

Board of Control
Subsidized Schools Provident Fund
津貼學校公積金管理委員會

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17 April 2009

MESSAGE TO ALL CONTRIBUTORS

HSBC Holdings Plc (“HSBC”) announced on 2 March 2009 a Rights Issue Plan to raise approximately £12.5 billion (equivalent to HK\$ 137.8 billion): 5 New Ordinary Shares for every 12 Existing Ordinary Shares held, at 254 pence (equivalent to HK\$28) per share.

In view of this biggest ever rights issue in Britain and high public attention drawn to it, the financial impact of the rights issue of HSBC on the Subsidized Schools Provident Fund (SSPF) is disclosed below:

- a) The Fund agreed to allow portfolio managers to continue to apply their professional judgment in exercising their discretion according to the terms of the Fund’s appointment on the rights issue of HSBC.
- b) SSPF’s current holdings in HSBC equities including the shares newly subscribed add up to about HK\$935 million, which is about 2% of the Fund’s net asset.

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