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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 CBBCs.

Investors are warned that the price of the CBBCs 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 CBBCs 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 CBBCs.

The CBBCs 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 CBBCs, you are relying upon the creditworthiness of us, and have no rights under the CBBCs against the Company which has issued the underlying Shares or any other person. If we become insolvent or default on our obligations under the CBBCs, you may not be able to recover all or even part of the amount due under the CBBCs (if any).

Non-collateralised Structured Products

Launch Announcement

and

Supplemental Listing Document for Callable Bull/Bear Contracts over Single Equities



The Hongkong and Shanghai Banking Corporation Limited

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

Key Terms

CBBCs Stock code	66932	66934
Liquidity Provider Broker ID	9727	9731
Issue size	80,000,000 CBBCs	80,000,000 CBBCs
Style / Category	European style cash settled category R	European style cash settled category R
Type	Bull	Bull
Company	Galaxy Entertainment Group Limited	Sands China Ltd.
Shares	Ordinary issued shares	Ordinary issued shares
Board Lot	100,000 CBBCs	40,000 CBBCs
Issue Price per CBBC	HK\$0.25	HK\$0.25
Funding Cost per CBBC as of Launch Date ¹	HK\$0.223	HK\$0.226
Strike Price	HK\$39.58	HK\$33.48
Call Price	HK\$40.38	HK\$34.28
Cash Settlement Amount per Board Lot (if any) payable at expiry	Subject to no occurrence of a Mandatory Call Event: For a series of bull CBBCs: $\frac{\text{Entitlement} \times (\text{Closing Price} - \text{Strike Price}) \times \text{one Board Lot}}{\text{Number of CBBCs per Entitlement}}$ For a series of bear CBBCs: $\frac{\text{Entitlement} \times (\text{Strike Price} - \text{Closing Price}) \times \text{one Board Lot}}{\text{Number of CBBCs per Entitlement}}$	
Closing Price ² (for all series)	The official closing price of the relevant Share (as derived from the Daily Quotation Sheet of the Stock Exchange) on the Valuation Date.	
Entitlement	1 Share	1 Share
Number of CBBCs per Entitlement	100 CBBCs	100 CBBCs
Maximum number of Shares to which the CBBCs relate	800,000 Shares	800,000 Shares
Launch Date (for all series)	23 March 2017	
Issue Date (for all series)	29 March 2017	
Listing Date (for all series)	30 March 2017	
Observation Commencement Date (for all series)	30 March 2017	
Valuation Date ³ (for all series)	The Trading Day (being a day on which the Stock Exchange is scheduled to be opened for trading for its regular trading sessions) immediately preceding the Expiry Date.	
Expiry Date ⁴	15 January 2018	1 March 2018
Settlement Date (for all series)	The third CCASS Settlement Day after (i) the end of the MCE Valuation Period or (ii) the later of: (a) the Expiry Date; and (b) the day on which the Closing Price is determined in accordance with the Conditions (as the case may be)	
Settlement Currency	Hong Kong dollars	Hong Kong dollars
Effective Gearing ⁵	1.67x	1.42x
Gearing ⁵	1.67x	1.42x
Premium ⁵	54.68%	64.96%

¹ The funding cost is calculated in accordance with the following formula:

$$\text{Funding Cost} = \frac{\text{Entitlement} \times (\text{Strike Price} \times \text{funding rate} \times n / 365)}{\text{Number of CBBCs per Entitlement}}$$

Where,

- (i) "n" is the number of days remaining to expiration; initially, "n" is the number of days from (and including) the Launch Date to (and including) the trading day immediately preceding the Expiry Date; and
- (ii) the funding rate will fluctuate throughout the term of the CBBCs as further described in the "Key Risk Factors" section in this document. As of the Launch Date, the funding rate was 70.56% p.a. (for stock code 66932) and 73.20% p.a. (for stock code 66934).

² Subject to any adjustment to such closing price as may be necessary to reflect any event as contemplated in Condition 6 such as capitalisation, rights issue, distribution or the like.

³ Subject to any potential postponement upon the occurrence of a Market Disruption Event. Please see Condition 4 for details.

⁴ 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.

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

IMPORTANT INFORMATION

The CBBCs 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 CBBCs?

You must read this document together with our base listing document dated 20 April 2016 (the “**Base Listing Document**”) as supplemented by any addendum thereto (together, the “**Listing Documents**”), in particular the section “Terms and Conditions of the Equity Callable Bull/Bear Contracts (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 CBBCs. We cannot give you investment advice. You must decide whether the CBBCs meet your investment needs before investing in the CBBCs.

Is there any guarantee or collateral for the CBBCs?

No. Our obligations under the CBBCs are neither guaranteed by any third party, nor collateralised with any of our assets or other collaterals. When you purchase our CBBCs, you are relying on our creditworthiness only, and of no other person. If we become insolvent or default on our obligations under the CBBCs, 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 CBBCs (if any).

What are the Issuer’s credit ratings?

The Issuer’s long-term debt ratings are:

<i>Rating agency</i>	<i>Rating as of the date of this document</i>
Moody’s Investors Service, Inc.	Aa2 (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 CBBCs;
- 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 date of this document are for reference only. Any downgrading of our ratings could result in a reduction in the value of the CBBCs;
- a credit rating is not an indication of the liquidity or volatility of the CBBCs; and
- a credit rating may be downgraded if the credit quality of the Issuer declines.

The CBBCs 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 this document, our Base Listing Document and our addendum to the Base Listing Document, 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 this document, our Base Listing Document and our addendum to the Base Listing Document, there has been no material adverse change in our financial or trading position or prospects or indebtedness since 31 December 2015.

PRODUCT SUMMARY STATEMENT

The CBBCs are listed structured products which involve derivatives. This statement provides you with key information about the CBBCs. You should not invest in the CBBCs 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 CBBCs

- **What is a CBBC?**

A CBBC linked to the shares of a company is an instrument which tracks the performance of the underlying shares.

The trading price of the CBBCs tends to mirror the movement in the price of the underlying Shares in dollar value.

Similar to a derivative warrant, a CBBC may provide a leveraged return to you. Conversely, such leverage could also magnify your losses.

A bull CBBC is designed for an investor holding a view that the price of the underlying shares will increase during the term of the CBBC.

A bear CBBC is designed for an investor holding a view that the price of the underlying shares will decrease during the term of the CBBC.

- **How do the CBBCs work?**

The CBBCs are European style cash settled callable bull/bear contracts linked to the underlying Shares. Subject to no occurrence of a Mandatory Call Event (see “Mandatory call feature” below), the CBBCs can only be exercised on the Expiry Date.

Mandatory call feature

A Mandatory Call Event occurs if the Spot Price is at or below (in respect of a series of bull CBBCs) or at or above (in respect of a series of bear CBBCs) the Call Price at any time during a Trading Day in the Observation Period.

The Observation Period commences from the Observation Commencement Date to the Trading Day immediately preceding the Expiry Date (both dates inclusive). “**Trading Day**” means any day on which the Stock Exchange is scheduled to open for trading for its regular trading sessions.

Upon the occurrence of a Mandatory Call Event, trading in the CBBCs will be suspended immediately and, subject to the limited circumstances set out in the Conditions in which a Mandatory Call Event may be reversed, the CBBCs will be terminated and all Post MCE Trades will be invalid and will be cancelled and will not be recognised by us or the Stock Exchange. The term “**Post MCE Trades**” means subject to such modification and amendment prescribed by the Stock Exchange from time to time, (a) in the case where the Mandatory Call Event occurs during a continuous trading session, all trades in the CBBCs concluded via auto-matching or manually after the time of the occurrence of a Mandatory Call Event, and (b) in the case where the Mandatory Call Event occurs during a pre-opening session or a closing auction session (if applicable), all auction trades in the CBBCs concluded in such session and all manual trades concluded after the end of the pre-order matching period in such session.

The time at which a Mandatory Call Event occurs will be determined by reference to the Stock Exchange’s automatic order matching and execution system time at which the Spot Price is at or below (in respect of a series of bull CBBCs) or at or above (in respect of a series of bear CBBCs) the Call Price.

Residual Value calculation

The CBBCs are Category R as the Call Price is different from the Strike Price. Upon the occurrence of a Mandatory Call Event, the holder may be entitled to a cash amount called the “**Residual Value**” net of any Exercise Expenses (as defined under the heading “Exercise Expenses” in the sub-section titled “What are the fees and charges?” below).

The Residual Value will be calculated in accordance with a formula by reference to the lowest Spot Price (in respect of a series of bull CBBCs) or the highest Spot Price (in respect of a series of bear CBBCs) of the underlying Shares in the trading session during which a Mandatory Call Event occurs and in the following session, subject to potential extension as further described in Condition 2.

The Residual Value per Board Lot (if any) payable is calculated as follows:

In respect of a series of bull CBBCs:

$$\frac{\text{Entitlement} \times (\text{Minimum Trade Price} - \text{Strike Price}) \times \text{one Board Lot}}{\text{Number of CBBCs per Entitlement}}$$

In respect of a series of bear CBBCs:

$$\frac{\text{Entitlement} \times (\text{Strike Price} - \text{Maximum Trade Price}) \times \text{one Board Lot}}{\text{Number of CBBCs per Entitlement}}$$

Where:

“**Minimum Trade Price**” means, in respect of a series of bull CBBCs, the lowest spot price of the underlying Shares (subject to any adjustment to such Spot Price as may be necessary to reflect any event as contemplated in Condition 6 such as capitalisation, rights issue, distribution or the like) during the MCE Valuation Period;

“**Maximum Trade Price**” means, in respect of a series of bear CBBCs, the highest spot price of the underlying Shares (subject to any adjustment to such Spot Price as may be necessary to reflect any event as contemplated in Condition 6 such as capitalisation, rights issue, distribution or the like) during the MCE Valuation Period;

“**MCE Valuation Period**” means, subject to any extension (as described in further detail in the Conditions), the period commencing from and including the moment upon which the Mandatory Call Event occurs and up to the end of the following trading session on the Stock Exchange; and

“**Spot Price**” means:

- (i) in respect of a continuous trading session of the Stock Exchange, the price per Share concluded by means of automatic order matching on the Stock Exchange as reported in the official real-time dissemination mechanism for the Stock Exchange during such continuous trading session in accordance with the Rules of the Exchange (the “**Trading Rules**”), excluding direct business (as defined in the Trading Rules); and
- (ii) in respect of a pre-opening session or a closing auction session (if applicable) of the Stock Exchange (as the case may be), the final Indicative Equilibrium Price (as defined in the Trading Rules) of the Share (if any) calculated at the end of the pre-order matching period of such pre-opening session or closing auction session (if applicable) (as the case may be) in accordance with the Trading Rules, excluding direct business (as defined in the Trading Rules),

subject to such modification and amendment prescribed by the Stock Exchange from time to time.

If the Residual Value is equal to or less than the Exercise Expenses (if any), you will lose all of your investment.

At expiry

If a Mandatory Call Event has not occurred during the Observation Period, the CBBCs will be terminated on the Expiry Date.

A bull CBBC will be automatically exercised at expiry without the need for the holder to deliver an exercise notice if the Closing Price is above 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 bull CBBC.

A bear CBBC will be automatically exercised at expiry without the need for the holder to deliver an exercise notice if the Closing Price 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 bear CBBC.

Upon the automatic exercise of the CBBCs, 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 (if any), you will lose all of your investment in the CBBCs.**

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

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

The CBBCs may only be transferred in a Board Lot (or integral multiples thereof). Where a transfer of CBBCs 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 CBBCs by providing bid and/or ask prices. See the section headed “Liquidity” below.

- **What is your maximum loss?**

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

- **What are the factors determining the price of a CBBC?**

The price of a CBBC linked to the shares of a company generally depends on the price of the underlying shares (being the underlying Shares for the CBBCs). However, throughout the term of the CBBCs, the price of the CBBCs will be influenced by a number of factors, including:

- the Strike Price and Call Price of the CBBCs;
- the likelihood of the occurrence of a Mandatory Call Event;
- the probable range of Residual Value (if any) upon the occurrence of a Mandatory Call Event;
- the time remaining to expiry;
- the interim interest rates and expected dividend payments or other distributions on the underlying Shares;
- the supply and demand for the CBBCs;
- the probable range of the Cash Settlement Amount;
- the depth of the market and liquidity of the underlying Shares;
- our related transaction cost; and
- the creditworthiness of the Issuer.

Although the price of the CBBCs tends to mirror the movement in the price of the underlying Shares in dollar value, movements in the price of the CBBCs may not always correspond with the movements in the price of the underlying Shares, especially when the Spot Price is close to the Call Price. It is possible that the price of the CBBCs does not increase as much as the increase (in respect of the bull CBBCs) or decrease (in respect of the bear CBBCs) in the price of the underlying Shares.

Risks of investing in the CBBCs

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 CBBCs.

- **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:

- upon the occurrence of a Mandatory Call Event;
- 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;
- during a pre-opening session or a closing auction session (if applicable) or any other circumstances as may be prescribed by the Stock Exchange;
- when the CBBCs or the underlying Share are suspended from trading for any reason;
- when there are no CBBCs available for market making activities. In such event, the Liquidity Provider shall continue to provide bid prices. CBBCs held by us or any of our affiliates in a fiduciary or agency capacity are not CBBCs available for market making activities;
- when there are operational and technical problems beyond the control of the Liquidity Provider hindering the ability of the Liquidity Provider to provide liquidity;
- if the underlying Shares or 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
- if the theoretical value of the CBBCs 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 underlying Company and the underlying Shares**

You may obtain information on the underlying Shares (including the underlying Company's financial statements) by visiting the Stock Exchange's website at www.hkex.com.hk or (if applicable) the underlying Company's website(s) as follows:

Underlying Company

Website

Galaxy Entertainment Group Limited
Sands China Ltd.

www.galaxyentertainment.com/en/stock-exchange-announcement.html
www.sandschina.com

- **Information about the CBBCs after issue**

You may visit the Stock Exchange's website at www.hkex.com.hk/eng/prod/secprod/cbbc/Intro.htm or our website at www.warrants.hsbc.com.hk/cgi/cbbc/cbbc_doc.cgi to obtain information on the CBBCs or any notice given by us or the Stock Exchange in relation to the CBBCs.

- **Information about us**

You should read the section "Updated Information about Us" in this document. You may visit www.hsbc.com 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**

The Stock Exchange charges a trading fee of 0.005 per cent. and the Securities and Futures Commission charges a transaction levy of 0.0027 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 CBBCs. 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 early termination of the CBBCs upon the occurrence of a Mandatory Call Event or the exercise of the CBBCs at expiry. Any Exercise Expenses will be deducted from the Residual Value or the Cash Settlement Amount payable at expiry (if any, as the case may be). If the Residual Value or the Cash Settlement Amount payable at expiry (as the case may be) 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 callable bull/bear contracts (including the CBBCs).

- **Stamp Duty**

No stamp duty is currently payable in Hong Kong on transfer of cash settled callable bull/bear contracts (including the CBBCs).

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

What is the legal form of the CBBCs?

Each series of the CBBCs will be represented by a global certificate in the name of HKSCC Nominees Limited that is the only legal owner of the CBBCs. We will not issue definitive certificates for the CBBCs. You may arrange for your broker to hold the CBBCs in a securities account on your behalf, or if you have a CCASS Investor Participant securities account, you may arrange for the CBBCs 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 CBBCs.

Can we adjust the terms or early terminate the CBBCs?

The occurrence of certain events (including, without limitation, a rights issue, bonus issue or cash distribution by the Company, a subdivision or consolidation of the underlying Share or a restructuring event affecting the Company) may entitle us to adjust the terms and conditions of the CBBCs. However, we are not obliged to adjust the terms and conditions of the CBBCs for every event that affects the underlying Shares.

We may early terminate the CBBCs if it becomes illegal or impracticable for us (i) to perform our obligations under the CBBCs as a result of a change in law event, or (ii) to maintain our hedging arrangement with respect to the CBBCs 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 CBBCs 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, 7 and 14 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 CBBCs

Subject to early termination upon the occurrence of a Mandatory Call Event, the CBBCs 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.

Upon the occurrence of a Mandatory Call Event, the CBBCs will be early terminated and the holder is entitled to the Residual Value (if any) net of any Exercise Expenses.

We will deliver a cash amount in the Settlement Currency equal to the Residual Value or the Cash Settlement Amount payable at expiry net of any Exercise Expenses (if any) no later than the Settlement Date to HKSCC Nominees Limited (as the registered holder of the CBBCs), 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 Residual Value or the Cash Settlement Amount payable at expiry (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 Residual Value or the Cash Settlement Amount payable at expiry (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 for further information.

Where can you inspect the relevant documents of the CBBCs?

The following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) until the Expiry Date at HSBC Main Building, 1 Queen's Road Central, Hong Kong:

- each of the Listing Documents (in separate English and Chinese versions), including:
 - this document
 - our Base Listing Document
 - the addendum to the Base Listing Document dated 22 August 2016
- 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.

The Listing Documents are also available on the website of the HKEX at www.hkexnews.hk and our website at www.hsbc.com.

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

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

It is possible that there may have been dealings in the CBBCs before the Listing Date. If there are any dealings in the CBBCs 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 22 February 2016 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.

Selling restrictions

The CBBCs 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 CBBCs 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.

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 CBBCs. If you have any concerns or doubts about the CBBCs, you should obtain independent professional advice.

Non-collateralised structured products

The CBBCs are not secured on our assets or any collateral.

Credit risk

If you invest in the CBBCs, you are relying on our creditworthiness and of no other person. If we become insolvent or default on our obligations under the CBBCs, you can only claim as unsecured creditor regardless of the performance of the underlying Shares and may not be able to recover all or even part of the amount due under the CBBCs (if any). You have no rights under the terms of the CBBCs against the Company.

CBBCs are not principal protected and may become worthless

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

Unlike stocks, the CBBCs have a limited life and will be early terminated upon the occurrence of a Mandatory Call Event or expire on the Expiry Date. In the worst case, the CBBCs may be early terminated or expire with no value and you will lose all of your investment. The CBBCs may only be suitable for experienced investors who are willing to accept the risk that they may lose all their investment.

The CBBCs can be volatile

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

- (i) the Strike Price and Call Price of the CBBCs;
- (ii) the likelihood of the occurrence of a Mandatory Call Event;
- (iii) the probable range of Residual Value (if any) upon the occurrence of a Mandatory Call Event;
- (iv) the time remaining to expiry;
- (v) the interim interest rates and expected dividend payments or other distributions on the underlying Shares;
- (vi) the supply and demand for the CBBCs;
- (vii) the probable range of the Cash Settlement Amount;
- (viii) the depth of the market and liquidity of the underlying Shares;
- (ix) the related transaction cost (including the Exercise Expenses, if any); and
- (x) the creditworthiness of the Issuer.

The value of the CBBCs may not correspond with the movements in the price of the underlying Shares. If you buy the CBBCs with a view to hedge against your exposure to the underlying Shares, it is possible that you could suffer loss in your investment in the underlying Shares and the CBBCs.

In particular, you should note that when the Spot Price of the underlying Shares is close to the Call Price, the trading price of the CBBCs will be more volatile. The change in the trading price of the CBBCs may not be comparable and may be disproportionate with the change in the price of the underlying Shares. In such case, a small change in the price of the underlying Shares may lead to a substantial price movement in the CBBCs.

You may lose your entire investment when a Mandatory Call Event occurs

Unlike warrants, CBBCs has a mandatory call feature and trading in the CBBCs will be suspended when the Spot Price reaches the Call Price (subject to the circumstances in which a Mandatory Call Event will be reversed as set out in the sub-section titled "Mandatory Call Event is irrevocable" below). No investors can sell the CBBCs after the occurrence of a Mandatory Call Event. Even if the price of the underlying Shares bounces back in the right direction, the CBBCs which have been terminated as a result of the Mandatory Call Event will not be revived and investors will not be able to profit from the bounce-back. Investors may receive a Residual Value after the occurrence of a Mandatory Call Event but such amount may be zero.

Mandatory Call Event is irrevocable

A Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:

- (i) report of system malfunction or other technical errors of HKEX (such as the setting up of wrong Call Price or other parameters) by the Stock Exchange to us; or
- (ii) report of manifest errors caused by the relevant third party price source where applicable by us to the Stock Exchange,

and we agree with the Stock Exchange that such Mandatory Call Event is to be revoked provided that such mutual agreement must be reached no later than 30 minutes before the commencement of trading (including the pre-opening session) (Hong Kong time) on the Trading Day of the Stock Exchange immediately following the day on which the Mandatory Call Event occurs, or such other time as prescribed by the Stock Exchange from time to time.

In such case, the Mandatory Call Event so triggered will be reversed and all trades cancelled (if any) will be reinstated and the trading of the CBBCs will resume.

Delay in Mandatory Call Event notification

We will notify the market as soon as reasonably practicable after the occurrence of a Mandatory Call Event. You should be aware that there may be a delay in our announcement of a Mandatory Call Event due to technical errors, system failures and other factors that are beyond the reasonable control of the Stock Exchange and us.

Non-Recognition of Post MCE Trades

The Stock Exchange and its recognised exchange controller, HKEX, will 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 and/or HKEX) 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 Mandatory Call Event or the suspension of trading ("Trading Suspension") or the non-recognition of trades after a Mandatory Call Event ("Non-Recognition of Post MCE Trades"), including without limitation, any delay, failure, mistake or error in the Trading Suspension or Non-Recognition of Post MCE Trades.

We and our affiliates shall not have any responsibility for any losses suffered as a result of the Trading Suspension and/or

Non-Recognition of Post MCE Trades in connection with the occurrence of a Mandatory Call Event, notwithstanding that such Trading Suspension or Non-Recognition of Post MCE Trades may have occurred as a result of an error in the observation of the event.

Fluctuation in the Funding Cost

The Issue Price of the CBBCs is set by reference to the difference between the initial reference spot price of the underlying Shares and the Strike Price, plus the applicable Funding Cost as of the Launch Date. The initial Funding Cost applicable to the CBBCs is specified on the cover page of this document. It will fluctuate throughout the life of the CBBCs as the funding rate may change from time to time. The funding rate is a rate determined by us based on one or more of the following factors, including but not limited to the Strike Price, the prevailing interest rate, the expected life of the CBBCs, any expected notional dividends in respect of the underlying Shares and the margin financing provided by us.

Residual Value will not include residual Funding Cost

The Residual Value (if any) payable by us following the occurrence of a Mandatory Call Event will not include the residual Funding Cost for the CBBCs. When a Mandatory Call Event occurs, the investors will lose the Funding Cost for the full period.

Our hedging activities

Our trading and/or hedging activities or those of our related parties related to the CBBCs and/or other financial instruments issued by us from time to time may have an impact on the price of the underlying Shares and may trigger a Mandatory Call Event.

In particular, when the Spot Price of the underlying Shares is close to the Call Price, our unwinding activities in relation to the underlying Shares may cause a fall or rise (as the case may be) in the price of the underlying Shares leading to a Mandatory Call Event as a result of such unwinding activities.

We or our related party may unwind our hedging transactions relating to the CBBCs in proportion to the amount of the CBBCs we repurchase from the market from time to time. Such activity may lead to greater volatility of the level of the underlying Shares, and may lead to a Mandatory Call Event as a result. Upon the occurrence of a Mandatory Call Event, we or our related party may unwind any hedging transactions relating to the CBBCs. Such unwinding activities after the occurrence of a Mandatory Call Event may affect the price of the underlying Shares and consequently the Residual Value for the CBBCs.

Time decay

All other factors being equal, the value of a CBBC is likely to decrease over time. Therefore, the CBBCs 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 CBBCs and therefore the secondary market for the CBBCs may be limited. The more limited the secondary market, the more difficult it may be for you to realise the value in the CBBCs 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 rights issue, bonus issue or cash distribution by the Company, a subdivision or consolidation of the underlying Share and a restructuring event affecting the Company) may entitle us to adjust the terms and conditions of the CBBCs. However, we are not obliged to adjust the terms and conditions of the CBBCs for every event that affects the underlying Shares. Any adjustment or decision not to make any adjustment may adversely affect the value of the CBBCs. Please refer to Conditions 6 and 14 for details about adjustments.

Possible early termination

The CBBCs will lapse and cease to be valid in the event of liquidation of the Company. We may early terminate the CBBCs if it becomes illegal or impracticable for us (i) to perform our obligations under the CBBCs as a result of a change in law event, or (ii) to maintain our hedging arrangement with respect to the CBBCs 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 CBBCs 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 Condition 7 for details about our early termination rights.

Time lag between early termination or exercise and settlement of the CBBCs

There is a time lag between the early termination or exercise of the CBBCs and payment of the Residual Value or the Cash Settlement Amount payable at expiry net of Exercise Expenses (if any). There may be delays in the electronic settlement or payment through CCASS.

Suspension of trading

If trading in the underlying Shares is suspended on the Stock Exchange, trading in the CBBCs will be suspended for a similar period. In such case, the price of the CBBCs may be subject to a significant impact of time decay due to such suspension and may fluctuate significantly upon resumption of trading, which may adversely affect your investment.

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 Company and/or the underlying Shares or issue or update research reports on the Company and/or the underlying Shares. Such activities, information and/or research reports may involve or affect the Company and/or the underlying Shares and may cause consequences adverse to you or otherwise create conflicts of interests in connection with the issue of the CBBCs. 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 CBBCs.

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 Company and/or the underlying Shares or related derivatives. This may indirectly affect your interests.

No direct contractual rights

The CBBCs 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 CBBCs. The evidence of your interest in the CBBCs, and the efficiency of the ultimate payment of the Residual Value or the Cash Settlement Amount payable at expiry 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 CBBCs. You do not have any direct contractual rights against us. To assert your rights as an investor in the CBBCs, 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 CBBCs 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 CBBCs or the underlying Shares.

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 date of this document are for reference only. Any downgrading of our ratings could result in a reduction in the value of the CBBCs.

Two or more risk factors may simultaneously affect the CBBCs

Two or more risk factors may simultaneously have an effect on the value of a CBBC 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 CBBC.

Updated information about Us

With effect from 1 September 2016, Mr Kevin Anthony Westley has been appointed as an independent non-executive Director of the Issuer.

On 21 February 2017, the Issuer announced its 2016 consolidated results. Investors can view further information on this on <http://www.hsbc.com/investor-relations/subsidiary-company-reporting>. Extracts of the Issuer's 2016 financial results as set out in this section have been extracted from the Issuer's news release dated 21 February 2017 (the **news release**). References to page numbers (i.e. the page numbers which appear on the bottom of the pages) in this section (excluding this page) are to pages of the news release.

The Hongkong and Shanghai Banking Corporation Limited Consolidated Income Statement

	Year ended 31 December 2016	Year ended 31 December 2015
	HK\$m	HK\$m
Interest income	122,564	124,060
Interest expense	<u>(25,656)</u>	<u>(29,683)</u>
Net interest income	96,908	94,377
Fee income	47,139	51,926
Fee expense	<u>(7,837)</u>	<u>(6,267)</u>
Net fee income	39,302	45,659
Net trading income	24,064	23,616
Net income/(expense) from financial instruments designated at fair value	3,570	(2,560)
Gains less losses from financial investments	1,232	11,611
Dividend income	234	210
Net insurance premium income	55,912	52,593
Other operating income	<u>11,516</u>	<u>10,439</u>
Total operating income	232,738	235,945
Net insurance claims and benefits paid and movement in liabilities to policyholders	<u>(64,586)</u>	<u>(52,431)</u>
Net operating income before loan impairment charges and other credit risk provisions	168,152	183,514
Loan impairment charges and other credit risk provisions	<u>(5,554)</u>	<u>(5,074)</u>
Net operating income	162,598	178,440
Employee compensation and benefits	(38,896)	(41,126)
General and administrative expenses	(29,917)	(29,883)
Depreciation of property, plant and equipment	(4,493)	(4,380)
Amortisation and impairment of intangible assets	<u>(1,497)</u>	<u>(1,602)</u>
Total operating expenses	(74,803)	(76,991)
Operating profit	87,795	101,449
Share of profit in associates and joint ventures	<u>14,912</u>	<u>15,830</u>
Profit before tax	102,707	117,279
Tax expense	<u>(17,912)</u>	<u>(17,296)</u>
Profit for the year	84,795	99,983
Profit attributable to shareholders of the parent company	78,646	89,533
Profit attributable to non-controlling interests	6,149	10,450

	Year ended 31 December 2016 HK\$m	Year ended 31 December 2015 HK\$m
Profit for the year	84,795	99,983
Other comprehensive income/(expense)		
Items that will subsequently be reclassified to the income statement when specific conditions are met:		
Available-for-sale investments:		
– fair value changes taken to equity	(430)	(2,430)
– fair value changes transferred to the income statement on disposal	(1,226)	(15,637)
– amounts transferred to the income statement on impairment	2	8
– fair value changes transferred to the income statement on hedged items	2,296	37
– income taxes	(143)	354
Cash flow hedges:		
– fair value changes taken to equity	1,354	1,662
– fair value changes transferred to the income statement	(2,295)	(1,433)
– income taxes	139	(97)
Share of other comprehensive income of associates and joint ventures	1,266	460
Exchange differences	(15,241)	(19,188)
Items that will not subsequently be reclassified to the income statement:		
Property revaluation:		
– fair value changes taken to equity	3,825	6,601
– income taxes	(678)	(1,101)
Remeasurement of defined benefit:		
– before income taxes	1,016	(662)
– income taxes	(183)	105
Other comprehensive expense for the year, net of tax	<u>(10,298)</u>	<u>(31,321)</u>
Total comprehensive income for the year, net of tax	<u>74,497</u>	<u>68,662</u>
Total comprehensive income for the year attributable to:		
– shareholders of the parent company	68,577	63,447
– non-controlling interests	<u>5,920</u>	<u>5,215</u>
	<u>74,497</u>	<u>68,662</u>

	At 31 December 2016 HK\$m	At 31 December 2015 HK\$m
ASSETS		
Cash and sight balances at central banks	213,783	151,103
Items in the course of collection from other banks	21,401	25,020
Hong Kong Government certificates of indebtedness	242,194	220,184
Trading assets	371,634	302,626
Derivatives	479,807	380,955
Financial assets designated at fair value	106,016	99,095
Reverse repurchase agreements – non-trading	271,567	212,779
Placings with and advances to banks	463,211	421,221
Loans and advances to customers	2,834,114	2,762,290
Financial investments	1,835,351	1,716,046
Amounts due from Group companies	242,773	244,396
Interests in associates and joint ventures	125,792	122,438
Goodwill and intangible assets	56,936	49,568
Property, plant and equipment	111,640	110,064
Deferred tax assets	1,503	1,836
Prepayments, accrued income and other assets	171,230	134,062
Total assets	7,548,952	6,953,683
LIABILITIES		
Hong Kong currency notes in circulation	242,194	220,184
Items in the course of transmission to other banks	37,753	30,753
Repurchase agreements – non-trading	27,810	16,158
Deposits by banks	192,479	148,294
Customer accounts	4,900,004	4,640,076
Trading liabilities	188,470	191,851
Derivatives	462,458	369,419
Financial liabilities designated at fair value	51,116	50,770
Debt securities in issue	25,235	40,859
Retirement benefit liabilities	3,867	5,809
Amounts due to Group companies	198,038	110,073
Accruals and deferred income, other liabilities and provisions	99,487	86,920
Liabilities under insurance contracts	386,170	340,820
Current tax liabilities	1,619	2,456
Deferred tax liabilities	21,401	18,799
Subordinated liabilities	4,836	8,003
Preference shares	26,879	36,553
Total liabilities	6,869,816	6,317,797
EQUITY		
Share capital	114,359	96,052
Other equity instruments	14,737	14,737
Other reserves	85,886	93,031
Retained profits	413,024	380,381
Total shareholders' equity	628,006	584,201
Non-controlling interests	51,130	51,685
Total equity	679,136	635,886
Total equity and liabilities	7,548,952	6,953,683

2016

	Other reserves										
	Share capital HK\$m	Other equity instruments HK\$m	Retained profits HK\$m	Property revaluation reserve HK\$m	Available- for-sale investment reserve HK\$m	Cash flow hedge reserve HK\$m	Foreign exchange reserve HK\$m	Other ¹ HK\$m	Total share- holders' equity HK\$m	Non- controlling interests HK\$m	Total equity HK\$m
At 1 January	96,052	14,737	380,381	52,099	4,880	(35)	(16,991)	53,078	584,201	51,685	635,886
Profit for the year	—	—	78,646	—	—	—	—	—	78,646	6,149	84,795
Other comprehensive income/ (expense) (net of tax)	—	—	542	3,123	1,309	(758)	(14,870)	585	(10,069)	(229)	(10,298)
Available-for-sale investments	—	—	—	—	622	—	—	—	622	(123)	499
Cash flow hedges	—	—	—	—	—	(758)	—	—	(758)	(44)	(802)
Property revaluation	—	—	(245)	3,123	—	—	—	—	2,878	269	3,147
Actuarial gains on defined benefit plans	—	—	793	—	—	—	—	—	793	40	833
Share of other comprehensive income/(expense) of associates and joint ventures	—	—	(6)	—	687	—	—	585	1,266	—	1,266
Exchange differences	—	—	—	—	—	—	(14,870)	—	(14,870)	(371)	(15,241)
Total comprehensive income/ (expense) for the year	—	—	79,188	3,123	1,309	(758)	(14,870)	585	68,577	5,920	74,497
Shares issued	18,307	—	—	—	—	—	—	—	18,307	—	18,307
Dividends paid ²	—	—	(43,296)	—	—	—	—	—	(43,296)	(6,297)	(49,593)
Movement in respect of share-based payment arrangements	—	—	235	—	—	—	—	(258)	(23)	(3)	(26)
Transfers and other movements ³	—	—	(3,484)	(1,459)	—	—	—	5,183	240	(175)	65
At 31 December	114,359	14,737	413,024	53,763	6,189	(793)	(31,861)	58,588	628,006	51,130	679,136

	2015										
	Share capital HK\$m	Other instruments HK\$m	Retained profits HK\$m	Property revaluation reserve HK\$m	Available-for-sale investment reserve HK\$m	Cash flow hedge reserve HK\$m	Foreign exchange reserve HK\$m	Other ¹ HK\$m	Total shareholders' equity HK\$m	Non-controlling interests HK\$m	Total equity HK\$m
At 1 January	96,052	14,737	339,061	48,481	16,537	(166)	1,872	41,261	557,835	50,511	608,346
Profit for the year	—	—	89,533	—	—	—	—	—	89,533	10,450	99,983
Other comprehensive income/(expense) (net of tax)	—	—	(929)	5,146	(11,657)	131	(18,863)	86	(26,086)	(5,235)	(31,321)
Available-for-sale investments	—	—	—	—	(12,032)	—	—	—	(12,032)	(5,636)	(17,668)
Cash flow hedges	—	—	—	—	—	131	—	—	131	1	132
Property revaluation	—	—	(238)	5,146	—	—	—	—	4,908	592	5,500
Actuarial losses on defined benefit plans	—	—	(690)	—	—	—	—	—	(690)	133	(557)
Share of other comprehensive income/(expense) of associates and joint ventures	—	—	(1)	—	375	—	—	86	460	—	460
Exchange differences	—	—	—	—	—	—	(18,863)	—	(18,863)	(325)	(19,188)
Total comprehensive income/(expense) for the year	—	—	88,604	5,146	(11,657)	131	(18,863)	86	63,447	5,215	68,662
Dividends paid ²	—	—	(37,405)	—	—	—	—	—	(37,405)	(4,053)	(41,458)
Movement in respect of share-based payment arrangements	—	—	7	—	—	—	—	345	352	4	356
Transfers and other movements ³	—	—	(9,886)	(1,528)	—	—	—	11,386	(28)	8	(20)
At 31 December	96,052	14,737	380,381	52,099	4,880	(35)	(16,991)	53,078	584,201	51,685	635,886

- 1 The other reserves mainly comprise the share-based payment reserve account, purchase premium arising from transfer of business within the HSBC Group and other non-distributable reserves. The share-based payment reserve account is used to record the amount relating to share awards and options granted to employees of the group directly by HSBC Holdings plc.
- 2 Including distributions paid on perpetual subordinated loans classified as equity under HKFRSs.
- 3 The movement from retained profits to other reserves includes the relevant transfers in associates according to local regulatory requirements.

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