

Hong Kong Exchanges and Clearing Limited (“**HKEX**”), The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This document, for which we accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Rules**”) for the purpose of giving information with regard to us. We, having made all reasonable enquiries, confirm that to the best of our knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

This document is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Warrants.

The Warrants are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Warrants may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Warrants and carefully study the risk factors set out in the Base Listing Document (as defined below) and this document and, where necessary, seek professional advice, before they invest in the Warrants.

The Warrants constitute general unsecured contractual obligations of us as the Issuer and of no other person and will rank equally among themselves and with all our other unsecured obligations (save for those obligations preferred by law) upon liquidation. If you purchase the Warrants, you are relying upon our creditworthiness, and have no rights under the Warrants against any company constituting the underlying index or the Index Compiler or any other person. If we become insolvent or default on our obligations under the Warrants, you may not be able to recover all or even part of the amount due under the Warrants (if any).

Non-collateralised Structured Products

Launch Announcement

and

Supplemental Listing Document for Warrants over Index



The Hongkong and Shanghai Banking Corporation Limited

(incorporated in Hong Kong with limited liability under the Companies Ordinance of Hong Kong)

Key Terms

| | |
|--|--|
| Warrants Stock code | 10520 |
| Liquidity Provider Broker ID | 9773 |
| Issue size | 100,000,000 Warrants |
| Style | European style cash settled |
| Type | Call |
| Index | NASDAQ-100 Index |
| Board Lot | 10,000 Warrants |
| Issue Price per Warrant | HK\$0.15 |
| Strike Level | 25,125.00 |
| Cash Settlement Amount per Board Lot (if any) payable at expiry | <p><i>For a series of call Warrants:</i></p> $\frac{(\text{Closing Level} - \text{Strike Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$ <p>(converted into the Settlement Currency at the Exchange Rate)</p> <p><i>For a series of put Warrants:</i></p> $\frac{(\text{Strike Level} - \text{Closing Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$ <p>(converted into the Settlement Currency at the Exchange Rate)</p> |
| Closing Level (for all series) | The final settlement price for settling the E-mini Nasdaq-100 Futures Contracts that are scheduled to expire during the month in which the Expiry Date of the relevant series of the Warrants is scheduled to fall (the “ Index Futures Contracts ”) on the Chicago Mercantile Exchange (or its successor or assign) (the “ Index Futures Exchange ”) ¹ |
| Index Exchange (for all series) | The NASDAQ Stock Market |
| Index Compiler (for all series) | NASDAQ, Inc. |
| Index Currency Amount | US\$1.00 |
| Divisor | 44,000 |
| Launch Date (for all series) | 20 December 2024 |
| Issue Date (for all series) | 24 December 2024 |
| Listing Date (for all series)² | 27 December 2024 |
| Valuation Date (New York time)³ | 20 June 2025 |
| Expiry Date⁴ | 20 June 2025 |

¹ Subject to our right to determine the Closing Level in good faith on the Valuation Date upon the occurrence of a Market Disruption Event as described further in Condition 4(d).

² During the period between the Launch Date and the scheduled Listing Date (both dates exclusive), if any severe weather occurs on any Business Day which either results in the Stock Exchange (i) being closed for trading for the entire day; or (ii) being closed prior to its regular time for close of trading for the relevant day, the Listing Date will be postponed (without any further notice or announcement) such that there is a period of two Business Days not affected by the aforementioned event(s) between the Launch Date and the postponed Listing Date (both dates exclusive).

³ 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.

⁴ If such day is not a Business Day, the immediately following Business Day. “**Business Day**” is defined in the Conditions to mean a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong.

| | |
|---|--|
| Warrants Stock code | 10520 |
| Settlement Date (for all series) | The third CCASS Settlement Day after the later of: (i) the Expiry Date; and (ii) the day on which the Closing Level is determined in accordance with the Conditions |
| Exchange Rate (for all series) | The rate of exchange between US\$ and HK\$ (expressed as the number of units of HK\$ per 1 unit of US\$) at or about 10:00 a.m. New York time on the Valuation Date as determined by the Issuer 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. |
| Settlement Currency (for all series) | Hong Kong dollars (“ HK\$ ”) |
| Implied Volatility⁵ | 33.70% |
| Effective Gearing⁵ | 2.03x |
| Gearing⁵ | 24.85x |
| Premium⁵ | 23.04% |

⁵ This data may fluctuate during the life of the Warrants and may not be comparable to similar information provided by other issuers of derivative warrants. Each issuer may use different pricing models.

IMPORTANT INFORMATION

The Warrants are listed structured products which involve derivatives. Do not invest in them unless you fully understand and are willing to assume the risks associated with them.

What documents should you read before investing in the Warrants?

You must read this document together with our base listing document dated 2 April 2024 (the “Base Listing Document”) as supplemented by any addendum thereto (together, the “Listing Documents”), in particular the section “Terms and Conditions of the Index Warrants (Cash Settled)” (the “Conditions”) set out in our Base Listing Document. This document (as read in conjunction with our Base Listing Document and each addendum referred to in the section headed “Product Summary Statement”) is accurate as at the date of this document. You should carefully study the risk factors set out in the Listing Documents. You should also consider your financial position and investment objectives before deciding to invest in the Warrants. We cannot give you investment advice. You must decide whether the Warrants meet your investment needs before investing in the Warrants.

Is there any guarantee or collateral for the Warrants?

No. Our obligations under the Warrants are neither guaranteed by any third party, nor collateralised with any of our assets or other collaterals. When you purchase our Warrants, you are relying on our creditworthiness only, and of no other person. If we become insolvent or default on our obligations under the Warrants, you can only claim as an unsecured creditor of the Issuer. In such event, you may not be able to recover all or even part of the amount due under the Warrants (if any).

What are the Issuer’s credit ratings?

The Issuer’s long-term credit ratings are:

| <i>Rating agency</i> | <i>Rating as of the Launch Date</i> |
|---------------------------------|-------------------------------------|
| Moody’s Investors Service, Inc. | Aa3 (negative outlook) |
| S&P Global Ratings | AA- (stable outlook) |

Rating agencies usually receive a fee from the companies that they rate. When evaluating our creditworthiness, you should not solely rely on our credit ratings because:

- a credit rating is not a recommendation to buy, sell or hold the Warrants;
- ratings of companies may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence;
- a high credit rating is not necessarily indicative of low risk. Our credit ratings as of the Launch Date are for reference only. Any downgrading of our ratings could result in a reduction in the value of the Warrants;
- a credit rating is not an indication of the liquidity or volatility of the Warrants; and
- a credit rating may be downgraded if the credit quality of the Issuer declines.

The Warrants are not rated. The Issuer’s credit ratings are subject to change or withdrawal at any time within each rating agency’s sole discretion. You should conduct your own research using publicly available sources to obtain the latest information with respect to the Issuer’s ratings from time to time.

Is the Issuer regulated by the Hong Kong Monetary Authority referred to in Rule 15A.13(2) or the Securities and Futures Commission referred to in Rule 15A.13(3)?

We are a licensed bank regulated by the Hong Kong Monetary Authority, and a registered institution under the Securities and Futures Ordinance (Cap. 571) of Hong Kong to carry on type 1 (Dealing in Securities), type 2 (Dealing in Futures Contracts), type 4 (Advising on Securities), type 5 (Advising on Futures Contracts), type 6 (Advising on Corporate Finance) and type 9 (Asset Management) regulated activities.

Is the Issuer subject to any litigation?

Except as set out in the section headed “Our Interim Financial Statements as at and for the Six-month Period Ended 30 June 2024” of the addendum to our Base Listing Document dated 13 August 2024 (the “Addendum”), there are no legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) which may have, or have had in the previous 12 months, a significant effect on us and our subsidiaries.

Has our financial position changed since last financial year-end?

Except as set out in the section headed “Our Interim Financial Statements as at and for the Six-month Period Ended 30 June 2024” of the Addendum and Exhibit A and Exhibit B of the Base Listing Document, there has been no material adverse change in our financial or trading position or prospects or indebtedness since 31 December 2023.

PRODUCT SUMMARY STATEMENT

The Warrants are listed structured products which involve derivatives. This statement provides you with key information about the Warrants. You should not invest in the Warrants based on the information contained in this statement alone. You should read and understand the remaining sections of this document, together with the other Listing Documents, before deciding whether to invest.

Overview of the Warrants

- **What is a derivative warrant?**

A derivative warrant linked to an index is an instrument which tracks the performance of the underlying index. Derivative warrants may provide a leveraged return to you. Conversely, such leverage could also magnify your losses.

A call warrant is designed for an investor holding a view that the level of the underlying index will increase during the term of the warrant.

A put warrant is designed for an investor holding a view that the level of the underlying index will decrease during the term of the warrant.

- **How and when can you get back your investment?**

The Warrants are European style cash settled derivative warrants linked to the Index. European style warrants can only be exercised on the expiry date. When the Warrants are exercised, the holder is entitled to a cash amount called the “**Cash Settlement Amount**” net of any Exercise Expenses (as defined under the heading “Exercise Expenses” in the sub-section titled “What are the fees and charges?” below) according to the terms and conditions in the Listing Documents. **If the Cash Settlement Amount is equal to or less than the Exercise Expenses, you will lose all of your investment in the Warrants.**

- **How do the Warrants work?**

The potential payoff at expiry for the Warrants is calculated by reference to the difference between the Strike Level and the Closing Level of the Index.

A call Warrant will be automatically exercised at expiry without the need for the holder to deliver an exercise notice if the Closing Level of the Index is above the Strike Level. The more the Closing Level is above the Strike Level, the higher the payoff at expiry. If the Closing Level is at or below the Strike Level, you will lose all of your investment in the call Warrant.

A put Warrant will be automatically exercised at expiry without the need for the holder to deliver an exercise notice if the Closing Level of the Index is below the Strike Level. The more the Closing Level is below the Strike Level, the higher the payoff at expiry. If the Closing Level is at or above the Strike Level, you will lose all of your investment in the put Warrant.

- **Can you sell the Warrants before the Expiry Date?**

Yes. We have made an application for listing of, and permission to deal in, the Warrants on the Stock Exchange. All necessary arrangements have been made to enable the Warrants to be admitted into the Central Clearing and Settlement System (“CCASS”). Issue of the Warrants is conditional upon listing approval being granted. From the Listing Date up to the last trading day of the Warrants (both dates inclusive), you may sell or buy the Warrants on the Stock Exchange. There shall be three CCASS Settlement Days between the last trading day of the Warrants and the Expiry Date. No application has been made to list the Warrants on any other stock exchange.

The Warrants may only be transferred in a Board Lot (or integral multiples thereof). Where a transfer of Warrants takes place on the Stock Exchange, currently settlement must be made not later than two CCASS Settlement Days after such transfer.

The Liquidity Provider will make a market in the Warrants by providing bid and/or ask prices. See the section headed “Liquidity” below.

- **What is your maximum loss?**

The maximum loss in the Warrants will be your entire investment amount plus any transaction costs.

- **What are the factors determining the price of a derivative warrant?**

The price of a derivative warrant generally depends on the level of the underlying index (being the Index for the Warrants). However, throughout the term of a derivative warrant, its price will be influenced by a number of factors, including:

- the strike level of the derivative warrants;
- the level and volatility of the underlying index (being a measure of the fluctuation in the level of the underlying index over time);
- the time remaining to expiry: generally, the longer the remaining life of the derivative warrant, the greater its value;
- the interim interest rates and expected dividend payments or other distributions on any components comprising the underlying index;
- the liquidity of the futures contracts relating to the underlying index;
- the supply and demand for the derivative warrant;
- our related transaction cost;
- the creditworthiness of the issuer of the derivative warrant; and
- the prevailing exchange rate(s).

As the price of a derivative warrant is not only affected by the level of the underlying index, movements in the price of a derivative warrant may not be proportionate or may even be opposite to the movement of the level of the underlying index. For example:

- if the level of the underlying index increases (in respect of a call warrant) or decreases (in respect of a put warrant), but the volatility of the level of the underlying index decreases, the price of the warrant may decrease;
- if a warrant is deep-out-of-the-money (eg. when the fair market value is less than HK\$0.01), the price of the warrant may be insensitive to any increase (in respect of a call warrant) or decrease (in respect of a put warrant) in the level of the underlying index;
- if the outstanding volume of a series of warrants in the market is high, the supply and demand of the warrant may have a greater impact on the warrant price than the level of the underlying index; and/or
- the decrease in time value may offset any increase (in respect of a call warrant) or decrease (in respect of a put warrant) in the level of the underlying index, especially when the warrant is close to its expiry where the time value decreases at a faster pace.

Risks of investing in the Warrants

You must read the section headed “Key Risk Factors” in this document together with the risk factors set out in our Base Listing Document. You should consider all these factors collectively when making your investment decision.

Liquidity

• How to contact the Liquidity Provider for quotes?

Liquidity Provider: HSBC Securities Brokers (Asia) Limited
 Address: Levels 17 and 18, HSBC Main Building, 1 Queen’s Road Central, Hong Kong
 Telephone Number: (852) 2822 1849

The Liquidity Provider is regulated by the Stock Exchange and the Securities and Futures Commission. It is an affiliate of the Issuer and will act as our agent in providing quotes. You can request a quote by calling the Liquidity Provider at the telephone number above.

- **What is the Liquidity Provider’s maximum response time for a quote?** The Liquidity Provider will respond within 10 minutes and the quote will be displayed on the Stock Exchange’s designated stock page for the Warrants.
- **Maximum spread between bid and ask prices:** 20 spreads
- **Minimum quantity for which liquidity will be provided:** 20 Board Lots
- **What are the circumstances under which the Liquidity Provider is not obliged to provide liquidity?**
 There will be circumstances under which the Liquidity Provider is not obliged to provide liquidity. Such circumstances include:
 - (i) during the first 5 minutes of each morning trading session or the first 5 minutes after trading commences for the first time on a trading day;
 - (ii) during a pre-opening session or a closing auction session (if applicable) or any other circumstances as may be prescribed by the Stock Exchange;
 - (iii) when the Warrants are suspended from trading for any reason;
 - (iv) if there occurs or exists any suspension of or limitation imposed on trading of options or futures contracts relating to the Index or if the Index level is not calculated or published as scheduled for any reason;
 - (v) when there are no Warrants available for market making activities. In such event, the Liquidity Provider shall continue to provide bid prices. Warrants held by us or any of our affiliates in a fiduciary or agency capacity are not Warrants available for market making activities;
 - (vi) when there are operational and technical problems beyond the control of the Liquidity Provider hindering the ability of the Liquidity Provider to provide liquidity;
 - (vii) if the stock market experiences exceptional price movement and high volatility over a short period of time which materially affects the Liquidity Provider’s ability to source a hedge or unwind an existing hedge; or
 - (viii) if the theoretical value of the Warrants is less than HK\$0.01. If the Liquidity Provider chooses to provide liquidity under this circumstance, both bid and ask prices will be made available.

You should read the sub-section entitled “Possible limited secondary market” under the “Key Risk Factors” section for further information on the key risks when the Liquidity Provider is not able to provide liquidity.

How can you obtain further information?

- **Information about the Index**

You may obtain information on the Index by visiting the Index Compiler's website at <https://www.nasdaq.com/solutions/nasdaq-100>.

- **Information about the Warrants after issue**

You may visit our website at <https://www.warrants.hsbc.com.hk/en/warrant/latest-document-and-notice> to obtain information on the Warrants or any notice given by us in relation to the Warrants.

- **Information about us**

You should read the section "Updated Information about Us" in this document. You may visit www.hsbc.com.hk to obtain general corporate information about us.

We have included references to websites in this document to indicate how further information may be obtained. Information appearing on those websites does not form part of the Listing Documents. We accept no responsibility for the accuracy or completeness of the information appearing on those websites. You should conduct your own due diligence (including without limitation web searches) to ensure that you are viewing the most up-to-date information.

What are the fees and charges?

- **Trading Fees and Levies**

For each transaction effected on the Stock Exchange, the following trading fees and levies calculated on the value of the consideration for the Warrants will be payable by each of the seller and the buyer:

- (i) a trading fee of 0.00565 per cent. charged by the Stock Exchange;
- (ii) a transaction levy of 0.0027 per cent. charged by the Securities and Futures Commission; and
- (iii) a transaction levy of 0.00015 per cent. charged by the Accounting and Financial Reporting Council.

The levy for the investor compensation fund is currently suspended.

- **Exercise Expenses**

You are responsible for any Exercise Expenses. Exercise Expenses mean any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants. Any Exercise Expenses will be deducted from the Cash Settlement Amount (if any). If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable. As at the date of this document, no Exercise Expenses are payable for cash settled warrants (including the Warrants).

- **Stamp Duty**

No stamp duty is currently payable in Hong Kong on transfer of cash settled warrants (including the Warrants).

You should note that any transaction cost will reduce your gain or increase your loss under your investment in the Warrants.

What is the legal form of the Warrants?

Each series of the Warrants will be represented by a global certificate in the name of HKSCC Nominees Limited who is the only legal owner of the Warrants. We will not issue definitive certificates for the Warrants. You may arrange for your broker to hold the Warrants in a securities account on your behalf, or if you have a CCASS Investor Participant securities account, you may arrange for the Warrants to be held in such account. You will have to rely on the records of CCASS and/or the statements you receive from your brokers as evidence of your beneficial interest in the Warrants.

Can we adjust the terms or early terminate the Warrants?

The occurrence of certain events (including, without limitation, a succession of the Index or Index Compiler, modification or cessation of calculation of the Index) may entitle us to adjust the terms and conditions of the Warrants. However, we are not obliged to adjust the terms and conditions of the Warrants for every event that affects the Index.

We may early terminate the Warrants if it becomes illegal or impracticable for us (i) to perform our obligations under the Warrants as a result of a change in law event, or (ii) to maintain our hedging arrangement with respect to the Warrants due to a change in law event. In such event, the amount payable by us (if any) will be the fair market value of the Warrants less our cost of unwinding any related hedging arrangements as determined by us, which may be substantially less than your initial investment and may be zero.

Please refer to Conditions 6 and 7 for details about adjustments or early termination events. Such events may negatively affect your investment and you may suffer a loss.

Mode of settlement for the Warrants

The Warrants will be automatically exercised on the Expiry Date in integral multiples of the Board Lot if the Cash Settlement Amount is positive. If the Cash Settlement Amount is zero or negative, or is equal to or less than the Exercise Expenses, you will lose all of your investment.

We will deliver a cash amount in the Settlement Currency equal to the Cash Settlement Amount net of any Exercise Expenses (if any) no later than the Settlement Date to HKSCC Nominees Limited (as the registered holder of the Warrants), which will then distribute such amount to the securities account of your broker (and if applicable, its custodian) or to your CCASS Investor Participant securities account (as the case may be). You may have to rely on your broker (and if applicable, its custodian) to ensure that the Cash Settlement Amount (if any) is credited to your account maintained with your broker. Once we make the payment to HKSCC Nominees Limited, who operates CCASS, you will have no further right against us for that payment, even if CCASS or your broker (and if applicable, its custodian) does not transfer your share of payment to you, or is late in making such payment transfer.

Payment of the Cash Settlement Amount (if any) may be delayed if a Settlement Disruption Event occurs on the Settlement Date, as a result of which we are unable to deliver such amount through CCASS on such day. See Condition 4(d) for further information.

Where can you find the relevant documents of the Warrants?

The following documents are available on the website of the HKEX at www.hkexnews.hk and our website at <https://www.warrants.hsbc.com.hk/en/warrant/latest-document-and-notice>:

以下文件可於香港交易所披露易網站(www.hkexnews.hk) 以及本公司網站 <https://www.warrants.hsbc.com.hk/tc/warrant/latest-document-and-notice> 瀏覽：

- each of the Listing Documents (in separate English and Chinese versions), including:
 - this document
 - our Base Listing Document
 - the Addendum
- our latest audited consolidated financial statements and any interim or quarterly financial statements;
- a copy of the consent letter of our auditors referred to in our Base Listing Document.

Are there any dealings in the Warrants before the Listing Date?

It is possible that there may have been dealings in the Warrants before the Listing Date. If there are any dealings in the Warrants by us or any of our subsidiaries or associated companies from the Launch Date prior to the Listing Date, we will report those dealings to the Stock Exchange by the Listing Date and such report will be released on the website of the Stock Exchange.

Has the auditor consented to the inclusion of its report to the Listing Documents?

Our auditor (“**Auditor**”) has given and has not since withdrawn its written consent to the inclusion of its report dated 21 February 2024 and/or the references to its name in our Base Listing Document, in the form and context in which they are included. Its report was not prepared exclusively for incorporation into our Base Listing Document. The Auditor does not own any of our shares or shares in any member of our group, nor does it have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities or securities of any member of our group.

Authorisation of the Warrants

Our management, pursuant to the approval by our New Business Review Committee on 12 August 2020, authorised the issue of the Warrants.

Selling restrictions

The Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and will not be offered, sold, delivered or traded, at any time, indirectly or directly, in the United States or to, or for the account or benefit of, (a) a U.S. Person (as defined in Regulation S of the Securities Act), (b) a U.S. person as defined in 17 C.F.R. § 23.23(a)(23) (a “**CFTC U.S. Person**”) or to others for offer or sale to or for the account or benefit of any such CFTC U.S. person or (c) a “United States person” as defined in U.S. Executive Order 13959, as amended by U.S. Executive Order 14032, or in the Chinese Military-Industrial Complex Sanctions Regulations (31 C.F.R. Part 586) (“**E.O. 13959 U.S. Persons**”), to the extent that the underlyings for the relevant Warrants include (i) securities whose purchase or sale by E.O. 13959 U.S. Persons is restricted under Executive Order 13959 (as amended) or (ii) provide any investment exposure to any such securities ((i) and (ii) collectively, “**E.O. 13959 Restricted Underlyings**”).

E.O. 13959 U.S. Persons are restricted from purchasing or selling Warrants with E.O. 13959 Restricted Underlyings after the effective date of the Executive Order 13959 (as amended) restrictions applicable to those underlyings and investors should seek their own independent legal advice regarding compliance with Executive Order 13959 (as amended).

The offer or transfer of the Warrants is also subject to the selling restrictions specified in our Base Listing Document.

Taxation

The following section on “U.S. Foreign Account Tax Compliance Act” is applicable to all investors. If you are uncertain about the tax consequences of investing in the Warrants, you should consult your own tax adviser.

U.S. Foreign Account Tax Compliance Act

We and other financial institutions through which payments on the structured products are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after the second anniversary of the date on which final U.S. Treasury Regulations defining the term “foreign passthru payments” are published with the U.S. Federal Register in respect of (i) any structured products characterised as obligations for U.S. federal tax purposes that are issued after (or are materially modified after) the date that is six months after the date on which final U.S. Treasury Regulations defining the term “foreign passthru payments” are filed with the U.S. Federal Register and (ii) any structured products not characterised as obligations for U.S. federal tax purposes, whenever issued, pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code (“**FATCA**”) or similar law implementing an intergovernmental approach to FATCA.

In addition, we and other financial institutions through which payments on the structured products are made may be required to withhold U.S. tax pursuant to FATCA at a rate of 30 per cent. on payments made in respect of any structured products characterised as obligations for U.S. federal tax purposes that are issued after (or are materially modified after) the date that is six months after the date on which such products are treated as giving rise to “dividend equivalent” payments as described below under “Legislation Affecting Dividend Equivalent Payments”.

FATCA withholding tax may apply to an investor or to any non-U.S. financial institution through which payment on the structured products is made if the Investor or non-U.S. financial institution does not fulfill its obligations under FATCA, including if (i) that investor (unless otherwise exempt from FATCA) does not provide information or consent to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States account” of the Issuer or (ii) that non-U.S. financial institution does not become a Participating Foreign Financial Institution (as defined by FATCA) by entering into an agreement with the U.S. Internal Revenue Service (“**IRS**”) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise deemed FATCA compliant or exempt from FATCA withholding tax. Structured product holders therefore may receive less settlement amount than expected. We are not required to pay any additional amounts with respect to amounts so withheld.

Each holder of structured products should consult its own tax advisor as to the application of FATCA to an investment in the structured products.

Further information on FATCA may be found at <https://www.irs.gov/corporations> under the section headed “Foreign Account Tax Compliance Act (FATCA)”. Any information appearing on such website does not form part of this document.

The following section on “Legislation Affecting Dividend Equivalent Payments” is applicable to structured products that are linked to U.S. equities and to all investors of such structured products.

Legislation Affecting Dividend Equivalent Payments

U.S. Treasury Regulations under Section 871(m) of the U.S. Internal Revenue Code require withholding of up to 30% (depending on whether an income tax treaty or other exemption applies) on payments or deemed payments made to non-U.S. persons on certain financial instruments to the extent that such payments are contingent upon or determined by reference to U.S.-source dividends. These rules differentiate between “Delta-One” and “Non-Delta-One” transactions. This withholding should generally apply to structured products, but should not apply to Non-Delta-One structured products issued before 1 January 2027 (unless the Non-Delta-One structured products are “significantly modified” on or after 1 January 2027). Significant aspects of the application of these regulations to the structured products are uncertain. Payments on structured products, other than Non-Delta-One structured products that are issued before 1 January 2027, that are treated by the applicable Treasury regulations as being contingent upon, or determined by reference to, any U.S. source dividends may be subject to this withholding.

Withholding in respect of dividend equivalents amounts will generally be required when the relevant payment is made on a structured product or upon the date of maturity, lapse or other disposition by a non-U.S. investor of the structured products. Structured products may be treated as paying dividend equivalent amounts to the extent U.S. source dividends are expected to be paid on the underlying equity securities, even if no corresponding payment on the structured product is explicitly linked to such dividends and even if, upon maturity, lapse or other disposition by the non-U.S. investor, the investor realizes a loss. The regulations provide exceptions to withholding, in particular for certain instruments linked to certain broad-based indices. In the event any withholding would be required pursuant to Section 871(m) with respect to payments on the structured products, no person will be required to pay additional amounts as a result of the withholding. Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) and the applicable regulations to the structured products.

Capitalised terms and inconsistency

Unless otherwise specified, capitalised terms used in this document have the meanings set out in the Conditions. If this document is inconsistent with our Base Listing Document, this document shall prevail.

INFORMATION ON THE INDEX

The information on the Index set out below is extracted from or based on the English version of publicly available information and, in particular, information from the Index Compiler. We do not give any representation whatsoever as to the truth, accuracy, completeness, adequacy or reasonableness of any of the information contained therein whether as at the date of this document or any other time, save that we have taken reasonable care to correctly extract, summarise and/or reproduce such information.

Who is the Index Compiler?

The Index is managed and compiled by NASDAQ, Inc. (the “Index Compiler”).

How is the Index level disseminated?

The Index level is disseminated through the website of the Index Compiler at <https://www.nasdaq.com/nasdaq-100> and various information vendors. You should contact your stockbroker for further information.

Description of the Index

The Index is a modified market capitalization-weighted index of 100 of the largest non-financial domestic and international issuers listed on The NASDAQ Stock Market. No single security can have more than a 24% weighting of the Index. The Index was developed with a base value of 125 as of 31 January 1985.

Constituent stocks of the Index

The Index includes 100 of the largest non-financial securities listed on The NASDAQ Stock Market based on market capitalization. It does not contain securities of financial companies including investment companies. An updated list of the constituent stocks comprising the Index is available at <https://www.nasdaq.com/market-activity/quotes/nasdaq-ndx-index>.

How is the Index calculated?

The Index is a modified market capitalization-weighted index. The value of the Index equals the aggregate value of the Index share weights, also known as the Index Shares, of each of the Index Securities multiplied by each security’s last sale price, and divided by the divisor of the Index. The divisor serves the purpose of scaling such aggregate value to a lower order of magnitude which is more desirable for Index reporting purposes. If trading in an Index Security is halted on its primary listing market, the most recent last sale price for that security is used for all index computations until trading on such market resumes. Likewise, the most recent last sale price is used if trading in a security is halted on its primary listing market before the market is open. The Index began on 31 January 1985 at a base value of 125.00, as adjusted.

The formula for index value is as follows:

Aggregate Adjusted Market Value/Divisor

The formula for the divisor is as follows:

(Market Value after Adjustments/Market Value before Adjustments) x Divisor before Adjustments

What are the arrangements if the index level is not published by the Index Compiler?

If the Index Compiler fails to calculate and publish the index level, we shall determine the index level of the Index using, in lieu of a published level for the Index, the level for the Index as at the relevant day as determined by us in accordance with the formula for and method of calculating the Index last in effect prior to such failure, but using only those constituent securities that comprised the Index immediately prior to such failure (other than those constituent securities that have since ceased to be listed on the relevant exchange).

What are the historic highs and lows of the Index for the last 5 years?

The highest and lowest closing levels of the Index from the year 2019 to 2024 (up to the latest practicable date) are:

| Year | Highest closing level | Lowest closing level |
|--|-----------------------|----------------------|
| 2019 | 8,778.31 | 6,147.13 |
| 2020 | 12,888.28 | 6,994.29 |
| 2021 | 16,573.34 | 12,299.08 |
| 2022 | 16,501.77 | 10,679.34 |
| 2023 | 16,906.80 | 10,741.22 |
| 2024 (up to the latest practicable date) | 22,096.66 | 16,282.01 |

What is the closing level of the Index on the latest practicable date?

According to information published on the Index Compiler's website, the closing level of the Index as at the close of business on the latest practicable date was 21,289.15.

Index disclaimer

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KEY RISK FACTORS

You must read these key risk factors together with the risk factors set out in our Base Listing Document. These key risk factors do not necessarily cover all risks related to the Warrants. If you have any concerns or doubts about the Warrants, you should obtain independent professional advice.

Non-collateralised structured products

The Warrants are not secured on any of our assets or any collateral.

Credit risk

If you invest in the Warrants, you are relying on our creditworthiness and of no other person (including the ultimate holding company of our group, HSBC Holdings plc). If we become insolvent or default on our obligations under the Warrants, you can only claim as unsecured creditor regardless of the performance of the Index and you may not be able to recover all or even part of the amount due under the Warrants (if any). You have no rights under the terms of the Warrants against the Index Compiler or any company which has issued any constituent securities of the Index.

Warrants are not principal protected and may expire worthless

Given the gearing feature inherent in the Warrants, a small change in the Index level may lead to a substantial price movement in the Warrants. You may suffer higher losses in percentage terms if you expect the level of the Index to move one way but it moves in the opposite direction.

Unlike stocks, the Warrants have a limited life and will expire on the Expiry Date. In the worst case, the Warrants may expire with no value and you will lose all of your investment. Derivative warrants may only be suitable for experienced investors who are willing to accept the risk that they may lose all their investment.

The Warrants can be volatile

Prices of the Warrants may rise or fall rapidly. You should carefully consider, among other things, the following factors before dealing in the Warrants:

- (i) the prevailing trading price of the Warrants;
- (ii) the Strike Level of the Warrants;
- (iii) the level and volatility of the Index;
- (iv) the time remaining to expiry;
- (v) the probable range of the Cash Settlement Amount;
- (vi) the interim interest rates and expected dividend payments or other distributions on any components comprising the Index;
- (vii) the liquidity of the futures contracts relating to the Index;
- (viii) the related transaction costs (including the Exercise Expenses, if any);
- (ix) the supply and demand for the Warrants;
- (x) the creditworthiness of the Issuer; and
- (xi) the prevailing exchange rate(s).

The price of a Warrant may be affected by all these factors in addition to the Index level. Therefore, movements in the price of the Warrants may not be proportionate or may even be opposite to the movement in the level of the Index. You should consider all these factors collectively when making your investment decision.

Suspension of trading

If the calculation and/or publication of the Index level by the Index Compiler is suspended for whatever reasons, trading in the Warrants may be suspended for a similar period. In the case of a prolonged suspension period, the price of the Warrants may be subject to a significant impact of time decay due to such prolonged suspension and may fluctuate significantly upon resumption of trading, which may adversely affect your investment.

Time decay

Without taking into account interim interest rates and expected dividend payments or other distributions on any components comprising the Index and assuming all other factors remain constant, the value of a Warrant is likely to decrease over time. Therefore, the Warrants should not be viewed as a product for long term investments.

Possible limited secondary market

The Liquidity Provider may be the only market participant for the Warrants and therefore the secondary market for the Warrants may be limited. The more limited the secondary market, the more difficult it may be for you to realise the value in the Warrants prior to expiry. You should also be aware that the Liquidity Provider may not be able to provide liquidity when there are operational and technical problems hindering its ability to do so. Even if the Liquidity Provider is able to provide liquidity in such circumstances, its performance of liquidity provision may be adversely affected. For example:

- (i) the spread between bid and ask prices quoted by the Liquidity Provider may be significantly wider than its normal standard;
- (ii) the quantity for which liquidity will be provided by the Liquidity Provider may be significantly smaller than its normal standard; and/or
- (iii) the Liquidity Provider's response time for a quote may be significantly longer than its normal standard.

Change of calculation methodology or failure to publish the Index

If there is a material change in the calculation of the Index level or a failure to publish the Index, we may determine the Closing Level on the basis of the method last in effect prior to such change or failure.

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.

Risks relating to difference in trading days and hours

The Index level is calculated and published during the trading hours of the Index Exchange. The Index Futures Contracts are traded on the Index Futures Exchange. The trading days and hours of the Index Exchange and the Index Futures Exchange (based on Hong Kong time) are different from that of the Stock Exchange. In assessing the price of the 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 Warrants.

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.

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.

Exchange rate risks

As the trading price of the constituent stocks comprising the Index is quoted in United States Dollars (“US\$”) but the Warrants will be settled in 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 Warrants accordingly.

Adjustment related risk

The occurrence of certain events (including, without limitation, a succession of the Index or Index Compiler, modification or cessation of calculation of the Index) may entitle us to adjust the terms and conditions of the Warrants. However, we are not obliged to adjust the terms and conditions of the Warrants for every event that affects the Index. Any adjustment or decision not to make any adjustment may adversely affect the value of the Warrants. Please refer to Condition 6 for details about adjustments.

Possible early termination

We may early terminate the Warrants if it becomes illegal or impracticable for us (i) to perform our obligations under the Warrants as a result of a change in law event, or (ii) to maintain our hedging arrangement with respect to the Warrants due to a change in law event. In such event, the amount payable by us (if any) will be the fair market value of the Warrants less our costs of unwinding any related hedging arrangements as determined by us, which may be substantially less than your initial investment and may be zero. Please refer to Condition 7 for details about our early termination rights.

Time lag between exercise and settlement of the Warrants

There is a time lag between exercise of the Warrants and payment of the Cash Settlement Amount net of Exercise Expenses (if any). There may be delays in the electronic settlement or payment through CCASS.

Conflict of interest

We and our subsidiaries and affiliates engage in a wide range of commercial and investment banking, brokerage, funds management, hedging, investment and other activities and may possess material information about the Index or issue or update research reports on the Index. Such activities, information and/or research reports may involve or affect the Index and may cause consequences adverse to you or otherwise create conflicts of interests in connection with the issue of the Warrants. We have no obligation to disclose such information and may issue research reports and engage in any such activities without regard to the issue of the Warrants.

In the ordinary course of our business, we and our subsidiaries and affiliates may effect transactions for our own account or for the account of our customers and may enter into one or more transactions with respect to the Index or related derivatives. This may indirectly affect your interests.

We and/or members of our group (acting as a dealer) may offer commission rebates or other incentives

We and/or members of our group may, from time to time, act in the capacity of a dealer of the Warrants. When acting in such capacity, we and/or members of our group may, in the ordinary course of our/their business, offer commission rebates or other incentives to our/their customers in respect of the Warrants. Your investment decision should not be based solely on the benefit of the offer of such commission rebates or other incentives. Before deciding to invest in the Warrants, you should fully understand the nature and

product features of the Warrants and read the Listing Documents, in particular, the risk factors set out in the Listing Documents and where necessary, seek independent professional advice. You should also consider your financial position and investment objectives before deciding to invest in the Warrants.

No direct contractual rights

The Warrants are issued in global registered form and are held within CCASS. You will not receive any definitive certificate and your name will not be recorded in the register of the Warrants. The evidence of your interest in the Warrants, and the efficiency of the ultimate payment of the Cash Settlement Amount net of Exercise Expenses (if any), are subject to the CCASS Rules. You will have to rely on your broker (or, if applicable, its direct or indirect custodians) and the statements you receive from it as evidence of your interest in the Warrants. You do not have any direct contractual rights against us. To assert your rights as an investor in the Warrants, you will have to rely on your broker (and, if applicable, its direct or indirect custodian) to take action on your behalf. If your broker or, if applicable, its direct or indirect custodian:

- (i) fails to take action in accordance with your instructions;
- (ii) becomes insolvent; or
- (iii) defaults on its obligations,

you will need to take action against your broker in accordance with the terms of arrangement between you and your broker to establish your interest in the Warrants first before you can assert your right of claim against us. You may experience difficulties in taking such legal proceedings. This is a complicated area of law and you should seek independent legal advice for further information.

The Listing Documents should not be relied upon as the sole basis for your investment decision

The Listing Documents do not take into account your investment objectives, financial situation or particular needs. Nothing in the Listing Documents should be construed as a recommendation by us or our affiliates to invest in the Warrants or any futures contracts relating to the Index.

Not the ultimate holding company of the group

We are not the ultimate holding company of the group to which we belong. The ultimate holding company of the group to which we belong is HSBC Holdings plc.

Credit ratings

Our credit ratings as of the Launch Date are for reference only. Any downgrading of our ratings could result in a reduction in the value of the Warrants.

Two or more risk factors may simultaneously affect the Warrants

Two or more risk factors may simultaneously have an effect on the value of a Warrant such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Warrant.

The Financial Institutions (Resolution) Ordinance may adversely affect the Warrants

On 7 July 2017, the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong (the “FIRO”) came into operation. The FIRO provides for, among other things, the establishment of a resolution regime for authorized institutions and other within scope financial institutions in Hong Kong which may be designated by the relevant resolution authorities, which includes us as the issuer of the Warrants. The resolution regime seeks to provide the relevant resolution authorities with administrative powers

to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorized institution or within scope financial institution in Hong Kong. In particular, the relevant resolution authority is provided with powers to affect contractual and property rights as well as payments (including in respect of any priority of payment) that creditors would receive in resolution. These may include, but are not limited to, powers to cancel, write off, modify, convert or replace all or a part of the Warrants or cash payment under the Warrants, and powers to amend or alter the contractual provisions of the Warrants, all of which may adversely affect the value of the Warrants, and the holders thereof may suffer a loss of some or all of their investment as a result. Holders of the Warrants may become subject to and bound by the FIRO.

On 25 June 2021, the government of Hong Kong published the Financial Institutions (Resolution) (Contractual Recognition of Suspension of Termination Rights – Banking Sector) Rules (the “**Stay Rules**”) in the Gazette. The Stay Rules have come into operation on 27 August 2021 following completion of the vetting process by the Legislative Council of Hong Kong. Subject to certain transitional periods, entities subject to the Stay Rules are required to adopt appropriate provisions in certain financial contracts to the effect that the contractual parties agree to be bound by the temporary stay that may be imposed by the Hong Kong Monetary Authority under the FIRO, which may in turn affect any in-scope financial contracts between a qualifying entity and its counterparty(ies).

As the implementation of FIRO remains untested and certain details relating to FIRO will be set out through secondary legislation and supporting rules, we are unable to assess the full impact of FIRO, the Stay Rules, any potential secondary legislation and/or supporting rules and regulations made under FIRO on the financial system generally, our counterparties, us, any of our consolidated subsidiaries, our operations and/or our financial position. **In the worst case scenario, you may get nothing back and the maximum loss could be 100% of your initial investment amount.**

Recent and future U.S. government actions

The US government’s recent and future actions against mainland China and Hong Kong may affect the price or value of the underlying equities or indices (as applicable) and the prevailing trading price of the Warrants. There can be no assurances that any future actions taken by the U.S. government (or other governments) against mainland China and Hong Kong will not have an adverse effect on the trading price or value of the Warrants.

Restrictions on E.O. 13959 U.S. Persons

To the extent the Warrants include underlying securities that are or become E.O. 13959 Restricted Underlyings, E.O. 13959 U.S. Persons are or will be restricted under Executive Order 13959 (as amended) from purchasing and selling the Warrants, which may adversely affect the prevailing trading price of the Warrants. E.O. 13959 U.S. Persons are urged to seek independent legal advice regarding compliance with Executive Order 13959 (as amended).

Updated information about Us

There is no supplemental information about the Issuer.

PARTIES

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