

23rd June 2011

HSBC SECURITIES SERVICES AND HSBC PRIME SERVICES WIN HEDGE FUND RMB MANDATE

HSBC Securities Services (HSS) and HSBC Prime Services have been appointed to provide fund administration, valuation and prime services to a new RMB denominated hedge fund, managed by CITIC Securities International Fund Management Limited (CSIFML).

The new fund, launched in mid June, will invest initially in offshore RMB related securities in Greater China, taking advantage of the growing market and investor appetite in the region. It will be domiciled in the Cayman Islands and is open to professional and institutional investors through USD, HKD and RMB share classes. The fund will be advised by CITIC Securities International Investment Management (HK) Limited (CSIIML).

The HSBC Group has a long standing relationship with the manager and has provided a range of asset services in supporting the existing successful series of funds. CSIIML has a strong investment track record in the Greater China markets, focusing on fundamentals and value chain-based analysis. As a Hong Kong subsidiary of CITIC Securities Co., Limited, CSIIML benefits from association with one of the leading investment banks based in China with top rankings in the Chinese capital markets.

Ian Banks, Head of HSBC Securities Services, Asia said: “We are excited to launch this new RMB multi-strategy hedge fund with this client of nine years. It is particularly pleasing to be connecting up our strong fund administration offering with our Prime Services product to extend the value that we can bring to our client. With this fund, we again underline the capabilities across our organisation for supporting new developments with offshore RMB.”

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HSS currently services approximately 90% of private RMB funds in HK and remains a market leader in the rapidly burgeoning RMB related products space.

Craig Lindsay, Managing Director and Chief Operating Officer, CSIIML commented: “As an alternative manager looking to bring innovative China focused products to the market, it is important to work with service providers who understand this space. The partnership with HSBC over the years has been a successful one, and when establishing this new fund, we prefer a service provider who has a track record with us.”

In relation to the range of solutions being provided, Cian Burke, Head of HSBC Prime Services, said: “The depth of product that we have established as a business means that we can offer end-to-end solutions for alternative fund managers. Our Prime offering enables more client requirements to be met and will further enhance our regional strength in asset servicing.”

HSBC Prime Services in Asia is to take advantage of a perceived market need for a new kind of prime brokerage that offers robustness and more importantly transparency. The strength of the offering comes from the proven custody expertise and HSBC’s capital strength.

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Notes to editors:

1. HSBC Securities Services

HSBC Securities Services (HSS) provides comprehensive global, regional and domestic securities services to corporate and institutional clients through its three component business units, namely: Corporate Trust and Loan Agency, Custody and Fund Services. HSS operates in 48 markets worldwide, including Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. As at 31 December 2010, HSS has assets under custody of USD 5.6 trillion and assets under administration of USD 2.5 trillion.

2. HSBC Prime Services

HSBC Prime Services capitalises on our long established credentials in Global Banking and Markets and HSBC Securities Services. Prime Services incorporates Global Futures and Options, Global Equity Finance and FX Prime Services, and is integrating Fixed Income and OTC Clearing. The HSBC Prime Services platform offers a fully integrated set of services for hedge funds and institutional asset managers.

3. The HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 7,500 offices in 87 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With total assets of USD 2.45 trillion at 31 December 2010, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'.

4. About CITIC Securities International Fund Management (HK) Limited

CITIC Securities International Fund Management (HK) Limited is a joint venture between CITIC Securities International and China Alpha Fund Management Limited.

5. About CITIC Securities International Investment Management (HK) Limited

Licensed with the Securities and Futures Commission in Hong Kong, CITIC Securities International Investment Management provides investment advisory and asset management services. With many years of exposure in the Greater China stock markets, the firm's experienced team focuses on fundamentals and value chain-based analysis and performs systematic and thorough due diligence throughout the investment process.

6. About CITIC Securities International Company Limited

CITIC Securities International Company Limited is a wholly owned subsidiary of CITIC Securities Co., Limited ("CITIC Securities"), a leading full service investment bank in China listed on the Shanghai Stock Exchange. CITIC Securities maintains top rankings in China's capital markets across its principal business areas of securities brokerage, investment banking, and asset management. With a current market capitalization of over RMB 120 billion (approximately USD 19 billion), CITIC Securities is one of the SSE 50 constituent stocks, as well as one of the top five constituent stocks in FTSE / Xinhua A50 China Index.

CITIC Securities International Company Limited acts as a conduit for CITIC Securities to spearhead its expansion into global capital markets, including Hong Kong where the Company is based. The Company aims to carry out its core corporate value of becoming a leading China-focused international investment bank.

For more information about CITIC Securities, please visit its website at www.citics.com.hk

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