

# Daiwa

## Capital Markets

### Daiwa Capital Markets Hong Kong Limited

*(incorporated with limited liability in Hong Kong)*

#### Offer of

**80,000,000 European Style (Cash Settled)**

**Put Warrants due 12 October 2012**

**relating to the existing issued ordinary shares of HK\$0.25 each of  
Hutchison Whampoa Limited  
(Stock Code: 18468)**

**128,000,000 European Style (Cash Settled)**

**Call Warrants due 22 October 2012**

**relating to the existing issued ordinary shares of HK\$0.25 each of  
Hutchison Whampoa Limited  
(Stock Code: 18469)**

**128,000,000 European Style (Cash Settled)**

**Call Warrants due 19 November 2012**

**relating to the existing issued ordinary H shares of RMB1.00 each of  
China Construction Bank Corporation  
(Stock Code: 18470)**

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited (the **stock exchange**) and Hong Kong Securities Clearing Company Limited (**HKSCC**) take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This document 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 the issuer. Daiwa Capital Markets Hong Kong Limited (the **issuer**) accepts full responsibility for the accuracy of the information contained in the base listing document dated 15 July 2011, as supplemented by the first addendum dated 14 February 2012, together with any additional addenda or successor document (the **base listing document**) and the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement in the base listing document and/or this document misleading.

**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 and this document and, where necessary, seek professional advice, before they invest in the warrants.**

The warrants constitute general unsecured contractual obligations of the issuer and of no other person and if you purchase the warrants you are relying upon the creditworthiness of the issuer and have no rights under the warrants against the company which has issued the underlying shares.

Dated 17 May 2012

## **IMPORTANT**

**This is a structured product which involves derivatives. Do not invest in it unless you fully understand and are willing to assume the risks associated with it.**

If you are in any doubt as to any of the contents of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

You should read this document as well as the base listing document and any addendum or successor to the base listing document before deciding whether to invest in the warrants.

The issuer cannot give you investment advice. You must decide for yourself whether the warrants meet your investment needs, taking professional advice if appropriate. This document is not intended to be, and should not be considered as, a recommendation or advice by the issuer or any of its affiliates that you should purchase any of the warrants, and you must make your own independent investigation of the financial condition and affairs of the issuer and your own appraisal of the issuer's creditworthiness.

The issuer undertakes during the period in which the warrants are listed on the stock exchange to make available to you for inspection at the office of Daiwa Capital Markets Hong Kong Limited, which is presently at Level 26, One Pacific Place, 88 Queensway, Hong Kong:

- (a) a copy of the base listing document (both the English version and the Chinese translation);
- (b) a copy of this supplemental listing document (both the English version and the Chinese translation);
- (c) a copy of the latest publicly available annual report and interim report or quarterly financial statements (if any) of the issuer; and
- (d) a copy of the consent letter of the auditors of the issuer referred to in the base listing document and any addendum or successor to the base listing document (if any).

發行人保證閣下可於權證在聯交所上市的期間在大和資本市場香港有限公司辦事處（現時地址為香港金鐘道88號太古廣場第1期26樓）查閱下列文件：

- (a) 基礎上市文件（英文版本及中文譯本）；
- (b) 本補充上市文件（英文版本及中文譯本）；
- (c) 發行人最近期公開的年報及中期報告或季度財務報表（如有）；及
- (d) 基礎上市文件及基礎上市文件之任何增編或續編（如有）所述發行人的核數師的同意書。

The warrants are not available to, or for the benefit of, U.S. persons (as defined in the U.S. Securities Act of 1933, as amended) (the **Securities Act**).

## TABLE OF CONTENTS

	<i>Page</i>
<b>Risk Factors</b> .....	4
<b>Summary of the Issues</b> .....	6
<b>Terms and Conditions of the Warrants</b> .....	9
<b>Information relating to the Companies</b> .....	10
<b>Information on the Liquidity Provider</b> .....	11
<b>Further Information</b> .....	13
<b>More Information about the Warrants</b> .....	14
<b>Supplemental Information about the Issuer</b> .....	15

## RISK FACTORS

**You should consider the following summary of risks and the risk factors set out in the base listing document, together with all other information in this document and the base listing document before making any investment decision. The following summary does not necessarily set out all the risks related to the warrants and you should not rely on it without reference to the relevant conditions. The relevant conditions are set out in the section “Terms and conditions of the Single Equities Call Warrants (Cash Settled)” for call warrants or the section “Terms and conditions of the Single Equities Put Warrants (Cash Settled)” for put warrants, as the case may be, in the base listing document as amended in this document. If you have any concerns or doubts about the warrants, you should obtain independent professional advice.**

- (1) The price of the warrants may fall or rise rapidly in value and the warrants may expire worthless, resulting in a total loss of your investment.
- (2) If you purchase the warrants, you rely on our creditworthiness and you have no rights under the warrants against any company which issues the underlying shares.
- (3) If trading in the underlying shares is suspended on the stock exchange, trading in the warrants will be suspended for a similar period. If trading in the underlying shares is suspended for a prolonged period, trading in the warrants will be suspended for a similar prolonged period. The value of the warrants may be adversely affected during the prolonged suspension period.
- (4) There is a time lag between exercise of the warrants and payment to the holders of the warrants.
- (5) Events may occur which may affect the value of the underlying shares and require an adjustment to the warrants. However, even if such event does not require an adjustment to the warrants, the price of the warrants may be affected.
- (6) We (acting through our appointed liquidity provider) may be the only market participants for the warrants. The secondary market may be limited.
- (7) The value of the warrants may not correlate with the movements of the underlying share price and may be affected by the time remaining to expiry.
- (8) Since the warrants are leveraged, the percentage change in the price of a warrant is greater compared with that of the underlying shares. Investors may suffer higher losses in percentage terms if they expect the price of the underlying shares to move one way but it moves in the opposite direction.
- (9) Various potential and actual conflicts of interest may arise from our overall activities or the activities of our subsidiaries and affiliates.
- (10) In the ordinary course of our business, we may effect transactions on our own account or for the account of our customers and hold positions in the underlying shares.
- (11) If we determine that: (a) for reasons beyond our control, the performance of our obligations under any warrants has become illegal or impractical in whole or in part for any reason; (b) for reasons beyond our control, it is no longer legal or practical for us to maintain our hedging arrangements with respect to any warrants (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation of any applicable law or regulation (including, without limitation, any action taken by a taxing authority); or (c) the Securities and Futures Commission, the stock exchange or any of their respective successors issues an order or direction to us or our affiliate requiring any warrants or the hedging arrangements in respect of any warrants to be terminated early, in each case, we may at our discretion and without obligation terminate any warrants early.

If we terminate the warrants early, we will, if and to the extent permitted by applicable law, pay an amount to each holder of warrants in respect of each warrants held by such holder equal to the fair market value of the warrants notwithstanding such illegality, impracticality or event less the cost of unwinding any underlying related hedging arrangements, all as we determine in our sole and absolute discretion.

(12) As the warrants are issued in global registered form, HKSCC Nominees Limited will be the only legal owner of the warrants. You will have to rely on Central Clearing and Settlement System (CCASS) and/or your brokers to (a) determine your beneficial interest in the warrants, (b) receive announcements and/or information relating to the warrants and (c) receive payments under the warrants.

(13) You should note that neither we nor the warrants are rated.

(14) You should note that we are not the ultimate holding company of the group which we belong. The ultimate holding company of our group is Daiwa Securities Group Inc.

## SUMMARY OF THE ISSUES

The following is only a summary of the terms of the warrants. You should read this document together with the base listing document and any addendum or successor to the base listing document (if any). Terms used in this summary shall have the meaning provided in the section headed “Terms and conditions of the warrants”.

<b>Stock Code:</b>	18468	18469	18470
<b>Style</b>	European style Cash Settled	European style Cash Settled	European style Cash Settled
<b>Type</b>	Put	Call	Call
<b>Underlying company</b>	Hutchison Whampoa Limited	Hutchison Whampoa Limited	China Construction Bank Corporation
<b>Shares</b>	Existing issued ordinary shares of HK\$0.25 each of the underlying company.	Existing issued ordinary shares of HK\$0.25 each of the underlying company.	Existing issued ordinary H shares of RMB1.00 each of the underlying company.

If a corporate event occurs in respect of the company, for example, if there is a rights issue, bonus issue, sub-division or consolidation of its shares, cash distributions, we may adjust the terms of the affected warrants to take into account the consequences of such events. Please refer to condition 6 of the relevant conditions in the base listing document for further details as to what the adjustments will be in these circumstances.

<b>Website of the underlying company</b>	www.hutchison-whampoa.com	www.hutchison-whampoa.com	www.ccb.com
<b>Launch date</b>	11 May 2012	11 May 2012	11 May 2012
<b>Issue size</b>	80,000,000 warrants	128,000,000 warrants	128,000,000 warrants
<b>Number of shares to which the warrants relate</b>	8,000,000	12,800,000	128,000,000
<b>Issue price</b>	HK\$0.250 per warrant	HK\$0.240 per warrant	HK\$0.250 per warrant
<b>Exercise amount</b>	Ten warrants	Ten warrants	One warrant
<b>Entitlement</b>	One share	One share	One share
<b>Board lot</b>	10,000 warrants	10,000 warrants	1,000 warrants
<b>Expiry date</b>	12 October 2012	22 October 2012	19 November 2012

If such day is not a business day, the immediately preceding business day.

<b>Exercise price</b>	HK\$62.88 per exercise amount	HK\$78.88 per exercise amount	HK\$5.988 per exercise amount
<b>Cash settlement amount</b>	<p>For each exercise amount, you will receive a cash settlement amount (if any) in Hong Kong dollars calculated by us using the following formula:</p> <p><i>For call warrants:</i></p> <p>[entitlement x (closing price – exercise price)] – exercise expenses</p> <p><i>For put warrants:</i></p> <p>[entitlement x (exercise price – closing price)] – exercise expenses</p>		
<b>Closing price</b>	The arithmetic mean of the closing price of one share (which is obtained from the daily quotation sheet of the stock exchange (subject to any adjustments as provided in conditions 2(c) and 6 of the relevant conditions) for each valuation date.		
<b>Valuation dates</b>	<p>Each of the five business days immediately before the relevant expiry date.</p> <p>A day is a business day if the stock exchange is open for dealings in Hong Kong and banks are open for business in Hong Kong (excluding Saturday).</p> <p>If a market disruption event occurs on a valuation date, then such valuation date will be postponed. Please refer to condition 4(B)(d) of the relevant conditions for details on what will happen in such circumstances and when we may have to make a good faith estimate of the value of the shares.</p>		
<b>Exercise at expiry</b>	<p>Warrants are exercisable only on the expiry date in integral multiples of the relevant board lot stated above.</p> <p>If on the relevant expiry date the cash settlement amount is greater than zero, the warrants will be exercised automatically on the expiry date. You will not be required to deliver any exercise notice.</p> <p><b>If on the relevant expiry date the cash settlement amount is less than or equal to zero, you will lose the value of your investment.</b></p>		
<b>Payment of cash settlement amount</b>	<p>If the warrants are automatically exercised on the expiry date, we will pay you the cash settlement amount (if any).</p> <p><b>You must pay your own exercise expenses on exercise of the warrants on their expiry date. Payment of the exercise expenses is reflected in the calculation of the cash settlement amount.</b></p> <p>We will pay the cash settlement amount no later than three business days following the expiry date. Under the relevant conditions of the warrants, HKSCC Nominees Limited is, legally, the only “warrantholder” so far as we are concerned. Any cash settlement amount will be delivered to HKSCC Nominees Limited as the registered holder of the warrants and will be delivered to you through CCASS or to your broker/custodian in accordance with the General Rules of CCASS and the CCASS Operational Procedures. You may have to rely on your broker/custodian to ensure the cash settlement amount is credited to your account with them. Payment of the cash settlement amount may be delayed if a settlement disruption event occurs and we are unable to deliver such amount through CCASS. Please refer to condition 4(B)(d) of the relevant conditions for details on what will happen in such circumstances.</p>		
<b>Exercise and trading currency</b>	Hong Kong dollars.		

**Listing** We have made an application to the stock exchange for, and the stock exchange has agreed in principle to, the listing of and dealings in, the warrants. The issue of the warrants is conditional on such listing being granted. It is expected that dealings in the warrants on the stock exchange will commence on or about 18 May 2012.

We do not intend to apply for a listing of the warrants on any other stock exchange other than the stock exchange.

**Admission into CCASS** All necessary arrangements have been made to enable the warrants to be admitted to CCASS. All activities in CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. If you are a CCASS investor participant you may hold your warrants in your account with CCASS. If you do not have a CCASS account, your broker (as a CCASS participant) will arrange to hold the warrants for you in an account at CCASS.

**Form** The warrants are represented by a global certificate registered in the name of HKSCC Nominees Limited. You are not entitled to definitive certificates. Computershare Hong Kong Investor Services Limited will maintain a register in Hong Kong showing HKSCC Nominees Limited as the registered holder of the warrants. Any notices delivered to HKSCC Nominees Limited as the registered holder of the warrants will be communicated to you or your broker/custodian as CCASS participants in accordance with the General Rules of CCASS and the CCASS Operational Procedures. You may have to rely on your broker/custodian to ensure that the notices reach you.

You, as a beneficial holders of the warrants, are not entitled to any certificate representing your interests in the warrants. You can refer to the records of CCASS or their brokers/custodians and the statements you receive from CCASS or your brokers/custodians to determine your beneficial interests in the warrants.

**Transfers of warrants** You can only transfer your warrants in board lots or integral multiples thereof in CCASS in accordance with the General Rules of CCASS and the CCASS Operational Procedures. If you transfer your warrants through the stock exchange, settlement must currently be made not later than two trading days after the dealing was entered into.

**Status of the warrants upon liquidation** The warrants will constitute our general, unsecured contractual obligations. They are not obligations of any other person. The warrants will rank equally among themselves and (save for certain obligations required to be preferred by law) equally with all our other unsecured obligations.

**Governing law** Hong Kong law.

**Maintenance of register** Computershare Hong Kong Investor Services Limited will maintain the register for the warrants.

<b>Liquidity provider</b>	Daiwa Capital Markets Trading Hong Kong Limited	Daiwa Capital Markets Trading Hong Kong Limited	Daiwa Capital Markets Trading Hong Kong Limited
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<i>Broker ID</i>	9595	9595	9595
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<i>Tel</i>	27738168	27738168	27738168
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<i>Address</i>	Level 28, One Pacific Place, 88 Queensway, Hong Kong	Level 28, One Pacific Place, 88 Queensway, Hong Kong	Level 28, One Pacific Place, 88 Queensway, Hong Kong
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## TERMS AND CONDITIONS OF THE WARRANTS

The terms and conditions applicable to the warrants are set out in the section “Terms and conditions of the Single Equities Call Warrants (Cash Settled)” or “Terms and conditions of the Single Equities Put Warrants (Cash Settled)”, as the case may be, in the base listing document. For the purposes of the relevant conditions, the terms below shall have the following meanings:

<b>Stock Code:</b>	18468	18469	18470
<b>Board Lot:</b>	10,000 Warrants	10,000 Warrants	1,000 Warrants
<b>Company:</b>	Hutchison Whampoa Limited	Hutchison Whampoa Limited	China Construction Bank Corporation
<b>Dealing Commencement Date:</b>	18 May 2012	18 May 2012	18 May 2012
<b>Entitlement:</b>	One Share	One Share	One Share
<b>Exercise Amount:</b>	Ten Warrants	Ten Warrants	One Warrant
<b>Exercise Price:</b>	HK\$62.88	HK\$78.88	HK\$5.988
<b>Issue Date:</b>	17 May 2012	17 May 2012	17 May 2012
<b>Maturity Date:</b>	12 October 2012	22 October 2012	19 November 2012
<b>Shares:</b>	Existing issued ordinary shares of HK\$0.25 each of the Company	Existing issued ordinary shares of HK\$0.25 each of the Company	Existing issued ordinary H shares of RMB1.00 each of the Company
<b>Warrants:</b>	80,000,000 European Style (Cash Settled) Put Warrants in Global Registered Form due 12 October 2012 relating to the Shares	128,000,000 European Style (Cash Settled) Call Warrants in Global Registered Form due 22 October 2012 relating to the Shares	128,000,000 European Style (Cash Settled) Call Warrants in Global Registered Form due 19 November 2012 relating to the Shares

## INFORMATION RELATING TO THE COMPANIES

**Where can you obtain information on the companies, such as their published consolidated financial statements and their interim financial statements, if any?**

You can do the following:

- talk to your financial advisers
- view the website of the stock exchange ([www.hkex.com.hk](http://www.hkex.com.hk))
- view the website of each of the companies (please refer to the “Summary of the Issues” in this document). Each company may not always maintain a website and may change or add a new website or websites, or may amend, or remove any information posted on such websites. You should conduct your own web searches to ensure that you are viewing the most up to date version of each company's website. We accept no responsibility for that information, including whether that information is accurate, complete or up-to-date.

## INFORMATION ON THE LIQUIDITY PROVIDER

### **Will there be a market for the warrants?**

The stock exchange requires us to provide liquidity in the warrants to ensure that there will always be a market price available for the purchase and sale of the warrants (subject to the circumstances described below). We have appointed Daiwa Capital Markets Trading Hong Kong Limited as our liquidity provider for the warrants.

### **What is a liquidity provider?**

The liquidity provider is an affiliate of the issuer. The liquidity provider is a stock exchange participant and is therefore subject to prudential and conduct regulation by the stock exchange and the Securities and Futures Commission. The liquidity provider has agreed to act as our agent in providing liquidity in the warrants. If the liquidity provider is unable to perform its functions, we will appoint a substitute liquidity provider for the warrants.

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

The liquidity provider will use its reasonable endeavours to make a market in the warrants by responding to requests for bid and offer prices. You can request for a price by calling (852) 27738168. The liquidity provider will respond to your request within 15 minutes of your request.

All quotes will be displayed on the designated stock page for the warrants. The liquidity provider will provide quotes with a maximum of a 25 tick spread (where 'spread' is as prescribed under the rules of the stock exchange) between bid and offer prices, for a minimum of ten board lots of the warrants. The liquidity provider will provide you with prices for the warrants in the secondary market during the life of the warrants. Such prices will be available on each business day on which the warrants are traded on the stock exchange from five minutes after the start of the continuous trading session as defined in the rules and regulations of the stock exchange (**the continuous trading session**) or after trading commences for the first time on any business day until the end of the continuous trading session.

### **How are the prices calculated?**

Any price provided by the liquidity provider will be based on a pricing model which takes into account such factors as the liquidity provider deems appropriate, including, without limitation, the volatility and price of the shares, the time left to the expiry of the warrants, the exercise price of the warrants, the dividend history of the shares and the prevailing interest rate climate.

### **Are there circumstances that the liquidity provider cannot provide liquidity?**

There will be circumstances under which the liquidity provider may not be able to, and will not be obliged to, provide liquidity. Such circumstances may include:

- (i) when the warrants are suspended from trading for any reason including, but without limitation, as a result of the shares being suspended from trading;
- (ii) when there are insufficient warrants available for effective market making activities by the liquidity provider (as determined by the liquidity provider in its discretion acting in good faith), in which event, only a bid price for the warrants will be available upon request. For the avoidance of doubt, in determining whether sufficient warrants are available for market making activities, warrants held by us or any of our affiliates in a fiduciary or agency (as opposed to proprietary) capacity shall be deemed to be not available for market making activities;
- (iii) during a pre-opening session or a closing auction session (if applicable) or any other circumstances as may be prescribed by the stock exchange from time to time;
- (iv) if it is a public holiday in Hong Kong and the stock exchange is not open for dealings;
- (v) during the period of five business days immediately prior to the expiry date of the warrants;

- (vi) operational and technical problems or other events beyond the control of the liquidity provider hindering its ability to provide liquidity;
- (vii) if the stock market experiences exceptional price movement and volatility, i.e. during fast markets;
- (viii) the occurrence of market disruption events, including, without limitation, any suspension of or limitation imposed on trading (caused by movements in price exceeding limits permitted by the relevant exchange or otherwise) in the shares or any warrants, options contracts or futures contracts relating to the shares;
- (ix) when the ability of the liquidity provider to source a hedge or unwind an existing hedge, as determined by the liquidity provider in its discretion acting in good faith, is materially affected by prevailing market conditions (in which case either only a bid price or only an offer price of the warrants shall be made but not both); and
- (x) when the theoretical value of each warrant (as determined by the liquidity provider based on the pricing model) is less than HK\$0.01, then the liquidity provider will not be obliged to provide liquidity for the warrants. Nonetheless, if the liquidity provider elects (in its sole and absolute discretion) to provide liquidity in respect of such warrants, it will do so by providing both bid and offer prices for the warrants.

## FURTHER INFORMATION

### **Are we regulated by any bodies under the rules?**

We are regulated by the Securities and Futures Commission for the conduct of business in dealing in securities in Hong Kong.

### **Have we been rated by any credit rating agency?**

As of the date of this document, we are not rated by any credit rating agency.

### **Are we involved in any litigation?**

As of the date of this document and except as set out in this document and in the base listing document, neither we nor any of our group companies are involved in any litigation, claims or arbitration proceedings which are material in the context of the issue of the warrants. Also, we are not aware of any proceedings or claims which are threatened or pending against us or our group companies.

### **Has there been any material adverse change?**

Except as set out in this document and in the base listing document, there has been no material adverse change in our or our group companies' financial or trading position since 31 March 2011.

### **Who makes determinations and calculations?**

We will make any necessary determinations or calculations in respect of the warrants.

### **Where can you find out information about us?**

You can find out more about us on the website [www.hk.daiwacm.com](http://www.hk.daiwacm.com), and on the website of the group of companies to which we belong, which is [www.daiwa-grp.jp](http://www.daiwa-grp.jp).

### **Are there any experts/auditors involved?**

Our auditors, KPMG, have given and have not withdrawn their written consent to the reproduction of their auditor's report in the base listing document in the form and context in which it appears in the base listing document.

The auditor's report was not prepared for incorporation in the base listing document. Our auditors do not have any shareholding in our company or in any members of our group, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for the securities or securities in any members of our group.

### **Are there any arrangements with brokers?**

We do not have any special arrangements in place with any brokers with respect to the distribution of the warrants.

### **Do the stock exchange and the Securities and Futures Commission charge any fees?**

The stock exchange charges a trading fee of 0.005 per cent. and the Securities and Futures Commission charges a transaction levy of 0.003 per cent. in respect of each transaction effected on the stock exchange payable by each of the seller and the buyer and calculated on the value of the consideration for the relevant securities. The levy for the investor compensation fund is currently suspended.

### **Is stamp duty payable?**

There is no stamp duty payable in Hong Kong on the transfer of the warrants.

### **Has there been any updated information about us since the date of the base listing document?**

There is no supplemental information about us except as set out in this document (including the information referred to in the section headed "Supplemental Information about the Issuer") and in the base listing document. The information in the base listing document is up-to-date and is true and accurate as of the date of this document, except as modified and supplemented in this document.

## MORE INFORMATION ABOUT THE WARRANTS

### **What happens if a market disruption event occurs on a valuation date?**

Generally, if we decide that a market disruption event has occurred on a valuation date, then that valuation date will be postponed until the next business day on which there is no market disruption. However, if the postponed valuation date falls on the expiry date (or after), then the business day before the expiry date will be the valuation date even if there may be market disruption on that day. In this case, we will make a good faith estimate of the value of the shares on that valuation date. Please refer to condition 2(c) of the relevant conditions for a list of events constituting a market disruption event and condition 4(B)(d) of the relevant conditions for details.

### **Who should buy the warrants? Are they suitable for everyone?**

The warrants are not suitable for everyone. You should make sure you fully understand the terms of the warrants, how the warrants work and the associated risks. The risk factor sections in the base listing document and in this document highlight some of the associated risks and you should study them carefully. You should also consider your financial position and investment objectives before deciding to invest in the warrants. Most importantly, you should consult your financial advisers, accounting and tax professionals where necessary.

### **Where can you find more information about us and the warrants?**

The warrants are issued under our Hong Kong listed structured products programme. The programme is described in the base listing document and any addendum or successor to the base listing document (if any). Please read the base listing document together with this document carefully before you decide whether to buy the warrants. The base listing document contains important information, including information about:

- our business, financial condition and profitability;
- the risks of buying the warrants;
- Hong Kong taxation issues in relation to the warrants; and
- the legally binding terms and conditions of the warrants.

We have not authorised anyone to give you any information about the warrants other than the information in this document and the base listing document. You should not rely on any other information and we will not be responsible for any losses arising from such other information. The base listing document and any addendum or successor to the base listing document (if any) and this document are also available in a Chinese translation if you prefer.

## SUPPLEMENTAL INFORMATION ABOUT THE ISSUER

The information under “History” together with the organisation chart of the Daiwa Group and “Directors” set out in the section headed “INFORMATION ABOUT US” from page 5 of our First Addendum dated 14 February 2012 shall be deleted and replaced by the following:

### History

Daiwa Capital Markets Hong Kong Limited (formerly known as Daiwa Securities SMBC Hong Kong Limited) was incorporated in Hong Kong pursuant to the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) with company number 22505 on 28 December 1970 with limited liability and has its registered office and principal place of business at Level 26, One Pacific Place, 88 Queensway, Hong Kong. We became a public limited company in Hong Kong on 5 March 2010. We are a wholly owned subsidiary of Daiwa Capital Markets Asia Holding B.V., (**DCMAHBV**) which is in turn wholly owned by Daiwa International Holdings Inc. (**DIH**) whose ultimate shareholder is Daiwa Securities Group Inc. (**DSGI**). DSGI has been in continuous operation in the financial services industry since 1902. DSGI is incorporated under Japanese law and its shares are listed on the First Section of the Tokyo Stock Exchange, the Osaka Securities Exchange and the Nagoya Stock Exchange. As at 1 January 2012, the net asset value (being the difference between the total asset and total liabilities) of Daiwa Capital Markets Hong Kong Limited was US\$452,375,994.

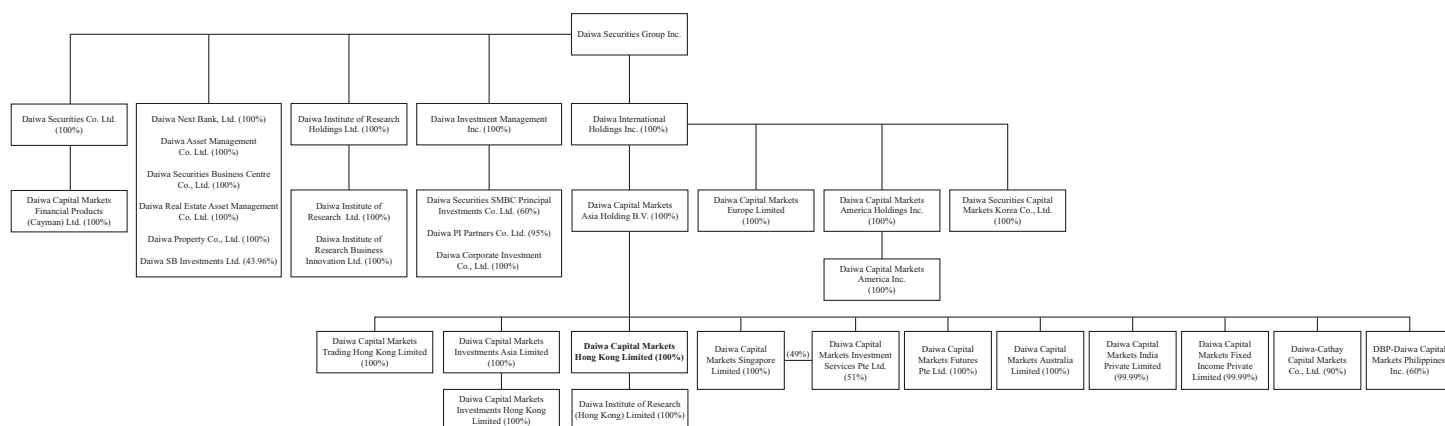
On 29 July 2011, DSGI announced that it approved the conclusion of a Memorandum of Understanding on the integration between Daiwa Securities Co. Ltd. (**DSC**) and Daiwa Securities Capital Markets Co. Ltd. (**DSCMC**), both of which are major subsidiaries of DSGI. The integration took place on 1 April 2012.

On 21 December 2011, DSGI announced that it approved the conclusion of the final Memorandum of Understanding among DSCMC, DIH and DSGI (the **MOU**). Under the MOU, all ordinary shares of DCMAHBV, Daiwa Capital Markets Europe Limited, Daiwa Capital Markets America Holdings Inc. and Daiwa Securities Capital Markets Korea Co., Ltd. held by DSCMC were transferred to DIH. These companies and their respective subsidiaries (including the Issuer) are now operated under DSGI’s management.

On 20 February 2012, DSC and DSCMC entered into a merger agreement which became effective on 1 April 2012. As a result of the merger, DSC became the surviving entity into which DSCMC was absorbed and dissolved. In accordance with Japanese law, under which a surviving company succeeds to and assumes all rights and liabilities of a dissolving company as a result of a merger, DSC assumed all rights and obligations of DSCMC as of 1 April 2012.

The following is the organisation chart of Daiwa Securities Group Inc. and its subsidiaries (the **Daiwa Group**):

**DAIWA GROUP<sup>1</sup>** (as of 1 April 2012)



Note 1: This diagram depicts main subsidiaries only.

**Directors**

The names and titles of the current members of our Board of Directors are set out below:

<i>Name</i>	<i>Title</i>
Masami Tada	Chairman
Hironori Oka	President and Chief Executive Officer
Terence Patrick Mackey	Deputy President and Chief Operating Officer
Sumio Otsuka	Senior Managing Director
Shoichi Saito	Managing Director
Nagahisa Miyabe	Managing Director

The business and service of process address of each member of our Board of Directors is Level 26, One Pacific Place, 88 Queensway, Hong Kong.

**Issuer**

**Registered office of the Issuer**  
**Daiwa Capital Markets Hong Kong Limited**  
Level 26  
One Pacific Place  
88 Queensway  
Hong Kong

**Liquidity Provider**

**Daiwa Capital Markets Trading Hong Kong Limited**  
Level 28  
One Pacific Place  
88 Queensway  
Hong Kong

**Registrar, Agent and Transfer Office**

**Computershare Hong Kong Investor Services Limited**  
Rooms 1712-1716, 17th Floor,  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

**Auditors**

**KPMG**  
8th Floor  
Prince's Building  
10 Chater Road  
Central  
Hong Kong