

## HSBC Listed Structured Products Programme – CBBCs over Nasdaq / Dow Jones Index

### Illustrative Examples

#### DISCLAIMER

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 sale of any structured products.

The following hypothetical examples have not been reviewed by The Stock Exchange of Hong Kong Limited. They are for illustrative purposes only and do not reflect a complete analysis of all possible scenarios. Investors should not rely on the following hypothetical examples in making any investment decisions. Investors should read the listing documents in relation to the CBBCs, in particular the terms and conditions of the CBBCs as set out in our base listing document and the relevant supplemental listing documents. Investors should ensure that they understand the nature of the CBBCs and carefully study the risk factors set out in the listing documents and, where necessary, seek professional advice, before they invest in the CBBCs.

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

Please also note that CBBCs have a mandatory call feature and may therefore be subject to early termination, upon which (i) investors in category N CBBCs will lose all of their investments in the CBBCs; and (ii) the residual value of category R CBBCs may be zero.

Trading structured products with United States (US) underlying index may be exposed to additional risks, including (a) risks relating to difference in trading days and hours, (b) less public information about the index and such information may not be available in Chinese, (c) political and economic risks relating to the index regions (such as the US), (d) exchange rate risks, (e) possible delay in settlement, (f) publication of index level when component shares are not trading; and (g) occurrence of mandatory call event for US index CBBCs outside trading hours.

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

## DEFINITIONS

Stock Exchange	The Stock Exchange of Hong Kong Limited
Index Exchange	The NASDAQ Stock Market / The New York Stock Exchange
Listing Date	Assume Listing Date is 21 November 2023 (Tuesday)
Observation Commencement Date	Assume Observation Commencement Date is 21 November 2023 (Tuesday)
Settlement Date	The third CCASS Settlement Day after (i) the end of the MCE Valuation Period or (ii) the later of: (a) the Expiry Date; and (b) the day on which the Closing Level is determined in accordance with the Conditions (as the case may be)
Mandatory Call Event (“MCE”)	A Mandatory Call Event occurs if the Spot Level is at or below (in respect of a series of bull CBBCs) or at or above (in respect of a series of bear CBBCs) the Call Level at any time during an Index Business Day in the Observation Period
Observation Period	The Observation Period commences from the Observation Commencement Date up to and including the close of trading of the Stock Exchange (HKT) on the Trading Day immediately preceding the Expiry Date (both dates inclusive)
Trading Day	A day on which the Stock Exchange is scheduled to open for trading for its regular trading sessions
Index Business Day	A day on which the Index Exchange is scheduled to open for trading for its regular trading sessions
NYT	New York Time
HKT	Hong Kong Time
MCE Valuation Period	Subject to any extension (as described in further detail in the Conditions), the period commencing from and including the moment upon which the Mandatory Call Event occurs and up to the end of the following trading session on the Index Exchange. For the avoidance of doubt, if the Mandatory Call Event is deemed to have occurred as at 9:00a.m. (Hong Kong time) on the Observation Commencement Date, the MCE Valuation Period means the period commencing from and including the moment upon which the Mandatory Call Event occurs (i.e. 9:00a.m. (Hong Kong time) on the Observation Commencement Date) and up to the end of the following trading session on the Index Exchange
MCE Termination Date	(1) where a Mandatory Call Event occurs on an Index Business Day, the Trading Day immediately following the Index Business Day on which the Mandatory Call Event occurs; and (2) notwithstanding paragraph (1), where a Mandatory Call Event is deemed to have occurred as at 9:00a.m. (Hong Kong time) on the Observation Commencement Date, the Observation Commencement Date.
Day of Notification	The Trading Day immediately following the MCE Termination Date.

## ILLUSTRATIVE EXAMPLES

- Scenario 0:** MCE does not occur.
- Scenario 1:** MCE occurs before commencement of trading on the Stock Exchange (i.e. MCE is deemed to occur on the Observation Commencement Date).
- Scenario 2:** MCE occurs on an Index Business Day during the Observation Period (other than the Observation Commencement Date).
- Scenario 3:** MCE occurs on an Index Business Day during the Observation Period (other than the Observation Commencement Date) and the immediately following day is not a Trading Day in Hong Kong.
- Scenario 4:** MCE occurs on an Index Business Day during the Observation Period (other than the Observation Commencement Date) and the immediately following day is not an Index Business Day in the U.S.
- Scenario 5:** MCE occurs on an Index Business Day during the Observation Period (other than the Observation Commencement Date) and the immediately following day is (i) not a Trading Day in Hong Kong and (ii) is not an Index Business Day in the U.S.
- Scenario 6:** MCE occurs on an Index Business Day during the Observation Period (other than the Observation Commencement Date) and the immediately following two days are not Trading Days in Hong Kong.
- Scenario 7:** MCE occurs on an Index Business Day during the Observation Period which is a Thursday.

**Scenario 0: Assume MCE does not occur.**

If MCE does not occur during the Observation Period, the CBBCs will be automatically exercised on the Expiry Date and the Cash Settlement Amount will be paid on the Settlement Date (i.e. the third CCASS Settlement Day after the Expiry Date).

The Expiry Date is assumed to fall on 21/03/2024 (Thursday).

<b>Occurrence of MCE</b>	<b>MCE Valuation Period</b>	<b>MCE Termination Date and Day of Notification</b>	<b>Publication of MCE announcement</b>	<b>Publication of Residual Value notice</b>	<b>Settlement Date (payment of Cash Settlement Amount)</b>
MCE does not occur.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	26/3 (HKT).

**In the following Scenarios 1 to 7, Listing Date is assumed to fall on 21/11 (Tuesday).**

**Scenario 1: Assume MCE occurs before commencement of trading on the Stock Exchange (i.e. MCE is deemed to occur on the Observation Commencement Date).**

If MCE occurs before commencement of trading on the Stock Exchange, the MCE will be deemed to have occurred as at 9:00a.m. (HKT) on the Observation Commencement Date.

<b>Occurrence of MCE</b>	<b>MCE Valuation Period</b>	<b>MCE Termination Date and Day of Notification</b>	<b>Publication of MCE announcement</b>	<b>Publication of Residual Value notice</b>	<b>Settlement Date (payment of Residual Value)</b>
If MCE occurs before commencement of trading on the Stock Exchange (i.e. 20/11 (NYT)), MCE is deemed to have occurred as at 9:00a.m. (HKT) on the Listing Date (i.e. 21/11 (HKT)).	From and including the moment upon which the MCE occurs (i.e. 9:00a.m. on 21/11 (HKT) to end of trading session on 21/11 (NYT)).	MCE Termination Date is 21/11 (HKT). Day of Notification is 22/11 (HKT).	By no later than 1pm on 21/11 (HKT).	As soon as possible after the end of the MCE Valuation Period (no later than 10:30am on 22/11 (HKT)).	27/11 (HKT).

In the following Scenarios 2 to 7, assume MCE does not occur on the Observation Commencement Date.

**Scenario 2: Assume MCE occurs on an Index Business Day during the Observation Period.**

Occurrence of MCE	MCE Valuation Period	MCE Termination Date and Day of Notification	Publication of MCE announcement	Publication of Residual Value notice	Settlement Date (payment of Residual Value)
MCE occurs on 21/11 (NYT).	From and including the moment upon which the MCE occurs on 21/11 (NYT) to end of trading session on 22/11 (NYT).	MCE Termination Date is 22/11 (HKT). Day of Notification is 23/11 (HKT).	By no later than 1pm 22/11 (HKT).	As soon as possible after the end of the MCE Valuation Period (no later than 10:30am 23/11 (HKT)).	28/11 (HKT).

**Scenario 3: Assume MCE occurs on an Index Business Day during the Observation Period and the immediately following day is not a Trading Day in Hong Kong.**

Occurrence of MCE	MCE Valuation Period	MCE Termination Date and Day of Notification	Publication of MCE announcement	Publication of Residual Value notice	Settlement Date (payment of Residual Value)
MCE occurs on 21/11 (NYT) and 22/11 is a Hong Kong public holiday.	From and including the moment upon which the MCE occurs on 21/11 (NYT) to end of trading session on 22/11 (NYT).	MCE Termination Date is 23/11 (HKT). Day of Notification is 24/11 (HKT).	By no later than 1pm 23/11 (HKT).	As soon as possible after the end of the MCE Valuation Period (no later than 10:30am 23/11 (HKT)).	28/11 (HKT).

**Scenario 4: Assume MCE occurs on an Index Business Day during the Observation Period and the immediately following day is not an Index Business Day in U.S.**

Occurrence of MCE	MCE Valuation Period	MCE Termination Date and Day of Notification	Publication of MCE announcement	Publication of Residual Value notice	Settlement Date (payment of Residual Value)
MCE occurs on 21/11 (NYT) and 22/11 is a U.S. public holiday.	From and including the moment upon which the MCE occurs on 21/11 (NYT) to end of trading session on 23/11 (NYT).	MCE Termination Date is 22/11 (HKT). Day of Notification is 23/11 (HKT).	By no later than 1pm 22/11 (HKT).	As soon as possible after the end of the MCE Valuation Period (no later than 10:30am 24/11 (HKT)).	29/11 (HKT).

**Scenario 5: Assume MCE occurs on an Index Business Day during the Observation Period and the immediately following day is (i) not a Trading Day in Hong Kong and (ii) not an Index Business Day in the U.S.**

Occurrence of MCE	MCE Valuation Period	MCE Termination Date and Day of Notification	Publication of MCE announcement	Publication of Residual Value notice	Settlement Date (payment of Residual Value)
MCE occurs on 21/11 (NYT) and 22/11 is both a Hong Kong public holiday and is a U.S. public holiday.	From and including the moment upon which the MCE occurs on 21/11 (NYT) to end of trading session on 23/11 (NYT).	MCE Termination Date is 23/11 (HKT). Day of Notification is 24/11 (HKT).	By no later than 1pm 23/11 HKT.	As soon as possible after the end of the MCE Valuation Period (no later than 10:30am 24/11 (HKT)).	29/11 HKT.

**Scenario 6: Assume MCE occurs on an Index Business Day during the Observation Period and the immediately following two days are not Trading Days in Hong Kong.**

Occurrence of MCE	MCE Valuation Period	MCE Termination Date and Day of Notification	Publication of MCE announcement	Publication of Residual Value notice	Settlement
MCE occurs on 21/11 (NYT) and both 22/11 and 23/11 are Hong Kong public holidays.	From and including the moment upon which the MCE occurs on 21/11 (NYT) to end of trading session on 22/11 (NYT).	MCE Termination Date is 24/11 (HKT). Day of Notification is 27/11 (HKT).	By no later than 1pm 24/11 (HKT).	As soon as possible after the end of the MCE Valuation Period (no later than 10:30am 24/11 (HKT)).	28/11 (HKT).

**Scenario 7: Assume MCE occurs on an Index Business Day during the Observation Period which is a Thursday.**

Occurrence of MCE	MCE Valuation Period	MCE Termination Date and Day of Notification	Publication of MCE announcement	Publication of Residual Value notice	Settlement
MCE occurs on 23/11 NYT (Thursday).	From and including the moment upon which the MCE occurs on 23/11 (NYT) to end of trading session on 24/11 (NYT).	MCE Termination Date is 24/11 (HKT). Day of Notification is 27/11 (HKT).	By no later than 1pm 24/11 (HKT).	As soon as possible after the end of the MCE Valuation Period (no later than 10:30am 27/11 (HKT)).	29/11 (HKT).