

**Important Risk Warning**

- Unit Trusts, Bonds, Equity Linked Investments are investment products. They are NOT equivalent to time deposits. Unit Trusts and Bonds and some of the Structured Products are investment products and some Unit Trusts 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.
- The price of investment products may move up or down and may become valueless. Losses may be incurred as well as profits made as a result of buying and selling the investment products.
- In the worst case scenario, the value of the products may be worth substantially less than the original amount you invested (and in an extreme case could be worth nothing).
- Issuer's Risk – Bonds 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.
- Investors should not make investment decisions based on this material alone.
- Investment involves risks. Past performance of the products is no guide to future performance. For details of the products, the related fees and charges and risk factors, please refer to the individual product materials and/or offering materials.
- Currency conversion risk – the value of your foreign currency and RMB products will be subject to the risk of exchange rate fluctuation. If you choose to convert your foreign currency and RMB payments to other currencies at an exchange rate that is less favourable than that exchange rate in which you made your original conversion to foreign currency and RMB, you may suffer loss in principal/ investment.
- RMB denominated products are subject to liquidity risk as there may be no regular trading and active secondary market for RMB Income Instruments. The bid and offer spread of the price of RMB Income Instruments may be large, so investors may incur significant trading and realisation costs and may suffer losses accordingly.

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

**General terms and conditions**

1. The Hongkong and Shanghai Banking Corporation Limited, Hong Kong (and its successors and assigns) (the “Bank” or “HSBC”) reserves the right to change these terms and conditions at any time and the offer may be withdrawn or terminated by the Bank at its discretion without prior notice.
2. No person other than the Eligible Customer (as defined below) and the Bank will have any right under the Contracts (Rights of Third Parties) Ordinance to enforce or enjoy the benefit of any of the provisions of these terms and conditions.
3. In the event of any dispute arising out of this promotion, the decision of the Bank shall be final and conclusive.
4. 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.
5. The offer under this promotion is provided subject to the prevailing regulatory requirements.
6. These terms and conditions are governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region.

**Promotional terms and conditions for designated Investment products promotion**

1. **Promotional Period:** 12 to 26 February 2021 (both dates inclusive)
2. **Who can enjoy the Promotion:** Customers who have fulfilled all the following requirements (each an “Eligible Customer”) can enjoy this promotion (the “Promotion”):
  - (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) have a valid correspondence address in Hong Kong in the Bank’s record;

- (d) be the sole or principal (if a joint account) holder of any Integrated Account with the Bank (the “**Eligible Account**”); and
  - (e) successfully complete any one of the following transactions with the Eligible Account during the Promotional Period:
    - i. Subscription of a Unit Trust
    - ii. Subscription of an Equity Linked Investment
    - iii. Purchase of a Bond (excluding bonds in respect of initial public offering and Certificates of Deposit)
3. **Eligible Transaction:** An eligible transaction is any single transaction described in Clause 2e above that reaches HKD200,000 or equivalent in other currencies during the Promotional Period.
  4. **Offer:** An Eligible Customer is entitled to HKD288 cash rebate (“**Cash Rebate**”) for completion of an Eligible Transaction and each Eligible Customer is only entitled to receive HKD288 cash rebate during the Promotional Period.
  5. **Fulfilment:** The Cash Rebate will be credited to Eligible Customer’s account within 3 months after the Promotional Period if the Cash Rebate criteria is fulfilled. Any Eligible Customer who cancels the Eligible Transaction or terminates his/her Eligible Account (through which the Eligible Transaction is conducted) before the fulfilment period will not be eligible for the Cash Rebate.
  6. An Eligible Customer's transaction record(s) in the Bank's record must be valid during the Promotional Period and at the time of fulfilment in order to be entitled for the Cash Rebate.
  7. All of the mentioned products are subject to respective terms and conditions. The investment transaction appearing in the Bank’s records shall be final and conclusive.
  8. If there is more than one prevailing promotional offer with respect to the same product or service, an Eligible Customer will only be entitled to the promotional offer with the highest value (as determined in the sole discretion of the Bank) unless otherwise specified.
  9. The Bank reserves the right to change these Terms and Conditions and to withdraw and/or terminate the Promotion at any time at its discretion without prior notice. The Bank accepts no liability for any such change, withdrawal and/or termination.

**Risk Disclosure****Unit Trusts Risk Disclosure**

- Funds which are invested in certain markets and companies (e.g. emerging, commodity markets and smaller companies etc.) may also involve a higher degree of risk and are usually more sensitive to price movements.
- Credit Risk/Interest Rate Risk – a fund that invests in fixed income securities may fall in value if interest rates change, and is subject to the credit risk that issuers may not make payments on such securities. Price of the fund may have a high volatility due to investment in financial derivative instruments and may involve a greater degree of risk than in the case with conventional securities.
- Counterparty Risk – a fund will be exposed to credit risk on the counterparties with which it trades in relation to financial derivative instrument contracts that are not traded on a recognised exchange. Such instruments are not afforded the same protections as may apply to participants trading financial derivative instruments on organised exchanges, such as the performance guarantee of an exchange clearing house. A fund will be subject to the possibility of insolvency, bankruptcy or default of a counter party.

**Bonds Risk Disclosure**

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

**Equity Linked Investments (“ELIs”) Risk Disclosure**

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

- You should note that the information contained in this material does NOT form part of the offering documents of our ELIs. You should read all the offering documents of our ELIs (including the programme memorandum, the financial disclosure document, the relevant product booklet and the indicative term sheet and any addendum to any of such documents) before deciding whether to invest in our ELIs. If you have doubt on the content of this material, you should seek independent professional advice.
- Not a time deposit - ELI is NOT equivalent to, nor should it be treated as a substitute for, time deposit. It is NOT a protected deposit and is NOT protected by the Deposit Protection Scheme in Hong Kong.
- Not principal protected – ELIs are not principal protected: you could lose all of your investment.
- Limited potential gain – you may not receive any potential cash dividend amount - The maximum potential gain under this product is capped at an amount equal to the sum of the difference between the issue price and the nominal amount of the ELIs (if any) (less any cash settlement expenses) and the maximum periodic potential cash dividend amount(s) payable during the scheduled tenor (i.e the period from (and including) the issue date to (and including) the settlement date) of the ELIs. It is possible that you may not receive any potential cash dividend amount for the entire scheduled tenor of the ELIs.
- Re-investment risk - If our ELIs are early terminated, we will pay you the nominal amount of the ELIs (less any cash settlement expenses) and any accrued potential cash dividend amount calculated up to (and including) that call date. No further potential cash dividend amount will be payable following such early termination. Market conditions may have changed and you may not be able to enjoy the same rate of return if you re-invest these proceeds in other investments with similar risk parameters.
- No collateral – ELIs are not secured on any of our assets or any collateral.

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

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

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

**Currency conversion Risk Disclosure**

- The value of your foreign currency and RMB deposit will be subject to the risk of exchange rate fluctuation. If you choose to convert your foreign currency and RMB deposit to other currencies at an exchange rate that is less favourable than the exchange rate in which you made your original conversion to that foreign currency and RMB, you may suffer loss in principal.

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.

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

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