

## THE REFERENCE ENTITIES

Our Notes are credit-linked to seven reference entities. We have no special access to information about the reference entities. You must rely on publicly available information about them in deciding whether to buy or hold our Notes.

You can find information about each reference entity (other than the PRC) and its operations and financial condition on the websites listed in the table below. We will not keep you informed of any material development in relation to the relevant reference entities' businesses. Each of the reference entities (other than the PRC) is required to keep its public disclosure up-to-date by its principal listing exchange or regulator. The information on these websites is not part of our issue prospectus and we and the arranger accept no responsibility for that information, including whether that information is accurate, complete or up-to-date.

Reference Entity	Reference Entity's Website	Website of Principal Listing Exchange or Regulator
HSBC Bank PLC	www.hsbc.co.uk	www.londonstockexchange.com
Hutchison Whampoa Limited	www.hutchison-whampoa.com	www.hkex.com.hk
MTR Corporation Limited	www.mtr.com.hk	www.hkex.com.hk
The People's Republic of China	N/A	N/A
Standard Chartered Bank*	www.standardchartered.com	www.londonstockexchange.com
Sun Hung Kai Properties Limited	www.shkp.com.hk	www.hkex.com.hk
Swire Pacific Limited	www.swirepacific.com	www.hkex.com.hk

\* Standard Chartered PLC (the listed parent company of Standard Chartered Bank) is listed on the London Stock Exchange.

We have specified a "reference obligation" for each reference entity. The reference obligations have the credit ratings as at 11 January 2008 set out in the following table.

Reference Entity	Reference Obligation	Moody's Rating	Standard and Poor's Rating
HSBC Bank PLC	HSBC Bank PLC 4.25 per cent. subordinated notes due 18 March 2016 (ISIN: XS0164883992)	Aa2	AA-
Hutchison Whampoa Limited	Hutchison Whampoa Limited 6.50 per cent. notes due 13 February 2013 (ISIN: USG4672QAA25)	A3	A-
MTR Corporation Limited	MTR Corporation (C.I.) Limited 4.75 per cent. notes due 21 January 2014 (ISIN: XS0184198157)	Aa2	AA
The People's Republic of China	The People's Republic of China 4.75 per cent. notes due 29 October 2013 (ISIN: US712219AJ30)	A1	A
Standard Chartered Bank	Standard Chartered Bank 3.625 per cent. subordinated notes due 3 February 2017 (ISIN: XS0211496830)	A3	A
Sun Hung Kai Properties Limited	Sun Hung Kai Properties Capital Market Limited 5.375 per cent. notes due 8 March 2017 (ISIN: XS0290534212)	A1	A
Swire Pacific Limited	Swire Pacific MTN Financing Limited 4.00 per cent. notes due 7 November 2011 (ISIN: HK0000028412)	A3	A-

The reference obligations set out above provide a benchmark (with respect to ranking) for selecting the bonds and loans which would be used (if there is a credit event) to calculate the credit event redemption amount: only bonds and loans which rank at least equally with the specified reference obligation in a liquidation of the reference entity (other than the PRC) will be selected. In the case of the PRC, priorities arising by operation of law shall be taken into account. (This is only one of the selection criteria: the bonds and loans must have other specified characteristics too.)

The reference obligations set out above may be replaced with another debt obligation of the reference entity (of equivalent seniority to the relevant reference obligation) if the relevant reference obligation is redeemed or ceases to be a binding obligation of the reference entity.

The reference obligations for Standard Chartered Bank and HSBC Bank PLC are subordinated notes. This means that those notes would only be repaid after all the senior and unsubordinated creditors of the relevant reference entity had been paid in full. The rating agencies take this seniority of obligations into account in assigning their credit ratings. If a credit event occurs in respect of one of these reference entities, that reference entity's subordinated notes are likely to have a value which is substantially less than its senior and unsubordinated notes, and therefore any credit event redemption amount is likely to be less than what it would have been if the reference obligation was a senior and unsubordinated note(s).

"Moody's Rating" is the credit rating of Moody's Investors Service (Moody's) as at 11 January 2008.

The "Standard and Poor's Rating" is the credit rating of Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (Standard & Poor's) as at 11 January 2008.

There is a brief guide as to what credit ratings mean in appendix 2. Information set out in appendix 2 is extracted from publicly available information and while we have taken reasonable care to correctly extract and reproduce such information, neither we, any of our directors, nor the arranger is responsible for the accuracy of such information.

Credit ratings can change if the credit rating agency thinks that the credit quality of a rated entity or obligation has increased or decreased. A downgrade in credit rating is not, however, in itself a credit event under our Notes.

Our Notes are credit-linked to the reference entities and not only to the reference obligations. Information on the reference entities' ratings can be obtained from the website of Standard & Poor's at [www.standardandpoors.com](http://www.standardandpoors.com) and the website of Moody's at [www.moody's.com](http://www.moody's.com).

Under the terms of our Notes, a reference entity could in limited circumstances be replaced with another entity or entities – its successor – each of which will then become for all purposes a reference entity. The circumstances in which this could happen relate to mergers, demergers, spin-offs and similar corporate reorganisations. The pricing supplement in appendix 1 has full details.