

Equity Linked Note

Trade date: _____

Valuation date / Maturity date: 1 year after Trade date

Issue price per note: 100% of Note Denomination

Note Denomination: USD 10,000

Basket:

Share	Initial price (S_0)
700 HK	
5 HK	
941 HK	

Redemption at maturity:

Depending on the Closing price of the shares on the valuation date, each note will be redeemed on maturity according to scenario 1 or scenario 2:

Scenario 1:

If S_{nl} is at or above S_{ol} , each note will be redeemed at a USD amount equal to:

$$Note\ denomination \times \left\{ 100\% + PRx \left(\frac{S_{nl}}{S_{ol}} - 1 \right) \right\}$$

$S_{nl} > S_{ol} \rightarrow > 0$

Otherwise:

$$Scenario\ 2: Note\ Denomination \times \max \left(90\%, \frac{S_{nl}}{S_{ol}} \right)$$

where: S_n is the closing price of the share on the valuation date, S_0 is the initial price of the share;

S_{nl} is the closing price of the ^{best performance stock} laggard share on the valuation date;

S_{ol} is the initial price of the laggard share;

Laggard share: Share with the lowest value of S_n/S_0 in the basket

Your task: Find PR such that the price of the Note is close to 98% of issue price.