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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	14988
Liquidity Provider Broker ID	9765
Issue size	200,000,000 Warrants
Style	European style cash settled
Type	Call
Index	Hang Seng 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><i>For a series of put Warrants:</i></p> $\frac{(\text{Strike Level} - \text{Closing Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$
Closing Level (for all series)	The final settlement price for settling the Hang Seng Index 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 ”) ¹
Index Exchange (for all series)	The Stock Exchange of Hong Kong Limited
Index Currency Amount	HK\$1.00
Divisor	7,400
Launch Date (for all series)	13 March 2025
Issue Date (for all series)	17 March 2025
Listing Date² (for all series)	18 March 2025
Valuation Date³	28 August 2025
Expiry Date³	28 August 2025
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
Settlement Currency	Hong Kong dollars
Implied Volatility⁴	28.51%
Effective Gearing⁴	7.71x
Gearing⁴	21.14x
Premium⁴	11.82%

¹ Determined pursuant to Regulation 012 of the Regulations for Trading Stock Index Futures Contracts and the Contract Specifications for Hang Seng Index Futures (as amended from time to time) of the Hong Kong Futures Exchange Limited (or its successor or assign), 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 Hong Kong Futures Exchange Limited (or its successor or assign), the day on which the relevant Index Futures Contracts will expire on the Hong Kong Futures Exchange Limited (or its successor or assign).

⁴ 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; and
- the creditworthiness of the issuer of the derivative warrant.

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 www.hsi.com.hk.
- **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/zh/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

The issue of the Warrants has been approved in accordance with our product governance policy since 2005.

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.

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 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?

Hang Seng Indexes Company Limited. The Index is managed and compiled by the Index Compiler, which is a wholly-owned subsidiary of Hang Seng Bank Limited.

How is the Index level disseminated?

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

Index disclaimer

The Index is published and compiled by Hang Seng Indexes Company Limited pursuant to a licence from Hang Seng Data Services Limited. The mark and name Hang Seng Index are proprietary to Hang Seng Data Services Limited. Hang Seng Indexes Company Limited and Hang Seng Data Services Limited have agreed to the use of, and reference to, the Index by the Issuer in connection with the Warrants (the “Product”), **BUT NEITHER HANG SENG INDEXES COMPANY LIMITED NOR HANG SENG DATA SERVICES LIMITED WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE PRODUCT OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF THE INDEX AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF THE INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING TO THE INDEX IS GIVEN OR MAY BE IMPLIED.** The process and basis of computation and compilation of the Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by Hang Seng Indexes Company Limited without notice. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY HANG SENG INDEXES COMPANY LIMITED OR HANG SENG DATA SERVICES LIMITED (i) IN RESPECT OF THE USE OF AND/OR REFERENCE TO THE INDEX BY THE ISSUER IN CONNECTION WITH THE PRODUCT; OR (ii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OF HANG SENG INDEXES COMPANY LIMITED IN THE COMPUTATION OF THE INDEX; OR (iii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, ERRORS OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF THE INDEX WHICH IS SUPPLIED BY ANY OTHER PERSON; OR (iv) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE DIRECTLY OR INDIRECTLY SUSTAINED BY ANY BROKER OR HOLDER OF THE PRODUCT OR ANY OTHER PERSON DEALING WITH THE PRODUCT AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS, ACTIONS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST HANG SENG INDEXES COMPANY LIMITED AND/OR HANG SENG DATA SERVICES LIMITED** in connection with the Product in any manner whatsoever by any broker, holder or other person dealing with the Product. Any broker, holder or other person dealing with the Product does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on Hang Seng Indexes Company Limited and Hang Seng Data Services Limited. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and Hang Seng Indexes Company Limited and/or Hang Seng Data Services Limited and must not be construed to have created such relationship.

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; and
- (x) the creditworthiness of the Issuer.

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 event the Index Compiler publishes a notice regarding the occurrence of system outage of the Index Compiler which affects the normal index level dissemination of the Index and failure of the Index Compiler to provide a periodic publication of the index level with respect to the Index at a minimum of every 15 minute interval on its website under the contingency mode (an “**Index Disruption Event**”), trading in the Warrants will be halted as early as practicable. In such case, we will publish an announcement in relation to the trading halt of the Warrants.

If the Index Compiler publishes a notice (an “**index resumption notice**”) regarding resumption of normal index level dissemination of the Index no later than 15 minutes prior to the end of a continuous trading session, the Warrants will resume trading on the Stock Exchange as early as practicable following the index resumption notice in the same continuous trading session. Otherwise, if the index resumption notice is published less than 15 minutes prior to the end of a continuous trading session, the Warrants will resume trading on the Stock Exchange in the subsequent continuous trading session. Following the publication of the index resumption notice, we will publish an announcement in relation to the resumption of trading of the Warrants.

In such case, the value of the Warrants may be subject to a significant impact of time decay and may fluctuate significantly upon resumption of trading, which may adversely affect your investment in the Warrants.

You should note that outstanding orders of the Warrants will not be automatically cancelled during the trading halt of the Warrants and will remain valid when trading is resumed on the same day. You should contact your broker before resumption of trading if you wish to cancel your order(s) of the Warrants.

Trading halt and resumption of trading arrangements in connection with an Index Disruption Event

You should note that there are potential risks associated with the occurrence of an Index Disruption Event and the implementation of the trading halt and resumption in connection with the Index Disruption Event as specified under the risk factor headed “*Suspension of Trading*” above (the “**Trading Arrangements**”), which may adversely affect your investment in the Warrants. The Stock Exchange, HKEX and its affiliates, shall not incur any liability (whether based on contract, tort, (including, without limitation, negligence), or any other legal or equitable grounds and without regard to the circumstances giving rise to any purported claim except in the case of wilful misconduct on the part of the Stock Exchange, HKEX and/or its affiliates) for, any direct, consequential, special, indirect, economic, punitive, exemplary or any other loss or damage suffered or incurred by us or any other party arising from or in connection with the Trading Arrangements or an Index Disruption Event, including without limitation, any delay, failure, mistake or error in the Stock Exchange effecting the Trading Arrangements.

Except in the case of wilful misconduct on the part of us, we and our affiliates shall not have any responsibility for any loss or damage suffered or incurred by any party arising from or in connection with the Trading Arrangements or an Index Disruption Event, including without limitation, any delay, failure, mistake or error in the Trading Arrangements.

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 problem 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.

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

Waiver from compliance with the Rules

The Issuer has applied for, and the Stock Exchange has granted, a waiver from compliance with Rule 15A.24A of the Rules in respect of securities promotional campaigns (the “**Incentive**”) offered by the Wealth and Personal Banking Division of the Issuer for the period from 1 January 2025 to 31 December 2025 (the “**Waiver**”).

The Incentive is applicable equally under the same terms to all listed securities regardless of product type or issuer. Any incentives given by the Wealth and Personal Banking Division of the Issuer will not be recovered (directly or indirectly) from the Global Banking and Markets Division of the Issuer which operates the structured products business.

The Waiver is granted subject to the following conditions:

- (a) the inclusion of a risk factor in supplemental listing documents and a reminder to investors in all marketing materials of the Incentive. The risk factor and the reminder to investors should contain the following:
 - (i) a statement to the effect that the Incentive is offered as part of the ordinary course of business of the Issuer’s securities business; and
 - (ii) a reminder to investors to the effect that they should focus their assessment on product features of the structured products and assess the risks against their investment objectives before making investment decisions, without regard to the benefit of the Incentive.
- (b) the disclosure of details of the Waiver granted in this document and/or the Base Listing Document.

Pursuant to the Waiver, a risk factor entitled “We and/or members of our group (acting as a dealer) may offer commission rebates or other incentives” under the section headed “Key Risk Factors” is included in this document.

Korean short selling indictment

Reference is made to the disclosure on page 151 of the Annual Report and Accounts 2023 in Exhibit A of the Base Listing Document and page 27 of the Interim Report 2024 of the Addendum. In March 2024, the Korean Prosecutors’ Office issued a criminal indictment against the Issuer and three current and former employees for breaching short selling rules under the Financial Investment Services and Capital Markets Act in connection with trades carried out between August 2021 and December 2021. In February 2025, the Korean court acquitted the Issuer of all charges. The Korean Prosecutors’ Office has the right to appeal this decision. Proceedings against the individual defendants have been suspended.

Annual Report and Accounts

The Issuer published its Annual Report and Accounts on 11 March 2025. Selected relevant parts of the Annual Report and Accounts dated 11 March 2025 is set out below. The selected relevant parts of the Annual Report and Accounts are not complete and reference should be made to the full Annual Report and Accounts which is available at <https://www.hsbc.com/-/files/hsbc/investors/hsbc-results/2024/annual/pdfs/the-hongkong-and-shanghai-banking-corporation-limited/250311-annual-report-and-accounts-2024-en.pdf>.

Consolidated Financial Statements

Consolidated income statement

for the year ended 31 December

	Notes	2024 HK\$m	2023 HK\$m
Net interest income	2a	117,637	130,780
– interest income		315,868	295,212
– interest expense		(198,231)	(164,432)
Net fee income	2b	42,517	38,043
– fee income		56,219	51,025
– fee expense		(13,702)	(12,982)
Net income from financial instruments held for trading or managed on a fair value basis	2c	91,930	74,435
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	2c	36,024	48,959
Insurance finance expense		(35,663)	(48,798)
Insurance service result	3	8,131	6,558
– Insurance revenue		16,533	13,007
– Insurance service expense		(8,402)	(6,449)
Other operating income/(expense)	2d	5,119	(298)
Net operating income before change in expected credit losses and other credit impairment charges		265,695	249,679
Change in expected credit losses and other credit impairment charges	2e	(11,946)	(12,843)
Net operating income		253,749	236,836
Employee compensation and benefits	4	(40,028)	(38,547)
General and administrative expenses	2f	(57,967)	(54,538)
Depreciation and impairment of property, plant and equipment	2g	(10,925)	(9,724)
Amortisation and impairment of intangible assets		(8,672)	(7,184)
Total operating expenses		(117,592)	(109,993)
Operating profit		136,157	126,843
Share of profit in associates and joint ventures	14	17,775	18,555
Impairment of interest in associate	14	–	(23,955)
Profit before tax		153,932	121,443
Tax expense	5	(24,681)	(23,916)
Profit for the year		129,251	97,527
Attributable to:			
– ordinary shareholders of the parent company		118,787	87,191
– other equity holders		3,576	3,556
– non-controlling interests		6,888	6,780
Profit for the year		129,251	97,527

Consolidated statement of comprehensive income
for the year ended 31 December

	2024 HK\$m	2023 HK\$m
Profit for the year	129,251	97,527
Other comprehensive income/(expense)		
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		
Debt instruments at fair value through other comprehensive income	(183)	7,953
– fair value gains	173	6,256
– fair value (gains)/losses transferred to the income statement	(52)	3,799
– expected credit (recoveries)/losses recognised in the income statement	49	(372)
– income taxes	(353)	(1,730)
Cash flow hedges	(1,156)	3,605
– fair value gains	15,398	7,581
– fair value gains reclassified to the income statement	(16,764)	(3,282)
– income taxes	210	(694)
Share of other comprehensive income of associates and joint ventures	2,978	736
Exchange differences	(18,086)	(9,043)
Items that will not be reclassified subsequently to profit or loss:		
Property revaluation	(203)	4,496
– fair value gains/(losses)	(271)	5,330
– income taxes	68	(834)
Equity instruments designated at fair value through other comprehensive income	790	(899)
– fair value gains/(losses)	974	(895)
– income taxes	(184)	(4)
Changes in fair value of financial liabilities designated at fair value upon initial recognition arising from changes in own credit risk	(2,365)	(5,410)
– before income taxes	(2,831)	(6,457)
– income taxes	466	1,047
Remeasurement of defined benefit asset/liability	685	21
– before income taxes	812	26
– income taxes	(127)	(5)
Other comprehensive income/(expense) for the year, net of tax	(17,540)	1,459
Total comprehensive income for the year	111,711	98,986
Attributable to:		
– ordinary shareholders of the parent company	101,367	88,289
– other equity holders	3,576	3,556
– non-controlling interests	6,768	7,141
Total comprehensive income for the year	111,711	98,986

Consolidated balance sheet at 31 December

	Notes	31 Dec 2024 HK\$m	31 Dec 2023 HK\$m
Assets			
Cash and balances at central banks		211,047	232,987
Hong Kong Government certificates of indebtedness		328,454	328,304
Trading assets	7	1,085,321	941,250
Derivatives	8	505,260	409,253
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss	9	781,210	707,573
Reverse repurchase agreements – non-trading		816,102	831,186
Loans and advances to banks		480,740	563,801
Loans and advances to customers	10	3,494,298	3,557,076
Financial investments	11	2,337,844	2,029,212
Amounts due from Group companies	31	175,004	158,592
Interests in associates and joint ventures	14	178,330	170,206
Goodwill and intangible assets	15	41,308	38,923
Property, plant and equipment	16	120,774	129,675
Deferred tax assets	5	10,307	9,315
Prepayments, accrued income and other assets ¹	17	382,941	393,040
Total assets		10,948,940	10,500,393
Liabilities			
Hong Kong currency notes in circulation		328,454	328,304
Repurchase agreements – non-trading		624,784	521,984
Deposits by banks		183,612	182,146
Customer accounts	18	6,564,606	6,261,051
Trading liabilities	19	86,557	103,050
Derivatives	8	473,488	450,216
Financial liabilities designated at fair value	20	178,739	170,728
Debt securities in issue	21	64,362	87,745
Retirement benefit liabilities	4	805	1,362
Amounts due to Group companies	31	396,356	465,476
Accruals and deferred income, other liabilities and provisions ¹	22	339,713	285,649
Insurance contract liabilities	3	799,443	730,829
Current tax liabilities		7,096	15,344
Deferred tax liabilities	5	22,917	23,923
Total liabilities		10,070,932	9,627,807
Equity			
Share capital	23	180,181	180,181
Other equity instruments	24	64,677	52,465
Other reserves		102,993	117,214
Retained earnings		471,198	462,866
Total shareholders' equity		819,049	812,726
Non-controlling interests		58,959	59,860
Total equity		878,008	872,586
Total liabilities and equity		10,948,940	10,500,393

¹ In 2023 'Items in the course of collection from other banks' HK\$22bn were presented on the face of the balance sheet but are now reported within 'Prepayments, accrued income and other assets' in the Annual Report and Accounts 2024. Similarly, 'Items in the course of transmission to other banks' HK\$28bn are now presented within 'Accruals, deferred income and other liabilities'.

Consolidated statement of changes in equity
for the year ended 31 December

	Other reserves										Total equity HK\$m
	Share capital ¹	Other equity instruments	Retained earnings	Property revaluation reserve	Financial assets at FVOCI reserve	Cash flow hedge reserve	Foreign exchange reserve	Other ⁴	Total shareholders' equity	Non-controlling interests	
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	
At 1 Jan 2024	180,181	52,465	462,866	65,279	(2,546)	1,851	(47,899)	100,529	812,726	59,860	872,586
Profit for the year	—	—	122,363	—	—	—	—	—	122,363	6,888	129,251
Other comprehensive income/(expense) (net of tax)	—	—	(1,796)	23	2,962	(1,140)	(17,493)	24	(17,420)	(120)	(17,540)
– debt instruments at fair value through other comprehensive income	—	—	—	—	(289)	—	—	—	(289)	106	(183)
– equity instruments designated at fair value through other comprehensive income	—	—	—	—	605	—	—	—	605	185	790
– cash flow hedges	—	—	—	—	—	(1,136)	—	—	(1,136)	(20)	(1,156)
– changes in fair value of financial liabilities designated at fair value upon initial recognition arising from changes in own credit risk	—	—	(2,364)	—	—	—	—	—	(2,364)	(1)	(2,365)
– property revaluation	—	—	—	23	—	—	—	—	23	(226)	(203)
– remeasurement of defined benefit asset/liability	—	—	561	—	—	—	—	—	561	124	685
– share of other comprehensive income of associates and joint ventures	—	—	7	—	2,947	—	—	24	2,978	—	2,978
– exchange differences	—	—	—	—	(301)	(4)	(17,493)	—	(17,798)	(288)	(18,086)
Total comprehensive income/(expense) for the year	—	—	120,567	23	2,962	(1,140)	(17,493)	24	104,943	6,768	111,711
Other equity instruments issued ²	—	27,873	—	—	—	—	—	—	27,873	—	27,873
Other equity instruments redeemed ³	—	(15,661)	—	—	—	—	—	—	(15,661)	—	(15,661)
Dividends to shareholders ⁵	—	—	(109,776)	—	—	—	—	—	(109,776)	(4,844)	(114,620)
Movement in respect of share-based payment arrangements	—	—	(212)	—	—	—	—	(252)	(464)	10	(454)
Transfers and other movements ⁶	—	—	(2,247)	(4,098)	8	(1)	—	5,746	(592)	(2,835)	(3,427)
At 31 Dec 2024	180,181	64,677	471,198	61,204	424	710	(65,392)	106,047	819,049	58,959	878,008

Consolidated statement of changes in equity (continued)

for the year ended 31 December

	Other reserves										
	Share capital ¹	Other equity instruments	Retained earnings	Property revaluation reserve	Financial assets at FVOCI reserve	Cash flow hedge reserve	Foreign exchange reserve	Other ⁴	Total shareholders' equity	Non-controlling interests	Total equity
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
At 1 Jan 2023	180,181	52,386	466,148	65,148	(11,186)	(1,487)	(38,470)	94,832	807,552	56,828	864,380
Profit for the year	—	—	90,747	—	—	—	—	—	90,747	6,780	97,527
Other comprehensive income/(expense) (net of tax)	—	—	(5,415)	4,186	7,840	3,342	(8,698)	(157)	1,098	361	1,459
– debt instruments at fair value through other comprehensive income	—	—	—	—	7,784	—	—	—	7,784	169	7,953
– equity instruments designated at fair value through other comprehensive income	—	—	—	—	(689)	—	—	—	(689)	(210)	(899)
– cash flow hedges	—	—	—	—	—	3,334	—	—	3,334	271	3,605
– changes in fair value of financial liabilities designated at fair value upon initial recognition arising from changes in own credit risk	—	—	(5,413)	—	—	—	—	—	(5,413)	3	(5,410)
– property revaluation	—	—	—	4,186	—	—	—	—	4,186	310	4,496
– remeasurement of defined benefit asset/liability	—	—	(7)	—	—	—	—	—	(7)	28	21
– share of other comprehensive income/(expense) of associates and joint ventures	—	—	5	—	888	—	—	(157)	736	—	736
– exchange differences	—	—	—	—	(143)	8	(8,698)	—	(8,833)	(210)	(9,043)
Total comprehensive income/(expense) for the year	—	—	85,332	4,186	7,840	3,342	(8,698)	(157)	91,845	7,141	98,986
Other equity instruments issued ²	—	7,850	—	—	—	—	—	—	7,850	—	7,850
Other equity instruments redeemed ³	—	(7,771)	(406)	—	—	—	—	—	(8,177)	—	(8,177)
Dividends to shareholders ⁵	—	—	(86,356)	—	—	—	—	—	(86,356)	(3,843)	(90,199)
Movement in respect of share-based payment arrangements	—	—	(99)	—	—	—	—	(208)	(307)	12	(295)
Transfers and other movements ⁶	—	—	(1,753)	(4,055)	800	(4)	(731)	6,062	319	(278)	41
At 31 Dec 2023	180,181	52,465	462,866	65,279	(2,546)	1,851	(47,899)	100,529	812,726	59,860	872,586

1 Ordinary share capital includes preference shares which have been redeemed or bought back via payments out of distributable profits in previous years.

2 The Hongkong and Shanghai Banking Corporation Limited issued SG\$1,500m additional tier 1 capital in June 2024 with an issuance cost of SG\$15m, and a further US\$2,500m additional tier 1 capital in September 2024 with an issuance cost of US\$25m.

During 2023, an additional tier 1 capital instrument amounting to US\$1,000m was issued for which there were no issuance costs.

3 During 2024, an additional tier 1 capital instrument was redeemed at par (US\$2,000m).

During 2023, an additional tier 1 capital instrument was redeemed at fair value (US\$1,041m).

4 The other reserves mainly comprise share of associates' other reserves, purchase premium arising from transfer of business from fellow subsidiaries, property revaluation reserve relating to transfer of properties to a fellow subsidiary and the share-based payment reserve. The share-based payment reserve is used to record the amount relating to share awards and options granted to employees of the group directly by HSBC Holdings plc.

5 Including distributions paid on perpetual subordinated loans classified as equity under HKFRS.

6 The movements include transfers from retained earnings to other reserves in associates according to local regulatory requirements, and from the property revaluation reserve to retained earnings in relation to depreciation of revalued properties.

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