Investment, Private Placement Notes or Rate-linked Structured Note with the Bank during the respective observation period ("**Observation period**")).

| Observation period | Date of Transaction/ Instruction eligible to Offer |
|---|---|
| 1 July 2023 - 31 December 2023 | 1 January 2024 – 31 March 2024 |
| 1 October 2023 – 31 March 2024 | 1 April 2024 – 30 June 2024 |
| 1 January 2024 – 30 June 2024 | 1 July 2024 – 30 September 2024 |

2. **What is the offer:** Eligible Customers who have successfully completed any one of the following transactions with a minimum single transaction amount or equivalent in other currencies ("**Eligible Transaction and Instruction**") with the Eligible Account during Promotion Period will be entitled to receive cash rebate as per table below:

| Eligible Transaction and Instruction | Offer |
|---|---|
| ▪ Subscription of any Private Placement Note* | HKD1,250 cash rebate for every subscription amount of HKD500,000 or equivalent in other currencies. |
| ▪ Subscription of any Equity Linked Investment or any Rate-linked Structured Note (except Private Placement Note) | HKD250 cash rebate for every subscription amount of HKD100,000 or equivalent in other currencies. |

* Private Placement Note is only eligible to HSBC Premier Elite Professional Investor.

There is no cap to the cash rebate during the Promotion Period.

3. **Who cannot enjoy the offer:** Any Eligible Customer who no longer fulfils any of the conditions in Clause 2 in General Promotional Terms and Conditions above or cancels the Eligible Transaction or whose Eligible Account (through which the Eligible Transaction was conducted) is being closed or has been closed, in any instance, before or at the time the Bank deposits the cash to the customer's account.

4. **Fulfillment:** The cash rebate will be credited to the Eligible Customer's account by the dates listed in the table below.

| Date of Eligible Transaction/ Instruction | Cash rebate to be credited on or before the date specified below |
|---|---|
| 1 January 2024 – 31 March 2024 | 30 June 2024 |
| 1 April 2024 – 30 June 2024 | 30 September 2024 |
| 1 July 2024 – 30 September 2024 | 31 December 2024 |

HSBC

**Offer 3: Terms and conditions for 2024 New-to-Bonds/CDs offer**

1. **Who can enjoy the offer:** Eligible Customers who are Premier Elite or Premier customers that are new to Bonds (i.e. do not have any holdings or purchase transactions of Bonds (excluding IPO of retail bond series) and Certificates of Deposit (CDs) with the Bank during the respective observation period ("**Observation period**"))

| Observation period | Date of Transaction/ Instruction eligible to Offer |
|---|---|
| 1 July 2023 – 31 December 2023 | 1 January 2024 – 31 March 2024 |
| 1 October 2023 – 31 March 2024 | 1 April 2024 – 30 June 2024 |
| 1 January 2024 – 30 June 2024 | 1 July 2024 – 30 September 2024 |

2. **What is the offer:** Eligible Customers who have successfully completed any one of the following purchase transactions with a minimum single amount or equivalent in other currencies or, where relevant, transfer-in instruction ("**Eligible Transaction and instruction**") with the Eligible Account during Promotion Period will be entitled to receive a cash rebate as per table below:

| Eligible Transaction and Instruction | Offer |
|---|---|
| ▪ Subscription of any Bond (excluding retail bonds* in respect of initial public offering) | HKD1,250 cash rebate for every subscription amount of HKD500,000 or equivalent in other currencies.<br><br>Extra HKD1,000 cash rebate for additional transfer-in of bonds (excluding CDs and retail bonds*) by Premier Elite customers # |
| ▪ Subscription of any Certificates of Deposit (CDs) | HKD160 cash rebate for every subscription amount of HKD200,000 or equivalent in other currencies. |

* Retail bond refers to bonds offered to the public. Examples include iBond series issued by the Government of the Hong Kong Special Administrative Region of the People's Republic of China or Retail Green Bonds, etc.
# The offer is only applicable to eligible bonds subject to internal assessment.

There is no cap to the cash rebate during the Promotion Period.

3. **Who cannot enjoy the offer:** Any Eligible Customer who no longer fulfils any of the conditions in Clause 2 in General Promotional Terms and Conditions above or cancels the Eligible Transaction/ Instruction or whose Eligible Account (through which the Eligible Transaction was conducted) is being closed or has been closed or transfers out in part or in whole the bonds subscribed/ transferred-in, in any instance, before or at the time the Bank deposits the cash to the customer's account.

4. **Fulfillment:** The cash rebate will be credited to the Eligible Customer's account by the dates listed in the table below.

| Date of Eligible Transaction/ Instruction | Cash rebate to be credited on or before the date specified below |
|---|---|
| 1 January 2024 – 31 March 2024 | 30 June 2024 |
| 1 April 2024 – 30 June 2024 | 30 September 2024 |
| 1 July 2024 – 30 September 2024 | 31 December 2024 |

HSBC

## Important Risk Warning

- Structured products and Bonds are investment products and structured products 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, CDs and structured products are subject to both the actual and perceived measures of credit worthiness 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, CDs and Structured Products.

Deposit Plus (DPS)/Capital Protected Investment Deposit (CPI)/ Equity linked investments (ELI)/ Bond and Certificate of Deposit (CD) are not equivalent to time deposits. DPS/CPI/ELI/Bond and CD are not protected deposits, and they are NOT protected by the Deposit Protection Scheme in Hong Kong. DPS/ELI and Bonds/CD are not principal protected.

## Bonds and Certificates of Deposit ("CDs") Risk Disclosure

- There are risks involved in buying bonds/CDs. Before applying for any of bonds/CDs, you should consider whether bonds/CDs is suitable for you in light of your own financial circumstances and objectives. If you are in any doubt, get independent professional advice.
- Bonds/CDs are mainly medium to long-term fixed income products, not for short-term speculation. You should be prepared to hold your funds in bonds/CDs for the full tenure; you could lose part or all of your principal if you choose to sell bonds/CDs prior to maturity.
- It is the issuer to pay interest and repay principal of bonds/CDs. If the issuer defaults, the holder of bonds/CDs may not be able to receive back the interest and principal. The holder of bonds/CDs bears the credit risk of the issuer and has no recourse to HSBC unless HSBC is the issuer itself.
- Indicative prices of bonds/CDs are available and bonds/CDs prices do fluctuate when market changes. Factors affecting the market price of bonds/CDs 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/CDs. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling bonds/CDs.
- If you wish to sell bonds/CDs, 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/CDs to your home currency.
- The secondary market for bonds/CDs 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 bonds/CDs' holders.

- If bonds/CDs are early redeemed, you may not be able to enjoy the same rates of return when you use the funds to purchase other products.
- Do not purchase the bonds/CDs unless you fully understand and are willing to assume the risks associated with it.

**Additional risk disclosure to High yield bonds**

- High yield bonds are typically rated below investment grade by a credit rating agency, or unrated. Whilst high yield bonds bear a higher yield opportunity than investment grade bonds, they present greater risks of issuer default, liquidity, volatility and non-payment of principal and interest.
- The risk of default on principal and / or interest, is greater for high yield bonds due to higher credit risk of the issuer and lower priority of claim by the bond holders in case of issuer default.
- High yield bonds can sometimes be less liquid than investment-grade bonds, depending on the issuer and the market conditions at any given time. Investors may be difficult to sell the high yield bond before maturity or at prices in line with their expectation compare to listed bond.
- High yield bonds tend to be more vulnerable to economic cycles and changes in the issuer's financial conditions or business developments. In particular, during economic downturn, such bonds typically fall more in value than investment-grade bonds as the issuer default risk rises and investors become more risk adverse.
- Please be aware the concentration risk of investing in bonds issued by the same issuer or companies by the same group. A degrading of any of the group company's credit rating may expose the whole group to contagion risk. Please be also aware the risk of over concentrating investment in the high risk investment products.

**Renminbi ("RMB") Related Products Risk Disclosure**

- There may be exchange rate risks if you choose to convert RMB payments made on the bonds/CDs 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/CDs prior to maturity.

**Deposit Plus (DPS) Risk Disclosure**

- DPS is a complex product and investors should exercise caution in relation to the product.
- 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**

- CPI is a complex product and investors should exercise caution in relation to the product.
- 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.

**Currency-linked Structured Notes 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 Currency-linked Structured Notes.

- Currency-linked Structured Notes are a complex product and investors should exercise caution in relation to the product.
- You should note that the information contained in this document does NOT form part of the offering documents of the Currency-linked Structured Notes. You should read all the offering documents of the Currency-linked Structured Notes (including the offering memorandum, and the indicative term sheet) before deciding whether to invest in the Currency-linked Structured Notes. If you have doubt on the content of this document, you should seek independent professional advice.
- Not a time deposit - Currency-linked Structured Notes are NOT equivalent to, nor should they be treated as a substitute for, time deposit. They are NOT a protected deposit and are NOT protected by the Deposit Protection Scheme in Hong Kong.
- Not principal protected – Some Currency-linked Structured Notes 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 Currency-linked Structured Notes.
- Re-investment risk - If the Currency-linked Structured Notes are early terminated, we will pay you the nominal amount of the Currency-linked Structured Notes 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 – Currency-linked Structured Notes are not secured on any of assets or any collateral.

- Limited market making arrangements are available and you may suffer a loss if you sell your Currency-linked Structured Notes before expiry - The Currency-linked Structured Notes are designed to be held to their settlement date. Limited market making arrangements are available on a bi-weekly basis for all Currency-linked Structured Notes. If you try to sell the Currency-linked Structured Notes before expiry, the amount you receive for each Currency-linked Structured Note may be substantially less than the issue price you paid for each Currency-linked Structured Note.
- Not the same as investing in the reference asset – Investing in the Currency-linked Structured Notes are 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 Currency-linked Structured Notes.
- Not covered by Investor Compensation Fund – The Currency-linked Structured Notes 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 issuer's default or insolvency – The Currency-linked Structured Notes constitute general, unsecured and unsubordinated contractual obligations of issuer and of no other person. When you buy the Currency-linked Structured Notes, you will be relying onissuer's creditworthiness. If issuer becomes insolvent or defaults on its obligations under the Currency-linked Structured Notes, 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 Currency-linked Structured Notes 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.
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- The Currency-linked Structured Notes may be terminated early by issuer according to the terms as set out in offering documents of the Currency-linked Structured Notes.
- The Currency-linked Structured Notes 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.
- Investing in Currency-linked Structured Notes is not the same as buying the linked currency directly.
- The return of the product depends on the exchange rate performance of the chosen currencies. 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 a very low or no return on the money invested.

**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.

- ELI is a complex product and investors should exercise caution in relation to the product.
- 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 – Some ELIs are not principal protected: you could lose all of your investment.
- Limited potential gain –The maximum potential gain under this product is capped and 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 issuer's default or insolvency – Our ELIs constitute general, unsecured and unsubordinated contractual obligations of the issuer and of no other person. When you buy our ELIs, you will be relying on issuer's creditworthiness. If issuerbecomes 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.

**Private Placement Notes (PPN) and Rate-linked Structured Notes 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 and Rate-linked Structured Notes.

- PPN and Rate-linked Structured Notes are a complex product and investors should exercise caution in relation to the product.
- You should note that the information contained in this document does NOT form part of the offering documents of our PPNs and Rate-linked Structured Notes. You should read all the offering documents of our PPNs and Rate-linked Structured Notes (including the offering memorandum, and the indicative term sheet) before deciding whether to invest in our PPNs and Rate-linked Structured Notes. If you have doubt on the content of this document, you should seek independent professional advice.
- Not a time deposit - PPN and Rate-linked Structured Notes are NOT equivalent to, nor should they be treated as a substitute for, time deposit. They are NOT a protected deposit and are NOT protected by the Deposit Protection Scheme in Hong Kong.
- Not principal protected – some PPNs or Rate-linked Structured Notes 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 and Rate-linked Structured Notes.
- Re-investment risk - If the PPNs and Rate-linked Structured Notes are early terminated, we will pay you the nominal amount of the PPNs and Rate-linked Structured Notes 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 and Rate-linked Structured Notes are not secured on any of assets or any collateral.
- Limited market making arrangements are available and you may suffer a loss if you sell your PPNs and Rate-linked Structured Notes before expiry - The PPNs and Rate-linked Structured Notes are designed to be held to their settlement date. Limited market making arrangements are available on a bi-weekly basis for all PPNs and Rate-linked Structured Notes. If you try to sell your PPNs and Rate-linked Structured Notes before expiry, the amount you receive for each PPN and Rate-linked Structured Note may be substantially less than the issue price you paid for each PPN and Rate-linked Structured Note.
- Not the same as investing in the reference asset – Investing in the PPNs and Rate-linked Structured Notes are 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 and Rate-linked Structured Notes.
- Not covered by Investor Compensation Fund – The PPNs and Rate-linked Structured Notes 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 issuer's default or insolvency – The PPNs and Rate-linked Structured Notes constitute general, unsecured and unsubordinated contractual obligations of issuer and of no other person. When you buy the PPNs and Rate-linked Structured Notes, you will be relying onissuer's creditworthiness. If issuer becomes insolvent or defaults on its obligations under the PPNs and Rate-linked Structured Notes, 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 and Rate-linked Structured Notes 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).
- The PPNs and Rate-linked Structured Notes may be terminated early by issuer according to the terms as set out in offering documents of the PPNs and Rate-linked Structured Notes.
- The PPNs and Rate-linked Structured Notes 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.
- For PPNs and Rate-linked Structured Notes linked to Risk Free Rate:

  Risk Free Rates (RFRs) are not free of risk, hence they are considered "near risk-free". RFRs can rise or fall as a result of changing economic conditions and central bank policy decisions.

  The Coupon for a Note based on an RFR may be calculated based on a series of overnight rates compounded over the relevant interest period. Therefore, the Coupon payable under such a Note may only be known at or near the end of that interest period and it may be difficult for you to estimate reliably the amount of Coupon which will be payable.

  The market continues to develop the use of, and alternatives to, RFR. Therefore, it is possible that market participants or a significant part thereof may adopt applications of, and /or methodologies for, the calculation of RFR which differ. In such circumstances the Coupon amount with respect to the Notes may differ over time and depending on the calculation and/or methodology used at that time.

  Daily changes in the RFR may be more volatile than daily changes in comparable benchmark or market rates and, as such, the return or payments on a Note linked to an RFR may fluctuate more than in the case of a Note that is linked to a less volatile rate.

  The RFR market is still developing. It is possible that future changes to market practice or conventions relating to the use of RFRs may result in the Issuer amending the definition and/or the use of RFR. It cannot be predicted how such future changes may impact the Notes and such changes may have an adverse impact in your investment in the Notes.

**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.**

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Issued by The Hongkong and Shanghai Banking Corporation Limited