#### **FINAL TERMS**

Warrants issued pursuant to these Final Terms are securities to be listed under Listing Rule 19.

Final Terms dated 23 November 2013

Series No.: AWP0127

Tranche No.: 2

#### **HSBC** Bank plc

Warrant and Certificate Programme (the Programme)

Further Issue of 9,000,000 Warrants linked to the ordinary A shares of Poly Real Estate Group Co.,

Ltd. to be consolidated and form a single series with the existing
issue of 25,000,000 Warrants linked to the ordinary A shares of

Poly Real Estate Group Co., Ltd.

#### **PART A - CONTRACTUAL TERMS**

This document constitutes the Final Terms relating to the issue of the Tranche of Warrants described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Warrants (the "Conditions") set forth in the Base Prospectus dated 3 September 2008 which are incorporated by reference into the Base Prospectus dated 17 January 2012 and are attached hereto. This document constitutes the Final Terms of the Warrants described herein and must be read in conjunction with the Base Prospectus dated 17 January 2012 and the supplemental Prospectuses dated 12 March 2012, 28 June 2012, 7 August 2012 and 26 September 2012, each of which has been approved by and filed with the United Kingdom Financial Services Authority, which constitutes a base prospectus ("Prospectus") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"). This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus as so supplemented. Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus and the supplemental Prospectus are available for viewing at HSBC Bank plc, 8 Canada Square, London E14 5HQ and http://www.hsbc.com/1/2/investor-relations/fixed-income and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ.

The Warrants reflect the risks of a direct investment in the A-share market of the People's Republic of China ("PRC") by a Qualified Foreign Institutional Investor ("QFII") which may be evidenced by investments by the Issuer or an affiliate of the Issuer that is registered as a QFII or any successor to such affiliate (each such affiliate, a "QFII Affiliate"). The effect of such risks on the Warrants will always be calculated in the sole and absolute discretion of the Calculation Agent. Certain of the risks are outlined in these Final Terms, though these are not exhaustive. Investors should conduct their own investigation of the risks involved in a direct investment in PRC equity by a QFII and investment in Renminbi and form their own view based on such investigations. In certain circumstances, the Warrantholders' entire investment may be at risk and the Warrants may become valueless.

A QFII is required to disclose to the regulators and other authorities or institutions the shareholding information of PRC equities held by itself and by the investors behind it in accordance with the relevant laws and regulations in the PRC. The Issuer may therefore request any investor to provide to it and pass to the QFII such information as required by the relevant laws, regulations and regulatory requirements.

Each Warrantholder represents and agrees, as a condition of acquiring or holding such Warrants: (i) that the Issuer is authorised to provide information regarding the Warrantholder and the Warrants to the QFII investing in the Reference Assets ("**HSBC QFII**") for onward transmission to the regulators or any other

authorities or institutions in the PRC in accordance with applicable PRC laws and regulations; and (ii) that such Warrantholder will provide the Issuer with such additional information that the Issuer and/or the HSBC QFII deems necessary or appropriate in order to comply with any laws and regulations in the PRC from time to time.

The Issuer accepts responsibility for the information set out in Annex I hereto (which forms part of these Final Terms) concerning the ordinary A shares of Poly Real Estate Group Co., Ltd. (the "Share Information") which is derived from publicly available information and is intended as a summary only of the information from which it is derived. The Issuer confirms that the Share Information has been accurately reproduced from information available from the information source specified herein and that, so far as the Issuer is aware and is able to ascertain from Share Information available from such source, no facts have been omitted which would render the reproduced Share Information inaccurate or misleading. The Issuer accepts responsibility for having correctly extracted the Share Information from such publicly available information.

The Warrants offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, they may be offered and sold (i) in the United States, pursuant to Rule 144A under the Securities Act ("Rule 144A"), only to "qualified institutional buyers" (as defined in Rule 144A); or (ii) outside the United States, in accordance with Regulation S under the Securities Act ("Regulation S"), in each case to investors that have executed and delivered to the Issuer a letter of representations substantially in the form attached as the Exhibit hereto and in compliance with any applicable securities laws. Prospective investors in the United States are hereby notified that, with respect to any sales of Warrants in the United States, the Manager will be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. Investors should also be aware that the Warrants may not be re-offered, re-sold, pledged or otherwise transferred within the United States (within the meaning of Regulation S) except in a transaction that is exempt from the registration requirements of the Securities Act and in compliance with any applicable state securities laws. See "Transfer Restrictions".

The Share Information is of limited scope. In deciding whether or not to purchase Warrants, investors should conduct their own investigations of Poly Real Estate Group Co., Ltd. and form their own view of the merits of Poly Real Estate Group Co., Ltd. based upon such investigations and not in reliance upon the Share Information.

#### **Important Notices**

THE WARRANTS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE STATE SECURITIES LAW OF ANY STATE OF THE UNITED STATES OR THE LAWS OF ANY OTHER JURISDICTION. THE WARRANTS MAY NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S.PERSONS (AS DEFINED IN REGULATION S OF THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. SEE "TRANSFER RESTRICTIONS".

THE WARRANTS ARE BEING OFFERED (A) IN RELIANCE ON RULE 144A ("RULE 144A") UNDER THE SECURITIES ACT IN EACH CASE TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A; EACH A "QIB"), AND (B) IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE WARRANTS PURSUANT TO CLAUSE (A) ABOVE WILL BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

#### NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B ("RSA 421-B") OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

# **AVAILABLE INFORMATION**

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Warrants, the Issuer will promptly furnish, upon request of a holder of a Warrant, to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Issuer is neither a reporting company under Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

#### The Hongkong and Shanghai Banking Corporation Limited

### **23 November 2012**

The Warrants issued under these Final Terms are to be consolidated and form a single series with 20,000,000 Warrants linked to ordinary shares of Poly Real Estate Group Co., Ltd. (the "Original Issue") issued on 17 April 2009 (ISIN: GB00B3T52Q68; SEDOL: B3T52Q6).

1. Issuer: HSBC Bank plc.

2. Principal Warrant Agent: HSBC Bank plc.

3. Calculation Agent: HSBC Bank plc.

4. Warrant Agent: HSBC Bank plc.

5. (i) Series number: AWP0127.

(ii) Tranche number:

(If fungible with an existing Series, details of that Series, including the date on which the Warrants become fungible).

(iii) Whether issue is of Warrants or Certificates:

Warrants (if the issue is of Certificates, all references in this Final Terms and in the Prospectus to Warrants shall be deemed to be "Certificates" for the purposes of this issue).

6. Currency or currencies: US Dollars.

7. Aggregate Number of Warrants in the:

(i) Series: 29,000,000 (ii) Tranche: 9,000,000

8. Issue Date: The Issue Date of the C

The Issue Date of the Original issue is 17 April 2009. The Issue Date of the further issue of the Warrants issued under these Final

Terms is 23 November 2012.

9. Issue Price: USD3.29 per Warrant.

10. Strike Price: USD 0.000001.

11. Listing of Warrants: The Original Isuse was admitted to trading on

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the Regulated Market of the London Stock Exchange on or around 30 April 2009. Application has been made for the Warrants to be admitted to the Official List of the UK Listing Authority and admitted to trading on the Regulated Market of the London Stock

Exchange

12. Date of Board approval for the issuance of Warrants obtained:

Not applicable.

13. Type of Warrants: Registered form. Low Exercise Price Options.

14. Series represented by: Global Warrant.

15. Style of Warrants: The Warrants are American Style Call

Warrants. Condition 3(a) is applicable.

16. (i) Expiry Date: 17 April 2019 (or if not an Exchange Business

Day on which the CNY/USD exchange markets are open for business in Shanghai, the immediately following Exchange Business Day) on which the CNY/USD exchange markets are open for business in Shanghai).

(ii) Exercise Procedure: Condition 4 is applicable.

Automatic Exercise is not applicable.

(iii) Exercise Period: For Tranche 1: The period beginning from

(and including) 17 April 2009 and ending on

(and including) the Expiry Date.

For Tranche 2: The period beginning from (and including) 23 November 2012 and ending on (and including) the Expiry date.

(iv) Potential Exercise Not Applicable.

Date(s):

(v) Knock-in Event: Not Applicable.

(a) Knock-in Event: Not Applicable.

(b) Knock-in Period
Beginning Date (if
other than as
specified in the
definition thereof in
Condition 17):

Not Applicable.

(c) Knock-in Period
Ending Date (if
other than as
specified in the
definition thereof in
Condition 17):

Not Applicable.

(d) Knock-in Price: Not Applicable.

(e) Knock-in Valuation Time (if other than as specified in the definition thereof in Condition 17); Not Applicable.

(vi) Knock-out Event: Not Applicable.

(a) Knock-out Event:

(b) Knock-out Period Beginning Date (if other than as specified in the definition thereof in Condition 17):

Not Applicable. Not Applicable.

(c) Knock-out Period Ending Date (if other than as specified in the definition thereof in Condition 17):

Not Applicable.

(d) Knock-out Price:

Not Applicable.

(e) Knock-out Valuation Time (if other than as specified in the definition thereof in Condition 17);

Not Applicable.

17. Minimum Exercise (i) Number:

Not Applicable.

(ii) Permitted Multiple: Not Applicable.

18. Cash Settlement:

Applicable. The Warrants are Cash Settlement Warrants. Condition 3(d) (Cash Settlement) applies.

Settlement Currency: (i)

USD.

(ii) Cash Settlement Amount:

In respect of each Warrant exercised an amount in United States Dollars (USD) calculated in accordance with the following formula:

Realisable Sale Price -X(1 - Commission)Weighted Average Exchange Rate

Where:

Commission represents the fee to be retained by the Manager or any of its affiliates as separately notified to the Warrantholder, which is calculated as a percentage of the gross consideration payable for the purchase of the Warrants.

**QFII** means a Qualified Foreign Institutional Investor pursuant to the *Interim Measures for the Administration of Securities Investments by Qualified Foreign Institutional Investors in China* promulgated by the China Securities Regulatory Commission and the People's Bank of China on 5 November, 2002.

Realisable Sale Price means the weighted average of the prices at which the Underlying Hedge Transaction(s) are unwound on each Averaging Date, less all costs, expenses, fees and levies in respect thereof, including but not limited to brokers' fees, bank and custody charges, transaction processing fees and expenses, and all other taxes and other duties (including without limitation any capital gains tax such as PRC Capital Gains Tax) (together Costs) whether such Costs would be withheld at source or would otherwise be required to be paid, and provided that the same is or are introduced and/or imposed prior to the Tax Equalisation Long-stop Date and in all cases, including any interest thereon levied by the applicable PRC tax authorities, all as determined by the Calculation Agent in its sole and absolute discretion.

Where the amount of Costs (including, without limitation, PRC Capital Gains Tax) or the basis on which it is to be determined is not definitely known (each a tax uncertainty and together tax uncertainties) the Issuer may use the same basis for calculation of such amount as it would use in respect of a holding, purchase or, as applicable, sale of the Underlying Share either (a) for itself as beneficial owner, (b) for the QFII as beneficial owner, or (c) for the holder of Warrants as beneficial owner, as selected by the Issuer in its sole and absolute discretion (provided that the rate in respect of PRC Capital Gains Tax shall be the Fixed CGT Rate) until the applicable Tax Certainty Date.

In the event that the Issuer and/or its affiliates have not entered into any Underlying Hedge Transaction(s) or have entered into one or more Underlying Hedge Transaction(s) in respect of some only of the Warrants, the Realisable Sale Price shall be the aggregate price at which a QFII, being the holder of Securities underlying one Warrant would have been able to dispose of such Securities through the Exchange(s) on the Averaging Dates, less any costs, as determined by the Calculation Agent in its sole and absolute discretion.

addition (and notwithstanding provisions relating to PRC Capital Gains Tax stated above), once the relevant tax uncertainties are clarified so as to remove the relevant tax uncertainties, (1) where the amount of tax which has actually been deducted (Tax Deducted) is greater than the amount of tax properly payable (the amount of the excess, the Excess Deduction), the Issuer will pay to the Warrantholder an amount in USD (converted at the Weighted Average Exchange Rate at the time the relevant determination of the Excess Deduction is made) equal to the Excess Deduction, or (2) where the Tax Deducted is less than the amount of tax properly payable (the amount of the excess, the **Deduction** Shortfall), the Warrantholder will pay to the Issuer an amount in USD (converted at the Weighted Average Exchange Rate at the time the relevant determination of the Deduction Shortfall is made) equal to the Deduction Shortfall. In either case, the relevant amount (the **Tax Equalisation Payment**) will be (x) conclusively determined as soon reasonably practicable on or after the Tax Certainty Date by the Calculation Agent and notified as soon as practicable after such determination to Warrantholders (such notification date, the Tax Equalisation Payment Notification Date), and (y) (where the Tax Certainty Date falls on or before the Latest Final Averaging Date) payable on the Settlement Date applicable to an exercise of Warrants on the Expiry Date, or (where the Tax Certainty Date falls after the Latest Final Averaging Date but before the Tax Equalisation Long-stop Date) payable on the date notified to Warrantholders as the applicable payment date by the Issuer, being no less than two Business Days after the Tax Equalisation Payment Notification Date (such payment date, the Tax Equalisation Payment Date); provided always that such Tax Equalisation Payment Notification Date will be no later than the Tax Equalisation Long-stop Date. For the avoidance of doubt, (i) if the Tax Equalisation Payment Notification Date has not occurred on or prior to the Tax Equalisation Long-stop Date, no Tax Equalisation Payment will be payable and (ii) the Tax Equalisation Payment will be payable as stated above even if the Tax Equalisation Payment Date falls after the Expiry Date. The obligation to pay any Excess Deduction and Deduction Shortfall shall survive the expiration of the Warrants

and any transfers of Warrants made by any Warrantholder prior thereto.

If no Tax Certainty Date occurs on or prior to the Tax Equalisation Long-Stop Date, then the Issuer shall refund to the holder of record of the Warrants as at the time when the deduction was made any amounts previously deducted (without any interest thereon) on account of the tax uncertainties; such refund to be made as soon as practicable following the Tax Equalisation Long-Stop Date.

Where (i) the amount of Costs or the basis on which it is to be determined is not confirmed before the applicable Valuation Date and/or is subject to change in the future (such amount of Costs being **Unpaid Costs**) and (ii) the Unpaid Costs were not deducted from the calculation of the Cash Settlement Amount, each Warrantholder will be required to pay to the Issuer an amount equal to such Unpaid Costs upon notification from the Issuer. Any holder's obligation to pay such Unpaid Costs shall survive the expiration of the Warrants and any transfers made by any such holder prior to such date.

Latest Final Averaging Date means the final Averaging Date in respect of the latest Exercise Date, or if none, an Exercise Date that is deemed to fall on the Expiry Date.

PRC Capital Gains Tax means, unless and until definitively stated by any applicable PRC tax authorities (as determined by the Calculation Agent in its sole and absolute discretion), 10% (such rate, the Fixed CGT Rate) of the excess (if any) of (a) the Realisable Sale Price (without deduction of Costs) over (b) (Relevant Reference Price / 1 + Commission), and if (and once) so definitively stated (and provided that tax rate is definitively stated by any applicable PRC tax authorities at any time before the Tax Equalisation Long-stop Date), the capital gains tax properly applicable as so stated.

**PRC** means the People's Republic of China.

**Relevant Reference Price** means the CNY equivalent of the purchase price of one Warrant at the time a Warrantholder purchases the Warrant.

Tax Certainty Date means, in respect of any tax uncertainty, the date on which the Calculation Agent becomes aware of the clarification by the applicable tax authorities

so as to remove the relevant uncertainty or, if later, the Tax Clarification Effective Date.

Tax Clarification Effective Date means the first date on which the relevant clarified tax position becomes effective (and where the clarified tax position becomes effective with retrospective effect on a certain date or affecting a certain payment, the Tax Clarification Effective Date will be that certain date or the date of that certain payment), all as determined by the Calculation Agent in its sole and absolute discretion.

**Tax Equalisation Long-stop Date** means the date falling 7 years after the Latest Final Averaging Date.

Underlying Hedge Transaction means any holding (whether direct or synthetic) by the Issuer, or any affiliate of Securities and/or financial instruments (of any kind) which the Issuer consider necessary for the purposes of hedging, funding or otherwise performing the Issuer's obligations in respect of one Warrant.

Whilst it is the intention of the Issuer where possible to purchase Securities for such purposes, the Issuer is at no time obliged to hold Securities, nor any other positions, for such purposes.

Weighted Average Exchange Rate means the weighted average of the rates of exchange for the conversion of Renminbi (CNY) into USD, expressed as a number of CNY per one USD, less any costs incurred or would have been incurred by the Issuer and/or its affiliates in connection with such conversion (the Underlying FX Rate) at the time each Underlying Hedge Transaction is unwound, or (as the case may be) the Excess Deduction, or as applicable, the Deduction Shortfall is determined, as determined by the Calculation Agent in its sole and absolute discretion.

Warrantholders should note that if the PRC taxing authorities clarify the PRC Capital Gains Tax rate after the Cash Settlement Amount has been paid and such rate properly applied is different from the Fixed CGT Rate, either the Issuer or the Warrantholder (as the case may be) will have an obligation to pay the Excess Deduction or Deduction Shortfall (as the case may be).

(iii) Cash Settlement

The fifth calendar day (other than a Saturday

Payment Date: or Sunday) following the final Averaging

Date or if such day is not an Exchange Business Day on which the CNY/USD exchange markets are open for business in Shanghai, then the immediately following Exchange Business Day on which the CNY/USD exchange markets are open for

business in Shanghai.

19. Physical Settlement: Not Applicable.

(a) Strike Price Payment Date: Not Applicable.

(b) Settlement Date: Not Applicable.

20. Index Warrant or Index Basket Not Applicable.

Warrant:

(i) Index/Indices: Not Applicable.

(ii) Basket: Not Applicable.

(iii) Index Sponsor(s): Not Applicable.

(iv) Exchange(s): Not Applicable.

(v) Related Exchange(s): Not Applicable.

(vi) Valuation Time: Not Applicable.

(vii) Valuation Date: Not Applicable.

(viii) Averaging Dates: Not Applicable.

(ix) Relevant Price: Not Applicable.

(x) Settlement Price: Not Applicable.

(xi) Additional Disruption Not Applicable.

Event:

(xii) Other Information Not Applicable.

21. Security Warrant or Security Applicable. The Warrants are Security

Basket Warrant: Warrants.

(i) Securities: Ordinary A shares of 1 CNY of Poly Real

Estate Group Co., Ltd. and "Security" means

any one of them.

(ii) Basket: Not Applicable.

(iii) Exchange(s): Shanghai Stock Exchange (or any successor

exchange or quotation system).

(iv) Related Exchange: All Exchanges.

(v) Relevant Not Applicable.

Company/Companies:

(vi) Valuation Time: Not Applicable.

(vii) Valuation Date: Exercise Date.

(viii) Averaging Dates: Applicable. Each of the 20 consecutive

Scheduled Trading Days immediately following the Exercise Date, subject to

adjustment.

(ix) Relevant Price: Not Applicable.

(x) Settlement Price: Not Applicable.

(xi) Clearance System: Euroclear and Clearstream, Luxembourg.

(xii) Additional Disruption The following Additional Disruption Ever

Event:

The following Additional Disruption Events apply: Change in Law, Hedging Disruption, Increased Cost of Hedging, Currency Event.

22. Averaging Date Market Postponement.

Disruption:

23.

Business Day: London, New York City and Shanghai

24. Determination Date: Not applicable.

25. Selling Restrictions:

In addition to selling restrictions listed in "Purchase and Sale of the Warrants" contained in the Base Prospectus dated 17

January 2012:

The Warrants may not be offered or sold in the PRC (excluding Hong Kong, Macau and Taiwan) directly or indirectly or offered or sold to any Domestic Investor, or to any person using funds to purchase the Warrants sourced from any Domestic Investor, where "Domestic Investor" means:

- 1. PRC Citizens resident in the PRC (excluding Hong Kong, Macau and Taiwan);
- 2. PRC Citizens resident outside the PRC who are not permanent residents of another country or permanent residents of Hong Kong, Macau or Taiwan;
- 3. legal entities registered in the PRC (excluding Hong Kong, Macau and Taiwan).

**PRC Citizens** means any person holding a resident identification card of the PRC (excluding Hong Kong, Macau and Taiwan).

#### LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Warrants described herein pursuant to HSBC Bank plc's Warrant and Certificate Programme.

#### TRANSFER RESTRICTIONS

Each prospective purchaser of Warrants, by accepting delivery of these Final Terms and the accompanying Base Prospectus, will be deemed to have represented and agreed with respect to such Warrants as follows:

"ANY PLEDGE, SALE OR OTHER TRANSFER OF WARRANTS TO A PERSON THAT IS A "DOMESTIC INVESTOR", OR TO ANY PERSON USING FUNDS TO PURCHASE WARRANTS SOURCED FROM A "DOMESTIC INVESTOR", AS THE TERM IS DEFINED IN THE PROSPECTUS SHALL, AT THE OPTION OF THE ISSUER, (X) BE VOID OR (Y) GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY WARRANTS HELD BY SUCH TRANSFEREE."

In addition, because of the following restrictions, purchasers of Warrants offered in the United States in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Warrants.

Each prospective purchaser of Warrants offered in reliance on Rule 144A (a "144A Offeree"), by accepting delivery of these Final Terms and the accompanying Base Prospectus, will be deemed to have represented and agreed with respect to such Warrants as follows:

- (a) such 144A Offeree acknowledges that these Final Terms and the accompanying Base Prospectus is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Warrants other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of these Final Terms and the accompanying Base Prospectus, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such 144A Offeree agrees to make no photocopies of these Final Terms and the accompanying Base Prospectus or any documents referred to herein.

Each purchaser of Warrants sold in reliance on Rule 144A ("**Restricted Warrants**") will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

- (1) The purchaser (A) is a qualified institutional buyer within the meaning of Rule 144A, (B) is acquiring the Warrants for its own account or for the account of a qualified institutional buyer, and (C) such person is aware that the sale of the Warrants to it is being made in reliance on Rule 144A.
- (2) The purchaser understands that the Rule 144A Warrants are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Warrants offered hereby have not been and will not be registered under the Securities Act and may

not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below.

(3) The purchaser understands that certificates representing Restricted Warrants will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

"THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES TO BE DELIVERED UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE SECURITIES REPRESENTED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY TO OR THROUGH THE ISSUER (1) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), PROVIDED, THAT A PURCHASER OF THE SECURITIES PURSUANT TO (1), (2) OR (3) ABOVE SHALL HAVE EXECUTED AND DELIVERED TO THE ISSUER AN INVESTOR LETTER.

ANY EXERCISE OF THIS SECURITY WILL BE CONDITIONED ON (1) THE DELIVERY OF A DULY EXECUTED EXERCISE NOTICE BY THE HOLDER HEREOF AND (2) WITH RESPECT TO EXERCISE BY ANY U.S. PERSON, THE UNDERLYING SECURITIES BEING (A) REGISTERED UNDER THE SECURITIES ACT OR (B) SUBJECT TO AN EXEMPTION FROM REGISTRATION THEREUNDER AT THE TIME OF SUCH EXERCISE"

(4) Each purchaser of Restricted Warrants acknowledges that the Issuer, the Registrar, the Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Restricted Warrants for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

#### RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

CONFIRMED HSBC BANK PLC With the same

Victor Delgado Melgares
By: Authorised Signatory
Date:

#### **PART B - OTHER INFORMATION**

#### 26. **LISTING**

(i) Listing

The Original Issue was admitted to trading on the Regulated Market of the London Stock Exchange on or around 30 April 2009. Application has been made to admit the Warrants to listing on the Official List of the Financial Services Authority. No assurance can be given as to whether or not, or when, such application will be granted.

(ii) Admission to trading

The Original Issue was admitted to trading on the Regulated Market of the London Stock Exchange on or around 30 April 2009. Application has been made for the Warrants to be admitted to trading on the Regulated Market on or after the Issue Date (in respect of Tranche 2). No assurance can be given as to whether or not, or when, such application will be granted.

# 27. **NOTIFICATION**

Information not required to be disclosed.

#### 28. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

The Issuer may pay the Manager a commission as agreed between them in respect of Warrants subscribed by it and has agreed to indemnify the Manager against certain liabilities in connection with the offer and sale of the Warrants.

Save as discussed above, on page 14 of the Base Prospectus dated 17 January 2012 under the section "Potential Conflicts of Interest", so far as the Issuer is aware, no person involved in the offer of the Warrants has an interest material to the offer.

# 29. REASONS FOR THE OFFER ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

Not Applicable.

# 30. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

The Warrants reflect the risks of a direct investment in PRC equity by a QFII, which may be evidenced by investments by the Issuer, any QFII Affiliates, and QFIIs generally. The effect of such risks on the Warrants will always be calculated in the sole and absolute discretion of the Calculation Agent. Investors should conduct their own investigation of the risks involved in a direct investment in PRC equity by a QFII and investment in Renminbi and form their own view based on such investigations. In certain circumstances, the Warrantholders' entire investment may be at risk and the Warrants may become valueless.

Due to the investment policies maintained by the relevant QFII, the Warrants cannot be used to facilitate any investment in any PRC Government Bond (as defined below) products, or to be used for any purpose of an excessively speculative nature.

"PRC Government Bond" means "any Renminbi denominated public government debt securities issued by the Ministry of Finance of the People's Republic of China on behalf of the central government as defined in the Interim Administrative Measures of the Custody of Government Bonds of the People's Republic of China".

#### **Information source**

Details of past and further performance and volatility of the Security are obtainable from the following display pages on Bloomberg page:

GB00B3T52O68

600048 CH

The Issuer does not intend to provide post-issuance information.

# **OPERATIONAL INFORMATION**

ISIN Code:

31.

51.	ish code.	GB00B3132Q00
32.	Common Code:	042414751
33.	CUSIP:	Not Applicable.
34.	Valoren Number:	Not Applicable.
35.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	None.
36.	Delivery:	Delivery against payment.
37.	Additional Warrant Agent(s) (if any):	None.
38.	Common Depositary:	HSBC Bank plc.
39.	Notices: (Condition 10)	Not Applicable.
40.	City in which specified office of Registrar to be maintained:	New York.

41.	Other relevant Terms and Conditions:	Annex II and Annex III.
42.	Other Final Terms:	Annex II and Annex III.
43.	ERISA Considerations:	Not Applicable.
TERMS AN	ND CONDITIONS OF THE OFFER	
44.	Offer Price:	Issue Price.
45.	Conditions to which the offer is subject:	Not applicable.
46.	Description of the application process:	Not applicable.
47.	Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	Not applicable.
48.	Details of the minimum and/or maximum amount of application:	Not applicable.
49.	Details of the method and time limits for paying up and delivering the Warrants:	Not applicable.
50.	Manner in and date on which results of the offer are to be made public:	Not applicable.
51.	Procedure for exercise of any right of pre- emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not applicable.
52.	Categories of potential investors to which the Warrants are offered and whether tranche(s) have been reserved for certain countries:	Not applicable.
53.	Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	Not applicable.
54.	Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	Not applicable.
55.	Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	Not applicable.

#### **ANNEX I**

#### INFORMATION ABOUT THE A SHARES

The information set out in this Annex I relating to Poly Real Estate Group Co., Ltd. (the "Underlying Company") (Bloomberg: 600048 CH; ISIN Code: CNE000001ND1) provides a brief discussion of the business of the Underlying Company and the split-adjusted high, low and end-of-period closing prices for each Security for each calendar quarter in the period from 28 September 2007 to 28 September 2012 and 9 November 2012 to 15 November 2012. The Issuer obtained the information below from Bloomberg Financial Markets Information Service without independent verification. So far as the Issuer is aware and is able to ascertain from information available from such source, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer accepts responsibility only for the accurate reproduction of the information contained in the Annex reproduced from such source and accordingly makes no representation, warranty, or undertaking, express or implied, as to the accuracy or completeness of the information relating to the Underlying Company.

The Issuer does not intend to provide post issuance information.

#### 1. General

The Underlying Company is incorporated in the People's Republic of China.

The registered office of the Underlying Company is Tongjian Building, Fl 3-4, 3 South Zhixin Road, Dongshan, Guangzhou, 510080, China.

The Underlying Company mainly develops and sells residential homes. The Underlying Company is also in the business of leasing and rental of real estates, and property management.

## 2. Securities

The Securities are listed on the Shanghai Stock Exchange.

# 3. Historical prices

	PX_HIGH	PX_LOW	PX_LAST
Date	(CNY)	(CNY)	(CNY)
9/28/2007	16.2532	8.241308	14.144
12/31/2007	18.2503	10.77037	#N/A N/A
3/31/2008	15.1722	9.209528	11.284
6/30/2008	10.9923	4.729935	5.117
9/30/2008	6.7289	4.236838	#N/A N/A
12/31/2008	7.1309	4.7489	5.462
3/31/2009	8.7164	5.461994	8.349
6/30/2009	13.7525	8.158853	13.752
9/30/2009	15.0444	10.22682	11.903
12/31/2009	13.8166	10.61144	11.045
3/31/2010	11.0454	9.191321	10.202
6/30/2010	10.572	6.474359	6.558
9/30/2010	8.641	6.737179	7.923
12/31/2010	10.0064	7.647436	8.141
3/31/2011	9.6859	7.878205	8.609
6/30/2011	9.2372	7.541667	9.158
9/30/2011	9.4417	7.5	7.708
12/30/2011	8.5917	7.1	8.333

3/30/2012	9.75	8.091667	9.408
6/29/2012	12.2583	9.408333	11.34
9/28/2012	13	9.1	10.76
11/9/2012	11.4	11.15	11.26
11/12/2012	11.62	11.29	11.62
11/13/2012	11.58	11.35	11.46
11/14/2012	11.56	10.98	11.23
11/15/2012	11.3	11.03	11.13

The historical prices of a Security should not be taken as an indication of future performance, and no assurance can be given that the price of a Security will perform sufficiently from year to year to cause the holders of the Warrants to receive any return on their investment.

#### ANNEX II

The Conditions shall be supplemented and modified by the following Special Conditions. In the event of any inconsistency between the Conditions and such Special Conditions, such Special Conditions shall prevail and the Conditions shall be amended accordingly.

# 1. Additional Payments

In respect of each Warrant remaining unexercised on the relevant Cum-Date, the Issuer will pay as soon as practicable after each Dividend Receipt Date, an amount equal to the Dividend Amount (if any) PROVIDED THAT no Dividend Amount (or part thereof) will be payable by the Issuer unless and until the Issuer shall have first received payment of a corresponding amount of cash dividends and/or distributions in respect of the Securities under the Underlying Hedge Transaction(s).

In respect of each Warrant, a Warrantholder shall only be entitled to payment of a Dividend Amount if the Warrantholder was the holder of such Warrant on the Cum-Date, PROVIDED THAT (i) the relevant Cum-Date falls during the period from (but excluding) the Trade Date to (and including) the first Averaging Date in respect of an Exercise Date; and (ii) in the event that a Cum-Date occurs at any time during the period from (but excluding) the Trade Date to (but excluding) the Issue Date ("Pre-Issue Period"), then the Warrantholder on the Issue Date shall be entitled to any Dividend Amount in respect of that Pre-Issue Period.

"Cum-Date" means with respect to a dividend and/or distribution relating to the Securities, the final date and time which is notified to the holders of the Securities as the record date for payment of the dividend and/or distribution in accordance with the rules and procedures of the Exchange(s).

"Dividend Amount" means, with respect to each Warrant, the amount of any cash dividend and/or distribution declared, paid and received by the Issuer in respect of the Securities relating to that Warrant under the Underlying Hedge Transaction(s), converted into USD at the prevailing Underlying FX Rate(s) at the time such dividends and/or distributions are actually received by the Issuer, subject to any applicable deductions or adjustments relating to the Underlying Hedge Transaction(s) or which are made in accordance with the Conditions (including in each case but not limited to any Costs and including, without limitation, Tax on Dividends).

"Dividend Receipt Date" means the date on which the Issuer receives payment of the Dividend Amount under the Underlying Hedge Transaction(s).

"Tax on Dividends" means taxes, duties and similar charges imposed by any taxing authority of the PRC in respect of any such dividends or distributions, being 10% of the relevant dividend or distribution.

"Trade Date" means 8 April 2009.

#### 2. Definitions

The definition "Exchange Business Day" shall be amended to include the following wording at the end of the sentence:

"and on which the CNY/USD exchange markets are open for business in Shanghai".

#### **EXHIBIT**

# FORM OF INVESTOR LETTER OF REPRESENTATIONS

[Date]

HSBC Bank plc

The Hongkong and Shanghai Banking Corporation Limited

#### Ladies and Gentlemen:

The undersigned hereby acknowledges receipt of the Base Prospectus dated 3 September, 2008 (as amended and supplemented from time to time, the "Base Prospectus") describing a warrant and certificate programme (the "Programme") pursuant to which Low Exercise Price Options ("LEPOs" or "Warrants") may be issued from time to time by HSBC Bank plc, a company incorporated with limited liability in England with registered number 14259 (together with its successors and assigns, the "Issuer"). The terms and conditions of each issue of LEPOs shall be contained in a prospectus (the "Prospectus") which shall be prepared by, or on behalf of, the Issuer for the purposes of such LEPOs. Where the relevant series of LEPOs are to be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, the Prospectus shall comprise a Unitary Prospectus (including, for the avoidance of doubt, any documents incorporated by reference therein, (the "Unitary Prospectus")). Where the relevant series of LEPOs are to be unlisted, the Prospectus shall comprise the Base Prospectus (including, for the avoidance of doubt, any documents incorporated by reference therein), any supplements to the Base Prospectus, and Final Terms dated on or around the issue date of such LEPOs. The Prospectus for each issue of LEPOs shall be provided to the undersigned on or as soon as practicable following the relevant issue date, or if applicable, the date on which such Prospectus is approved by the relevant listing authority, stock exchange and/or quotation system, whichever is the later date. Capitalized terms used but not defined in this Investor Letter of Representations (the "Letter") shall have the meanings ascribed to them in the relevant Prospectus.

The undersigned also acknowledges that (i) from time to time, upon the request of the undersigned the Issuer may sell through [ ], in its capacity as manager under the Programme (together with its successors and assigns, the "Manager") in accordance with the terms and conditions set forth in the relevant Prospectus, one or more Series of LEPOs and (ii) the undersigned will purchase such LEPOs from the Manager, in each case solely for its own account or for one or more accounts as to which it exercises sole investment discretion and for which it has full power to make the acknowledgments, representations, warranties and agreements set forth in the Annex attached hereto.

The undersigned also acknowledges that the LEPOs will only be offered and sold (1) to "qualified institutional buyers" ("QIBs") (as defined in Rule 144A ("Rule 144A") under the U.S. Securities Act of 1933, as amended (the "Act")) or (2) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Act ("Regulation S") to investors that, in each case, have entered into an investor letter of representations with the Issuer, the Arranger and the Manager identical to this Letter (each such person, an "Eligible Investor").

Now, therefore, in view of the foregoing, in order to establish its eligibility to acquire any LEPOs that from time to time the undersigned may request the Issuer to sell through the Manager to it pursuant to a Prospectus, the undersigned hereby represents, warrants, certifies, acknowledges and agrees, to, with and for the benefit of the Issuer, the Arranger and the Manager, as of the date hereof and as of each date on which it acquires (whether through purchase, exchange or other transfer), redeems or exercises any of the LEPOs (each, a "Representation Date"), as to itself and as to each account for which it acquires any such LEPOs on the relevant Representation Date, in the form of the Annex attached hereto.

The undersigned hereby acknowledges that the Issuer, the Arranger and the Manager will rely upon the representations, warranties, acknowledgments and agreements of the undersigned set forth in the Annex

attached hereto in connection with offering and sales, from time to time, of LEPOs to the undersigned, and, therefore, it agrees to notify the Issuer, the Arranger and the Manager in writing as soon as any of the representations, warranties, acknowledgments or agreements set forth in the Annex attached hereto ceases to be accurate and complete, and, under all circumstances, prior to any contemplated acquisition of LEPOs.

All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the undersigned shall be given to it at the address set forth next to its signature. Notices to the Issuer, the Arranger and the Manager shall be given to [ ].

This Letter may be signed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. This Letter may not be amended or waived, except if such an amendment or waiver is in writing and signed, in the case of an amendment, by the undersigned, the Issuer, the Arranger and the Manager, or, in the case of a waiver, by the party against whom the waiver is to be effective.

This Letter shall be governed by and construed in accordance with the laws of England and the provisions hereof shall be binding upon the successors and assigns of the undersigned. The undersigned hereby submits to the jurisdiction of the courts of England with respect to any litigation relating to this Letter.

The undersigned hereby confirms its agreement to be bound by the terms of the foregoing Letter by having it executed by one or more of its authorized officers as of the date first above written.

	Very truly yours,
	[INVESTOR]
	By: Name: Title: Address for Notices:
Accepted and Confirmed as of the date first above written:	
HSBC Bank plc, as Issuer and Arranger	
By: Name: Title:	

#### **ANNEX**

- 1. it has all requisite power and authority to enter into this Letter and this Letter has been duly authorized, validly executed and delivered by it and constitutes its valid and legally binding agreement; such entrance into this Letter and its acquisition of and payment for any Warrants do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;
- 2. it either (i) is a "qualified institutional buyer" (as defined in Rule 144A, a "QIB") acquiring (whether through purchase, exchange or other transfer), redeeming or exercising LEPOs pursuant to, and in compliance with, the requirements of Rule 144A or (ii) is acquiring (whether through purchase, exchange or other transfer), redeeming or exercising LEPOs in an offshore transaction pursuant to, and in compliance with, the requirements of Regulation S;
- 3. with respect to purchases of any particular Series of LEPOs purchased pursuant to the provisions of Rule 144A, it will hold not less than \$100,000 aggregate purchase price of the LEPOs of that particular Series; for the avoidance of doubt the foregoing minimum aggregate purchase price applies to each account for which it is acquiring any LEPOs;
- 4. it will provide notice of all applicable transfer restrictions to any subsequent transferees of the LEPOs;
- 5. it is not purchasing any LEPOs with a view toward resale, distribution or other disposition thereof in violation of the United States Securities Act of 1933, as amended (the "Act"). It shall not acquire any LEPOs, unless it acquires such LEPOs solely for its own account or for the account of one or more investors (each of which, in the case of LEPOs acquired pursuant to Rule 144A, must be a QIB), and in each case as to each of which it exercises at such time sole investment discretion and for each of which it has at such time full power to make the acknowledgments, representations, warranties and agreements set forth herein, based upon its own judgment and upon advice of such business, financial, investment, legal, regulatory, accounting, tax or other advisers as it deems necessary. It acknowledges that none of the Issuer, the Arranger, the Manager or any of their respective affiliates, representatives or agents is acting as a fiduciary for or an adviser to it with respect to the acquisition of any LEPOs or with respect to the Prospectus relating to such Series of LEPOs or has recommended or otherwise will recommend to it the investment in any LEPOs. It shall not acquire any LEPOs, unless it has not relied upon any communication (written or oral) of the Issuer, the Arranger or the Manager, or any of their respective affiliates, representatives or agents with respect to the business, financial, investment, legal, regulatory, accounting, tax or other implications of the investment in such LEPOs, and unless it has conducted its own analysis of the business, financial, investment, legal, regulatory, accounting, tax and other implications of such an investment (it being understood that information contained in the relevant Prospectus shall not be considered investment advice or a recommendation to acquire such LEPOs):
- 6. it shall not acquire any LEPOs, unless it acquires such LEPOs with its own funds and not with the funds of any other person and unless, upon the acquisition by it of such LEPOs, no other person has any interest, beneficial or otherwise, in such LEPOs;
- 7. it understands and acknowledges that (i) none of the LEPOs have been or will be registered under the Act or state securities laws and that the offer and sale to it of the LEPOs will only be made in reliance upon the exemption from the registration requirements of the Act that is provided by Rule 144A or Regulation S of the Act and in reliance upon relevant exemptions from state securities laws and (ii) none of the LEPOs acquired by it or any interest therein may ever be offered, sold, pledged, assigned, delivered or otherwise transferred or exercised or redeemed by it, directly or indirectly, (including, without limitation, through a conditional contract to sell, or through a grant of an option to purchase, or through any other hedge of its long position in any of the LEPOs), except (x) to the Issuer or the Manager or (y) in accordance with applicable securities laws of any state of the United States

and in accordance with Rule 144A or Regulation S, as applicable, exclusively through the Issuer to persons reasonably believed by the transferor to Eligible Investors at the time of the transfer;

8. (x) it understands that the LEPOs will bear legends substantially to the following effect:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE SECURITIES MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY TO OR THROUGH THE ISSUER (1) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A OUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), IN EACH CASE TO A PURCHASER THAT HAS EXECUTED AND DELIVERED TO THE ISSUER A LETTER OF REPRESENTATIONS SUBSTANTIALLY IN THE FORM ATTACHED AS THE EXHIBIT TO THE PROSPECTUS.

(y) In addition, each LEPO for which the Reference Asset is an equity security listed on a PRC stock exchange shall bear the following legend

ANY PLEDGE, SALE OR OTHER TRANSFER OF THIS SECURITY TO A PERSON THAT IS A "DOMESTIC INVESTOR" (MEANING (1) PRC CITIZENS RESIDENT IN THE PRC (EXCLUDING HONG KONG, MACAU AND TAIWAN), (2) PRC CITIZENS RESIDENT OUTSIDE THE PRC WHO ARE NOT PERMANENT RESIDENTS OF ANOTHER COUNTRY OR PERMANENT RESIDENTS OF HONG KONG, MACAU OR TAIWAN, OR (3) LEGAL ENTITIES REGISTERED IN THE PRC (EXCLUDING HONG KONG, MACAU AND TAIWAN)), OR TO ANY PERSON USING FUNDS TO PURCHASE THIS SECURITY SOURCED FROM A "DOMESTIC INVESTOR" SHALL, AT THE OPTION OF THE ISSUER, (X) BE VOID OR (Y) GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY SECURITIES HELD BY SUCH TRANSFEREE.

(z) In addition, each LEPO for which a constituent of the Index is an equity security listed on a PRC stock exchange shall bear the following legend

ANY PLEDGE, SALE OR OTHER TRANSFER OF THIS SECURITY TO A PERSON THAT IS A "DOMESTIC INVESTOR" (MEANING (1) PRC CITIZENS RESIDENT IN THE PRC (EXCLUDING HONG KONG, MACAU AND TAIWAN), (2) PRC CITIZENS RESIDENT OUTSIDE THE PRC WHO ARE NOT PERMANENT RESIDENTS OF ANOTHER COUNTRY OR PERMANENT RESIDENTS OF HONG KONG, MACAU OR TAIWAN, OR (3) LEGAL ENTITIES REGISTERED IN THE PRC (EXCLUDING HONG KONG, MACAU AND TAIWAN)), OR TO ANY PERSON USING FUNDS TO PURCHASE THIS SECURITY SOURCED FROM A "DOMESTIC INVESTOR" SHALL, AT THE OPTION OF THE ISSUER, (X) BE VOID OR (Y) GIVE THE ISSUER THE RIGHT TO COMPEL THE TRANSFEREE TO REDEEM ANY SECURITIES HELD BY SUCH TRANSFEREE.

9. it understands and acknowledges that the Issuer has the right, at its option, (x) to compel any legal or beneficial owner of LEPOs that has acquired such LEPOs in violation of the legend thereon or this Letter at the time it acquired such LEPOs to redeem the LEPOs held by such legal or beneficial owner

- or (y) to void the transfer of any such LEPOs to such legal or beneficial owner, including by compelling a sale by such legal or beneficial owner, or selling such LEPOs on behalf of such legal or beneficial owner, to a purchaser acceptable to the Issuer;
- 10. it understands and acknowledges that the Issuer may receive a list of participants holding positions in the securities from one or more book-entry depositaries;
- 11. it (i) has provided to the Manager financial and other information concerning its investment objectives and risk tolerance that has not been rendered misleading or obsolete; (ii) understands that the investment in the LEPOs is subject to a very high degree of complex risks which may arise without warning, may at times be volatile, and that losses may occur quickly and in unanticipated magnitude and that LEPOs are highly speculative and may result in a loss of the entire investment; (iii) shall not acquire any LEPOs, unless it concludes at the time that the investment by it in such LEPOs is suitable in light of its own investment objectives, financial capabilities and expertise; and (iv) has not been solicited by the Issuer, the Arranger, the Manager or any of their affiliates to purchase any LEPOs, but rather on its own initiative has requested the Issuer to structure and sell such LEPOs to it through the Manager;
- 12. it shall not acquire any LEPOs, unless it has a valid business purpose for acquiring such LEPOs and unless its investment in such LEPOs is consistent with its overall investment strategy at such time;
- 13. it shall not acquire any LEPOs, unless it has such knowledge and experience in financial and business matters (including with respect to investments in unregistered equity securities of issuers similarly situated as the issuer of the Reference Assets underlying such LEPOs) as to enable it to evaluate the merits and risk of its investment in such LEPOs (as well as in the Reference Assets) and unless at such time it is able to bear the economic risk of investing in and holding such LEPOs;
- 14. it acknowledges that it shall not acquire any such LEPOs without an independent investigation by it of the Reference Assets to which the return on such LEPOs is linked and of the issuers, owners, guarantors or sponsors of such Reference Assets (each, an "Underlying Company") because the investment in such LEPOs may be viewed as economically equivalent to an investment in the underlying Reference Assets;
- 15. it has read and understands the information contained in the relevant Prospectus, as amended and supplemented at such time;
- 16. it acknowledges, in connection with any acquisition by it of any LEPOs, that the information, if any, about the Reference Assets to which such LEPOs will be linked that will be contained in the relevant Prospectus will not have been prepared by, or on behalf of, and will not have been verified by, or on behalf of, the Issuer, the Arranger, the Manager or any of their affiliates, and the Issuer, the Arranger and the Manager will have disclaimed any responsibility for such information, and that an independent investigation of the relevant Reference Assets and the relevant Underlying Company will be required for such purpose. In connection with any acquisition by it of any LEPOs, it will not have relied on any representations or other information purported to be given by or on behalf of the Issuer, the Arranger or the Manager, except as expressly set forth in the relevant Prospectus, as amended and supplemented at such time;
- 17. it acknowledges, in connection with any acquisition by it of any LEPOs, that the Issuer, the Arranger, the Manager and their affiliates will not be responsible for determining the legality or suitability of an investment by it in such LEPOs and that none of the Issuer, the Arranger, the Manager and their affiliates will be acting at any time during an offering of any LEPOs as an underwriter, distributor or other similar agent for the issuer, owner, guarantor or sponsor of the relevant Reference Assets in connection with the acquisition by the undersigned of such LEPOs;

- 18. it shall not acquire any LEPOs, unless it shall have all the information that it then believes is necessary or appropriate in connection with its purchase of such LEPOs (including, without limitation, all the information in respect of any underlying Reference Assets, the relevant Underlying Company and such LEPOs);
- it is aware and acknowledges that the Issuer, the Arranger, the Manager and their affiliates may from 19. time to time have a direct or indirect investment in, or a banking or other business relationship with, the relevant Underlying Company, and, in the course of such, relationships, the Issuer or any of their affiliates may come into possession of material, non-public information regarding the relevant Underlying Company; it further understands and acknowledges that none of the Issuer, the Arranger, the Manager and their affiliates has been acting at any time during an offering of such LEPOs as an underwriter, distributor or other similar agent for the Underlying Company in connection with the acquisition by the undersigned of such LEPOs or is under any obligation to inform prospective purchasers or legal or beneficial owners either of the nature of or the fact that they were in possession of such information. It is aware that from time to time, the Issuer or any of its affiliates may provide or make available to the undersigned, as well as to others, research, opinions and other information in regard to securities (including LEPOs of any particular Series), commodities, other financial assets, and market participants or events which include the Reference Assets or the Underlying Company in respect of such Series of LEPOs; it acknowledges that if such information is provided to the undersigned, it is so provided without regard to the undersigned's personal financial situation or other circumstances and that the provision by the Issuer or such affiliate of such information to it, whether sent directly or made readily accessible, and whether in writing, in electronic form or the subject of a taping, broadcast or narrowcast, does not imply that an investment in the LEPOs linked to such Reference Assets is suitable in light of its particular circumstances. It agrees that if such information is received by it, it will not be the basis of any investment decision by the undersigned. While all information produced by the Issuer or any of its affiliates is based on sources believed to be reliable, it acknowledges that the Issuer and its affiliates do not guarantee or warrant the accuracy, reliability or timeliness of such information, and further, all information and opinions are current only as of the time provided, and are subject to rapid change without prior notice. It also acknowledges that the Issuer or any of its affiliates may execute transactions for others or for their own account in financial instruments consisting of or linked to Reference Assets including LEPOs of any particular Series and such transactions may have an adverse effect on the price of the Reference Assets and/or LEPOs linked to such Reference Assets; it agrees that it requested the Issuer to structure and sell LEPOs of any particular Series to it through the Manager on its own initiative without reference to any of the foregoing activities by the Issuer or any of its affiliates with the Underlying Company or Reference Assets to which such LEPOs are linked;
- 20. it does not have, at the time it purchases LEPOs of any Series and at the time it exercises LEPOs prior to or on their Expiry Date, any material, non-public information regarding the relevant Underlying Company;
- 21. it understands and acknowledges that the purpose of the acquisition of such LEPOs is to secure a profit or minimize a loss by reference to fluctuations in the price of the relevant Reference Assets, and accordingly, it agrees that it is an express term of such LEPOs that (i) the undersigned does not acquire any interest in or right to acquire any relevant Reference Assets by virtue of holding any LEPO; (ii) none of the undersigned, the Issuer or any entity acting for the Issuer is obliged to sell, purchase, hold, deliver, pledge, transfer or receive any relevant Reference Asset; (iii) the primary right of the undersigned and the primary obligation of the Issuer for any LEPOs is to receive or make the respective payments referred to in the relevant Prospectus; and (iv) it will not in any way have any rights with respect to any underlying Reference Asset including, but not limited to, voting rights;
- 22. (i) it is not and will not be a benefit plan investor (as defined in section 3(42) of ERISA) and (ii) if at any time it will be an employee benefit plan that is not a benefit plan investor and that is subject to any U.S. federal, state or local law that is substantially similar to section 406 of ERISA or section 4975 of the Code ("Similar Law"), the purchase and holding of the warrants do not and will not violate any

Similar Law. Any purported transfer of this warrant that does not comply with these requirements shall be null and void *ab initio*.

- 23. it is not a country, territory, individual or entity named on any publicly available list of known or suspected terrorists, terrorist organizations or other sanctioned persons or entities, or an individual or entity that resides or has a place of business in a country or territory named on such lists, issued by the U.S. government, including those lists administered by the Office of Foreign Assets Control and the undersigned has established procedures to identify clients on such lists;
- 24. it is not a "Foreign Shell Bank" as defined in the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "USA PATRIOT Act"), a foreign bank operating under an "Offshore Banking License" as defined in the USA PATRIOT Act, a foreign bank operating in a non-cooperative Financial Action Task Force jurisdiction (as defined in the USA PATRIOT ACT), or a foreign bank operating in an industry or jurisdiction designated as of primary money laundering concern by the U.S. Secretary of the Treasury;
- 25. it understands and acknowledges that it, its employees, representatives or other agents may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure of the offering of LEPOs pursuant to the relevant Prospectus and all materials of any kind (including any opinions or other tax analyses provided) relating to such U.S. federal income tax treatment and tax structure:
- 26. it agrees, and it authorizes the Manager, Issuer or any of their respective affiliates, to provide, upon request of any regulatory authority in respect of any LEPO transaction, or where any such party is being compelled by law or by any governmental department or agency, or by an order of a court of competent authority to so provide, any information requested with respect to such LEPO transaction;
- 27. with respect to any LEPOs for which Reference Asset is an equity security or a basket of securities listed on any PRC exchange, it represents that:

it is NOT, and the funds used to purchase such LEPOs are not sourced from, a (i) PRC Citizen resident in the PRC (excluding Hong Kong, Macau and Taiwan), or (ii) PRC Citizen resident outside the PRC who are not permanent residents of another country or permanent residents of Hong Kong, Macau or Taiwan, or (iii) legal entity registered in the PRC (excluding Hong Kong, Macau and Taiwan).

"PRC Citizen" means any person holding a resident identification card of the PRC (excluding Hong Kong, Macau and Taiwan);

it acknowledges that the Issuer and/or any of its affiliates may be required by any relevant PRC governmental or regulatory authorities pursuant to applicable law, regulation or lawful order to disclose information relating to, among other things, the identities of any party having a direct or indirect beneficial interest in the LEPOs, and it agrees to all such related disclosure and hereby waives any confidentiality with regard thereto;

it will at all times comply with all applicable PRC laws and regulations, including those in relation to disclosure of interests (and any related disposal restrictions); and

28. it will indemnify and hold harmless the Issuer and its affiliates against any and all liabilities, claims and damages which may be incurred by the Issuer and its affiliates directly or indirectly as a result of it having breached any of its obligations, warranties, undertakings or representations herein or against any liability or claims directly or indirectly arising from the transfer of the LEPOs to any person or persons.