

Mirae Asset Securities (HK) Limited
(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT

**Proposed Issue of
5,000,000 European Style Cash Settled Long Certificates
relating to the S&P 500 Net Total Return Index
with a Daily Leverage of 3x**

Introduction

Mirae Asset Securities (HK) Limited (the “**Issuer**” or “**Mirae Asset**”) wishes to announce the launch of the proposed issuance of 5,000,000 European Style Cash Settled Long Certificates (the “**Certificates**”) relating to the S&P 500 Net Total Return Index (the “**Index**”). Mirae Asset Securities (HK) Limited has been appointed as the designated market maker (the “**Designated Market Maker**”) and The Central Depository (Pte) Limited (“**CDP**”) has been appointed as the warrant agent (the “**Warrant Agent**”) for the Certificates.

The Certificates are cash-settled warrants which entitle a certificate holder (the “**Certificate Holder**”) to be paid a cash settlement amount (the “**Cash Settlement Amount**”) less any exercise expense (if positive) in accordance with the terms and conditions of the Certificates.

Further details of the Certificates are set out below.

Exercise of the Certificates

The issue price and the notional amount per Certificate (the “**Notional Amount**”) are US\$2.00. The leverage mechanism integrated in the Certificates (the “**Leverage Strategy**”) carries a daily leverage of 3 times.

The Certificates have a strike level of zero (the “**Strike Level**”) and may only be exercised on 27 March 2026 (the “**Expiry Date**”).

Cash Settlement Amount

The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses (which has the meaning given to it in the terms and conditions of the Certificates)) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in the terms and conditions of the Certificates. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.

A “**Business Day**” is a day on which the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

The “**Board Lot**” of the Certificates is 100.

The Cash Settlement Amount in respect of each Certificate is the amount (if positive) equal to:

Closing Level multiplied by the Notional Amount

Where

Closing Level: In respect of each Certificate shall be calculated as follows:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

Final Reference Level: The closing level of the Leverage Strategy on the Valuation Date which shall be calculated in accordance with the formula set out in the “Specific Definitions relating to the Leverage Strategy” section of the Appendix to this Announcement and the supplemental listing document relating to the Certificates to be dated on or about 29 March 2023 (the “**Supplemental Listing Document**”) and is floored at zero and subject to the Air Bag Mechanism.

Air Bag Mechanism: Refers to the mechanism built in the Leverage Strategy and which is designed to reduce the Leverage Strategy exposure to the Index during extreme market conditions. If the PR Index falls by 20% or more during the trading day of the Relevant Stock Exchange(s) for the Index (which represents an approximately 60% loss after a 3 times leverage), the Air Bag Mechanism is triggered and the Leverage Strategy is adjusted intra-day during the trading hours of the Relevant Stock Exchange(s) for the Index. The Air Bag Mechanism reduces the impact on the Leverage Strategy if the PR Index falls further, but will also maintain a reduced exposure to the Index in the event the Index starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses. Further details of the Air Bag Mechanism are or will be set out in the “Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)” section of the Appendix to this Announcement and the Supplemental Listing Document, and the “Description of Air Bag Mechanism” section of the Supplemental Listing Document.

“**PR Index**” refers to S&P 500 Composite Stock Price Index.

“**Relevant Stock Exchange(s) for the Index**” refers to New York Stock Exchange and National Association of Securities Dealers Automated Quotations (NASDAQ).

Valuation Date: 26 March 2026 or if such day is not an Index Business Day, the immediately following Index Business Day and subject to the Market Disruption Event provisions.

An “**Index Business Day**” is a day on which the value of the Index and the value of the PR Index are published by the Index Sponsor or, as the case may be, the successor Index Sponsor and the Relevant Stock Exchange(s) for the Index is(are) open for dealings in the United States of America during its(their) normal trading hours.

“**Index Sponsor**” refers to S&P Dow Jones Indices LLC.

Final Exchange Rate: 1

Initial Reference Level: 1,000

Initial Exchange Rate: 1

Hedging Fee Factor: In respect of each Certificate, shall be an amount calculated as follows:

Product (for t from 2 to Valuation Date) of $(1 - \text{Management Fee} \times (\text{ACT}(t-1;t) \div 365)) \times (1 - \text{Gap Premium}(t-1) \times (\text{ACT}(t-1;t) \div 365))$

Where:

“**t**” refers to “**Observation Date**” which means each Index Business Day (subject to Market Disruption Event) from (and including) the Index Business Day immediately preceding 30 March 2023 to the Valuation Date; and

“**ACT (t-1;t)**” means the number of calendar days between the Index Business Day immediately preceding the Observation Date (such Observation Date being noted “t-1”) (included) and the Observation Date “t” (excluded).

Examples and illustrations of the calculation of the Hedging Fee Factor will be set out in the “Information relating to the European Style Cash Settled Long Certificates” section of the Supplemental Listing Document.

Management Fee: 0.30%
(p.a.)¹

Gap Premium (p.a.): 1.50%

Examples and illustrations of the calculation of the Cash Settlement Amount will be set out in the “Information relating to the European Style Cash Settled Long Certificates” section of the Supplemental Listing Document.

Listing and Trading of the Certificates

An application will be made to the SGX-ST for the listing of and quotation for the Certificates. The Certificates, when issued, will be represented by a global warrant certificate to be deposited with CDP.

¹ Please note that the Management Fee may be increased up to a maximum of 3% p.a. on giving one month’s notice to investors. Any increase in the Management Fee will be announced on the SGXNET.

The Certificates will be traded on the SGX-ST through the book-entry scripless settlement system of CDP. It is expected that dealings in the Certificates will commence on or about 30 March 2023 on the SGX-ST. The Certificates will be traded in United States Dollar on the SGX-ST.

The Designated Market Maker

The Designated Market Maker will provide competitive buy and sell quotes (the “**Quotations**”) for the Certificates continuously during the trading hours of the SGX-ST (with the spread between the buy and sell quotes not exceeding 10 ticks or US\$0.20 whichever is greater when the best bid price of the Certificate is US\$10 and below or not exceeding 5% of the best bid price of the Certificate when the best bid price of the Certificate is above US\$10). The minimum quantity of Certificates to which the Quotations will apply is 10,000 Certificates.

Quotations may however not be provided by the Designated Market Maker in the following circumstances:

- (i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;
- (ii) if the Certificates are valueless (where the Issuer’s bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);
- (iii) when trading in the shares or securities relating to or constituting the Index is suspended or limited in a material way for any reason (including price quote limits activated by the Relevant Stock Exchange(s) for the Index or otherwise²), for the avoidance of doubt, the Designated Market Maker is not obliged to provide quotations for the Certificates at any time when the shares or securities relating to or constituting the Index are not traded for any reason during the last trading session of the Relevant Stock Exchange(s) for the Index;
- (iv) when trading of options or futures relating to the Index or PR Index on any Related Exchange is suspended or limited in a material way for any reason (including price quote limits activated by the Related Exchange on such options or futures or otherwise);
- (v) where the Certificates are suspended from trading for any reason including, but without limitation, as a result of trading in the options or futures relating to the Index or PR Index on any Related Exchange being suspended, or options or futures generally on any Related Exchange being suspended;
- (vi) market disruption events, including, without limitation, (i) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or the Relevant Stock Exchange(s) for the Index² or any Related Exchange on options or futures relating to the Index or the PR Index, or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in securities or derivatives relating to or constituting the Index, options or futures relating to the Index or PR Index on any Related Exchange and (ii) any failure from the Index Sponsor to compute, publish and disseminate the level of the Index or the PR Index, or material limitation to access the level of the PR Index or Index, as the case may be;

² Price quote limits activated by the Relevant Stock Exchange(s) for the Index are not applicable to the market making of the Certificates (as defined herein).

- (vii) where the Issuer or the Designated Market Maker faces technical problems affecting the ability of the Designated Market Maker to provide bids and offer quotations;
- (viii) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;
- (ix) in cases where the Issuer has no Certificates to sell, then the Designated Market Maker will only provide the bid price;
- (x) if the SGX-ST, the Relevant Stock Exchange(s) for the Index or any Related Exchange experiences exceptional price movement and volatility; and
- (xi) when it is a public holiday in Singapore and/or the United States and/or the SGX-ST and/or the Relevant Stock Exchange(s) for the Index is not open for dealings.

“**Related Exchange**” refers to each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for options or futures relating to the Index or the PR Index.

The last trading day on which the Designated Market Maker will provide competitive Quotations for the Certificates would be the fifth Business Day immediately preceding the Expiry Date.

Termsheet

A copy of the termsheet relating to the Certificates is attached as an Appendix to this Announcement.

Information on the Issuer

Mirae Asset is a company incorporated in Hong Kong with limited liability. Its registered office and principal place of business is located at Units 8501, 8507-8508, Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. Mirae Asset belongs to Mirae Asset Group which is a global financial group consisting of asset management, investment banking and life insurance.

Mirae Asset is wholly owned by Mirae Asset Securities Co., LTD. (together with its subsidiaries, “**Mirae Asset Group**”), a company incorporated under the Commercial Code of the Republic of Korea and listed in Korea Stock Exchange. (KRX: 006800).

Mirae Asset Group is a financial services group headquartered in Seoul, South Korea. Mirae Asset Group provides comprehensive financial services including asset management, wealth management, investment banking, life insurance, venture investment and others. Mirae Asset Group was founded by Hyeon Joo Park in 1997 and introduced the very first mutual funds to Korean retail investors in 1998. On a global consolidated basis, Mirae Asset Group’s total equity capital was approximately US\$12.2 billion as of September 2022. Mirae Asset Group has global presence in Australia, Brazil, Canada, China, Colombia, Hong Kong, India, Indonesia, Korea, Mongolia, Singapore, the United Kingdom, United States and Vietnam.

Mirae Asset's principal activities are brokerage (including participating dealer) services, placing & underwriting securities, advising on corporate finance, structuring and selling financial products, participate in overseas alternative investment, asset management services.

Risk Factors

Investors are warned that the price of the Certificates 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 Certificates and carefully study the risk factors set out in the Base Listing Document dated 23 March 2023 and the Supplemental Listing Document before they invest in the Certificates.

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Issued by

Mirae Asset Securities (HK) Limited

23 March 2023