



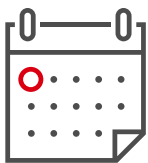
US Index Warrants

Dow Jones Industrial Average Index

The Dow Jones Industrial Average Index (the “**Index**”) is a price-weighted measure of 30 U.S. blue-chip companies. The Index covers all industries except transportation and utilities.

With Dow Jones Industrial Average Index Warrants (“**US Index Warrants**”), investors can now diversify their portfolio not limited to Hong Kong underlying assets, but also overseas underlying like Dow Jones Industrial Average Index. This offers investors an easy access to a wider range of alternative investments.

Key Highlights & Risks



Risks relating to difference in trading days and hours

The Index level is calculated and published during the trading hours of any of (i) The NASDAQ Stock Market and (ii) New York Stock Exchange (the “**Index Exchanges**”). The E-mini Dow (\$5) Futures Contracts are traded on the Chicago Mercantile Exchange (or its successor or assign) (the “**Index Futures Exchange**”). The trading days and hours of the Index Exchanges and the Index Futures Exchange (based on Hong Kong time) are different from that of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). In assessing the price of the US Index Warrants, you should be aware of the differences in the time zone and the actual trading days and hours of the relevant exchanges in Hong Kong and the United States. For example, the Index level may be volatile during a period which the Stock Exchange is not open for trading of the US Index Warrants.



Exchange rate risks

As the trading price of the constituent stocks comprising the Index is quoted in United States Dollars (“**US\$**”) but the US Index Warrants will be settled in Hong Kong Dollars (“**HK\$**”), there will be an exchange rate risk when we convert US\$ into HK\$ in the calculation of the cash settlement amount.



Possible delay in settlement

The Valuation Date could be postponed if such day is not the day on which the Index Futures Contracts expire on the Index Futures Exchange. Such postponement will in turn result in a delay for settlement of the US Index Warrants accordingly.

Cash Settlement Amount per Board Lot (if any) payable at expiry

Call US Index Warrants cash settlement amount (In US\$):

$$\frac{(\text{Closing Level} - \text{Strike Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

Put US Index Warrants cash settlement amount (In US\$):

$$\frac{(\text{Strike Level} - \text{Closing Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

Example

Closing Level	Strike Level	Index Currency Amount	Divisor	Board Lot
30,000 points	28,000 points	US\$1.00	10,000	10,000 shares

If the Closing Level of the Call US Index Warrants is 30,000 points on the expiry date, the Strike Level is 28,000 points, the Divisor is 10,000 and the Exchange Rate "USDHKD" is 7.7500, the cash settlement amount in HK\$ for one board lot of shares will be:

$$\frac{(30,000 \text{ points} - 28,000 \text{ points}) \times 10,000 \text{ shares} \times \text{US\$1.00}}{10,000} = \text{US\$2,000}$$

Converted into the settlement currency (In HK\$) at the Exchange Rate: USDHKD 7.7500

$$\text{US\$2,000} \times 7.7500 = \text{HK\$15,500}$$

Closing Level

The final settlement price for settling the E-mini Dow (\$5) Futures Contracts that are scheduled to expire during the month in which the expiry date of the relevant series of the US Index Warrants is scheduled to fall (the "Index Futures Contracts") on the Index Futures Exchange.

Exchange Rate

The rate of exchange between US\$ and HK\$ at or about 10:00 a.m. New York time on the valuation date by reference to the mid quote as per the rate "USDHKD" on Bloomberg page BFIX. If such screen rate is not available for any reasons at such time on such date, the Issuer shall determine the exchange rate in a commercially reasonable manner.

Valuation Date (New York time)

If such day is not the day on which the relevant Index Futures Contracts expire on the Index Futures Exchange, the day on which the relevant Index Futures Contracts will expire on the Index Futures Exchange.

Risks disclosure and Disclaimers:

Political and economic risks relating to the Index

The Index level may be subject to political, economic, financial and social factors that apply in those geographical regions (such as the United States), which may differ favourably or unfavourably from those factors that apply to Hong Kong. Moreover, foreign economies may also differ favourably or unfavourably from the Hong Kong economy in important respects such as, including but not limited to, growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency.

Publication of Index level when component shares are not trading

The index compiler may publish the Index level at a time when one or more shares comprising the Index are not trading. In such case, the Index level may be calculated by the index compiler by reference to the remaining shares comprising the Index. This may have an unforeseen adverse impact on the value of your investment.

Less public information about the Index and such information may not be available in Chinese.

There may be less publicly available information about the Index than those about Hong Kong indices and some of that information may not be available in Chinese. If you do not understand any such information, you should obtain independent advice.

The structured products are not collateralized. If the issuer is insolvent or defaults, investors may not recover part or all of the amount due.

The information (including any terms and conditions) provided by The Hongkong and Shanghai Banking Corporation Limited ("HSBC" or the "Issuer") in this document is for reference only and should not be construed as an offer, solicitation or recommendation to purchase or subscribe for any structured products. Structured products are complex products. Investors should exercise caution in relation to them. Do not invest in them unless you fully understand and are willing to assume the risks associated with them. The price of the structured products may fall in value as rapidly as it may rise and investors may sustain a total or substantial loss of their investment. Past performance is not indicative of future performance. You should ensure you understand the nature and risks, carefully study the listing documents, independently determine that they are appropriate for you and, where necessary, seek professional advice before you invest in the structured products. HSBC acting through its appointed liquidity provider may be the only market participant in the structured products and therefore the secondary market for the structured products may be limited. In relation to the structured products, please also read the relevant launch announcement and supplemental listing document (including but not limited to the index disclaimer). Any example provided herein are for the purposes of illustration only.

If there is any inconsistency between the English version and the Chinese version, the English version shall prevail.