

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the warrants described below.

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the **stock exchange**) take no responsibility for the contents of this announcement, 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 announcement.*

You are warned that the price of the warrants may fall in value as rapidly as it may rise and you may sustain a total loss of your investment. You should fully understand their potential risks and independently determine that they are appropriate for you. You should seek professional advice if necessary.

Non-collateralised Structured Products
to be issued by
Daiwa Capital Markets Hong Kong Limited
大和資本市場香港有限公司
(Incorporated with limited liability in Hong Kong)

Announcement

Daiwa Capital Markets Hong Kong Limited (the **issuer**) intends to issue the warrants detailed below (the **warrants**):

Stock Code(s)	29444	29445	29446	29493
Liquidity provider broker ID	9569	9569	9569	9569
Issue size	128,000,000 warrants	108,000,000 warrants	98,000,000 warrants	80,000,000 warrants
Style	European style cash settled	European style cash settled	European style cash settled	European style cash settled
Type	Call	Call	Call	Put
Company	Industrial and Commercial Bank of China Limited	China Mobile Limited	Hong Kong Exchanges and Clearing Limited	Ping An Insurance (Group) Company of China, Ltd.
Shares	Existing issued ordinary H shares of the Company	Existing issued ordinary shares of the Company	Existing issued ordinary shares of the Company	Existing issued ordinary H shares of the Company
Board lot	1,000 warrants	5,000 warrants	1,000 warrants	5,000 warrants
Issue price per warrant	HK\$0.250	HK\$0.250	HK\$0.300	HK\$0.360
Exercise price	HK\$5.80	HK\$96.88	HK\$200.00	HK\$60.80
Entitlement	1 share	1 share	1 share	1 share

Stock Code(s)	29444	29445	29446	29493
Number of warrants per entitlement	1 warrant	10 warrants	10 warrants	10 warrants
Launch date (for all series)	24 July 2014			
Issue date (for all series)	30 July 2014			
Listing date (for all series)	31 July 2014			
Expiry date [#]	02 March 2015	02 February 2015	08 January 2015	02 February 2015
Settlement currency	Hong Kong dollars	Hong Kong dollars	Hong Kong dollars	Hong Kong dollars
Implied volatility*	28.5%	27.5%	32%	28%
Gearing*	20.76x	34.02x	53.67x	17.83x
Effective gearing*	7.32x	9.13x	9.40x	6.39x
Premium*	16.57%	16.85%	26.09%	10.90%

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

[#] If such day is a Saturday, Sunday or public holiday in Hong Kong, the immediately succeeding day which is not a Saturday, Sunday or public holiday in Hong Kong.

How do we calculate the cash settlement amount?

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

Each relevant board lot will entitle you to receive from the issuer the relevant **cash settlement amount** (net of any exercise expenses) in the settlement currency calculated by the issuer in accordance with the following formula:

For a series of call warrants:

$$\frac{\text{entitlement} \times (\text{average price} - \text{exercise price}) \times \text{one board lot}}{\text{number of warrants per entitlement}}$$

For a series of put warrants:

$$\frac{\text{entitlement} \times (\text{exercise price} - \text{average price}) \times \text{one board lot}}{\text{number of warrants per entitlement}}$$

The relevant **average price** means the arithmetic mean of the closing prices of one share (as derived from the daily quotation sheet of the stock exchange, subject to adjustments to such closing price as may be necessary to reflect any capitalisation, rights issue, distribution or the like) in respect of each **valuation date** (being each of the five business days immediately preceding the relevant expiry date, subject to adjustment in accordance with the terms and conditions of the warrants).

Where can you obtain further information?

The base listing document dated 03 July 2014, together with any additional addenda or successor document and the supplemental listing document to be dated 30 July 2014 will be available for inspection, together with their Chinese translations, during normal business hours at the office of Daiwa Capital Markets Hong Kong Limited, which is presently at Level 28, One Pacific Place, 88 Queensway, Hong Kong. Information on the issuer can also be found on the issuer's website at www.hk.daiwacm.com and on the website of the group of companies to which it belongs at www.daiwa-grp.jp.

How will the liquidity provider provide quotes?

The liquidity provider will provide liquidity by responding to requests for bid and ask quotes. A quote may be obtained by calling the telephone number of the liquidity provider. The issuer or the liquidity provider may be the only market participant for the warrants. The secondary market for the warrants may be limited.

You may contact the liquidity provider to obtain a quote by calling the telephone number set out below:

Liquidity Provider:	Daiwa Capital Markets Trading Hong Kong Limited
Address:	Level 28, One Pacific Place, 88 Queensway, Hong Kong
Telephone Number:	27738168

Additional information

The warrants constitute general unsecured contractual obligations of us as the issuer and of no other person and will rank equally among themselves and with all our other unsecured obligations (save for those obligations preferred by law) upon liquidation. If you purchase the warrants, you are relying upon the creditworthiness of us, and have no rights under the warrants against the Company which has issued the underlying shares or any other person. If we become insolvent or default on our obligations under the warrants, you may not be able to recover all or even part of the amount due under the warrants (if any).

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

Daiwa Capital Markets Hong Kong Limited

24 July 2014