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## **Warrants**

**issued by**

### **The Hongkong and Shanghai Banking Corporation Limited**

*(incorporated in Hong Kong with limited liability under the Companies Ordinance of Hong Kong)*

#### **Announcement**

We intend to issue the warrants detailed below (the **warrants**).

<b>Stock Code</b>	<b>21391</b>	<b>21392</b>
<b>Share</b>	Existing issued ordinary H shares of RMB1.00 each of the Company	Existing issued ordinary shares of HK\$0.50 each of the Company
<b>Company</b>	Sinopharm Group Co. Ltd.	Sun Hung Kai Properties Limited
<b>Style</b>	European	European
<b>Type</b>	Call	Call
<b>Settlement method</b>	Cash Settled	Cash Settled
<b>Issue size</b>	80,000,000	150,000,000
<b>Issue price</b>	HK\$0.25	HK\$0.15
<b>Expiry date</b>	2 September 2010	22 November 2010
<b>Trading board lot</b>	4,000 warrants	10,000 warrants
<b>Entitlement</b>	One share	One share
<b>Exercise amount</b>	Ten warrants	One hundred warrants

<b>Stock Code</b>	<b>21391</b>	<b>21392</b>
<b>Exercise price</b>	HK\$43.88	HK\$100.88
<b>Implied volatility*</b>	56.00%	42.50%
<b>Gearing*</b>	13.60x	6.81x
<b>Effective gearing*</b>	4.62x	3.88x
<b>Premium*</b>	36.41%	13.50%
<b>Liquidity provider</b>	HSBC Securities Brokers (Asia) Limited (Broker ID: 9615) Levels 16 and 17, HSBC Main Building, 1 Queen's Road Central, Hong Kong Tel: (852) 2822 1849	HSBC Securities Brokers (Asia) Limited (Broker ID: 9615) Levels 16 and 17, HSBC Main Building, 1 Queen's Road Central, Hong Kong Tel: (852) 2822 1849

\* The implied volatility, gearing, effective gearing and premium may not be comparable to similar information provided by other issuers of derivative warrants as each issuer may use different pricing models.

### **How do we calculate the cash settlement amount?**

The warrants are in registered form and exercisable only in the relevant trading board lots.

If on any expiry date the cash settlement amount is greater than zero, the warrants will be automatically exercised.

Every exercise amount will entitle you to receive from us the cash settlement amount in Hong Kong dollars calculated by us as equal to:

$$\{\text{Entitlement} \times (\text{closing price}^* - \text{exercise price})\} - \text{exercise expenses}$$

\* "Closing Price" shall be the arithmetic mean of the closing price of one Share (for each of the five business days immediately before the expiry date as derived from the Daily Quotation Sheet of the stock exchange, subject to any adjustments (as determined by the Issuer in accordance with the terms and conditions of the warrants as set out in the base listing document) to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like).

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

Our base listing document dated 28 April 2009 (the **base listing document**), together with any additional addenda or successor document, our supplemental listing document to be dated 1 March 2010 and our latest publicly available annual report and interim report will be available for inspection, together with their Chinese translations, during usual business hours at the office of Computershare Hong Kong Investor Services Limited, which is presently at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Hong Kong. Information on us can also be found on the website of the group of companies to which we belong, which is [www.hsbc.com](http://www.hsbc.com).

## **How will the liquidity provider provide quotes?**

The liquidity provider will provide liquidity by responding to requests for bid and offer quotes. A quote may be obtained by calling its telephone number.

## **Additional information**

The warrants will constitute our general unsecured contractual obligations. They are not obligations of any other person.

An application will be made to the stock exchange for the listing of, and permission to deal in, the warrants on the stock exchange. The date of commencement of dealings in the warrants is expected to be 2 March 2010.

Other than being a licensed bank in Hong Kong regulated by the Hong Kong Monetary Authority and a registered institution under the Securities and Futures Ordinance, we are not regulated by any of the bodies referred to in rule 15A.13(2) or (3) of the stock exchange rules.

Our long term credit ratings are AA by Standard and Poor's Ratings Group and Aa1 by Moody's Investors Service, Inc.

**The Hongkong and Shanghai Banking Corporation Limited**

23 February 2010