

Receivers from PwC announce further progress on unwinding the Minibond collateral

Receivers from PricewaterhouseCoopers (“PwC”) announced today that on 13 April 2011, the US Bankruptcy Court confirmed that the Derivatives Procedures Order made on 16 December 2008 applies to the transactions underlying series 10 to 12, 15 to 23 and 25 to 36 (the “Relevant Series”) of the Hong Kong Minibonds programme. This means that the first of the two conditions to the Agreement reached by the Receivers with Lehman Brothers on 27 March 2011 has been met.

“This is an important step in the collateral recovery process,” said PwC Partner Ted Osborn, “The next step is to obtain Noteholder approval at meetings to be held in May. Once these approvals have been obtained, the agreement reached with Lehman Brothers will become effective and the collateral will be released for distribution to Minibonds investors, currently expected in June.”

Notice of the meetings will be sent to Minibond investors who are eligible to attend in the next few days through the clearing systems and directly by the party through whom they hold their Minibonds. Minibond investors who have transferred the beneficial title in their Minibonds to another party through a buyback or other arrangement are not eligible to attend. The Notices will contain detailed relevant information to assist the Noteholders in considering the extraordinary resolutions that will be voted on at the meetings, which are scheduled to be held on 18-20 May, 2011 in Hong Kong.

When both conditions have been met, the agreement reached with Lehman Brothers will result in significant recoveries from the collateral, with Minibond investors receiving recoveries of 70% - 93% of their original investment. For those Minibond investors eligible for the ex-gratia payment offered by the Distributing Banks, the recovery range increases to 85% – 96.5%.

Commenting on the feedback received by the Receivers on the Agreement with Lehman Brothers to date, PwC Partner Anthony Boswell said “Since the announcement of the conditional agreement we have received approximately 200 calls from Minibond investors. Feedback on the recovery levels from the collateral and on the ex-gratia payment has been very positive. The majority of the calls have been to seek clarification on the timing and amounts of expected recoveries that will result from the agreement.”

Other information

For the avoidance of doubt, the conditional agreement reached with Lehman Brothers does not include series 5, 6, 7 and 9. The agreement is only in relation to the collateral underlying series 10 to 12, 15 to 23 and 25 to 36.

Further information including ***Frequently Asked Questions*** in connection with the agreement can be found on the Receivers’ website: <http://www.pwchk.com/minibonds>

This announcement should be read in conjunction with the announcement made by the Receivers dated 28 March 2011 together with the announcement made by the Distributing Banks dated 28 March 2011. Minibond investors should contact the party from whom they acquired their Minibonds for further information including an estimate of their total anticipated recovery.

The Receivers and PwC cannot and do not offer any form of financial or legal advice to Minibond investors and nothing herein should be construed as such. Minibond investors should seek independent professional advice with respect to their own legal and financial positions.

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