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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 invitation or offer to acquire, purchase or subscribe for the Inline Warrants.

**The Inline Warrants are complex products. Investors should exercise caution in relation to them. Investors are warned that the price of the Inline Warrants may fall in value as rapidly as it may rise and holders may sustain a loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Inline 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 Inline Warrants.**

The Inline 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 Inline Warrants, you are relying upon the creditworthiness of us and our Guarantor, and have no rights under the Inline Warrants against the Index Compiler or any other person. If we become insolvent or default on our obligations under the Inline 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 Inline Warrants (if any). The Issuer is subject to the exercise of the bail-in powers under the Luxembourg legislation for implementation of the Bank Recovery and Resolution Directive (“**BRRD**”). The Guarantor is subject to the exercise of the bail-in powers under the French legislation for implementation of the BRRD.

## **Non-collateralised Structured Products**

### **Launch Announcement and Supplemental Listing Document for Inline Warrants over Index**

**Issuer: SG Issuer**

*(incorporated in Luxembourg with limited liability)*

**and unconditionally and irrevocably guaranteed by  
Guarantor: Société Générale**

*(incorporated in France)*



**Liquidity Provider: SG Securities (HK) Limited**

## Key Terms

Inline Warrants Stock code	48718	48719	48720	48721	48722
Liquidity Provider Broker ID	9702	9702	9702	9702	9702
Issue size	40,000,000 Inline Warrants	20,000,000 Inline Warrants	25,000,000 Inline Warrants	40,000,000 Inline Warrants	35,000,000 Inline Warrants
Style	European style cash settled	European style cash settled	European style cash settled	European style cash settled	European style cash settled
Type <sup>1</sup>	Inline Warrants	Inline Warrants	Inline Warrants	Inline Warrants	Inline Warrants
Index	Hang Seng Index	Hang Seng Index	Hang Seng Index	Hang Seng Index	Hang Seng Index
Board Lot	10,000 Inline Warrants	10,000 Inline Warrants	10,000 Inline Warrants	10,000 Inline Warrants	10,000 Inline Warrants
Issue Price per Inline Warrant	HK\$0.270	HK\$0.600	HK\$0.490	HK\$0.260	HK\$0.310
Cash Settlement Amount per Board Lot payable at expiry <sup>2</sup>	(i) If the Closing Level is at or below the Upper Strike Level and at or above the Lower Strike Level, an amount equal to: Maximum Payoff Amount per Inline Warrant x one Board Lot OR (ii) If the Closing Level is above the Upper Strike Level or below the Lower Strike Level, an amount equal to: Minimum Payoff Amount per Inline Warrant x one Board Lot				
Maximum Payoff Amount per Inline Warrant (for all series)	HK\$1.00				
Minimum Payoff Amount per Inline Warrant (for all series)	HK\$0.25				
Upper Strike Level	23,000.00	32,000.00	37,000.00	20,000.00	24,000.00
Lower Strike Level	21,000.00	30,000.00	32,000.00	16,000.00	20,000.00
Closing Level (for all series)	The final settlement price for settling the Hang Seng Index Futures Contracts that are scheduled to expire during the month in which the Expiry Date of the relevant series of the Inline Warrants is scheduled to fall (the “Index Futures Contracts”) <sup>3</sup> .				
Index Exchange (for all series)	The Stock Exchange of Hong Kong Limited				
Launch Date (for all series)	21 January 2021				
Issue Date (for all series)	25 January 2021				
Listing Date <sup>4</sup> (for all series)	26 January 2021				
Valuation Date <sup>5</sup>	29 April 2021	29 April 2021	28 May 2021	29 June 2021	29 June 2021
Expiry Date <sup>5</sup>	29 April 2021	29 April 2021	28 May 2021	29 June 2021	29 June 2021
Settlement Date (for all series)	The third CCASS Settlement Day after the later of: (i) the Expiry Date; and (ii) the day on which the Closing Level is determined in accordance with the Conditions.				
Settlement Currency	Hong Kong dollars	Hong Kong dollars	Hong Kong dollars	Hong Kong dollars	Hong Kong dollars
Implied Volatility <sup>6,7</sup>	31.92%	20.08%	20.82%	35.96%	28.90%
Effective Gearing <sup>7</sup>	-1.11x	1.65x	4.16x	-0.69x	-2.22x
Gearing <sup>7</sup>	3.70x	1.67x	2.04x	3.85x	3.23x
Premium <sup>7</sup>	23.24%	0.13%	6.80%	33.25%	19.90%

<sup>1</sup> Inline warrants have been newly introduced to the market since July 2019 and no similar products are listed on the Stock Exchange for comparison.

<sup>2</sup> Unlike standard derivative warrants, the term “divisor” is not specified in the payout formula because the divisor is always 1 throughout the term of the Inline Warrants.

<sup>3</sup> Determined pursuant to Regulation 012 of the Regulations for Trading Stock Index Futures Contracts and the Contract Specifications for Hang Seng Index Futures (as amended from time to time) of the Hong Kong Futures Exchange Limited (or its successor or assign), subject to our right to determine the Closing Level in good faith on the Valuation Date upon the occurrence of a Market Disruption Event as described further in Condition 5(d).

<sup>4</sup> During the period between the Launch Date and the scheduled Listing Date (both dates exclusive), if any severe weather occurs on any Business Day which either results in the Stock Exchange (i) being closed for trading for the entire day; or (ii) being closed prior to its regular time for close of trading for the relevant day, the Listing Date will be postponed (without any further notice or announcement) such that there is a period of two Business Days not affected by the aforementioned event(s) between the Launch Date and the postponed Listing Date (both dates exclusive).

<sup>5</sup> If such day is not the day on which the relevant Index Futures Contracts expire on Hong Kong Futures Exchange Limited (or its successor or assign), the day on which the relevant Index Futures Contracts will expire on the Hong Kong Futures Exchange Limited (or its successor or assign).

<sup>6</sup> Unlike standard derivative warrants, this data is derived from the implied volatilities based on the Upper Strike Level and Lower Strike Level.

<sup>7</sup> This data may fluctuate during the life of the Inline Warrants and may not be comparable to similar information for standard derivative warrants or similar information for inline warrants provided by other issuers. Each issuer may use different pricing models.

## Key Terms

Inline Warrants Stock code	48723	48724	48725	48726	48727
Liquidity Provider Broker ID	9702	9702	9702	9702	9702
Issue size	25,000,000 Inline Warrants	25,000,000 Inline Warrants	20,000,000 Inline Warrants	20,000,000 Inline Warrants	30,000,000 Inline Warrants
Style	European style cash settled	European style cash settled	European style cash settled	European style cash settled	European style cash settled
Type <sup>1</sup>	Inline Warrants	Inline Warrants	Inline Warrants	Inline Warrants	Inline Warrants
Index	Hang Seng Index	Hang Seng Index	Hang Seng Index	Hang Seng Index	Hang Seng Index
Board Lot	10,000 Inline Warrants	10,000 Inline Warrants	10,000 Inline Warrants	10,000 Inline Warrants	10,000 Inline Warrants
Issue Price per Inline Warrant	HK\$0.450	HK\$0.410	HK\$0.520	HK\$0.720	HK\$0.380
Cash Settlement Amount per Board Lot payable at expiry <sup>2</sup>	(i) If the Closing Level is at or below the Upper Strike Level and at or above the Lower Strike Level, an amount equal to: Maximum Payoff Amount per Inline Warrant x one Board Lot OR (ii) If the Closing Level is above the Upper Strike Level or below the Lower Strike Level, an amount equal to: Minimum Payoff Amount per Inline Warrant x one Board Lot				
Maximum Payoff Amount per Inline Warrant (for all series)	HK\$1.00				
Minimum Payoff Amount per Inline Warrant (for all series)	HK\$0.25				
Upper Strike Level	27,000.00	27,000.00	29,000.00	33,000.00	39,000.00
Lower Strike Level	22,000.00	25,000.00	27,000.00	28,000.00	34,000.00
Closing Level (for all series)	The final settlement price for settling the Hang Seng Index Futures Contracts that are scheduled to expire during the month in which the Expiry Date of the relevant series of the Inline Warrants is scheduled to fall (the “Index Futures Contracts”) <sup>3</sup> .				
Index Exchange (for all series)	The Stock Exchange of Hong Kong Limited				
Launch Date (for all series)	21 January 2021				
Issue Date (for all series)	25 January 2021				
Listing Date <sup>4</sup> (for all series)	26 January 2021				
Valuation Date <sup>5</sup>	29 June 2021	29 June 2021	29 June 2021	29 June 2021	29 June 2021
Expiry Date <sup>5</sup>	29 June 2021	29 June 2021	29 June 2021	29 June 2021	29 June 2021
Settlement Date (for all series)	The third CCASS Settlement Day after the later of: (i) the Expiry Date; and (ii) the day on which the Closing Level is determined in accordance with the Conditions.				
Settlement Currency	Hong Kong dollars	Hong Kong dollars	Hong Kong dollars	Hong Kong dollars	Hong Kong dollars
Implied Volatility <sup>6,7</sup>	25.30%	23.05%	21.13%	20.53%	21.03%
Effective Gearing <sup>7</sup>	-3.53x	-2.78x	-1.79x	0.67x	3.55x
Gearing <sup>7</sup>	2.22x	2.44x	1.92x	1.39x	2.63x
Premium <sup>7</sup>	9.89%	9.89%	3.21%	0.00%	13.48%

<sup>1</sup> Inline warrants have been newly introduced to the market since July 2019 and no similar products are listed on the Stock Exchange for comparison.

<sup>2</sup> Unlike standard derivative warrants, the term “divisor” is not specified in the payout formula because the divisor is always 1 throughout the term of the Inline Warrants.

<sup>3</sup> Determined pursuant to Regulation 012 of the Regulations for Trading Stock Index Futures Contracts and the Contract Specifications for Hang Seng Index Futures (as amended from time to time) of the Hong Kong Futures Exchange Limited (or its successor or assign), subject to our right to determine the Closing Level in good faith on the Valuation Date upon the occurrence of a Market Disruption Event as described further in Condition 5(d).

<sup>4</sup> During the period between the Launch Date and the scheduled Listing Date (both dates exclusive), if any severe weather occurs on any Business Day which either results in the Stock Exchange (i) being closed for trading for the entire day; or (ii) being closed prior to its regular time for close of trading for the relevant day, the Listing Date will be postponed (without any further notice or announcement) such that there is a period of two Business Days not affected by the aforementioned event(s) between the Launch Date and the postponed Listing Date (both dates exclusive).

<sup>5</sup> If such day is not the day on which the relevant Index Futures Contracts expire on Hong Kong Futures Exchange Limited (or its successor or assign), the day on which the relevant Index Futures Contracts will expire on the Hong Kong Futures Exchange Limited (or its successor or assign).

<sup>6</sup> Unlike standard derivative warrants, this data is derived from the implied volatilities based on the Upper Strike Level and Lower Strike Level.

<sup>7</sup> This data may fluctuate during the life of the Inline Warrants and may not be comparable to similar information for standard derivative warrants or similar information for inline warrants provided by other issuers. Each issuer may use different pricing models.

## IMPORTANT INFORMATION

**The Inline 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 Inline Warrants?**

You must read this document together with our base listing document dated 3 April 2020 (the “**Base Listing Document**”), as supplemented by any addendum thereto (together, the “**Listing Documents**”), in particular the section “Terms and Conditions of the European Style Cash Settled Inline Warrants over an Index (Global Form of Certificate)” (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 Inline Warrants. We cannot give you investment advice. You must decide whether the Inline Warrants meet your investment needs before investing in the Inline Warrants.

### **Is there any guarantee or collateral for the Inline Warrants?**

Our obligations under the Inline Warrants are unconditionally and irrevocably guaranteed by our Guarantor. If we become insolvent or default on our obligations under the Inline 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 Inline Warrants (if any).

### **What are our Guarantor’s credit ratings?**

Our Guarantor’s long term credit ratings are:

<i>Rating agency</i>	<i>Rating as of the date of this document</i>
Moody’s Investors Service, Inc.	A1 (with stable outlook)
S&P Global Ratings	A (with negative outlook)

Rating agencies usually receive a fee from the companies that they rate. When evaluating our Guarantor’s creditworthiness, you should not solely rely on our Guarantor’s credit ratings because:

- a credit rating is not a recommendation to buy, sell or hold the Inline 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 Guarantor’s credit ratings as of the date of this document are for reference only. Any downgrading of our Guarantor’s ratings could result in a reduction in the value of the Inline Warrants;
- a credit rating is not an indication of the liquidity or volatility of the Inline Warrants; and
- a credit rating may be downgraded if the credit quality of the Guarantor declines.

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

Our Guarantor’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 our Guarantor’s 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)?**

We are a Financial Institution in the meaning of the Luxembourg Law of 5 April 1993 on the Financial Sector (as amended) relating to the financial sector. The Hong Kong Branch of our Guarantor is a licensed bank in Hong Kong regulated by the Hong Kong Monetary Authority. Our Guarantor is also regulated by, amongst others, the Autorité de Contrôle Prudentiel (French Prudential Supervisory Authority) in France.

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

Save as disclosed in the Listing Documents, none of us, our Guarantor or any of its subsidiaries is aware of any litigation or claims of material importance pending or threatened against any of us.

### **Has our or our Guarantor’s financial position changed since last financial year-end?**

- (i) There has been no material adverse change in the financial or trading position of us since 31 December 2019; and
- (ii) there has been no material adverse change in the financial or trading position of our Guarantor since 31 December 2019.

## PRODUCT SUMMARY STATEMENT

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

- **What is an inline warrant?**

Inline warrant is a type of derivative warrants. A derivative warrant linked to an index is an instrument which derives its value from the underlying index. Derivative warrants may provide a leveraged return to you. Conversely, such leverage could also magnify your losses.

- **How and when can you get back your investment?**

The Inline Warrants are European style cash settled derivative warrants linked to the Index. European style warrants can only be exercised on the expiry date. When the Inline Warrants are exercised, the holder is entitled to a cash amount called the “**Cash Settlement Amount**” which is equal to either the Maximum Payoff Amount per Inline Warrant or the Minimum Payoff Amount per Inline Warrant depending on the Closing Level, 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 Conditions. As at the date of this document, no Exercise Expenses are payable for cash settled warrants (including the Inline Warrants).

- **How do the Inline Warrants work?**

The Inline Warrants carry exotic features and their terms and pricing may be more complicated than standard derivative warrants. The Inline Warrants provide a pre-fixed potential payoff at either a **capped amount** or a **floor amount** at expiry. You will either:

- (i) receive a fixed and capped amount equal to the Maximum Payoff Amount per Inline Warrant at expiry if the Closing Level is at or below the Upper Strike Level and at or above the Lower Strike Level; or
- (ii) receive a fixed and floor amount equal to the Minimum Payoff Amount per Inline Warrant (which may be substantially less than your initial investment) at expiry and may suffer loss in your investment if the Closing Level is above the Upper Strike Level or below the Lower Strike Level. You will still receive the Minimum Payoff Amount per Inline Warrant in this scenario because such amount is included in the price you pay for buying the Inline Warrants.

- **Can the Inline Warrants be traded above HK\$1?**

No. Any orders and reported trades of Inline Warrants at the price above HK\$1 will be automatically rejected upon their entry to the Stock Exchange’s trading system.

- **Can you sell the Inline Warrants before the Expiry Date?**

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

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

- **What is your maximum loss?**

If we become insolvent or default on our obligations under the Inline Warrants or our Guarantor becomes insolvent or defaults on its obligations under the Guarantee, the maximum loss in the Inline Warrants will be your entire investment amount plus any transaction costs.

Otherwise, if the Closing Level is above the Upper Strike Level or below the Lower Strike Level at expiry, the maximum loss in the Inline Warrants will be your entire investment amount less the Minimum Payoff Amount per Inline Warrant multiplied by the number of Inline Warrants purchased plus any transaction costs.

- **What is your maximum profit?**

The potential maximum profit in the Inline Warrants will be capped at the Maximum Payoff Amount per Inline Warrant multiplied by the number of Inline Warrants purchased less your entire investment amount and transaction costs.

You should note that your profit or loss in the Inline Warrants will be affected by the amount invested by you and transaction costs.

- **What are the factors determining the price of an Inline Warrant?**

The price of an Inline Warrant generally depends on the level of the underlying index (being the Index for the Inline Warrants). However, throughout the term of an Inline Warrant, its price will be influenced by a number of factors, including:

- the range between the Upper Strike Level and Lower Strike Level (both inclusive) of the Inline Warrants: generally, the wider the range between the Upper Strike Level and Lower Strike Level (both inclusive) of the Inline Warrants, the greater its value;
- the level of the underlying index: generally, the closer the level of the underlying index towards the mid-way of the Upper Strike Level and the Lower Strike Level, ignoring interim interest rates and expected dividend payments on any components comprising the underlying index and assuming all other factors remain constant, the greater the value of the Inline Warrants; conversely, the farther away the level of the underlying index from the mid-way of the Upper Strike Level and the Lower Strike Level, ignoring interim interest rates and expected dividend payments on any components comprising the underlying index and assuming all other factors remain constant, the lower the value of the Inline Warrants;
- the volatility of the underlying index (being a measure of the fluctuation in the level of the underlying index over time): generally, if an Inline Warrant is “out-of-the-range” (ie. the level of the underlying index falls outside the range between the Upper Strike Level and the Lower Strike Level (both inclusive)), the higher the volatility, the greater the value of the Inline Warrants; conversely, if an Inline Warrant is “in-the-range” (ie. the level of the underlying index falls within the range between the Upper Strike Level and the Lower Strike Level (both inclusive)), the higher the volatility, the lower the value of the Inline Warrants;
- the expected probability of the Closing Level falling within the range between the Upper Strike Level and the Lower Strike Level (both inclusive) at expiry;
- the time remaining to expiry: generally, if an Inline Warrant is out-of-the-range, the longer the remaining life of the Inline Warrant, the greater its value; conversely, if an Inline Warrant is in-the-range, the shorter the remaining life of the Inline Warrant, the greater its value;
- the interim interest rates and expected dividend payments or other distributions on any components comprising the underlying index;
- the liquidity of the futures contracts relating to the underlying index;
- the supply and demand for the Inline Warrant;
- our related transaction cost; and
- the creditworthiness of the issuer of the Inline Warrant and our Guarantor.

Ignoring interim interest rates and expected dividend payments on any components comprising the underlying index and assuming all other factors remain constant, the theoretical impact of changes in each of the following factors on an Inline Warrant is illustrated below for reference only\*:

Factor	Inline Warrant price
Underlying index level moving towards the mid-way of the Upper Strike Level and the Lower Strike Level	↑
Underlying index level moving away from mid-way of the Upper Strike Level and the Lower Strike Level	↓
Time to maturity ↓	In-the-range Inline Warrant ↑
	Out-of-the-range Inline Warrant ↓
Underlying volatility ↓	In-the-range Inline Warrant ↑
	Out-of-the-range Inline Warrant ↓
Underlying volatility ↑	In-the-range Inline Warrant ↓
	Out-of-the-range Inline Warrant ↑

\* In reality, there may be other factors affecting the price of an Inline Warrant and such theoretical impact may not be applicable in extreme cases.

As the price of an Inline Warrant is not only affected by the level of the underlying index, movements in the price of an Inline Warrant may not be proportionate or may even be opposite to the movement of the level of the underlying index. For example:

- if an Inline Warrant is out-of-the-range, the decrease in volatility of the level of the underlying index may offset any increase in the level of the underlying index towards the Lower Strike Level or any decrease in the level of the underlying index towards the Upper Strike Level;
- if an Inline Warrant is “deep-out-of-the-range” (ie. the level of the underlying index is significantly above the Upper Strike Level or below the Lower Strike Level), the price of the Inline Warrant may be insensitive to any increase in the level of the underlying index towards the Lower Strike Level or any decrease in the level of the underlying index towards the Upper Strike Level;
- if the outstanding volume of a series of Inline Warrants in the market is high, the supply and demand of the Inline Warrant may have a greater impact on the Inline Warrant price than the level of the underlying index; and/or
- if an Inline Warrant is out-of-the-range, the decrease in time value may offset any increase in the level of the underlying index towards the Lower Strike Level or any decrease in the level of the underlying index towards the Upper Strike Level, especially when the Inline Warrant is close to its expiry where the time value decreases at a faster pace.

#### **Risks of investing in the Inline 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: SG Securities (HK) Limited  
Address: Level 38, Three Pacific Place, 1 Queen’s Road East, Hong Kong  
Telephone Number: (852) 2166 4270

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 Inline Warrants.
- **Maximum spread between bid and ask prices:** HK\$0.08
- **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 Inline Warrants are suspended from trading for any reason;
- (iv) if there occurs or exists any suspension of or limitation imposed on trading of options or futures contracts relating to the Index or if the Index level is not calculated or published as scheduled for any reason;
- (v) when there are no Inline Warrants available for market making activities. In such event, the Liquidity Provider shall continue to provide bid prices. Inline Warrants held by us or any of our affiliates in a fiduciary or agency capacity are not Inline Warrants available for market making activities;
- (vi) when there are operational and technical problems beyond the control of the Liquidity Provider hindering the ability of the Liquidity Provider to provide liquidity;
- (vii) if the stock market experiences exceptional price movement and high volatility over a short period of time which materially affects the Liquidity Provider’s ability to source a hedge or unwind an existing hedge;
- (viii) if the theoretical value of the Inline 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; or
- (ix) if the theoretical value of the Inline Warrants is at HK\$1.00. In such event, the Liquidity Provider shall continue to provide bid prices.

You should read the sub-section entitled “Possible limited secondary market” under the “Key Risk Factors” section for further information on the key risks when the Liquidity Provider is not able to provide liquidity.

#### **How can you obtain further information?**

- **Information about the Index**

You may obtain information on the Index by visiting the Index Compiler’s website at [www.hsi.com.hk](http://www.hsi.com.hk).

- **Information about the Inline Warrants after issue**

You may visit the Stock Exchange’s website at [https://www.hkex.com.hk/Products/Securities/Inline-Warrants?sc\\_lang=en](https://www.hkex.com.hk/Products/Securities/Inline-Warrants?sc_lang=en) or our website at <https://hk.warrants.com> to obtain information or educational materials on the Inline Warrants or any notice given by us or the Stock Exchange in relation to the Inline Warrants.

- **Information about us and our Guarantor**

You should read the section “Updated Information about Us and our Guarantor” in this document. You may visit [www.societegenerale.com](http://www.societegenerale.com) to obtain general corporate information about 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 0.0027 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 Inline 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 Inline Warrants. Any Exercise Expenses will be deducted from the Cash Settlement Amount. 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 Inline Warrants).

- **Stamp Duty**

No stamp duty is currently payable in Hong Kong on transfer of cash settled warrants (including the Inline Warrants).

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

#### **What is the legal form of the Inline Warrants?**

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

#### **Can we adjust the terms or early terminate the Inline Warrants?**

The occurrence of certain events (including, without limitation, a succession of the Index or Index Compiler, modification or cessation of calculation of the Index) may entitle us to adjust the terms and conditions of the Inline Warrants. However, we are not obliged to adjust the terms and conditions of the Inline Warrants for every event that affects the Index.

We may early terminate the Inline Warrants if it becomes illegal or impracticable for us (i) to perform our obligations under the Inline Warrants as a result of a change in law event, or (ii) to maintain our hedging arrangement with respect to the Inline 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 Inline Warrants less our cost of unwinding any related hedging arrangements as determined by us, which may be substantially less than your initial investment and may be zero.

Please refer to Conditions 3 and 6 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 Inline Warrants**

The Inline Warrants will be automatically exercised on the Expiry Date in integral multiples of the Board Lot.

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 Inline 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 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 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 5 for further information.

**Where can you inspect the relevant documents of the Inline 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 Level 38, Three Pacific Place, 1 Queen's Road East, Hong Kong:

- each of the Listing Documents (in separate English and Chinese versions), including:
  - this document
  - our Base Listing Document
  - our Addendum dated 4 May 2020
  - our Addendum dated 30 September 2020
  - our Addendum dated 19 November 2020;
- our and our Guarantor's latest audited consolidated financial statements and any interim or quarterly financial statements;
- consent letters of the Auditors;
- the Master Instrument executed by us and our Guarantor on 1 April 2016; and
- the Guarantee executed by our Guarantor dated as of 3 April 2020.

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

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(<http://hk.warrants.com>)瀏覽。

**Are there any dealings in the Inline Warrants before the Listing Date?**

It is possible that there may have been dealings in the Inline Warrants before the Listing Date. If there are any dealings in the Inline 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 our auditors' report dated 30 April 2020 and the Guarantor's auditors' report dated 12 March 2020 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 Inline Warrants**

The issue of the Inline Warrants was authorised by our executive board on 19 November 2015.

**Selling restrictions**

The Inline 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 Inline Warrants is also subject to the selling restrictions specified in our Base Listing Document.

**Capitalised terms and inconsistency**

Unless otherwise specified, capitalised terms used in this document have the meanings set out in the Conditions. If this document is inconsistent with our Base Listing Document, this document shall prevail.

## INFORMATION ON THE INDEX

*The information on the Index set out below is extracted from or based on publicly available information and, in particular, information from the Index Compiler. We do not give any representation whatsoever as to the truth, accuracy, completeness, adequacy or reasonableness of any of the information contained therein whether as at the date of this document or any other time, save that we have taken reasonable care to correctly extract, summarise and/or reproduce such information.*

### Who is the Index Compiler?

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

### How is the Index level disseminated?

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

### Index disclaimer

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

## KEY RISK FACTORS

You must read these key risk factors together with the risk factors set out in our Base Listing Document. These key risk factors do not necessarily cover all risks related to the Inline Warrants. If you have any concerns or doubts about the Inline Warrants, you should obtain independent professional advice.

### **Non-collateralised structured products**

The Inline Warrants are not secured on any of our or our Guarantor's assets or any collateral.

### **Credit risk**

If you invest in the Inline 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 Inline 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 Index and you may not be able to recover all or even part of the amount due under the Inline Warrants (if any). You have no rights under the terms of the Inline Warrants against the Index Compiler or any company which has issued any constituent securities of the Index.

### **Inline Warrants are not principal protected and may expire with loss of investment**

Given the gearing feature inherent in the Inline Warrants, a small change in the Index level may lead to a substantial price movement in the Inline Warrants.

Unlike stocks, the Inline Warrants have a limited life and will expire on the Expiry Date. If the Closing Level falls outside the range between the Lower Strike Level and the Upper Strike Level (both inclusive), you will receive a fixed and floor amount equal to the Minimum Payoff Amount per Inline Warrant at expiry (which may be substantially less than your initial investment) and may suffer a substantial loss in your investment. The Inline Warrants may only be suitable for experienced investors who are willing to accept the risk that they may lose part or a substantial part of their investment.

### **The Inline Warrants are exotic warrants and are not comparable to standard derivative warrants**

The Inline Warrants are exotic warrants with different terms and risk and return profile compared to standard call or put derivative warrants listed on the Stock Exchange and are not comparable to standard derivative warrants. The Inline Warrants carry exotic features and their terms and pricing may be more complicated than standard derivative warrants. The Inline Warrants may behave quite differently from standard derivative warrants and other exotic warrants in its response to the levels or movements in the level of the underlying Index. The pricing structure of the Inline Warrants requires investors to assess accurately the value of the Inline Warrants in relation to the expected probability of the Closing Level falling within the range between the Upper Strike Level and the Lower Strike Level (both inclusive). The Inline Warrants are highly complicated and risky financial instruments and may be difficult for investors to properly value and/or to use as a hedging tool. You should carefully review and understand the Conditions, including the exotic features, before deciding to invest in the Inline Warrants. In particular, you should note that the Inline Warrants provide a pre-fixed potential payoff at either a **capped amount or a floor amount** at expiry. If the Closing Level falls outside the range between the Lower Strike Level and the Upper Strike Level (both inclusive), you will receive a lower fixed and floor amount equal to the Minimum Payoff Amount per Inline Warrant (which may be substantially less than your initial

investment) at expiry and may suffer loss in your investment. You will still receive the Minimum Payoff Amount per Inline Warrant in this scenario because such amount is included in the price you pay for buying the Inline Warrants. Do not invest in the Inline Warrants unless you fully understand them and are willing to assume the risks associated with them.

### **The Inline Warrants can be volatile**

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

- (i) the prevailing trading price of the Inline Warrants;
- (ii) the range between the Upper Strike Level and Lower Strike Level (both inclusive) of the Inline Warrants;
- (iii) the level and volatility of the Index;
- (iv) the expected probability of the Closing Level falling within the range between the Upper Strike Level and the Lower Strike Level (both inclusive) at expiry;
- (v) the time remaining to expiry;
- (vi) the interim interest rates and expected dividend payments or other distributions on any components comprising the Index;
- (vii) the liquidity of the futures contracts relating to the Index;
- (viii) the related transaction costs (including the Exercise Expenses, if any);
- (ix) the supply and demand for the Inline Warrants; and
- (x) the creditworthiness of the Issuer and our Guarantor.

The price of an Inline Warrant may be affected by all these factors in addition to the Index level. Therefore, movements in the price of the Inline Warrants may not be proportionate or may even be opposite to the movement in the level of the Index. You should consider all these factors collectively when making your investment decision.

You should note that when the spot level of the underlying Index is close to the Upper Strike Level or the Lower Strike Level, the trading price of the Inline Warrants may be more volatile, especially when the Inline Warrants are close to their expiry.

### **Price movement of Inline Warrants may be disproportionate or opposite to the movement in the level of underlying Index**

Depending on the spot level of the underlying Index in comparison to the range of the Upper Strike Level and the Lower Strike Level, movements in the price of the Inline Warrants may be in the same or opposite direction of the movement in the level of the underlying Index. Generally, ignoring interim interest rates and expected dividend payments on any components comprising the Index and assuming all other factors remain constant, the closer the level of the Index towards the mid-way of the Upper Strike Level and the Lower Strike Level, the greater the value of the Inline Warrants; conversely, the farther the level of the Index from the mid-way of the Upper Strike Level and the Lower Strike Level, the lower the value of the Inline Warrants.

The change in the trading price of the Inline Warrants may not be comparable and may be disproportionate with the change in the spot level of the underlying Index. In such case, a small change in the spot level of the underlying Index may lead to a substantial price movement in the Inline Warrants.

**Time decay**

Ignoring interim interest rates and expected dividend payments on any components comprising the Index and assuming all other factors remain constant, the value of an Inline Warrant is likely to decrease over time when the level of the underlying Index falls outside the range between the Upper Strike Level and the Lower Strike Level (both inclusive).

**Maximum potential payoff is fixed and capped**

If the Closing Level stays within the range between the Lower Strike Level and the Upper Strike Level (both inclusive), we will only pay you a fixed and capped amount equal to the Maximum Payoff Amount per Inline Warrant at expiry. This is the maximum potential payoff under the Inline Warrants.

**Rejection of orders and trades at the price above HK\$1**

You should note that any orders and reported trades of Inline Warrants at the price above HK\$1 will be automatically rejected upon their entry to the Stock Exchange's trading system. 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 such rejection of orders and trades, including without limitation, any delay, failure, mistake or error in such rejection of orders and trades.

We and our affiliates shall not have any responsibility for any losses suffered as a result of such rejection of orders and trades in any circumstances.

**Possible limited secondary market**

The Liquidity Provider may be the only market participant for the Inline Warrants and therefore the secondary market for the Inline Warrants may be limited. The more limited the secondary market, the more difficult it may be for you to realise the value in the Inline 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 problems hindering its ability to do so. Even if the Liquidity Provider is able to provide liquidity in such circumstances, its performance of liquidity provision may be adversely affected. For example:

- (i) the spread between bid and ask prices quoted by the Liquidity Provider may be significantly wider than its normal standard;
- (ii) the quantity for which liquidity will be provided by the Liquidity Provider may be significantly smaller than its normal standard; and/or
- (iii) the Liquidity Provider's response time for a quote may be significantly longer than its normal standard.

**Change of calculation methodology or failure to publish the Index**

If there is a material change in the calculation of the Index level or a failure to publish the Index, we may determine the Closing Level on the basis of the method last in effect prior to such change or failure.

**Publication of Index level when component shares are not trading**

The Index Compiler may publish the Index level at a time when one or more shares comprising the Index are not trading.

**Adjustment related risk**

The occurrence of certain events (including, without limitation, a succession of the Index or Index Compiler, modification or cessation of calculation of the Index) may entitle us to adjust the terms and conditions of the Inline Warrants. However, we are not obliged to adjust the terms and conditions of the Inline Warrants for every event that affects the Index. Any adjustment or decision not to make any adjustment may adversely affect the value of the Inline Warrants. Please refer to Condition 6 for details about adjustments.

**Possible early termination**

We may early terminate the Inline Warrants if it becomes illegal or impracticable for us (i) to perform our obligations under the Inline Warrants as a result of a change in law event, or (ii) to maintain our hedging arrangement with respect to the Inline 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 Inline Warrants less our costs of unwinding any related hedging arrangements as determined by us, which may be substantially less than your initial investment and may be zero. Please refer to Condition 3 for details about our early termination rights.

**Time lag between exercise and settlement of the Inline Warrants**

There is a time lag between exercise of the Inline Warrants and payment of the Cash Settlement Amount net of Exercise Expenses (if any). There may be delays in the electronic settlement or payment through CCASS.

**Conflict of interest**

We and our subsidiaries and affiliates engage in a wide range of commercial and investment banking, brokerage, funds management, hedging, investment and other activities and may possess material information about the Index or issue or update research reports on the Index. Such activities, information and/or research reports may involve or affect the Index and may cause consequences adverse to you or otherwise create conflicts of interests in connection with the issue of the Inline 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 Inline Warrants.

In the ordinary course of our business, we and our subsidiaries and affiliates may effect transactions for our own account or for the account of our customers and may enter into one or more transactions with respect to the Index or related derivatives. This may indirectly affect your interests.

### **No direct contractual rights**

The Inline 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 Inline Warrants. The evidence of your interest in the Inline 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 Inline Warrants. You do not have any direct contractual rights against us or our Guarantor. To assert your rights as an investor in the Inline 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 Inline 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 Inline Warrants or any futures contracts relating to the Index.

### **Prohibition on the sale of certain binary options in European retail markets**

There have been regulatory concerns over the sale of certain binary options to retail investors across the European Union in recent years. Such binary options are typically traded over-the-counter with bespoke structures and are very short-term, making them extremely speculative in nature. Until recently, the European Securities and Markets Authority (“ESMA”) implemented a temporary ban on the marketing, distribution or sale of binary options to retail customers in the European Union except for securitised binary options. The temporary ban expired and was lifted by ESMA on 1 July 2019 based on the fact that most national competent authorities within the European Union had taken permanent national product intervention measures relating to binary options that are at least as stringent as ESMA’s measure. For example, the Financial Conduct Authority (“FCA”) in the United Kingdom (a then European Union member) imposed a permanent ban effective from 2 April 2019 on the marketing, distribution or sale of all binary options (including securitised binary options) to retail customers in the United Kingdom while the Federal Financial Supervisory Authority (“BaFin”) in Germany and the Autorite des Marchés Financiers (“AMF”) of France had also permanently banned the marketing, distribution or sale of binary options (other than securitised binary options) to retail customers.

The Inline Warrants are a form of securitised binary options. Unlike the binary options in the European retail markets as described above, the Inline Warrants listed on the Stock Exchange

have a more standardised structure and relatively longer period to expiry (with a minimum duration of 6 months before expiry).

Irrespective of the differences between the Inline Warrants listed on the Stock Exchange and the binary options in Europe, you should nevertheless note the approach taken by the European regulators over binary options. The Inline Warrants are complex products. You should fully understand the structure and terms and conditions of the Inline Warrants and are willing to assume the risks associated with them before investing in the Inline Warrants. For specific risks relating to the Inline Warrants, please refer to other risk factors in this “Key Risk Factors” section.

### **Regulatory action(s) by the relevant resolution authorities in the event that the Issuer and/or the Guarantor is failing or likely to fail could materially affect the value of the Inline Warrants**

The Issuer is a financial institution incorporated in Luxembourg as a public limited liability company (*société anonyme*) and is subject to Luxembourg legislation implementing the BRRD. The Guarantor is a bank incorporated in France and is subject to the French legislation implementing the BRRD. The BRRD provides for the establishment of a European Union framework for the recovery and resolution of credit institutions and investment firms. In both Luxembourg and France, certain resolution authorities are conferred with substantial powers under the BRRD to enable them to take or exercise a wide range of actions or powers in relation to the relevant entities (such as the Issuer and/or the Guarantor) at risk of failing. These powers include the Bail-In Power, being powers to cancel or convert, all, or a portion, of any amounts payable by the Issuer and/or the Guarantor under the Inline Warrants and/or the Guarantee, into other securities or other obligations of the Issuer and/or the Guarantor (or of another person), including by means of a variation to the contractual terms of the Inline Warrants and/or the Guarantee. In addition, if the relevant resolution authority exercises its Bail-In Power on certain liabilities of the Guarantor, and such exercise of the Bail-In Power results in the write-down or cancellation of all, or a portion of, the principal amount, outstanding amount payable and/or interest in respect of such liabilities, and/or the conversion of such amount(s) into shares, other securities or other obligations of the Guarantor or another person, then the Issuer’s obligations under the Inline Warrants will be limited to such payment and/or delivery obligations as if the Inline Warrants had been directly issued by the Guarantor itself, and as if any amount due under the Inline Warrants had accordingly been directly subject to the exercise of the Bail-In Power. The exercise of any resolution power under the BRRD by the relevant resolution authorities over the Issuer and/or the Guarantor could materially adversely affect the value of the Inline Warrants, and you may not be able to recover all or even part of the amount due under the Inline Warrants.

### **Consent to the exercise of Bail-In Power over the Issuer and/or the Guarantor with respect to its liabilities under the Inline Warrants and/or the Guarantee**

By investing in the Inline Warrants, you acknowledge, accept, consent and agree to be contractually bound by the exercise of any Bail-In Power by the relevant resolution authorities over the Issuer and/or the Guarantor. If any Bail-In Power is exercised over the Issuer and/or the Guarantor, you may not be able to recover all or even part of the amount due under the Inline Warrants (if any) from the Issuer and/or from the Guarantor (under the Guarantee), or you may receive a different security issued by the Issuer and/or by the Guarantor (or another person) in place of the amount (if any) due to you under the Inline Warrants from the Issuer, which may be worth significantly less than the amount due to you under

the Inline Warrants (if any). Moreover, the relevant resolution authorities may exercise their authorities to implement the Bail-In Power without providing any advance notice to you.

#### **Financial Institutions (Resolution) Ordinance**

The Financial Institutions (Resolution) Ordinance (Cap. 628, the Laws of Hong Kong) (the “**FIRO**”) was enacted by the Legislative Council of Hong Kong in June 2016. The FIRO (except Part 8, section 192 and Division 10 of Part 15 thereof) came into operation on 7 July 2017.

The FIRO provides a regime for the orderly resolution of financial institutions with a view to avoiding or mitigating the risks otherwise posed by their non-viability to the stability and effective working of the financial system of Hong Kong, including the continued performance of critical financial functions. The FIRO seeks to provide the relevant resolution authorities with a range of powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorised institution in Hong Kong. In particular, it is envisaged that subject to certain safeguards, the relevant resolution authority would be provided with powers to affect contractual and property rights as well as payments (including in respect of any priority of payment) that creditors would receive in resolution, including but not limited to powers to write off, or convert into equity, all or a part of the liabilities of the failing financial institution.

The Issuer is not subject to and bound by the FIRO. However, the Guarantor, as an authorised institution regulated by the Hong Kong Monetary Authority, is subject to and bound by the FIRO. The exercise of any resolution power by the relevant resolution authority under the FIRO in respect of the Guarantor may have a material adverse effect on the value of the Inline Warrants, and as a result, you may not be able to recover all or any amount due under the Inline Warrants.

### **Updated Information about Us and our Guarantor**

There is no supplemental information about us or our Guarantor.

## **PARTIES**

### **OUR REGISTERED OFFICE**

16, Boulevard Royal  
L-2449 Luxembourg  
Luxembourg

### **OUR GUARANTOR'S REGISTERED OFFICE**

29, boulevard Haussmann  
75009 Paris  
France

### **THE HONG KONG BRANCH OF OUR GUARANTOR'S PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Level 38  
Three Pacific Place  
1 Queen's Road East  
Hong Kong

### **OUR AUDITORS**

**Ernst & Young Société Anonyme**  
35E, avenue John F. Kennedy  
L-1855 Luxembourg  
Luxembourg

### **OUR GUARANTOR'S AUDITORS**

**Ernst & Young et Autres**  
Tour First  
TSA 14444  
92037 Paris-La Défense Cedex  
France

**Deloitte & Associés**  
6, place de la Pyramide  
92908 Paris-La Défense cedex  
France

### **LIQUIDITY PROVIDER**

**SG Securities (HK) Limited**  
Level 38  
Three Pacific Place  
1 Queen's Road East  
Hong Kong