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This document, for which we accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Rules**”) for the purpose of giving information with regard to us. We, having made all reasonable enquiries, confirm that to the best of our knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

This document is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Warrants.

**The Warrants are complex products. Investors should exercise caution in relation to them. Investors are warned that the price of the Warrants may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Warrants and carefully study the risk factors set out in the Base Listing Document (as defined below), the Supplemental Listing Document (as defined below) and this document and, where necessary, seek professional advice, before they invest in the Warrants.**

**The Warrants constitute general unsecured contractual obligations of us as the Issuer and of no other person and will rank equally among themselves and with all our other unsecured obligations (save for those obligations preferred by law) upon liquidation. If you purchase the Warrants, you are relying upon the creditworthiness of us, and have no rights under the Warrants against the Company which has issued the underlying Shares or any other person. If we become insolvent or default on our obligations under the Warrants, you may not be able to recover all or even part of the amount due under the Warrants (if any).**

## Non-collateralised Structured Products

### Second Launch Announcement and Supplemental Listing Document for Further Warrants over Single Equities



**Issuer: UBS AG**  
*(incorporated with limited liability in Switzerland)*  
**acting through its London Branch**

**Sponsor: UBS Securities Asia Limited**

## Key Terms

The Further Warrants will be consolidated and form part of a single series with an existing issue of 100,000,000 European style (cash settled) call warrants 2025 relating to the Shares of the Company (the “**Existing Warrants**”, together with the Further Warrants, the “**Warrants**”). The Further Warrants are issued pursuant to Condition 11 of the Existing Warrants.

Terms and conditions of the Further Warrants are identical in all material respects to the terms and conditions of the Existing Warrants.

<b>Further Warrants Stock code</b>	<b>14128</b>
<b>Liquidity Provider broker ID</b>	9740
<b>Issue size</b>	100,000,000 Warrants
<b>Style</b>	European style cash settled
<b>Type</b>	Call
<b>Company</b>	Alibaba Group Holding Limited
<b>Shares</b>	Existing issued HKD-traded ordinary shares of the Company
<b>Board Lot</b>	5,000 Warrants
<b>Issue Price per Further Warrant</b>	HKD 0.104
<b>Cash Settlement Amount per Board Lot (if any) payable at expiry</b>	<p><b>For a series of call Warrants:</b>  <math display="block">\frac{\text{Entitlement} \times (\text{Average Price} - \text{Exercise Price}) \times \text{one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}</math></p> <p><b>For a series of put Warrants:</b>  <math display="block">\frac{\text{Entitlement} \times (\text{Exercise Price} - \text{Average Price}) \times \text{one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}</math></p>
<b>Exercise Price</b>	HKD 144.090
<b>Average Price<sup>1</sup></b>	The arithmetic mean of the closing prices of one Share for each Valuation Date
<b>Entitlement</b>	1 Share
<b>Number of Warrant(s) per Entitlement</b>	50 Warrant(s)
<b>Maximum number of Shares to which the Further Warrants relate</b>	2,000,000 Shares
<b>Launch Date</b>	8 May 2025
<b>Issue Date</b>	12 May 2025
<b>Listing Date</b>	13 May 2025
<b>Valuation Date<sup>2</sup></b>	Each of the five Business Days immediately preceding the Expiry Date
<b>Expiry Date<sup>3</sup></b>	12 August 2025
<b>Settlement Date</b>	The third CCASS Settlement Day after the later of: (i) the Expiry Date; and (ii) the day on which the Average Price is determined in accordance with the Conditions
<b>Settlement Currency</b>	Hong Kong Dollars
<b>Implied Volatility<sup>4</sup></b>	48.20%
<b>Effective Gearing<sup>4</sup></b>	7.11x
<b>Gearing<sup>4</sup></b>	23.71x
<b>Premium<sup>4</sup></b>	21.08%
<b>Closing Price of the Existing Warrants on 7 May 2025</b>	HKD 0.095

<sup>1</sup> As derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustment to such closing prices as may be necessary to reflect any event as contemplated in Condition 5 such as capitalisation, rights issue, distribution or the like.

<sup>2</sup> Subject to any potential postponement upon the occurrence of a Market Disruption Event, provided that no Valuation Date shall fall on or after the Expiry Date. Please see Condition 2(C) for details.

<sup>3</sup> If such day is a Saturday, Sunday or public holiday in Hong Kong, the immediately succeeding day which is not a Saturday, Sunday or public holiday in Hong Kong.

<sup>4</sup> This data may fluctuate during the life of the Warrants and may not be comparable to similar information provided by other issuers of derivative warrants. Each issuer may use different pricing models.

## IMPORTANT INFORMATION

**The Warrants are listed structured products which involve derivatives. Do not invest in them unless you fully understand and are willing to assume the risks associated with them.**

### What documents should you read before investing in the Warrants?

You must read this document together with the launch announcement and supplemental listing document dated 21 February 2025 (the “**Supplemental Listing Document**”) and our base listing document dated 7 April 2025 (the “**Base Listing Document**”), as supplemented by any addendum thereto (together, the “**Listing Documents**”), in particular the section “Terms and Conditions of Cash Settled Warrants over Single Equities” (the “**Conditions**”) set out in this document. The Conditions shall apply to the Further Warrants and shall override the terms and conditions as set out in our Base Listing Document. This document (as read in conjunction with the Supplemental Listing Document, our Base Listing Document and each addendum referred to in the section headed “**Product Summary Statement**”) is accurate as at the date of this document. You should carefully study the risk factors set out in the Listing Documents. You should also consider your financial position and investment objectives before deciding to invest in the Warrants. We cannot give you investment advice. You must decide whether the Warrants meet your investment needs before investing in the Warrants.

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

No. Our obligations under the Warrants are neither guaranteed by any third party, nor collateralised with any of our assets or other collaterals. When you purchase our Warrants, you are relying on our creditworthiness only, and of no other person. If we become insolvent or default on our obligations under the Warrants, you can only claim as an unsecured creditor of the Issuer. In such event, you may not be able to recover all or even part of the amount due under the Warrants (if any).

### What are the Issuer’s credit ratings?

The Issuer’s long term credit ratings are:

<i>Rating agency</i>	<i>Rating as of the Launch Date</i>
Moody’s Investors Service Ltd.	Aa2 (negative outlook)
S&P Global Ratings Europe Limited	A+ (stable outlook)

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

- a credit rating is not a recommendation to buy, sell or hold the Warrants;
- ratings of companies may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence;
- a high credit rating is not necessarily indicative of low risk. Our credit ratings as of the Launch Date are for reference only. Any downgrading of our credit ratings could result in a reduction in the value of the Warrants;
- a credit rating is not an indication of the liquidity or volatility of the Warrants; and
- a credit rating may be downgraded if our credit quality declines.

### The Warrants are not rated.

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. We are also authorised and regulated by the Financial Market Supervisory Authority in Switzerland, and authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority in the United Kingdom.

### Is the Issuer subject to any litigation?

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

### Has our financial position changed since last financial year-end?

There has been no material adverse change in our financial or trading position since 31 December 2024.

## PRODUCT SUMMARY STATEMENT

*The Warrants are listed structured products which involve derivatives. This statement provides you with key information about the Warrants. You should not invest in the Warrants based on the information contained in this statement alone. You should read and understand the remaining sections of this document, together with the other Listing Documents, before deciding whether to invest.*

### Overview of the Warrants

- **What is a derivative warrant?**

A derivative warrant is an instrument which gives the holder a right to “buy” or “sell” an underlying asset at a pre-set price called the exercise price on or prior to the expiry date. Investing in a derivative warrant does not give you any right in the underlying asset. Derivative warrants usually cost a fraction of the price of the underlying asset and may provide a leveraged return to you. Conversely, such leverage could also magnify your losses.

A call warrant is designed for an investor holding a view that the price of the underlying asset will increase during the term of the warrant.

A put warrant is designed for an investor holding a view that the price of the underlying asset will decrease during the term of the warrant.

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

The Warrants are European style cash settled derivative warrants linked to the underlying Share. European style warrants can only be exercised on the expiry date. When the Warrants are exercised, the holder is entitled to a cash amount called the “**Cash Settlement Amount**” net of any Exercise Expenses (as defined under the heading “Exercise Expenses” in the sub-section titled “What are the fees and charges?” below) according to the terms and conditions in the Listing Documents. **If the Cash Settlement Amount is equal to or less than the Exercise Expenses, you will lose all of your investment in the Warrants.**

- **How do the Warrants work?**

The potential payoff at expiry for the Warrants is calculated by reference to the difference between the Exercise Price and the Average Price of the underlying Share.

A call Warrant will be automatically exercised at expiry without the need for the holder to deliver an exercise notice if the Average Price of the underlying Share is greater than the Exercise Price. The more the Average Price is above the Exercise Price, the higher the payoff at expiry. If the Average Price is at or below the Exercise Price, you will lose all of your investment in the call Warrant.

A put Warrant will be automatically exercised at expiry without the need for the holder to deliver an exercise notice if the Average Price of the underlying Share is below the Exercise Price. The more the Average Price is below the Exercise Price, the higher the payoff at expiry. If the Average Price is at or above the Exercise Price, you will lose all of your investment in the put Warrant.

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

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

The Warrants may only be transferred in a Board Lot (or integral multiples thereof). Where a transfer of Warrants takes place on the Stock Exchange, currently settlement must be made not later than two CCASS Settlement Days after such transfer.

The Liquidity Provider will make a market in the Warrants by providing bid and/or ask prices. See the section headed “Liquidity” below.

- **What is your maximum loss?**

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

- **What are the factors determining the price of a derivative warrant?**

The price of a derivative warrant generally depends on the price of the underlying asset (being the underlying Share for the Warrants). However, throughout the term of a derivative warrant, its price will be influenced by a number of factors, including:

- the exercise price of the derivative warrants;
- the value and volatility of the price of the underlying asset (being a measure of the fluctuation in the price of the underlying asset over time);
- the time remaining to expiry: generally, the longer the remaining life of the derivative warrant, the greater its value;
- the interim interest rates and expected dividend payments or other distributions on the underlying asset;
- the liquidity of the underlying asset;
- the supply and demand for the derivative warrant;
- our related transaction costs; and
- the creditworthiness of the issuer of the derivative warrant.

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

- if the price of the underlying asset increases (in respect of a call warrant) or decreases (in respect of a put warrant), but the volatility of the price of the underlying asset decreases, the price of the warrant may decrease;
- if a warrant is deep-out-of-the-money (eg. when the fair market value is less than HK\$0.01), the price of the warrant may be insensitive to any increase (in respect of a call warrant) or decrease (in respect of a put warrant) in the price of the underlying asset;
- if the outstanding volume of a series of warrants in the market is high, the supply and demand of the warrant may have a greater impact on the warrant price than the price of the underlying asset; and/or
- the decrease in time value may offset any increase (in respect of a call warrant) or decrease (in respect of a put warrant) in the price of the underlying asset, especially when the warrant is close to its expiry where the time value decreases at a faster pace.

#### **Risks of investing in the Warrants**

You must read the section headed “Key Risk Factors” in this document together with the risk factors set out in our Base Listing Document and the Supplemental 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:	UBS Securities Hong Kong Limited
Address:	52/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong
Telephone Number:	+ 852 2971 6628

The Liquidity Provider is regulated by the Stock Exchange and the Securities and Futures Commission. It is an affiliate of the Issuer and will act as our agent in providing quotes. You can request a quote by calling the Liquidity Provider at the telephone number above.

- **What is the Liquidity Provider’s maximum response time for a quote?**

The Liquidity Provider will respond within 10 minutes and the quote will be displayed on the Stock Exchange’s designated stock page for the Warrants.

- **Maximum spread between bid and ask prices:** 20 spreads

- **Minimum quantity for which liquidity will be provided:** 20 Board Lots

- **What are the circumstances under which the Liquidity Provider is not obliged to provide liquidity?**

There will be circumstances under which the Liquidity Provider is not obliged to provide liquidity. Such circumstances include:

- (i) during the first 5 minutes of each morning trading session or the first 5 minutes after trading commences for the first time on a trading day;
- (ii) during a pre-opening session or a closing auction session (if applicable) or any other circumstances as may be prescribed by the Stock Exchange;
- (iii) when the Warrants or the underlying Share are suspended from trading for any reason;
- (iv) when there are no Warrants available for market making activities. In such event, the Liquidity Provider shall continue to provide bid prices. Warrants held by us or any of our affiliates in a fiduciary or agency capacity are not Warrants available for market making activities;
- (v) when there are operational and technical problems beyond the control of the Liquidity Provider hindering the ability of the Liquidity Provider to provide liquidity;
- (vi) if the underlying Share 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
- (vii) if the theoretical value of the Warrants is less than HK\$0.01. If the Liquidity Provider chooses to provide liquidity under this circumstance, both bid and ask prices will be made available.

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

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

- **Information about the 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](http://www.hkex.com.hk) or (if applicable) the underlying Company's website(s) as follows:

***Underlying Company***

Alibaba Group Holding Limited

***Website***

[www.alibabagroup.com](http://www.alibabagroup.com)

- **Information about the Warrants after issue**

You may visit our website at <http://warrants.ubs.com/en> to obtain information on the Warrants or any notice given by us in relation to the Warrants.

- **Information about us**

You should read the section "Updated Information about Us" in this document. You may visit <http://www.ubs.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**

For each transaction effected on the Stock Exchange, the following trading fees and levies calculated on the value of the consideration for the Warrants will be payable by each of the seller and the buyer:

- (i) a trading fee of 0.00565 per cent. charged by the Stock Exchange;
- (ii) a transaction levy of 0.0027 per cent. charged by the Securities and Futures Commission; and
- (iii) a transaction levy of 0.00015 per cent. charged by the Accounting and Financial Reporting Council.

The levy for the investor compensation fund is currently suspended.

- **Exercise Expenses**

You are responsible for any Exercise Expenses. Exercise Expenses mean any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants. Any Exercise Expenses will be deducted from the Cash Settlement Amount (if any). If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable. As at the date of this document, no Exercise Expenses are payable for cash settled warrants (including the Warrants).

- **Stamp Duty**

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

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

**What is the legal form of the Further Warrants?**

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

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

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 Warrants. However, we are not obliged to adjust the terms and conditions of the Warrants for every event that affects the underlying Shares.

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

Please refer to Conditions 5, 12 and 13 for details about adjustments or early termination events. Such events may negatively affect your investment and you may suffer a loss.

### Mode of settlement for the Warrants

The Warrants will be automatically exercised on the Expiry Date in integral multiples of the Board Lot if the Cash Settlement Amount is positive. If the Cash Settlement Amount is zero or negative, or is equal to or less than the Exercise Expenses, you will lose all of your investment.

We will deliver a cash amount in the Settlement Currency equal to the Cash Settlement Amount net of any Exercise Expenses (if any) no later than the Settlement Date to HKSCC Nominees Limited (as the registered holder of the Warrants), which will then distribute such amount to the securities account of your broker (and if applicable, its custodian) or to your CCASS Investor Participant securities account (as the case may be). You may have to rely on your broker (and if applicable, its custodian) to ensure that the Cash Settlement Amount (if any) is credited to your account maintained with your broker. Once we make the payment to HKSCC Nominees Limited, who operates CCASS, you will have no further right against us for that payment, even if CCASS or your broker (and if applicable, its custodian) does not transfer your share of payment to you, or is late in making such payment transfer.

Payment of the Cash Settlement Amount (if any) may be delayed if a Settlement Disruption Event occurs on the Settlement Date, as a result of which we are unable to deliver such amount through CCASS on such day. See Condition 3(E) for further information.

### Where can you read the relevant documents of the Warrants?

Copies of the following documents are available on the website of the HKEX at [www.hkexnews.hk](http://www.hkexnews.hk) and our website at <http://warrants.ubs.com/en>:

- each of the Listing Documents (in separate English and Chinese versions), including:
  - this document
  - the Supplemental Listing Document
  - our Base Listing Documentwhich include our latest audited consolidated financial statements and any interim or quarterly financial statements; and
- the consent letter of our Auditors.

以上各文件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://warrants.ubs.com/ch/> 瀏覽。

### Are there any dealings in the Warrants before the Listing Date?

It is possible that there may have been dealings in the Warrants before the Listing Date. If there are any dealings in the Warrants by us or any of our subsidiaries or associated companies from the Launch Date prior to the Listing Date, we will report those dealings to the Stock Exchange by the Listing Date and such report will be released on the website of the Stock Exchange.

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

Our auditors (“Auditors”) have given and have not since withdrawn their written consent to the inclusion of their report dated 14 March 2025 and/or the references to their name in our Base Listing Document, in the form and context in which they are included. Their report was not prepared for incorporation into our Base Listing Document. The Auditors do not own any of our shares or shares in any member of our group, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities or securities of any member of our group.

### Authorisation of the Warrants

The issue of the Warrants was authorised by our board of directors on 19 September 2001.

### Selling restrictions



The Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and will not be offered, sold, delivered or traded, at any time, indirectly or directly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in the Securities Act).

The offer or transfer of the Warrants is also subject to the selling restrictions specified in our Base Listing Document.

**Capitalised terms and inconsistency**

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

## KEY RISK FACTORS

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

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

The Warrants are not secured on any of our assets or any collateral.

### **Credit risk**

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

### **Resolution and recovery regime**

We, UBS AG, are incorporated in Switzerland. Under the Swiss Banking Act, the Swiss Financial Market Supervisory Authority FINMA is able to exercise broad statutory powers with respect to Swiss banks and Swiss parent companies of financial groups, such as UBS AG and UBS Group AG (i.e. our holding company), if there is justified concern that the entity is over-indebted, has serious liquidity problems or, after the expiration of any relevant deadline, no longer fulfils capital adequacy requirements. These powers include powers to (i) transfer all or some of our liabilities under the Warrants to another entity and (ii) convert into equity or write down our liabilities under the Warrants. The exercise of any resolution power by the relevant resolution authorities in respect of UBS AG could materially adversely affect the value of, or your potential return under, the Warrants. In the worst case scenario, you may get nothing back and you could lose all of your investment.

### **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.

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

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

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

Unlike stocks, the Warrants have a limited life and will expire on the Expiry Date. In the worst case, the Warrants may expire with no value and you will lose all of your investment. Derivative warrants may only be suitable for experienced investors who are willing to accept the risk that they may lose all their investment.

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

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

- (i) the prevailing trading price of the Warrants;
- (ii) the Exercise Price of the Warrants;
- (iii) the value and volatility of the price of the underlying Share;
- (iv) the time remaining to expiry;
- (v) the probable range of the Cash Settlement Amount;
- (vi) the interim interest rates and expected dividend payments or other distributions on the underlying Share;
- (vii) the liquidity of the underlying Share;
- (viii) the related transaction costs (including the Exercise Expenses, if any);
- (ix) the supply and demand for the Warrants; and
- (x) the creditworthiness of the Issuer.

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

### **Time decay**

All other factors being equal, the value of a Warrant is likely to decrease over time. Therefore, the Warrants should not be viewed as a product for long term investments.

### **Not the same as investing in the underlying Shares**

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

### **Suspension of trading**

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

### **Possible limited secondary market**

The Liquidity Provider may be the only market participant for the Warrants and therefore the secondary market for the Warrants may be limited. The more limited the secondary market, the more difficult it may be for you to realise the value in the Warrants prior to expiry.

You should also be aware that the Liquidity Provider may not be able to provide liquidity when there are operational and technical problem hindering its ability to do so. Even if the Liquidity Provider is able to provide liquidity in such circumstances, its performance of liquidity provision may be adversely affected. For example:

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

### **Adjustment related risk**

The occurrence of certain events (including, without limitation, a 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 Warrants. However, we are not obliged to adjust the terms and conditions of the Warrants for every event that affects the underlying Share. Any adjustment or decision not to make any adjustment may adversely affect the value of the Warrants. Please refer to Conditions 5 and 12 for details about adjustments.

### **Possible early termination**

The Warrants will lapse and cease to be valid in the event of liquidation, winding up or dissolution of the Company, except that in the case of a series of put Warrants, where we may pay to you the residual value (if any) 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. We may also early terminate the Warrants if it becomes illegal or impracticable for us (i) to perform our obligations under the Warrants as a result of a change in law event, or (ii) to maintain our hedging arrangement with respect to the Warrants due to a change in law event. In such event, the amount payable by us (if any) will be the fair market value of the Warrants less our costs of unwinding any related hedging arrangements as determined by us, which may be substantially less than your initial investment and may be zero. Please refer to Conditions 10 and 13 for details about our early termination rights.

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

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

### **Conflict of interest**

We and our subsidiaries and affiliates engage in a wide range of commercial and investment banking, brokerage, funds management, hedging, investment and other activities and may possess material information about the 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 Warrants. We have no obligation to disclose such information and may issue research reports and engage in any such activities without regard to the issue of the Warrants.

### **No direct contractual rights**

The Warrants are issued in global registered form and are held within CCASS. You will not receive any definitive certificate and your name will not be recorded in the register of the Warrants.

The evidence of your interest in the Warrants, and the efficiency of the ultimate payment of the Cash Settlement Amount net of Exercise Expenses (if any), are subject to the CCASS Rules. You will have to rely on your broker (or, if applicable, its direct or indirect custodians) and the statements you receive from it as evidence of your interest in the Warrants. You do not have any direct contractual rights against us. To assert your rights as an investor in the Warrants, you will have to rely on your broker (and, if applicable, its direct or indirect custodian) to take action on your behalf. If your broker or, if applicable, its direct or indirect custodian:

- (i) fails to take action in accordance with your instructions;
- (ii) becomes insolvent; or
- (iii) defaults on its obligations,

you will need to take action against your broker in accordance with the terms of arrangement between you and your broker to establish your interest in the Warrants first before you can assert your right of claim against us. You may experience difficulties in taking such legal proceedings. This is a complicated area of law and you should seek independent legal advice for further information.

### **The Listing Documents should not be relied upon as the sole basis for your investment decision**

The Listing Documents do not take into account your investment objectives, financial situation or particular needs. Nothing in the Listing Documents should be construed as a recommendation by us or our affiliates to invest in the Warrants or the underlying Share.

### **Risks specific to underlying Shares traded through multiple counters model**

Where the underlying Shares of the Warrants are traded in HKD and one or more foreign currencies (such as Renminbi) separately through the Stock Exchange's multiple counters model, the novelty and relatively untested nature of the Stock Exchange's multiple counters model may bring additional risks for investing in the Warrants:

- (i) the Warrants relate to the HKD-traded shares of the Company only. Movements in the trading prices of the shares traded in another currency counter should not directly affect the price of the Warrants;
- (ii) if there is a suspension of inter-counter transfer of shares of the Company between different currency counters for any reason, shares of the Company will only be able to be traded in the relevant currency counter on the Stock Exchange, which may affect the demand and supply of the shares of the Company and have adverse effect on the price of the Warrants; and
- (iii) the trading price on the Stock Exchange of shares of the Company traded in one currency counter may deviate significantly from the trading price on the Stock Exchange of shares traded in another currency counter due to different factors, such as market liquidity, foreign exchange conversion risk, supply and demand in each counter and the exchange rate fluctuation. Changes in the trading price of HKD-traded shares of the Company may adversely affect the price of the Warrants.

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

## TERMS AND CONDITIONS OF CASH SETTLED WARRANTS OVER SINGLE EQUITIES

*These Conditions will, together with the supplemental provisions contained in the relevant Launch Announcement and Supplemental Listing Document, and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Launch Announcement and Supplemental Listing Document in relation to the issue of any series of Warrants may specify other terms and conditions which shall, to the extent so specified or to the extent they are inconsistent with these Conditions, replace or modify these Conditions for the purpose of such series of Warrants.*

### 1. Form, Status, Transfer, Title and Additional Costs and Expenses

- (A) The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 11) relating to the Shares of the Company are issued in registered form subject to and with the benefit of an instrument by way of deed poll (the “**Instrument**” as defined more fully in the relevant Launch Announcement and Supplemental Listing Document) executed by UBS AG (the “**Issuer**”) acting through its London branch or any of its branches outside Switzerland as it may specify from time to time. The Warrantholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Instrument. A copy of the Instrument is available for inspection at the offices of UBS Securities Asia Limited (“**Sponsor**”) at 52nd Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

The Warrants are represented by a global certificate (“**Global Certificate**”) registered in the name of HKSCC Nominees Limited (or such other nominee company as may be used by Hong Kong Securities Clearing Company Limited (“**HKSCC**”) from time to time in relation to the provision of nominee services to persons admitted for the time being by HKSCC as a participant of CCASS) (the “**Nominee**”). No definitive certificate will be issued. The Warrants can only be exercised by HKSCC or the Nominee.

- (B) The settlement obligation of the Issuer in respect of the Warrants represents general unsecured contractual obligations of the Issuer and of no other person which rank, and will rank, equally among themselves and pari passu with all other present and future unsecured and unsubordinated contractual obligations of the Issuer, except for obligations accorded preference by mandatory provisions of applicable law.

Warrants represent general contractual obligations of the Issuer, and are not, nor is it the intention (expressed, implicit or otherwise) of the Issuer to create by the issue of Warrants deposit liabilities of the Issuer or a debt obligation of any kind.

- (C) Transfers of Warrants may be effected only in Board Lots or integral multiples thereof in CCASS in accordance with the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time (the “**CCASS Rules**”).
- (D) Each person who is for the time being shown in the register kept by the Issuer in Hong Kong as the holder shall be treated by the Issuer and the Sponsor as the absolute owner and holder of the Warrants. The expressions “**Warrantholder**” and “**Warrantholders**” shall be construed accordingly.
- (E) Warrantholders are responsible for additional costs and expenses in connection with any exercise of the Warrants including the Exercise Expenses (as defined below) which amount shall, subject to Condition 2(B) and to the extent necessary, be payable to the Issuer and collected from the Warrantholders.

## 2. Warrant Rights and Exercise Expenses

- (A) Every Board Lot entitles the Warrantholders, upon due exercise and upon compliance with these Conditions, in particular Condition 3, to payment of the Cash Settlement Amount (as defined below), if any.
- (B) The Warrantholders will be required to pay a sum equal to all the expenses resulting from the exercise of such Warrants. To effect such payment an amount equivalent to the Exercise Expenses (defined below) shall be deducted from the Cash Settlement Amount in accordance with Condition 3(E).
- (C) For the purposes of these Conditions:

**“Average Price”** means the arithmetic mean of the closing prices of one Share (as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustment to such closing prices as may be necessary to reflect any event as contemplated in Condition 5 such as capitalisation, rights issue, distribution or the like) in respect of each Valuation Date;

**“Board Lot”** has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

**“Business Day”** means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

**“Cash Settlement Amount”** means, for every Board Lot, an amount in the Settlement Currency calculated by the Issuer in accordance with the following formula:

- (i) In the case of a series of call Warrants:

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement} \times (\text{Average Price} - \text{Exercise Price}) \times \text{one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

- (ii) In the case of a series of put Warrants:

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement} \times (\text{Exercise Price} - \text{Average Price}) \times \text{one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

For the avoidance of doubt, if the Cash Settlement Amount is a negative figure, it shall be deemed to be zero;

**“CCASS”** means the Central Clearing and Settlement System;

**“CCASS Settlement Day”** has the meaning ascribed to the term “Settlement Day” in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

**“Company”** means the company specified as such in the relevant Launch Announcement and Supplemental Listing Document;

**“Entitlement”** means the number specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Condition 5;

**“Exercise Expenses”** means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of a Board Lot of Warrants;

**“Exercise Price”** means the price specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Condition 5;

**“Expiry Date”** means the date specified as such in the relevant Launch Announcement and Supplemental Listing Document;

**“HKEX”** means Hong Kong Exchanges and Clearing Limited;

**“Listing Date”** means the date specified as such in the relevant Launch Announcement and Supplemental Listing Document;

**“Market Disruption Event”** means:

- (1) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in (a) the Shares; or (b) any options or futures contracts relating to the Shares if, in any such case, such suspension or limitation is, in the determination of the Issuer, material;
- (2) the occurrence of any severe weather condition or other event on any day which either (i) results in the Stock Exchange being closed for trading for the entire day; or (ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session), PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for opening of trading on any day as a result of such severe weather condition or other event; or
- (3) a limitation or closure of the Stock Exchange due to any unforeseen circumstances;

**“Settlement Currency”** means the currency specified as such in the relevant Launch Announcement and Supplemental Listing Document;

**“Settlement Date”** means the third CCASS Settlement Day after the later of: (i) the Expiry Date; and (ii) the day on which the Average Price is determined in accordance with the Conditions;

**“Share”** means the share specified as such in the relevant Launch Announcement and Supplemental Listing Document;

**“Stock Exchange”** means The Stock Exchange of Hong Kong Limited; and

**“Valuation Date”** means each of the five Business Days immediately preceding the Expiry Date, provided that if the Issuer determines, in its sole discretion, that a Market Disruption Event has occurred on any Valuation Date, then that Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a Business Day that is already or is deemed to be a Valuation Date. For the avoidance of doubt, in the event that a Market Disruption Event has occurred and a Valuation Date is postponed as aforesaid, the closing price of the Shares on the first succeeding Business Day will be used more than once in determining the Average Price, so that in no event shall there be less than five closing prices used to determine the Average Price.

If the postponement of the Valuation Date as aforesaid would result in the Valuation Date falling on or after the Expiry Date, then:

- (a) the Business Day immediately preceding the Expiry Date (the “**Last Valuation Date**”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (b) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of the price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

Trading in Warrants on the Stock Exchange shall cease prior to the Expiry Date in accordance with the requirements of the Stock Exchange.

Other capitalized terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the relevant Launch Announcement and Supplemental Listing Document or the Global Certificate.

### **3. Exercise of Warrants**

- (A) Warrants may only be exercised in Board Lots or integral multiples thereof.
- (B) The Warrants will automatically be exercised on the Expiry Date, if the Issuer determines that the Cash Settlement Amount (calculated in accordance with these Conditions) is positive (without notice being given to the Warrantholders). The Warrantholders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Warrantholders the Cash Settlement Amount (if any) in accordance with Condition 3(E).

Any Warrant which has not been automatically exercised in accordance with this Condition 3(B) shall expire immediately thereafter and all rights of the Warrantholders and obligations of the Issuer with respect to such Warrant shall cease.

- (C) Any Exercise Expenses which are not determined by the Issuer on the Expiry Date and deducted from the Cash Settlement Amount prior to delivery to the Warrantholders in accordance with this Condition 3, shall be notified by the Issuer to the Warrantholders as soon as practicable after determination thereof and shall be paid by the Warrantholders to the Issuer immediately upon demand.
- (D) Subject to exercise of Warrants in accordance with these Conditions, or in the event that Warrants have expired worthless, the Issuer will, with effect from the first Business Day following the Expiry Date, remove the name of each Warrantholder from the register of Warrantholders in respect of such Warrants and thereby cancel the relevant Warrants and, if applicable, cancel the Global Certificate.
- (E) Upon exercise of Warrants in accordance with these Conditions, the Issuer will pay the Cash Settlement Amount minus the determined Exercise Expenses to the relevant Warrantholder. If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

The aggregate Cash Settlement Amount minus the determined aggregate Exercise Expenses shall be despatched no later than the Settlement Date, by crediting that amount, in accordance with the CCASS Rules, to the relevant bank account designated by each Warrantholder (the “**Designated Bank Account**”).

If as a result of an event beyond the control of the Issuer (“**Settlement Disruption Event**”), it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Warrantholder on the original Settlement Date, the



Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Warrantholder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Warrantholder for any interest in respect of the amount due or any loss or damage that such Warrantholder may suffer as a result of the existence of a Settlement Disruption Event.

- (F) The Issuer's obligations to pay the Cash Settlement Amount shall be discharged by payment in accordance with Condition 3(E).

#### 4. Sponsor

- (A) The Sponsor will not assume any obligation or duty to or any relationship or agency or trust for the Warrantholders.
- (B) The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the initial Sponsor and to appoint another sponsor provided that it will at all times maintain a sponsor in Hong Kong for so long as the Warrants are listed on the Stock Exchange. Notice of any such termination or appointment will be given to the Warrantholders in accordance with Condition 9.

#### 5. Adjustments

- (A) *Rights Issues*. If and whenever the Company shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a "**Rights Offer**"), the Entitlement shall be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement ("**Rights Issue Adjustment Date**") in accordance with the following formula:

Adjusted Entitlement = Adjustment Component x E

Where:

$$\text{Adjustment Component} = \frac{1 + M}{1 + (R/S) \times M}$$

E: Existing Entitlement immediately prior to the Rights Offer

S: Cum-Rights Share price being the closing price of an existing Share as derived from the Daily Quotation Sheet of the Stock Exchange on the last Business Day on which the Shares are traded on a Cum-Rights basis

R: Subscription price per new Share specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Right

M: Number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe

Provided that if the above formula would result in an adjustment to the Entitlement which would amount to one per cent. or less of the Entitlement immediately prior to the adjustment, then no adjustment will be made. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest 0.001) by the reciprocal of the Adjustment Component, where the "**reciprocal of the Adjustment Component**" means one divided by the relevant Adjustment Component. The adjustment to the Exercise Price shall take effect on the Rights Issue Adjustment Date.

For the purposes of these Conditions:

“**Rights**” means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

- (B) *Bonus Issues*. If and whenever the Company shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a “**Bonus Issue**”) the Entitlement shall be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement (“**Bonus Issue Adjustment Date**”) in accordance with the following formula:

Adjusted Entitlement = Adjustment Component x E

Where:

Adjustment Component =  $(1 + N)$

E: Existing Entitlement immediately prior to the Bonus Issue

N: Number of additional Shares (whether a whole or a fraction) received by a holder of Shares for each Share held prior to the Bonus Issue

Provided that if the above formula would result in an adjustment to the Entitlement which would amount to one per cent. or less of the Entitlement immediately prior to the adjustment, then no adjustment will be made. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest 0.001) by the reciprocal of the Adjustment Component, where the “**reciprocal of the Adjustment Component**” means one divided by the relevant Adjustment Component. The adjustment to the Exercise Price shall take effect on the Bonus Issue Adjustment Date.

- (C) *Subdivisions and Consolidations*. If and whenever the Company shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a “**Subdivision**”) or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a “**Consolidation**”), then:

- (i) in the case of a Subdivision, the Entitlement in effect immediately prior thereto will be increased whereas the Exercise Price (which shall be rounded to the nearest 0.001) will be decreased in the same ratio as the Subdivision; and
- (ii) in the case of a Consolidation, the Entitlement in effect immediately prior thereto will be decreased whereas the Exercise Price (which shall be rounded to the nearest 0.001) will be increased in the same ratio as the Consolidation,

in each case on the day on which the Subdivision or Consolidation (as the case may be) shall have taken effect.

- (D) *Restructuring Events*. If it is announced that the Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of or controlled by any person or corporation) (except where the Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or

transfer (each a “**Restructuring Event**”) (as determined by the Issuer in its absolute discretion) so that the Warrants shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities (“**Substituted Securities**”) and/or cash offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event, and thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in the relevant currency equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected. For the avoidance of doubt, any remaining Shares shall not be affected by this paragraph and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Conditions to the Shares shall include any such cash.

- (E) *Cash Distribution.* No adjustment will be made for an ordinary cash dividend (whether or not it is offered with a scrip alternative) (“**Ordinary Dividend**”). For any other forms of cash distribution (“**Cash Distribution**”) announced by the Company, such as a cash bonus, special dividend or extraordinary dividend, no adjustment will be made unless the value of the Cash Distribution accounts for 2 per cent. or more of the Share’s closing price on the day of announcement by the Company.

If and whenever the Company shall make a Cash Distribution credited as fully paid to the holders of Shares generally, the Entitlement shall be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement in respect of the relevant Cash Distribution (“**Distribution Adjustment Date**”) in accordance with the following formula:

Adjusted Entitlement = Adjustment Component x E

Where:

$$\text{Adjustment Component} = \frac{S - OD}{S - OD - CD}$$

E: The existing Entitlement immediately prior to the Cash Distribution

S: Cum-Cash Distribution Share price being the closing price of an existing Share as derived from the Daily Quotation Sheet of the Stock Exchange on the last Business Day on which the Shares are traded on a cum-Cash Distribution basis

CD: The Cash Distribution per Share

OD: The Ordinary Dividend per Share, provided that the Ordinary Dividend and the Cash Distribution have the same ex-entitlement date. For avoidance of doubt, the OD shall be zero if the Ordinary Dividend and the Cash Distribution have different ex-entitlement dates

In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest 0.001) by the reciprocal of the Adjustment Component, where the “**reciprocal of the Adjustment Component**” means one divided by the relevant Adjustment Component. The adjustment to the Exercise Price shall take effect on the Distribution Adjustment Date.

- (F) *Other Adjustments.* Without prejudice to and notwithstanding any prior adjustment(s) made pursuant to the applicable Conditions, the Issuer may (but shall not be obliged to) make such

other adjustments to the terms and conditions of the Warrants as appropriate where any event (including the events as contemplated in the applicable Conditions) occurs and irrespective of, in substitution for, or in addition to the provisions contemplated in the applicable Conditions, provided that such adjustment is:

(i) not materially prejudicial to the interests of the Warrantholders generally (without considering the circumstances of any individual Warrantholder or the tax or other consequences of such adjustment in any particular jurisdiction); or

(ii) determined by the Issuer in good faith to be appropriate and commercially reasonable.

(G) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9.

## **6. Purchase**

The Issuer or any of its subsidiaries may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

## **7. Global Certificate**

A Global Certificate representing the Warrants will be deposited with CCASS in the name of HKSCC Nominees Limited. No definitive certificate will be issued.

## **8. Meetings of Warrantholders and Modification**

(A) *Meetings of Warrantholders.* The Instrument contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Instrument) of a modification of the provisions of the Warrants or of the Instrument.

Any resolution to be passed in a meeting of the Warrantholders shall be decided by poll. A meeting may be convened by the Issuer or by Warrantholders holding not less than 10 per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantholders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantholders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantholders shall be binding on all the Warrantholders, whether or not they are present at the meeting.

Resolutions can be passed in writing without a meeting of the Warrantholders being held if passed unanimously.

(B) *Modification.* The Issuer may, without the consent of the Warrantholders, effect any modification of the terms and conditions of the Warrants or the Instrument which, in the opinion of the Issuer, is (i) not materially prejudicial to the interests of the Warrantholders generally (without considering the circumstances of any individual Warrantholder or the tax or other consequences

of such modification in any particular jurisdiction); (ii) of a formal, minor or technical nature; (iii) made to correct a manifest error; or (iv) necessary in order to comply with mandatory provisions of the laws or regulations of Hong Kong. Any such modification shall be binding on the Warrantholders and shall be notified to them by the Issuer as soon as practicable thereafter in accordance with Condition 9.

## 9. Notices

All notices to the Warrantholders will be validly given if published in English and in Chinese on the HKEX website. In such circumstances, the Issuer shall not be required to despatch copies of the notice to the Warrantholders.

## 10. Liquidation

In the event of a liquidation, winding up or dissolution of the Company or the appointment of a liquidator, receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the undertaking, property or assets of the Company (each an “**Insolvency Event**”), all unexercised Warrants shall terminate automatically upon the occurrence of any Insolvency Event and the Issuer shall have no further obligation under the Warrants, except that in the case of a series of put Warrants:

- (i) if the Issuer determines in good faith and in a commercially reasonable manner that there is any residual value in the put Warrants upon the occurrence of such Insolvency Event:
  - (a) the Issuer shall pay to each Warrantholder the residual value of the put Warrants in cash representing the fair market value in respect of each put Warrant held by such Warrantholder on or about the occurrence of such Insolvency Event less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion, acting in good faith and in a commercially reasonable manner. Payment will be made to each Warrantholder in such manner as shall be notified to the Warrantholders in accordance with Condition 9; and
  - (b) the Issuer may, but shall not be obliged to, determine such cash amount by having regard to the manner in which the options contracts or futures contracts of the Shares traded on the Stock Exchange are calculated;
- (ii) otherwise, if the Issuer determines in good faith and in a commercially reasonable manner that there is no residual value in the put Warrants upon the occurrence of such Insolvency Event, the put Warrants shall lapse and cease to be valid for any purpose upon the occurrence of such Insolvency Event.

For the purpose of this Condition 10, an Insolvency Event occurs:

- (a) in the case of a voluntary liquidation or winding up of the Company, on the effective date of the relevant resolution; or
- (b) in the case of an involuntary liquidation, winding up or dissolution of the Company, on the date of the relevant court order; or
- (c) in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the undertaking, property or assets of the Company, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of the applicable law.

## 11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Warrantholders, to create and issue further warrants so as to form a single series with the Warrants.

## 12. Delisting

- (A) If at any time the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantholders generally are not materially prejudiced as a consequence of such delisting (without considering the circumstances of any individual Warrantholder or the tax or other consequences that may result in any particular jurisdiction).
- (B) Without prejudice to the generality of Condition 12(A), where the Shares are, or, upon the delisting, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Warrantholders, make such adjustments to the entitlements of the Warrantholders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the relevant currency) as may be appropriate in the circumstances.
- (C) The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warrantholders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantholders in accordance with Condition 9 as soon as practicable after they are determined.

## 13. Illegality or Impracticability

The Issuer is entitled to terminate the Warrants if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

- (i) for it to perform its obligations under the Warrants in whole or in part as a result of:
  - (a) the adoption of, or any change in, any relevant law or regulation (including any tax law); or
  - (b) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),(each of (a) and (b), a “**Change in Law Event**”); or
- (ii) for it or any of its affiliates to maintain the Issuer’s hedging arrangements with respect to the Warrants due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Warrantholder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each Warrant held by such Warrantholder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Warrantholder in such manner as shall be notified to the Warrantholder in accordance with Condition 9.

#### **14. Good Faith and Commercially Reasonable Manner**

Any exercise of discretion by the Issuer under these Conditions will be made in good faith and in a commercially reasonable manner.

#### **15. Governing Law**

The Warrants and the Instrument are governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"). The Issuer and each Warrantholder (by its purchase of the Warrants) submit for all purposes in connection with the Warrants and the Instrument to the non-exclusive jurisdiction of the courts of Hong Kong.

#### **16. Contracts (Rights of Third Parties) Ordinance**

A person who is not a party to these Conditions has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any term of the Warrants.

#### **17. Language**

In the event of any inconsistency between the Chinese translation and the English version of these Conditions, the English version of these Conditions shall prevail.

#### **18. Prescription**

Claims against the Issuer for payment of any amount in respect of the Warrants will become void unless made within ten years of the Expiry Date and thereafter, any sums payable in respect of such Warrants shall be forfeited and shall revert to the Issuer.

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## **Updated Information about Us**

We, UBS AG, released our first quarter 2025 report for the quarterly period ended on 31 March 2025 on 8 May 2025. You may visit the website <https://www.ubs.com/global/en/investor-relations/financial-information/quarterly-reporting.html> to access our first quarter 2025 report.



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