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This document, for which we and our Guarantor 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 and our Guarantor. We and our Guarantor, 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 offer, an advertisement or invitation to the public to subscribe for or to acquire the Warrants.

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 the Guarantee constitutes the general unsecured contractual obligations of our Guarantor and of no other person and will rank equally among themselves and with all our and our Guarantor’s other unsecured obligations (save for those obligations preferred by law) upon liquidation. If you purchase the Warrants, you are relying upon the creditworthiness of us and our Guarantor, and have no rights under the Warrants against any other person. If we become insolvent or default on our obligations under the Warrants or our Guarantor becomes insolvent or defaults on its obligations under the Guarantee, you may not be able to recover all or even part of the amount due under the Warrants (if any).

## Non-collateralised Structured Products Supplemental Listing Document for Commodity Futures Warrants

**Issuer: BNP PARIBAS ARBITRAGE ISSUANCE B.V.**  
(incorporated in the Netherlands with its statutory seat in Amsterdam)

**Guarantor: BNP Paribas**  
(incorporated in France)

**Sponsor: BNP Paribas Securities (Asia) Limited**

### Key Terms

<b>Warrants</b>	
<b>Stock code</b>	<b>10307</b>
<b>Liquidity Provider broker ID</b>	9692
<b>Issue size</b>	100,000,000 Warrants
<b>Style</b>	European style cash settled
<b>Type</b>	Put
<b>Commodity Futures</b>	NYMEX Light, Sweet Crude Oil December 2015 Futures Contract
<b>Unit</b>	Barrel
<b>Board Lot</b>	10,000 Warrants
<b>Issue Price per Warrant (HK\$)</b>	0.25
<b>Cash Settlement Amount per Board Lot (if any) payable at expiry</b>	For a series of call Warrants: <u>Entitlement x (Closing Price – Strike Price) x one Board Lot</u> Number of Warrant(s) per Entitlement (converted into the Settlement Currency at the Exchange Rate)
	For a series of put Warrants: <u>Entitlement x (Strike Price – Closing Price) x one Board Lot</u> Number of Warrant(s) per Entitlement (converted into the Settlement Currency at the Exchange Rate)
<b>Strike Price (US\$)</b>	72.00

<b>Warrants</b>	
<b>Stock code</b>	<b>10307</b>
<b>Closing Price</b>	The settlement price per Unit of the Commodity Futures on the Relevant Exchange, stated in the Relevant Currency, as announced or published by the Relevant Exchange on the Valuation Date, subject to our right to determine the closing price in good faith on the Valuation Date upon the occurrence of the Market Disruption Event as described further in Product Condition 4.
<b>Relevant Currency</b>	United States Dollars
<b>Relevant Exchange</b>	New York Mercantile Exchange, Inc. (“ <b>NYMEX</b> ”), or its successor or assign
<b>Exchange Rate</b>	The mid-quote for the exchange rate between United States Dollar and Hong Kong Dollar (expressed as the number of units of Hong Kong Dollar per one unit of United States Dollar) taken by us, at or about 2:00 p.m., Hong Kong time on the Valuation Date, from Reuters page “ASFI” or such replacement page on the Thomson Reuters service that displays the information currently displayed on Reuters page “ASFI” or, if the Thomson Reuters service ceases to display such information, such page that displays such information on such other service as may be selected by us in accordance with Product Condition 4.
<b>Entitlement</b>	1 Unit(s)
<b>Number of Warrant(s) per Entitlement</b>	300
<b>Launch Date</b>	17 October 2014
<b>Issue Date</b>	23 October 2014
<b>Listing Date</b>	24 October 2014
<b>Valuation Date (New York time)<sup>1</sup></b>	17 November 2015
<b>Expiry Date<sup>2</sup></b>	18 November 2015
<b>Settlement Date</b>	The third CCASS Settlement Day after the Valuation Date
<b>Settlement Currency</b>	Hong Kong dollars

<sup>1</sup> If such date is not a Commodity Futures Trading Day, the immediately succeeding Commodity Futures Trading Day. “**Commodity Futures Trading Day**” means a day on which the Relevant Exchange is scheduled to open for trading.

<sup>2</sup> If such day is a Saturday, Sunday or public holiday in Hong Kong, the immediately succeeding day which is not a Saturday, Sunday or public holiday in Hong Kong.

## 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 2014 (the “**Base Listing Document**”), as supplemented by any addendum thereto (together, the “**Listing Documents**”), in particular the sections “General Conditions of Structured Products” (the “**General Conditions**”) and “Product Conditions of Cash Settled Commodity Futures Warrants” (the “**Product Conditions**”) and, together with the General Conditions, 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?**

Our obligations under the Warrants are unconditionally and irrevocably guaranteed by our Guarantor. If we become insolvent or default on our obligations under the Warrants and our Guarantor becomes insolvent or defaults on its obligations under the Guarantee, you can only claim as an unsecured creditor of the Issuer and our Guarantor. 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 our credit ratings?**

The Issuer’s long term credit rating is:

<i>Rating agency</i>	<i>Rating as of the Launch Date</i>
Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.	A+(negative outlook)

Our Guarantor's long term credit ratings are:

<i>Rating agency</i>	<i>Rating as of the Launch Date</i>
Moody's Investors Service, Inc., New York	A1(negative outlook)
Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.	A+(negative outlook)
Fitch France S.A.S.	A+(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 credit 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 our credit quality declines.

### **The Warrants are not rated.**

Our 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 our credit ratings from time to time.

### **Is the Issuer or our Guarantor 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)?**

The Issuer is not 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). Our Guarantor is regulated by the Hong Kong Monetary Authority. Our Guarantor is also regulated by Comité des Etablissements de Crédit et des Entreprises d'Investissement.

### **Is the Issuer or our Guarantor subject to any litigation?**

Save as disclosed in the Listing Documents, the Issuer, our Guarantor and their respective subsidiaries are not aware of any litigation or claims of material importance pending or threatened against any of them.

### **Have the Issuer and our Guarantor's financial positions changed since last financial year-end?**

Save as disclosed in the Listing Documents:

- there has been no material adverse change in the financial or trading position of the Issuer since 31 December 2013; and
- there has been no material adverse change in the financial or trading position of our Guarantor since 31 December 2013.

## 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 commodity futures is an instrument which derives its value from the performance of the underlying commodity futures. Investing in a derivative warrant does not give you any right in the underlying commodity futures. Derivative warrants usually cost a fraction of the price of the underlying commodity futures and 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 price of the underlying commodity futures will increase during the term of the warrant.

A put warrant is designed for an investor holding a view that the price of the underlying commodity futures 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 Commodity Futures. 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 Price and the Closing Price of the Commodity Futures.

A call Warrant will be automatically exercised at expiry without the need for the holder to deliver an exercise notice if the Closing Price of the Commodity Futures is greater than the Strike Price. The more the Closing Price is above the Strike Price, the higher the payoff at expiry. If the Closing Price is at or below the Strike Price, 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 Price of the Commodity Futures is below the Strike Price. The more the Closing Price is below the Strike Price, the higher the payoff at expiry. If the Closing Price is at or above the Strike Price, 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 price of the underlying asset (being the Commodity Futures for the Warrants). However, throughout the term of a derivative warrant, its price will be influenced by a number of factors, including:

- the strike price of the derivative warrants;
- the value and volatility of the price of the underlying asset (being a measure of the fluctuation in the price of the underlying asset over time);
- the time remaining to expiry: generally, the longer the remaining life of the derivative warrant, the greater its value;
- the interest rates;
- the prevailing exchange rate between United States Dollars and Hong Kong Dollars;
- the liquidity of the underlying asset;
- the supply and demand for the underlying asset and derivative warrant;
- our related transaction cost; and
- the creditworthiness of the issuer of the derivative warrant and our Guarantor.

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

- if the price of the underlying asset increases (in respect of a call warrant) or decreases (in respect of a put warrant), but the volatility of the price of the underlying asset 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 price of the underlying asset;
- 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 price of the underlying asset; 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 price of the underlying asset, 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:	BNP Paribas Securities (Asia) Limited
Address:	59th-63rd Floors Two International Finance Centre 8 Finance Street Central Hong Kong
Telephone Number:	+852 2108 5600

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) 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;
- (v) when there are operational and technical problems beyond the control of the Liquidity Provider hindering the ability of the Liquidity Provider to provide liquidity;
- (vi) if the Commodity Futures or the commodity futures 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;
- (vii) if there occurs or exists any suspension of or limitation imposed on trading of the Commodity Futures;
- (viii) when the Commodity Futures is not quoted on the Relevant Exchange; or
- (ix) 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 Commodity Futures**

You may obtain information on the Commodity Futures by visiting the website of the Relevant Exchange at [www.cmegroup.com](http://www.cmegroup.com).

• **Information about the Warrants after issue**

You may visit the Stock Exchange's website at [www.hkex.com.hk/eng/prod/secprod/dwrc/dw.htm](http://www.hkex.com.hk/eng/prod/secprod/dwrc/dw.htm) or our website at [www.bnppwarrant.com.hk](http://www.bnppwarrant.com.hk) to obtain information on the Warrants or any notice given by us or the Stock Exchange in relation to the Warrants.

• **Information about us and our Guarantor**

You should read the section "Additional Information on Us and the Guarantor" in this document. You may visit [www.bnpparibas.com](http://www.bnpparibas.com) to obtain general corporate information about us and/or our Guarantor.

*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**

The Stock Exchange charges a trading fee of 0.005 per cent. and the Securities and Futures Commission charges a transaction levy of 0.003 per cent. for each transaction effected on the Stock Exchange payable by each of the seller and the buyer and calculated on the value of the consideration for the Warrants. 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 market disruption event) 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 Commodity Futures.

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 General Condition 8 and Product Conditions 4 and 5 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 Product Condition 3 for further information.

### **Where can you inspect the relevant documents of the Warrants?**

The following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) until the Expiry Date at BNP Paribas Securities (Asia) Limited, 59th-63rd Floors, Two International Finance Centre, 8 Finance Street, Central, Hong Kong:

- each of the Listing Documents (in separate English and Chinese versions), including:
  - this document
  - our Base Listing Document
  - the addendum dated 5 May 2014
  - the addendum dated 8 September 2014
- our and our Guarantor's latest audited consolidated financial statements and any interim or quarterly financial statements;
- consent letters of the Auditors;
- the instrument executed by us on 3 May 2006; and
- the guarantee executed by our Guarantor dated as of 2 April 2014 (the "Guarantee").

The Listing Documents are also available on the website of the HKEx at [www.hkexnews.hk](http://www.hkexnews.hk) and our website at [www.bnppwarrant.com.hk](http://www.bnppwarrant.com.hk).

各上市文件亦可於香港交易所披露易網站([www.hkexnews.hk](http://www.hkexnews.hk))以及本公司網站 [www.bnppwarrant.com.hk](http://www.bnppwarrant.com.hk) 瀏覽。

**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.

**Have the auditors consented to the inclusion of their report to the Listing Documents?**

Our auditors and our Guarantor's auditors ("**Auditors**") have given and have not since withdrawn their written consent to the inclusion of their reports dated 25 April 2014 and 7 March 2014 respectively and/or the references to their names in the Listing Documents, in the form and context in which they are included. Their reports were not prepared exclusively for incorporation into the Listing Documents. The Auditors do not own any of our shares or shares in any member of our group, nor do they 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 was authorised by our board of directors on 2 June 2014.

**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, any U.S. person (as defined in the Securities Act).

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 COMMODITY FUTURES

The information set out below in respect of the Commodity Futures is extracted from or based on publicly available information, including the website of the Relevant Exchange at [www.cmegroup.com](http://www.cmegroup.com). We do not give any representation whatsoever as to the truth, accuracy, completeness, adequacy or reasonableness of any of such publicly available information whether as at the date of this document or any other time, save that we have taken reasonable care to correctly extract and/or reproduce such information, and/or accurately summarise such information based on the publicly available information.

### Description of the Commodity Futures

Crude Oil (“Commodity”) is an actively traded commodity. The Commodity Futures is a liquid forum for crude oil trading and the world’s largest-volume futures contract trading on a physical commodity. Because of its liquidity and price transparency, the Commodity Futures is used as a principal international pricing benchmark. Options on the Commodity Futures offer additional risk management and trading opportunities for investors.

The Commodity Futures trade in units of 1,000 barrels. The minimum price fluctuation of a Commodity Futures is US\$0.01 per barrel, whereas the maximum daily price fluctuation of a Commodity Futures is US\$10 per barrel or US\$10,000 per Commodity Futures.

### Access for further information of the Commodity Futures

You may access further information on the Commodity Futures (including its trading price) at the website of the Relevant Exchange at [www.cmegroup.com](http://www.cmegroup.com). The data available on such website is reproduced by permission of the Relevant Exchange.

### Contact details of the Relevant Exchange

Address : New York Mercantile Exchange, Inc.  
 : World Financial Center  
 : One North End Avenue  
 : New York, NY 10282  
 : United States of America

Telephone number : +1 212 299 2000

Website : [www.cmegroup.com](http://www.cmegroup.com)

### Description of the Relevant Exchange

The Relevant Exchange is a physical commodity futures exchange located in New York City, the United States. Trading is conducted through its two principal divisions, namely (1) the NYMEX Division on which crude oil, heating oil, gasoline, natural gas, propane, coal, electricity, platinum and palladium are traded; and (2) the COMEX Division on which gold, silver, copper and aluminum are traded. The NYMEX does not set the prices of the traded commodities. The prices are determined in an open and continuous auction on the floor of the NYMEX by members who are acting on behalf of their customers, the companies they represent, or themselves. The process of the auction is called open outcry.

### Historic highs or lows of the closing price of the Commodity Futures for the last 5 years

Year	December 2015 Futures Contract	
	Highest closing price (US\$)	Lowest closing price (US\$)
2009	97.73	66.77
2010	97.52	83.21
2011	106.13	84.12
2012	96.50	82.64
2013	89.96	83.04
2014 (as at the Launch Date, New York time)	95.12	79.17

Source of the prices: Bloomberg L.P.

The closing price of NYMEX Light, Sweet Crude Oil December 2015 Futures Contract as at the close of business on the Launch Date (being the latest most practicable date prior to the date of this document) was US\$79.99.

You may access the closing price of NYMEX Light, Sweet Crude Oil December 2015 Futures Contract at the website of the Relevant Exchange at [www.cmegroup.com](http://www.cmegroup.com) or at Reuters page “CLZ5”.

## 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 or our Guarantor's assets or any collateral.

### **Credit risk**

If you invest in the Warrants, you are relying on our creditworthiness and our Guarantor's creditworthiness and of no other person. If we become insolvent or default on our obligations under the Warrants or our Guarantor becomes insolvent or defaults on its obligations under the Guarantee, you can only claim as our or our Guarantor's unsecured creditor regardless of the performance of the Commodity Futures and you may not be able to recover all or even part of the amount due under the Warrants (if any).

### **Warrants are not principal protected and may expire worthless**

Although the cost of a Warrant may cost a fraction of the value of the Commodity Futures, the Warrant's price may change more rapidly than the price of the Commodity Futures. Given the gearing feature inherent in the Warrants, a small change in the price of the Commodity Futures may lead to a substantial price movement in the Warrants.

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 Price of the Warrants;
- (iii) the trading price of the Commodity Futures;
- (iv) the value and volatility of the price of the Commodity and/or Commodity Futures;
- (v) the time remaining to expiry;
- (vi) the probable range of the Cash Settlement Amount;
- (vii) the interest rates;
- (viii) the prevailing exchange rate between United States Dollars and Hong Kong Dollars;
- (ix) the liquidity of the Commodity Futures;
- (x) the related transaction costs (including the Exercise Expenses, if any);
- (xi) the supply and demand for the Warrants;
- (xii) the supply and demand for the Commodity and/or the Commodity Futures; and
- (xiii) the creditworthiness of the Issuer and our Guarantor.

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

### **Time decay**

All other factors being equal, 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.

### **The Commodity Futures are traded on an overseas exchange**

The Commodity Futures are traded on the Relevant Exchange which is located outside Hong Kong. The price of the Warrants will reflect the price of the Commodity Futures which will only change in respect of the trading of the Commodity Futures during trading hours of the Relevant Exchange. The price of the Commodity Futures may therefore be stable during the trading hours of the Stock Exchange when there is no trading on the Relevant Exchange. The prices of the Warrants may therefore be more volatile at the opening and/or closing of trading on the Stock Exchange in response to trading of the Commodity Futures on the Relevant Exchange.

### **Time zone difference between Hong Kong and New York City**

The Closing Price of the Commodity Futures will be the closing price on the Valuation Date for settling the Commodity Futures on the Relevant Exchange, which is available only after the close of trading on the Stock Exchange on the Valuation Date. You should be aware of the time zone difference between Hong Kong and New York City in assessing the trading prices of the Commodity Futures.

### **Exchange rate risk**

As the trading price of the Commodity Futures is quoted in United States Dollars but the Warrants will be settled in Hong Kong Dollars, there may be an exchange rate risk when we convert United States Dollars into Hong Kong Dollars in the calculation of the Cash Settlement Amount.

The exchange rate used to determine the rate of exchange between a foreign currency and Hong Kong dollars is determined by reference to a reference page operated and managed by Thomson Reuters. However, if Thomson Reuters ceases to display the exchange rate on its service page, we may determine the exchange rate by reference to such other page on such other service as we may reasonably determine to be appropriate at such time.

### **Not the same as investing in the Commodity Futures**

Investing in the Warrants is not the same as investing in the Commodity Futures. You have no rights in the Commodity Futures throughout the term of the Warrants. Changes in the market value of the Warrants may not correspond with the movements in the price of the Commodity Futures, especially when the theoretical value of the Warrants is at HK\$0.01 or below. If you buy the Warrants with a view to hedge against your exposure to the Commodity and/or Commodity Futures, it is possible that you could suffer loss in your investment in the Commodity and/or Commodity Futures and the Warrants.

### **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.

### **Adjustment related risk**

The occurrence of certain events (including, without limitation, a market disruption event) 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 Commodity Futures. Any adjustment or decision not to make any adjustment may adversely affect the value of the Warrants. Please refer to General Condition 8 and Product Condition 4 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 Product Condition 5 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 Commodity Futures or issue or update research reports on the Commodity Futures. Such activities, information and/or research reports may involve or affect the Commodity Futures 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 Commodity and/or the Commodity Futures or related derivatives. This may indirectly affect your interests.

### **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 or our Guarantor. 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 the Commodity Futures.

## **ADDITIONAL INFORMATION ON US AND/OR THE GUARANTOR**

There is no updated information in relation to us or the Guarantor.

## **PARTIES**

### **THE ISSUER'S REGISTERED OFFICE**

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