

---

# HSBC CHINA DRAGON FUND

滙豐中國翔龍基金

(Stock Code: **820**)

Other Documents

---

## TABLE OF CONTENTS

Particular	Date Submitted (D/M/Y)
2007 Interim Results Announcement	30/11/2007
Announcement in relation to Proposed Arrangements for Future Corporate Communications	30/11/2007
Election of Means of Receipt and Language of Corporate Communications Reply Form	30/11/2007
Election of Means of Receipt and Language of Corporate Communications Reply Form	30/11/2007
Supplement to Offering Circular	21/09/2007
Supplement to the offering circular	01/08/2007
Exercise of over-allotment option	25/07/2007
Allotment results	19/07/2007
Global offering	06/07/2007

# HSBC CHINA DRAGON FUND

## 滙豐中國翔龍基金

(a Hong Kong unit trust authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

(stock code: 820)

Managed by

**HSBC Investments (Hong Kong) Limited**

### **2007 INTERIM RESULTS ANNOUNCEMENT**

HSBC China Dragon Fund (the “Fund”) is a unit trust constituted by the Trust Deed dated 20 June 2007 (as amended) governed by the laws of Hong Kong. The Manager of the Fund is HSBC Investments (Hong Kong) Limited.

The board of directors of the Manager is pleased to announce the interim results of the Fund for the period from 20 June 2007 (date of Trust Deed) to 30 September 2007 as follows:

#### **GENERAL INFORMATION**

The investment objective of the Fund is to achieve long-term capital growth by investing primarily in listed companies established or operating in the People's Republic of China (PRC) or listed companies that are positioned to benefit from the strong economic growth potential and promising investment opportunities in the PRC, including but not limited to A Shares, B Shares, H Shares and shares issued by Red Chip Companies and other companies which carry out a significant proportion of their business activities in the PRC.

Under the prevailing regulations in the PRC, foreign investors can invest in the PRC A-Share market through institutions that have obtained qualified foreign institutional investor (QFII) status in the PRC. The Fund itself is not a QFII, but may invest directly in A Shares via the US\$200 million QFII investment quota obtained by the Manager.

#### **INVESTMENT ADVISER'S REPORT**

##### ***Review***

The Fund is a closed-end unit trust governed by its Trust Deed dated 20 June 2007, as amended. The Fund is authorized by the Securities and Futures Commission of Hong Kong under Section 104 of the Hong Kong Securities and Futures Ordinance. The Fund is also listed on The Stock Exchange of Hong Kong Limited.

The Fund's net asset value per unit rose by 33.4%\* during the period from 20 July 2007 (the listing date) to 30 September 2007 on the back of a strong China market. China shares surged to record highs with the release of good economic data, impressive interim earnings results and abundant liquidity inflow. China A-share companies posted an average earnings growth of 75% which triggered further market rise. China shares listed in Hong Kong such as H shares and red chip stocks were boosted by the announcement that domestic insurance companies will be allowed to invest 15% of their total assets in overseas market in July 2007. Property developers performed well due to rising property price nationwide and active land bank acquisitions. In addition, shipping stocks rose on parent asset injection potentials, better shipping rate outlook and improving demand and supply dynamics. In August, H share and red chips experienced massive sell-offs triggered by the US sub-prime crisis. However, the market quickly reversed its downtrend following the announcement on 20 August by the State Administration of Foreign Exchange allowing mainland citizens to invest directly into the Hong Kong stock market. The policy caused some jitters in the A-share market, but it did not stop the A-shares from going higher as both the economic and corporate earnings growth remained strong. Over-whelming subscriptions to the two new QDII funds launched by mainland domestic fund houses in September 2007 which raised a total of US\$8bn created positive sentiments and led the market higher. The restructuring story of China telecom sector recurred in September and lifted the performance of telecom stocks. Airline stocks also rose significantly on M&A speculations. On the economic front, CPI rose 3.9% over the first eight months of 2007 mainly driven by higher food prices. PBOC raised interest rates in September, the 5th such rise this year. The benchmark one-year deposit and lending rates increased to 3.87% and 7.29% respectively. China's domestic consumption remained robust with retail sales registering a cumulative total of US\$741.5 billion year from January to September 2007, up 15.7% over the same period last year.

\* Source: HSBC Investments (Hong Kong) Limited. Represents the percentage change in net asset value per unit during the period. The Net Offer Price (as defined in the Fund's Offering Circular) of HK\$9.65 per unit is being used as the starting net asset value per unit in the calculation.

### ***Market Outlook***

We believe potential fund inflows into Hong Kong on the back of new QDII funds raised and the lifting of investment restrictions for Chinese individuals will provide further liquidity support for the China shares listed in Hong Kong which are still trading at steep discounts to their A share counterparts. The A share market will also be well-supported by China's favourable macroeconomic environment and strong corporate earnings growth. Potential delay in the implementation of the individual investment scheme and possible announcement of new austerity measures after the 17th party congress meeting in mid-October may lead to short term market corrections. However, over the longer term, we believe renminbi appreciation, anticipated fund inflow from the implementation of QDII and individual investment schemes, corporate M&A, establishment of management incentive plans and corporate tax cuts in 2008 will continue to be positive factors on the market.

## PREFORMANCE TABLE

For the period from 20 June 2007 (date of Trust Deed) to 30 September 2007  
(Expressed in Hong Kong dollars)

	(Unaudited) HK\$	
(a) Total net asset value	4,788,114,444	
(b) Net asset value per unit	12.87	
(c) Net asset value per unit record:		
	Lowest	Highest
2007 (since inception)	9.10	12.88

The Fund is a closed-end fund listed on The Stock Exchange of Hong Kong Limited and no unitholders may demand redemption of their units. In general, closed-end funds may trade on the exchange at a discount or at a premium to their net asset value. There is no assurance that the units will be traded at a price that is equal to the Net Asset Value. As the market price of the units may be determined by factors such as the Net Asset Value and market supply and demand for the units, there is a risk that the units will be traded at a discount to its Net Asset Value. In times of market disruption or when there is an insufficient number of buyers and/or sellers of the units, the bid/ask spread of the market price of the units may widen significantly.

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AND UNITHOLDERS EQUITY AND INCOME STATEMENT

The condensed interim financial statements are unaudited

### *Condensed Interim Statement of Assets and Liabilities and Unitholders Equity*

As at 30 September 2007

(Expressed in Hong Kong dollars)

	Note	(Unaudited) HK\$
Assets		
Equity investments		4,740,620,267
Dividends receivable		2,462,647
Interest receivables		175,080
Amount receivable from sale of investments		107,660,263
Cash and cash equivalents	1	<u>82,550,897</u>
		<u>4,933,469,154</u>
Liabilities		
Management fee payable	2	5,097,349
Trustee fee payable	3	351,749
Transaction and QFII custodian fee payable	4	8,977
Amount payable on purchase of investments		132,447,001
Tax liabilities	5	<u>7,449,634</u>
		<u>145,354,710</u>
Net assets attributable to unitholders (at bid market prices)	6	<u><u>4,788,114,444</u></u>
Equity		
Issued units	6	3,719,100,000
Retained earnings		<u>1,069,014,444</u>
		<u><u>4,788,114,444</u></u>

**Condensed Interim Income Statement**

For the period from 20 June 2007 (date of Trust Deed) to 30 September 2007

(Expressed in Hong Kong dollars)

	Note	(Unaudited) HK\$
Dividends		3,725,510
Bank interest	1	7,994,703
Gains on investments	7	1,268,051,478
Losses on investments	7	(28,415,214)
Net foreign exchange loss		<u>(3,408,561)</u>
Net investment income		<u>1,247,947,916</u>
Management fee	2	11,563,013
Trustee fee	3	801,533
Transaction costs		30,405,315
Preliminary expenses	8	128,385,708
Other operating expenses		<u>328,269</u>
Total operating expenses		<u>171,483,838</u>
Net operating income before tax		<u>1,076,464,078</u>
Tax expenses	5	<u>7,449,634</u>
Net profit for the year		<u>1,069,014,444</u>

Note:

## 1. Bank balances

Bank balances are maintained with the Trustee. The bank balances held with the Trustee as at 30 September 2007 amounted to HK\$82,550,897. During the period, interest earned on the above bank balances was HK\$7,994,703.

## 2. Management fee

The fee payable to the Manager is calculated at the rate of 1.5% per annum of the net asset value of the Fund payable monthly in arrears. Any fees payable to the Investment Adviser should be borne by the Manager. The management fee charged and payable by the Fund in respect of the period amounted to HK\$11,563,013 and HK\$5,097,349 respectively.

## 3. Trustee fee

The fee payable to the Trustee is calculated at the rate of 0.125% per annum for the first HK\$390 million of the net asset value, and 0.1% per annum thereafter. The trustee fee is accrued daily and payable in arrears on a monthly basis. The trustee fee charged and payable by the Fund in respect of the period amounted to HK\$801,533 and HK\$351,749 respectively.

## 4. Custody fee

The custody fee is calculated at the rate of 0.1% per annum of the net asset value of the assets held by the QFII custodian as determined by the QFII custodian (based

on the actual number of calendar days in a year). The custodian fee charged and payable by the Fund in respect of the period amounted to HK\$272,269 and HK\$4,827 respectively.

## 5. Taxation

No provision for Hong Kong profits tax has been made as the interest, dividend income and realised gains on disposal of investments of the Fund are excluded from the charge to profits tax under Section 14, Section 26 or Section 26A of the Hong Kong Inland Revenue Ordinance.

Under current tax law in the PRC, a foreign company that does not have any establishment in the PRC but earns interest, royalty, rental or other income (including capital gains), directly from sources in the PRC is liable to pay a withholding tax at a rate of 20%. This rate was reduced to 10% under the notice Guofa (2000) No 37 for certain specified sources of income.

In 2007, a PRC-Hong Kong double taxation agreement (tax treaty) was issued which transfers taxing rights to Hong Kong on gains derived by a Hong Kong resident on the transfer of certain PRC-sourced shares to Hong Kong.

The Offering Circular of the Fund gives the Manager the right to provide for withholding tax on such gains or income and withhold the tax for the account of the Fund. In the absence of any precedent on the actual tax treatment of such gains to holders of QFII quota, but on the basis of the available information, the Manager has determined that it is appropriate to provide for realised gains on A-shares at the rate of 10% in the condensed interim financial statements.

## 6. Number of units in issue and net assets attributable to unitholders per unit

	(Unaudited) Units for the period from 20 June 2007 (date of Trust Deed) to 30 September 2007
Balance as at 20 June 2007	—
Issue of 323,400,000 units at HK\$10 each from initial subscription	323,400,000
Issue of 48,510,000 units at HK\$10 each from the over-allotment options	<u>48,510,000</u>
	<u><u>371,910,000</u></u>
Net assets attributable to unitholders	<u><u>HK\$ 4,788,114,444</u></u>
Net assets attributable to unitholders per unit	<u><u>HK\$ 12.87</u></u>

The Fund is a closed-end unit trust. There was no redemption of units during the period from 20 June 2007 (date of Trust Deed) to 30 September 2007.

7. Gains and losses on investments

	(Unaudited)
	For the period
	from 20 June 2007
	(date of Trust Deed)
	to 30 September 2007
	HK\$
Realised gains	147,431,433
Unrealised gains	<u>1,120,620,045</u>
Total gains on investments	<u>1,268,051,478</u>
Realised losses	(8,281,733)
Unrealised losses	<u>(20,133,481)</u>
Total losses on investments	<u>(28,415,214)</u>

8. Preliminary expenses

The preliminary establishment expenses of the Fund, including the Stock Exchange initial listing fees, legal and other professional fees, underwriting commission, SFC application fee, SFC authorisation fee and printing and other expenses relating to the Global Offering and establishment of the Fund, which amounted to HK\$128 million, were borne by the Fund and were written off immediately on the first Valuation Day of the Fund.

**ISSUANCE OF RESULTS**

The unaudited interim report of HSBC China Dragon Fund for the period from 20 June 2007 (date of Trust Deed) to 30 September 2007 will be despatched to Unitholders on 30 November 2007.

By Order of the Board  
**HSBC Investments (Hong Kong) Limited**  
as manager of HSBC China Dragon Fund  
**Dr. APENBRINK, Rudolf Eduard Walter**  
Director of the Manager

Hong Kong, 30 November, 2007

As at the date of this announcement, the board of directors of the Manager is comprised as follows: The executive directors of the Manager are Dr. APENBRINK, Rudolf Eduard Walter, Mr. AU, King Lun, Ms. LAM, Po Yee, Ms. LOUIE, Ngar Yee and Mr. STOKES, Edmund Richard. The non-executive directors of the Manager are Mr. CHENG, Hoi Chuen, Ms. CHEANG, Wai Wan Louisa, Mr. ENGEL, Conrado, Mr. FRIED, David Lawrence, Mr. LEECH, Paul Ernest, Ms. LEUNG, Margaret Ko May Yee, Mr. LEUNG, William Wing Cheung and Mr. McCOMBE, Mark Seumas.

# HSBC CHINA DRAGON FUND

## 滙豐中國翔龍基金

*(a Hong Kong unit trust authorised under section 104 of  
the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))*

**(Stock Code: 820)**

### **ANNOUNCEMENT IN RELATION TO PROPOSED ARRANGEMENTS FOR FUTURE CORPORATE COMMUNICATIONS**

For the purposes of environmental protection and cost saving and in accordance with Rules 2.07A and 2.07B of the Listing Rules, the Fund proposes to provide Unitholders with the choice of language version and means through which they would like to receive future Corporate Communications. A letter specifying the proposed arrangements will be sent out to the Unitholders on or about 30 November 2007.

#### **INTRODUCTION**

For the purposes of environmental protection and cost saving for the benefit of the Unitholders, the Fund proposes to provide Unitholders with the choice of language version and means through which they would like to receive future Corporate Communications.

#### **PROPOSED ARRANGEMENTS**

In accordance with Rules 2.07A and 2.07B of the Listing Rules, the following arrangements will be made by the Fund:

1. On or about 30 November 2007, the Fund will send a letter (the "Letter") together with a pre-paid reply form (the "Reply Form"), in both English and Chinese, to its Unitholders to enable them to select to receive future Corporate Communications either:
  - (i) in printed form, in either (a) the English language version only, (b) the Chinese language version only, or (c) both the English and Chinese language versions; or
  - (ii) by electronic means through the Fund's website at **[www.hsbcinvestments.com.hk/ChinaDragonFund](http://www.hsbcinvestments.com.hk/ChinaDragonFund)** where both English and Chinese language versions of future Corporate Communications will be available.

Unitholders are entitled at any time by reasonable notice in writing to the Registrar to change their choice of language and/or the means of receipt of the Corporate Communications.

2. If no reply is received from the Unitholders by 21 December 2007, the following arrangements will apply:
  - (i) the printed Chinese language version of future Corporate Communications will be sent to all Hong Kong Unitholders who are natural persons with a Chinese name; and



- (ii) the printed English language version of future Corporate Communications will be sent to all overseas Unitholders and all Hong Kong Unitholders other than natural persons with a Chinese name.

Whether a Unitholder is a Hong Kong or an overseas Unitholder will be determined by the address of that Unitholder appearing in the register of Unitholders of the Fund maintained by the Registrar.

3. When the printed Corporate Communications are sent out in accordance with the arrangements described in paragraph 2 above, a second letter together with a change request form (the "Change Request Form"), prepared in both English and Chinese, will be attached to the sent-out version(s) of the Corporate Communications together with a postage pre-paid addressed envelope, specifying that the Corporate Communications prepared in the other language will be available upon request, and that Unitholders may change their choice of language and/or the means of receipt of future Corporate Communications by completing the Change Request Form and returning it to the Registrar.
4. When each new Corporate Communication is published on the Fund's website, the Fund will send printed notification to the Unitholders who have chosen in their Reply Forms to receive Corporate Communications by electronic means. Together with the notification, the Fund will also enclose a form and a postage pre-paid addressed envelope, specifying that the printed copy of that particular Corporate Communication will be available upon request and Unitholders may also change their choice of means of receipt of subsequent Corporate Communication by completing that form and returning it to the Registrar.
5. Corporate Communications in both English and Chinese languages, and in accessible format, will be available on the Fund's website at **www.hsbcinvestments.com.hk/ChinaDragonFund** for five (5) years from the date of first publication of the relevant Corporate Communications and a copy in electronic format in both languages will be published on the website of Hong Kong Exchanges and Clearing Limited at **www.hkex.com.hk** on the same day as such Corporate Communication is sent to Unitholders.
6. The Fund will provide a dial-up hotline service (Tel: (852) 2862 8646) to enable Unitholders to make enquiries of the Fund's proposed arrangement set out above.
7. If a Unitholder chooses to receive the Corporate Communications via electronic means rather than receiving printed copies, such Unitholder is deemed to have expressly consented to waive the right to receive the Corporate Communications in printed form, including the right to receive notice of meeting by post or delivery at his address pursuant to the trust deed constituting the Fund, unless and until he changes his choice by giving the Registrar further notice.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

**"Corporate Communication(s)"** any documents issued or to be issued by the Fund for the information or action of the Unitholders as defined in the definition of "corporate communication" stated in Rule 1.01 of the Listing Rules, including but not limited to:

- (i) the annual report;
- (ii) the interim report;

- (iii) a notice of meeting;
- (iv) a listing document;
- (v) a circular; and
- (vi) a proxy form;

<b>“Fund”</b>	HSBC China Dragon Fund (滙豐中國翔龍基金);
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
<b>“Manager”</b>	HSBC Investments (Hong Kong) Limited, the manager of the Fund;
<b>“Registrar”</b>	Computershare Hong Kong Investor Services Limited, whose address is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong;
<b>“Unitholders”</b>	holders of units in the Fund.

By order of the Board  
**HSBC Investments (Hong Kong) Limited**  
**as manager of HSBC China Dragon Fund**  
Dr. APENBRINK, Rudolf Eduard Walter  
Director of the Manager

Hong Kong, 30 November 2007

*As at the date of this announcement, the board of directors of the Manager is comprised as follows: The executive directors of the Manager are Dr. APENBRINK, Rudolf Eduard Walter, Mr. AU, King Lun, Ms. LAM, Po Yee, Ms. LOUIE, Ngar Yee and Mr. STOKES, Edmund Richard. The non-executive directors of the Manager are Mr. CHENG, Hoi Chuen, Ms. CHEANG, Wai Wan Louisa, Mr. ENGEL, Conrado, Mr. FRIED, David Lawrence, Mr. LEECH, Paul Ernest, Ms. LEUNG, Margaret Ko May Yee, Mr. LEUNG, William Wing Cheung and Mr. McCOMBE, Mark Seumas.*



## HSBC CHINA DRAGON FUND

### 滙豐中國翔龍基金

(a Hong Kong unit trust authorised under section 104 of  
the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

(Stock Code: 820)

30 November 2007

Dear Unitholder(s),

#### Election of Means of Receipt and Language of Corporate Communications

For the purposes of environmental protection and cost saving, HSBC China Dragon Fund (the "Fund") proposes to provide you with the choice to receive future Corporate Communications<sup>1</sup> either (i) in printed form, in either (a) the English language version only, (b) the Chinese language version only, or (c) both the English and Chinese language versions; or (ii) by electronic means through the Fund's website at [www.hsbcinvestments.com.hk/ChinaDragonFund](http://www.hsbcinvestments.com.hk/ChinaDragonFund).

The purpose of this letter is to ascertain your choice of language and means of receipt of the Fund's future Corporate Communications.

Please tick the appropriate box in the attached Reply Form, sign and return it to the registrar of the Fund, Computershare Hong Kong Investor Services Limited of Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (the "Registrar") on or before 21 December 2007 (the "Relevant Date").

If we do not receive your reply on or before the Relevant Date, we will send the printed Chinese language version of future Corporate Communications to all Hong Kong Unitholders who are natural persons with a Chinese name and using a Hong Kong address (based on the address appearing in the register of Unitholders of the Fund maintained by the Registrar) and the printed English language version to all other Unitholders.

If you choose electronic means, we will send you a notification of the publication of the relevant Corporate Communication on the Fund's website on the day such Corporate Communication is sent to the Unitholders.

After you have made your election, you may change your choice of language and/or means of receipt at any time, free of charge, by completing and returning to the Registrar the change request form, a copy of which will be sent to you together with future Corporate Communications or can be obtained from the Registrar.

Both the printed English and Chinese language versions of the Corporate Communications will be available from the Registrar on request, or on the Fund's website at [www.hsbcinvestments.com.hk/ChinaDragonFund](http://www.hsbcinvestments.com.hk/ChinaDragonFund) for five (5) years from the date of first publication and the website of Hong Kong Exchanges and Clearing Limited at [www.hkex.com.hk](http://www.hkex.com.hk).

Should you have any queries relating to this letter, please call the enquiry hotline at (852) 2862 8646 during business hours (9:00 a.m. to 6:00 p.m., Mondays to Fridays, from today until the Relevant Day).

Yours faithfully,  
**Dr. APENBRINK, Rudolf Eduard Walter**  
Director  
For and on behalf of  
**HSBC Investments (Hong Kong) Limited**  
as manager of HSBC China Dragon Fund

Encl.

<sup>1</sup> Corporate Communications refer to any documents issued or to be issued by the Fund for the information or action of the Unitholders, including but not limited to annual report, interim report, notice of meeting, listing document, circular and proxy form.

**HSBC Investments (Hong Kong) Limited**

Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong

Tel: (852) 2284 1111 Fax: (852) 2845 0226

[www.hsbcinvestments.com.hk](http://www.hsbcinvestments.com.hk)

# Reply Form

**To: HSBC China Dragon Fund (the “Fund”)**  
c/o Computershare Hong Kong Investor Services Limited  
Rooms 1806-1807, 18th Floor  
Hopewell Centre, 183 Queen’s Road East  
Wanchai  
Hong Kong

I/We would like to receive the Corporate Communications of the Fund as indicated below: (Please tick **ONLY ONE** of the following boxes)

## *Website Version Option*

☐ by electronic means published on the Fund’s website in place of receiving printed copies of the Corporate Communication.

## *Printed Version Options*

- ☐ in **printed English version** of the Corporate Communications ONLY; **OR**
- ☐ in **printed Chinese version** of the Corporate Communications ONLY; **OR**
- ☐ in **both the printed English and Chinese versions** of the Corporate Communications.

Signature: \_\_\_\_\_

Name(s) of Unitholder(s): \_\_\_\_\_

Address of Unitholder(s): \_\_\_\_\_

Contact Telephone Number: \_\_\_\_\_ Date: \_\_\_\_\_

## *Notes:*

1. Please complete **all** your details clearly.
2. If the Fund does not receive this Reply Form by 21 December 2007, all future Corporate Communications will be sent out in the manner specified in the letter dated 30 November 2007.
3. If your units in the Fund are held in joint names, all joint unitholders or the unitholder whose name stands first on the registers of members of the Fund in respect of the joint holding should sign on this Reply Form in order to be valid.
4. The above instruction will apply to all future Corporate Communications to be sent to unitholders of the Fund until you notify the Fund’s registrar, Computershare Hong Kong Investor Services Limited, Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, otherwise by reasonable notice in writing.
5. All future Corporate Communications in both the English and Chinese languages will be available from the Fund’s registrar upon request.
6. Unitholders are entitled to change the choice of means of receipt or language of the Fund’s Corporate Communications at any time by reasonable notice in writing to the Fund’s registrar.
7. By selecting to receive the Corporate Communications via electronic means (i.e. published on the Fund’s website) in place of receiving printed copies, you have expressly consented to waive the right to receive the Corporate Communication in printed form, including the right to receive notice of meeting by post or delivery at your address pursuant to the trust deed constituting the Fund, unless and until you change your choice by giving the Fund’s registrar further notice.

<b>IMPORTANT</b>
------------------

The Stock Exchange of Hong Kong Limited, Hong Kong Securities Clearing Company Limited and the Hong Kong Securities and Futures Commission 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.

---

**HSBC CHINA DRAGON FUND**

**滙豐中國翔龍基金**

*a Hong Kong unit trust authorised under  
section 104 of the Securities and Futures Ordinance  
(Chapter 571 of the Laws of Hong Kong)*

**(Stock Code: 820)**

**Announcement**

---

Due to the changes in the composition of the board of directors of HSBC Investments (Hong Kong) Limited, the manager of the fund (the "Manager"), the Manager has issued a supplement to the offering circular of the fund dated 6 July 2007 (as amended and supplemented by an addendum dated 1 August 2007) (the "Supplement"). The Supplement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at **[www.hkex.com.hk](http://www.hkex.com.hk)** and the website of the fund at **[www.hsbcinvestments.com.hk/ChinaDragonFund](http://www.hsbcinvestments.com.hk/ChinaDragonFund)**.

Investors who have any questions regarding the above may contact the Manager at telephone: +852 2284 1118.

21 September 2007

*As at the date of this announcement, the board of directors of the Manager is comprised as follows: The executive directors of the Managers are Dr. APENBRINK, Rudolf Eduard Walter, Mr. AU, King Lun, Ms. LAM, Po Yee, Ms. LOUIE, Ngar Yee and Mr. STOKES, Edmund Richard. The non-executive directors of the Managers are Mr. CHENG, Hoi Chuen, Ms. CHEANG, Wai Wan Louisa, Mr. ENGEL, Conrado, Mr. FRIED, David Lawrence, Mr. LEECH, Paul Ernest, Ms. LEUNG, Margaret Ko May Yee, Mr. LEUNG, William Wing Cheung and Mr. McCOMBE, Mark Seumas.*

## IMPORTANT

*The Stock Exchange of Hong Kong Limited, Hong Kong Securities Clearing Company Limited and the Hong Kong Securities and Futures Commission 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.*

## HSBC CHINA DRAGON FUND

### 滙豐中國翔龍基金

*(a Hong Kong unit trust authorised under  
section 104 of the Securities and Futures Ordinance  
(Chapter 571 of the Laws of Hong Kong)*

**(Stock code: 820)**

## Announcement

Due to the changes in the composition of the board of directors of HSBC Investments (Hong Kong) Limited, the manager of the fund (the “Manager”), the Manager has issued a supplement to the offering circular of the fund dated 6 July 2007 (the “Supplement”). The Supplement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at **[www.hkex.com.hk](http://www.hkex.com.hk)** and the webpage of the fund at **[www.hsbcinvestments.com.hk/ChinaDragonFund](http://www.hsbcinvestments.com.hk/ChinaDragonFund)**.

Investors who have any questions regarding the above may contact the Manager at telephone: +852 2284 1118.

1 August 2007

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.*

*The Securities and Futures Commission of Hong Kong, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited 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.*

*Unless defined herein, terms in this announcement shall have the same meaning as those defined in the offering circular of HSBC China Dragon Fund (the "Fund") dated 6 July, 2007 (the "Offering Circular").*

## **HSBC CHINA DRAGON FUND**

### **滙豐中國翔龍基金**

*(a Hong Kong unit trust authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))*

**(stock code: 820)**

## **EXERCISE OF OVER-ALLOTMENT OPTION**

**The Over-allotment Option granted by the Manager referred to in the Offering Circular was exercised in full by the Global Coordinator on behalf of the Placing Underwriters on 24 July, 2007, pursuant to the Placing Underwriting Agreement, in respect of all 48,510,000 Units which were the subject of the Over-allotment Option.**

The Over-allotment Option granted by the Manager referred to in the Offering Circular was exercised in full by the Global Coordinator on behalf of the Placing Underwriters on 24 July, 2007, pursuant to the Placing Underwriting Agreement, in respect of all 48,510,000 Units which were the subject of the Over-allotment Option, representing 15% of the Units initially being offered under the Global Offering. The Units referable to the exercise of the Over-allotment Option were used to cover over-allocations in the Placing.

The Units subject to the Over-allotment Option were issued and allotted at HK\$10.00 per Unit, which was the Offer Price per Unit under the Global Offering, not including brokerage of 1%, the Stock Exchange trading fee of 0.005% and the SFC transaction levy of 0.004%. The net proceeds from the issue of the Units pursuant to the exercise of the Over-allotment Option will be approximately HK\$468,121,500. Listing of, and permission to deal in, the additional Units included in the Global Offering referable to the exercise of the Over-allotment Option have already been granted by the Stock Exchange.

For further information about the Fund, including the Net Asset Value per Unit, please refer to the Fund's website at **[www.hsbcinvestments.com.hk/ChinaDragonFund](http://www.hsbcinvestments.com.hk/ChinaDragonFund)**.

By Order of the Board  
**HSBC Investments (Hong Kong) Limited as manager of HSBC China Dragon Fund**  
**Dr. APENBRINK, Rudolf Eduard Walter**  
*Director of the Manager*

Hong Kong, 24 July, 2007

*As at the date of this announcement, the board of directors of the Manager is comprised as follows: The executive directors of the Manager are Dr. APENBRINK, Rudolf Eduard Walter, Mr. BROWN, Simeon Thomas, Ms. LOUIE, Ngai Yee, Mr. AU, King Lun and Ms. LAM, Po Yee. The non-executive directors of the Manager are Mr. CHENG Hoi Chuen, Mr. LEUNG, William Wing Cheung, Ms. LEUNG, Margaret Ko May Yee, Mr. ENGEL, Conrado, Mr. FRIED, David Lawrence and Mr. McCOMBE, Mark Seumas.*

*Please also refer to the published version of this announcement in the South China Morning Post.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.*

*The Securities and Futures Commission of Hong Kong (the “SFC”), The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Securities Clearing Company Limited (“HKSCC”) 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.*

*Unless defined herein, terms in this announcement shall have the same meaning as those defined in the offering circular of HSBC China Dragon Fund (the “Fund”) dated 6 July, 2007 (the “Offering Circular”).*

*In connection with the Global Offering, The Hongkong and Shanghai Banking Corporation Limited, being the Stabilising Manager (or any person acting for it) on behalf of the Placing Underwriters, to the extent permitted by applicable law and regulatory requirements of Hong Kong or elsewhere (and as if the Securities and Futures (Price Stabilizing) Rules were directly applicable to stabilising action with respect to the Units, subject to such variations or dispensations as may be, or may have been, approved by the SFC), may over-allocate or effect transactions with a view to supporting the market price of the Units at a level higher than that which might otherwise prevail in the open market, and/or undertake other stabilising action within the meaning given in the Securities and Futures (Price Stabilizing) Rules (assuming the same were directly applicable, but subject to such variations or dispensations as may be, or may have been, approved by the SFC). However, there is no obligation on the Stabilising Manager (or any person acting for it) to do this. Such stabilisation if commenced may be discontinued at any time and is required to be brought to an end upon expiry of the period ending thirty (30) days after the last date for lodging Application Forms under the Hong Kong Public Offering. Should stabilising transactions be effected in connection with the Global Offering, this will be at the absolute discretion of the Stabilising Manager. The number of Units being offered in the Global Offering may be increased up to an aggregate of 371,910,000 Units through the exercise of the Over-allotment Option granted to the Placing Underwriters by the Manager and exercisable by the Global Coordinator on behalf of the Placing Underwriters, which option is exercisable at any time from the date of the Placing Underwriting Agreement up to (and including) the date which is the 30th day after the last date for lodging Application Forms under the Hong Kong Public Offering. In the event the Over-allotment Option is exercised, a press announcement will be made.*

## **HSBC CHINA DRAGON FUND**

### **滙豐中國翔龍基金**

*(a Hong Kong unit trust authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))*

#### **GLOBAL OFFERING**

<b>Number of Units under the Global Offering</b>	<b>: 323,400,000 Units (subject to the Over-allotment Option)</b>
<b>Number of Units under the Hong Kong Public Offering</b>	<b>: 97,020,000 Units (as adjusted after reallocation)</b>
<b>Number of Units under the Placing</b>	<b>: 226,380,000 Units (as adjusted after reallocation and subject to the Over-allotment Option)</b>
<b>Offer Price</b>	<b>: HK\$10.00 per Unit, plus brokerage of 1%, the Stock Exchange trading fee of 0.005% and the SFC transaction levy of 0.004%</b>
<b>Stock code</b>	<b>: 820</b>

**Manager**

**HSBC Investments (Hong Kong) Limited**

**Sole Global Coordinator, Sole Bookrunner and Sole Listing Agent**



**Joint Lead Managers**





## SUMMARY

- 142,478 valid applications have been received pursuant to the Hong Kong Public Offering for a total of 919,627,000 Hong Kong Public Offering Units, equivalent to approximately 28.44 times of the total number of 32,340,000 Hong Kong Public Offering Units initially available for subscription under the Hong Kong Public Offering.
- The Placing Units initially offered under the Placing have been moderately over-subscribed.
- Due to the over-subscription in the Hong Kong Public Offering, the reallocation mechanism as described in the section headed “Structure of the Global Offering” in the Offering Circular has been applied and the number of Units allocated to the Hong Kong Public Offering has been increased to 97,020,000 Units, comprising, in turn, 48,510,000 Units in Pool A and 48,510,000 Units in Pool B, representing in aggregate 30% of the total number of Units initially available under the Global Offering (before any exercise of the Over-allotment Option).
- In relation to the Hong Kong Public Offering, the results of allocations including the Hong Kong identity card numbers, passport numbers or Hong Kong business registration numbers of successful applicants (where supplied) and the number of Hong Kong Public Offering Units successfully applied for under **WHITE** and **YELLOW** Application Forms and by giving electronic application instructions to HKSCC via CCASS and to the White Form eIPO Service Provider through the **White Form eIPO** service, will be made available by the following means:
  - the Hong Kong Public Offering allocation results telephone enquiry line at 2862 8669 between 9:00 a.m. and 10:00 p.m. from Thursday, 19 July, 2007 to Sunday, 22 July, 2007;
  - the Hong Kong Public Offering website at **www.iporeresults.com.hk** on a 24-hour basis from 8:00 a.m. on Thursday, 19 July, 2007 to 12:00 midnight on Wednesday, 25 July, 2007; and
  - special allocation results booklets setting out the results of allocations will be available for inspection during opening hours of individual branches from Thursday, 19 July, 2007 to Saturday, 21 July, 2007 at all the receiving bank branches at the addresses listed in this announcement and the Offering Circular.
- Applicants who apply for 1,000,000 or more Hong Kong Public Offering Units using **White Form eIPO** or using **WHITE** Application Forms and have indicated on their Application Forms that they wish to collect their Unit certificates in person may collect their Unit certificates in person from the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Thursday, 19 July, 2007.
- Unit certificates for Hong Kong Public Offering Units allotted to applicants using **WHITE** Application Forms or **White Form eIPO** which are either not available for personal collection, or which are available but are not collected in person, are expected to be despatched by ordinary post to those entitled at their own risk on Thursday, 19 July, 2007.
- Unit certificates for Hong Kong Public Offering Units allotted to applicants using **YELLOW** Application Forms and those who applied by giving electronic application instructions to HKSCC are expected to be deposited into CCASS for credit to their CCASS Investor Participant stock accounts or their designated CCASS Participants’ stock accounts at the close of business on Thursday, 19 July, 2007.

- Applicants who have applied for 1,000,000 Hong Kong Public Offering Units or above using **White Form eIPO** or using **WHITE** or **YELLOW** Application Forms and have indicated on their Application Forms that they will collect their refund cheques in person may collect refund cheques (if any) in person from the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Thursday, 19 July, 2007.
- Refund cheques for wholly or partially unsuccessful applicants which are either not available for personal collection or which are available but are not collected in person, are expected to be despatched by ordinary post to those entitled at their own risk on Thursday, 19 July, 2007.
- Refund monies for applicants applying by giving electronic application instructions to HKSCC are expected to be credited to the relevant applicants’ designated bank account or the designated bank account of their broker or custodian on Thursday, 19 July, 2007.
- Dealings in the Units on the Stock Exchange are expected to commence at 9:30 a.m. on Friday, 20 July, 2007.

## APPLICATIONS AND INDICATIONS OF INTEREST RECEIVED

As at the close of the application lists at 12:00 noon on Wednesday, 11 July, 2007, a total of 142,478 valid applications (including electronic application instructions given to HKSCC) have been received pursuant to the Hong Kong Public Offering for a total of 919,627,000 Hong Kong Public Offering Units, equivalent to approximately 28.44 times the total number of 32,340,000 Hong Kong Public Offering Units initially available under the Hong Kong Public Offering.

Due to the very significant over-subscription in the Hong Kong Public Offering, the reallocation mechanism as described in the section headed “Structure of the Global Offering” in the Offering Circular has been applied and the number of Units allocated to the Hong Kong Public Offering has been increased to 97,020,000 Units, comprising, in turn, 48,510,000 Units in Pool A and 48,510,000 Units in Pool B, representing in aggregate 30% of the total number of Units initially available under the Global Offering (before any exercise of the Over-allotment Option).

Of the 142,478 valid applications on **WHITE** and **YELLOW** Application Forms and by electronic application instructions given to HKSCC and to the White Form eIPO Service Provider through the **White Form eIPO** service for a total of 919,627,000 Hong Kong Public Offering Units, a total of 142,385 applications in respect of a total of 827,577,000 Hong Kong Public Offering Units were for Hong Kong Public Offering Units with an aggregate subscription amount of HK\$5 million or less (excluding brokerage, the Stock Exchange trading fee and the SFC transaction levy), representing approximately 51.18 times the 16,170,000 Hong Kong Public Offering Units initially comprised in Pool A, and a total of 93 applications in respect of a total of 92,050,000 Hong Kong Public Offering Units were for Hong Kong Public Offering Units with an aggregate subscription amount of more than HK\$5 million (excluding brokerage, the Stock Exchange trading fee and the SFC transaction levy), representing approximately 5.69 times the 16,170,000 Hong Kong Public Offering Units initially comprised in Pool B. All multiple or suspected multiple applications have been rejected. Applications not completed in accordance with the instructions set out in the Application Forms have been rejected. 146 multiple applications or suspected multiple applications have been identified and rejected. 99 applications have been rejected due to invalid applications. No application for more than 16,170,000 Hong Kong Public Offering Units has been identified. The Units offered in the Hong Kong Public Offering were conditionally allocated on the basis set out in the paragraph headed “Basis of allotment under the Hong Kong Public Offering” below.

The Placing Units initially offered under the Placing have been moderately over-subscribed.

## BASIS OF ALLOTMENT UNDER THE HONG KONG PUBLIC OFFERING

Due to the over-subscription in the Hong Kong Public Offering, the reallocation mechanism as described in the section headed “Structure of the Global Offering” in the Offering Circular has been applied and the number of Units allocated to the Hong Kong Public Offering has been increased to 97,020,000 Units, comprising, in turn, 48,510,000 Units in Pool A and 48,510,000 Units in Pool B, representing in aggregate 30% of the total number of Units initially available under the Global Offering (before any exercise of the Over-allotment Option).

The Global Coordinator, the Joint Lead Managers and the Underwriters confirm that they have not taken up any Units for their own benefits under the Global Offering. No Units have been allocated to any directors of the Manager or the Trustee nor their associates whether in their own names or through nominees.

Valid applications made by the public on **WHITE** and **YELLOW** Application Forms and by electronic application instructions given to HKSCC and to the White Form eIPO Service Provider through the **White Form eIPO** service will be conditionally allotted on the basis set out below:

NO. OF UNITS APPLIED FOR	NO. OF VALID APPLICATIONS	BASIS OF ALLOTMENT / BALLOT	APPROXIMATE PERCENTAGE ALLOTTED OF THE TOTAL NO. OF UNITS APPLIED FOR
<b>POOL A</b>			
1,000	77,639	11,646 out of 77,639 to receive 1,000 Units	15.00%
1,500	4,195	663 out of 4,195 to receive 1,000 Units	10.54%
2,000	14,978	2,561 out of 14,978 to receive 1,000 Units	8.55%
2,500	1,613	339 out of 1,613 to receive 1,000 Units	8.41%
3,000	7,120	1,784 out of 7,120 to receive 1,000 Units	8.35%
3,500	877	255 out of 877 to receive 1,000 Units	8.31%
4,000	2,247	737 out of 2,247 to receive 1,000 Units	8.20%
4,500	491	179 out of 491 to receive 1,000 Units	8.10%
5,000	8,361	3,344 out of 8,361 to receive 1,000 Units	8.00%
5,500	515	224 out of 515 to receive 1,000 Units	7.91%
6,000	1,423	666 out of 1,423 to receive 1,000 Units	7.80%
6,500	231	117 out of 231 to receive 1,000 Units	7.79%
7,000	577	307 out of 577 to receive 1,000 Units	7.60%
7,500	185	103 out of 185 to receive 1,000 Units	7.42%
8,000	1,089	640 out of 1,089 to receive 1,000 Units	7.35%
8,500	134	83 out of 134 to receive 1,000 Units	7.29%
9,000	308	200 out of 308 to receive 1,000 Units	7.22%
9,500	293	198 out of 293 to receive 1,000 Units	7.11%
10,000	8,747	6,046 out of 8,747 to receive 1,000 Units	6.91%
15,000	2,245	1,000 Units	6.67%
20,000	3,254	1,000 Units plus 130 out of 3,254 to receive additional 1,000 Units	5.20%
25,000	685	1,000 Units plus 69 out of 685 to receive additional 1,000 Units	4.40%
30,000	1,300	1,000 Units plus 182 out of 1,300 to receive additional 1,000 Units	3.80%
35,000	272	1,000 Units plus 61 out of 272 to receive additional 1,000 Units	3.50%
40,000	414	1,000 Units plus 157 out of 414 to receive additional 1,000 Units	3.45%
45,000	158	1,000 Units plus 82 out of 158 to receive additional 1,000 Units	3.38%

NO. OF UNITS APPLIED FOR	NO. OF VALID APPLICATIONS	BASIS OF ALLOTMENT / BALLOT	APPROXIMATE PERCENTAGE ALLOTTED OF THE TOTAL NO. OF UNITS APPLIED FOR
50,000	1,099	1,000 Units plus 742 out of 1,099 to receive additional 1,000 Units	3.35%
60,000	253	2,000 Units	3.33%
70,000	110	2,000 Units plus 26 out of 110 to receive additional 1,000 Units	3.19%
80,000	173	2,000 Units plus 69 out of 173 to receive additional 1,000 Units	3.00%
90,000	89	2,000 Units plus 58 out of 89 to receive additional 1,000 Units	2.95%
100,000	707	2,000 Units plus 636 out of 707 to receive additional 1,000 Units	2.90%
150,000	169	4,000 Units plus 46 out of 169 to receive additional 1,000 Units	2.85%
200,000	191	5,000 Units plus 115 out of 191 to receive additional 1,000 Units	2.80%
250,000	50	6,000 Units plus 44 out of 50 to receive additional 1,000 Units	2.75%
300,000	71	8,000 Units plus 7 out of 71 to receive additional 1,000 Units	2.70%
350,000	19	9,000 Units plus 5 out of 19 to receive additional 1,000 Units	2.65%
400,000	20	10,000 Units plus 8 out of 20 to receive additional 1,000 Units	2.60%
450,000	18	11,000 Units plus 9 out of 18 to receive additional 1,000 Units	2.56%
500,000	65	12,000 Units plus 33 out of 65 to receive additional 1,000 Units	2.50%
	<hr/>		
	<b>142,385</b>		
<b>POOL B</b>			
550,000	23	290,000 Units plus 12 out of 23 to receive additional 1,000 Units	52.82%
600,000	17	316,000 Units plus 15 out of 17 to receive additional 1,000 Units	52.81%
700,000	3	369,000 Units plus 2 out of 3 to receive additional 1,000 Units	52.81%
750,000	1	396,000 Units	52.80%
800,000	5	421,000 Units plus 4 out of 5 to receive additional 1,000 Units	52.73%
850,000	2	448,000 Units	52.71%
900,000	2	474,000 Units	52.67%
950,000	3	500,000 Units plus 1 out of 3 to receive additional 1,000 Units	52.67%
1,000,000	26	526,000 Units plus 16 out of 26 to receive additional 1,000 Units	52.66%
2,000,000	7	1,052,000 Units plus 6 out of 7 to receive additional 1,000 Units	52.64%
3,000,000	3	1,579,000 Units	52.63%
7,000,000	<hr/> 1	3,683,000 Units	52.61%
	<b>93</b>		

The final number of Units comprised in the Hong Kong Public Offering is 97,020,000, representing 30% of the Units in the Global Offering (before any exercise of the Over-allotment Option).

The number of Units comprised in the Placing is 226,380,000 Units which were allocated in full (before any exercise of the Over-allotment Option), representing 70% of the Units in the Global Offering.

## RESULTS OF ALLOCATIONS

The results of allocations of Hong Kong Public Offering Units in the Hong Kong Public Offering, including applications made on **WHITE** and **YELLOW** Application Forms and applications by giving electronic application instructions to HKSCC and to the White Form eIPO Service Provider through the **White Form eIPO** service, which will include the Hong Kong identity card numbers, passport numbers or Hong Kong business registration numbers of successful or partially successful applicants and the number of Hong Kong Public Offering Units successfully applied for, will be available at the times and dates and in the manner specified as follows:

- the Hong Kong Public Offering allocation results telephone enquiry line at 2862 8669 between 9:00 a.m. and 10:00 p.m. from Thursday, 19 July, 2007 to Sunday, 22 July, 2007;
- the Hong Kong Public Offering website at **www.iporesults.com.hk** on a 24-hour basis from 8:00 a.m. on Thursday, 19 July, 2007 to 12:00 midnight on Wednesday, 25 July, 2007; and
- special allocation results booklets setting out the results of allocations will be available for inspection during opening hours of individual branches from Thursday, 19 July, 2007 to Saturday, 21 July, 2007 at all the receiving bank branches listed at the addresses set out in this announcement and the Offering Circular:

### The Hongkong and Shanghai Banking Corporation Limited

#### *Hong Kong Island*

Hong Kong Office	1 Queen's Road Central
Aberdeen Centre Branch	Shop 2, G/F, Site I, Aberdeen Centre, Aberdeen
Cityplaza Branch	Unit 065, Cityplaza I, Taikoo Shing
Des Voeux Road Central Branch	China Insurance Group Building, 141 Des Voeux Road Central
Hay Wah Building Branch	G/F, Hay Wah Building, 71–85B Hennessy Road, Wan Chai
Des Voeux Road West Branch	Western Centre, 40–50 Des Voeux Road West

#### *Kowloon*

Mong Kok Branch	673 Nathan Road, Mong Kok
Kwun Tong Branch	No. 1, Yue Man Square, Kwun Tong
Tsim Sha Tsui Branch	82–84 Nathan Road, Tsim Sha Tsui
Kowloon City Branch	1/F, 18 Fuk Lo Tsun Road, Kowloon City
Whampoa Garden Branch	Shop No. G6 & 6A, G/F, Site 4, Whampoa Garden
Telford Gardens Branch	Shop Unit P16, Block G, Telford Plaza I, Kowloon Bay

#### *New Territories*

Citylink Plaza Branch	Shops 38–46, Citylink Plaza, Shatin Station Circuit, Sha Tin
Yuen Long Branch	G/F, HSBC Building Yuen Long, 150–160 Castle Peak Road, Yuen Long
Tuen Mun Town Plaza Branch	Shop 1, UG/F, Shopping Arcade Phase II, Tuen Mun Town Plaza, Tuen Mun

Applicants who wish to obtain their results of allocations are encouraged to make use of the Hong Kong Public Offering allocation results telephone enquiry line or to use the Hong Kong Public Offering website at **[www.iporeresults.com.hk](http://www.iporeresults.com.hk)**.

Applicants applying through their designated CCASS Participants (other than CCASS Investor Participants) can arrange with their designated CCASS Participants to advise them of the number of Units allocated under their applications. Successful CCASS Investor Participants can check the number of Units allocated to them via the CCASS Phone System by calling 2979 7888 or CCASS Internet System at <https://ip.ccass.com> on Thursday, 19 July, 2007 or from the activity statement that will be made available by HKSCC to them showing the number of Hong Kong Public Offering Units credited to their CCASS Investor Participant stock accounts.



## DEPOSIT OR DESPATCH OF UNIT CERTIFICATES

Wholly or partially successful applicants who applied for 1,000,000 or more Hong Kong Public Offering Units using **White Form eIPO** or those using **WHITE** Application Forms and have indicated on their **WHITE** Application Forms that they wish to collect their Unit certificates in person may collect their Unit certificates in person from the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong between 9:00 a.m. and 1:00 p.m. on Thursday, 19 July, 2007. Applicants being individuals who opt for personal collection must not authorise any other person to make collection on their behalf. Applicants being corporations which opt for personal collection must attend by their authorised representatives each bearing a letter of authorisation from the corporations stamped with the corporation's chops. Both individuals and authorised representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to the Registrar. Uncollected Unit certificates which are either not available for personal collection, or which are available but are not collected in person will be despatched by ordinary post to the addresses specified in the relevant Application Forms at the applicants' own risk on Thursday, 19 July, 2007.

Wholly or partially successful applicants who applied on a **YELLOW** Application Form or by giving electronic application instructions to HKSCC and elected to have allocated Hong Kong Public Offering Units deposited directly into CCASS, will have Unit certificates issued in the name of HKSCC Nominees Limited and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants as instructed by them in respect of applications which are wholly or partially successful at the close of business on Thursday, 19 July, 2007, or in the event of a contingency, on any other date as shall be determined by HKSCC or HKSCC Nominees.

Applicants using **YELLOW** Applications Forms (and who are CCASS Investor Participants) and applicants applying by electronic application instructions given to HKSCC should check the results of the Hong Kong Public Offering published herein and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 19 July, 2007 or such other date as shall be determined by HKSCC or HKSCC Nominees. For CCASS Investor Participants applying by electronic application instructions given to HKSCC, they can also check the application results via the CCASS Phone System and CCASS Internet Systems on Thursday, 19 July, 2007. Applicants applying (whether using **YELLOW** Application Forms or by giving electronic application instructions to HKSCC) through their designated CCASS Participants (other than CCASS Investor Participants) can arrange with their designated CCASS Participants to advise them of the number of Hong Kong Public Offering Units allotted to them under their applications. For CCASS Investor Participants, they can also check their new account balance and the amount of refund monies (if any) payable to them via the CCASS Phone System and CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) immediately after the credit of the Hong Kong Public Offering Units to their stock accounts and the credit of the refund monies to their bank accounts. HKSCC will also make available to such applicants activity statements showing the number of the Hong Kong Public Offering Units credited to their CCASS Investor Participants stock accounts and (for CCASS Investor Participants applying by giving electronic application instructions to HKSCC) the refund amount credited to their respective designated bank accounts (if any).

## REFUND OF APPLICATION MONEYS

Applicants who have applied for 1,000,000 Hong Kong Public Offering Units or above using **White Form eIPO** or using **WHITE** or **YELLOW** Application Forms and have indicated on their Application Forms that they will collect their refund cheques in person may collect refund cheques (if any) in person from the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Thursday, 19 July, 2007. Refund cheques which are either not available for personal collection, or which are available but are not collected in person, will be despatched by ordinary post to the address specified in the relevant Application Forms at the applicants' own risk on Thursday, 19 July, 2007. Refund monies for applicants applying by giving electronic application instructions to HKSCC via CCASS are expected to be credited to the designed bank accounts of the relevant CCASS Participants on Thursday, 19 July, 2007.

## OVER-ALLOTMENT OPTION

The Manager has granted to the Placing Underwriters the Over-allotment Option exercisable by the Global Coordinator on their behalf. Pursuant to the Over-allotment Option, the Global Coordinator will have the right, exercisable at any time from the date of the Placing Underwriting Agreement up to (and including) the date which is the 30th day after the last date for lodging Application Forms under the Hong Kong Public Offering, to require the Manager to effect the issue of up to 48,510,000 additional Units at the Offer Price. As at the date of this announcement, the Over-allotment Option has not been exercised. If the Over-allotment Option is exercised in full, 48,510,000 Units will be issued and allotted. If the Over-allotment Option is exercised, a press announcement will be made in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and the Fund's website at [www.hsbcinvestments.com.hk/ChinaDragonFund](http://www.hsbcinvestments.com.hk/ChinaDragonFund).

## COMMENCEMENT OF DEALINGS

Dealings in the Units on the Stock Exchange are expected to commence at 9:30 a.m. on Friday, 20 July, 2007. Units will be traded on the Stock Exchange in board lots of 500 Units each.

By order of the Board  
**HSBC Investments (Hong Kong) Limited as manager of HSBC China Dragon Fund**  
**Mr. BROWN, Simeon Thomas**  
*Director of the Manager*

Hong Kong, 18 July, 2007

*As at the date of this announcement, the board of directors of the Manager is comprised as follows: The executive directors of the Manager are Dr. APENBRINK, Rudolf Eduard Walter, Mr. BROWN, Simeon Thomas, Ms. LOUIE, Ngai Yee, Mr. AU, King Lun and Ms. LAM, Po Yee. The non-executive directors of the Manager are Mr. CHENG Hoi Chuen, Mr. LEUNG, William Wing Cheung, Ms. LEUNG, Margaret Ko May Yee, Mr. SIBLEY, Nicholas John, Mr. ENGEL, Conrado, Mr. FRIED, David Lawrence and Mr. McCOMBE, Mark Seumas.*

*Please also refer to the abridged version of this announcement (without the results of allocations of the Hong Kong Public Offering Units under the Hong Kong Public Offering) published in the South China Morning Post.*



*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.*

*The Securities and Futures Commission of Hong Kong (the "SFC"), The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Hong Kong Securities Clearing Company Limited ("HKSCC") 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.*

*Unless defined herein, terms in this announcement shall have the same meaning as those defined in the offering circular of HSBC China Dragon Fund (the "Fund") dated 6 July, 2007 (the "Offering Circular").*

*In connection with the Global Offering, The Hongkong and Shanghai Banking Corporation Limited, being the Stabilising Manager (or any person acting for it) on behalf of the Placing Underwriters, to the extent permitted by applicable law and regulatory requirements of Hong Kong or elsewhere (and as if the Securities and Futures (Price Stabilizing) Rules were directly applicable to stabilising action with respect to the Units, subject to such variations or dispensations as may be, or may have been, approved by the SFC), may over-allot or effect transactions with a view to supporting the market price of the Units at a level higher than that which might otherwise prevail in the open market, and/or undertake other stabilising action within the meaning given in the Securities and Futures (Price Stabilizing) Rules (assuming the same were directly applicable, but subject to such variations or dispensations as may be, or may have been, approved by the SFC). However, there is no obligation on the Stabilising Manager (or any person acting for it) to do this. Such stabilisation if commenced may be discontinued at any time and is required to be brought to an end upon expiry of the period ending thirty (30) days after the last date for lodging Application Forms under the Hong Kong Public Offering. Should stabilisation transactions be effected in connection with the Global Offering, this will be at the absolute discretion of the Stabilising Manager. The number of Units being offered in the Global Offering may be increased up to an aggregate of 371,910,000 Units through the exercise of the Over-allotment Option expected to be granted to the Placing Underwriters by the Manager and exercisable by the Global Coordinator on behalf of the Placing Underwriters, which option is exercisable at any time from the date of the Placing Underwriting Agreement up to (and including) the date which is 30th day after the last date for lodging Application Forms under the Hong Kong Public Offering. In the event the Over-allotment Option is exercised, a press announcement will be made.*

## **HSBC CHINA DRAGON FUND**

### **滙豐中國翔龍基金**

*(a Hong Kong unit trust authorised under section 104  
of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))*

## **GLOBAL OFFERING**

<b>Number of Units under the Global Offering</b>	<b>: 323,400,000 Units (subject to the Over-allotment Option)</b>
<b>Number of Units under the Hong Kong Public Offering</b>	<b>: 32,340,000 Units (subject to adjustment)</b>
<b>Number of Units under the Placing</b>	<b>: 291,060,000 Units (subject to adjustment and the Over-allotment Option)</b>
<b>Offer Price</b>	<b>: HK\$10.00 per Unit, plus brokerage of 1%, the Stock Exchange trading fee of 0.005% and the SFC transaction levy of 0.004%</b>
<b>Stock code</b>	<b>: 820</b>

**Manager**

**HSBC Investments (Hong Kong) Limited**

**Sole Global Coordinator, Sole Bookrunner and Sole Listing Agent**

**HSBC** 

**Joint Lead Managers**

**HSBC** 

**CITI**  **中信証券國際**  
CITIC Securities International

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the Units as described in the Offering Circular. Dealings in the Units on the Stock Exchange are expected to commence on Friday, 20 July, 2007. Subject to the granting of formal approval for the listing of, and permission to deal in, the Units on the Stock Exchange as well as compliance with the admission requirements of HKSCC, the Units will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Units on the Stock Exchange or any other date as may be determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Applications for the Hong Kong Public Offering Units will only be considered on the basis of the Offering Circular and the **WHITE** or **YELLOW** Application Forms. Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the Application Form submitted by him/her/it that he/she/it and any person(s) for whose benefit he/she/it is making the application have not indicated an interest for or taken up and will not indicate an interest for or take up any Placing Units under the Placing, and such applicant's application will be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

An applicant may apply for Hong Kong Public Offering Units by using a **WHITE** or **YELLOW** Application Form or by means of the **White Form eIPO** service or **electronically** instructing HKSCC via CCASS to cause HKSCC Nominees to apply for Hong Kong Public Offering Units on the applicant's behalf. All applications of an applicant will be rejected as multiple applications if the applicant (for his/her/its benefit), or joint applicants together (i) make(s) more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC via CCASS or to the White Form eIPO Service Provider via the **White Form eIPO** service or (ii) appl(y)(ies) on one **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the White Form eIPO Service Provider via the **White Form eIPO** service to apply for more than 50% of the Hong Kong Public Offering Units available under the Hong Kong Public Offering (that is 16,170,000 Hong Kong Public Offering Units). Any application for more than 50% of the Hong Kong Public Offering Units available under the Hong Kong Public Offering (that is, 16,170,000 Hong Kong Public Offering Units) will be rejected.

The Global Offering is conditional on the conditions set out in the section headed "Structure of the Global Offering — Conditions of the Hong Kong Public Offering" in the Offering Circular. If the Global Offering does not become unconditional, all application monies received from applicants in the Hong Kong Public Offering will be refunded, without interest, together with brokerage, the Stock Exchange trading fee and the SFC transaction levy, on the terms set out in the Offering Circular.

Investors will have to pay the Offer Price of HK\$10.00 for each Unit, plus brokerage of 1%, the Stock Exchange trading fee of 0.005% and the SFC transaction levy of 0.004%. The Offer Price comprises (i) the Net Offer Price of HK\$9.65 for each Unit; (ii) the commissions to the Underwriters of HK\$0.30 for each Unit (equal to 3% of the Offer Price); and (iii) (assuming no Over-allotment Option is exercised) other fees and expenses of approximately HK\$0.05 for each Unit (equal to 0.5% of the Offer Price), including the Stock Exchange initial listing fees, legal and other professional fees, SFC application fee, SFC authorisation fee and printing and other expenses relating to the Global Offering and establishment of the Fund. The Units to be offered in the Hong Kong Public Offering and the Units to be offered in the Placing may, in certain circumstances, be reallocated between these offerings. In the event of over-subscription under the Hong Kong Public Offering, the Global Coordinator shall apply a reallocation mechanism as detailed in the section headed "Structure of the Global Offering — The Hong Kong Public Offering" in the Offering Circular. In the event of under-subscription in the Hong Kong Public Offering, the Global Coordinator will have the discretion to reallocate to the Placing such number of unsubscribed Hong Kong Public Offering Units as it may deem appropriate.

Refunds will be made in respect of wholly or partially unsuccessful applications. Refund monies for applicants applying by giving **electronic application instructions** to HKSCC are expected to be credited to the designated bank accounts of the relevant CCASS Participants on Thursday, 19 July, 2007. Applicants who (i) apply for 1,000,000 or more Hong Kong Public Offering Units and who have indicated in their Application Forms their wish to collect their Unit certificates and/or refund cheques (where applicable) in person or (ii) apply for 1,000,000 Hong Kong Public Offering Units or more

through the **White Form eIPO** service by submitting an electronic application to the White Form eIPO Service Provider through the designated website at **www.eipo.com.hk** and who have indicated in their applications their wish to collect their Unit certificates and/or refund cheques (where applicable) in person, may do so from the Registrar, Computershare Hong Kong Investor Services Limited, from 9:00 a.m. to 1:00 p.m. on Thursday, 19 July, 2007 (or any other dates notified by the Manager in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) as the date of despatch and availability of Unit certificates and refund cheques). Applicants being individuals who opt for personal collection cannot authorise any other person to make collection on their behalf. Applicants being corporations who opt for personal collection must attend by personal authorised representatives each bearing a letter of authorisation from his corporation stamped with the corporation's chop. Both individuals and authorised representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to the Registrar. Uncollected Unit certificates and refund cheques will be despatched by ordinary post to the addresses specified in the relevant Application Forms or the addresses specified in the application instructions to the White Form eIPO Service Provider through the designated website at **www.eipo.com.hk** at the applicants' own risk. For applicants who have applied for (i) 1,000,000 or more Units and has not indicated in the Application Forms or their electronic applications via the **White Form eIPO** service that they will collect their Unit certificates and/or refund cheques in person or (ii) applies for less than 1,000,000 Units, the applicants' refund cheques will be sent to the addresses on the applicants' Application Forms or the addresses specified in the application instructions to the White Form eIPO Service Provider through the designated website at **www.eipo.com.hk** on Thursday, 19 July, 2007 by ordinary post at their own risk.

Applicants who want the allocated Hong Kong Public Offering Units to be registered in the name of HKSCC Nominees and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants should either (i) complete the **YELLOW** Application Forms, copies of which, together with copies of the Offering Circular in English and Chinese, may be obtained during normal business hours from 9:00 a.m. on Friday, 6 July, 2007 to 12:00 noon on Wednesday, 11 July, 2007 (or such other time or date as may subsequently be announced) at the addresses set out herein, or at the Depository Counter of HKSCC at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong, or from their brokers, who may have such Application Forms and Offering Circulars in English and Chinese available; or (ii) give **electronic application instructions** to HKSCC via CCASS.

Applicants who want the allocated Hong Kong Public Offering Units to be registered in their own names should (i) complete and sign the **WHITE** Application Forms or (ii) submit applications online through the designated website of the White Form eIPO Service Provider at **www.eipo.com.hk** under the **White Form eIPO** service. Applicants can collect copies of the Offering Circular in English and Chinese and the **WHITE** Application Forms during normal business hours from 9:00 a.m. on Friday, 6 July, 2007 to 12:00 noon on Wednesday, 11 July, 2007 (or such other time or date as may subsequently be announced) from:

Any of the following addresses of the Hong Kong Underwriters

<b>The Hongkong and Shanghai Banking Corporation Limited</b>	HSBC Main Building 1 Queen's Road Central Hong Kong
<b>CITIC Securities Corporate Finance (HK) Limited</b>	26/F, CITIC Tower 1 Tim Mei Avenue Central Hong Kong

or any one of the following branches of:

**The Hongkong and Shanghai Banking Corporation Limited**

*Hong Kong Island*

Hong Kong Office	1 Queen's Road Central
Aberdeen Centre Branch	Shop 2, G/F, Site I, Aberdeen Centre, Aberdeen
Cityplaza Branch	Unit 065, Cityplaza I, Taikoo Shing
Des Voeux Road Central Branch	China Insurance Group Building, 141 Des Voeux Road Central
Hay Wah Building Branch	G/F, Hay Wah Building, 71–85B Hennessy Road, Wan Chai
Des Voeux Road West Branch	Western Centre, 40–50 Des Voeux Road West

*Kowloon*

Mong Kok Branch	673 Nathan Road, Mong Kok
Kwun Tong Branch	No. 1, Yue Man Square, Kwun Tong
Tsim Sha Tsui Branch	82–84 Nathan Road, Tsim Sha Tsui
Kowloon City Branch	1/F, 18 Fuk Lo Tsun Road, Kowloon City
Whampoa Garden Branch	Shop No. G6 & 6A, G/F, Site 4, Whampoa Garden
Telford Gardens Branch	Shop Unit P16, Block G, Telford Plaza I, Kowloon Bay

*New Territories*

Citylink Plaza Branch	Shops 38–46, Citylink Plaza, Shatin Station Circuit, Sha Tin
Yuen Long Branch	G/F, HSBC Building Yuen Long, 150–160 Castle Peak Road, Yuen Long
Tuen Mun Town Plaza Branch	Shop 1, UG/F, Shopping Arcade Phase II, Tuen Mun Town Plaza, Tuen Mun

Completed **WHITE** or **YELLOW** Application Forms, with one cheque or one banker's cashier order attached, should be deposited in the special collection boxes provided at any of the branches of The Hongkong and Shanghai Banking Corporation Limited stated above at the following times:

<b>Friday, 6 July, 2007</b>	<b>— 9:00 a.m. to 4:30 p.m.</b>
<b>Saturday, 7 July, 2007</b>	<b>— 9:00 a.m. to 12:30 p.m.</b>
<b>Monday, 9 July, 2007</b>	<b>— 9:00 a.m. to 4:30 p.m.</b>
<b>Tuesday, 10 July, 2007</b>	<b>— 9:00 a.m. to 4:30 p.m.</b>
<b>Wednesday, 11 July, 2007</b>	<b>— 9:00 a.m. to 12:00 noon</b>

Applicants applying by **White Form eIPO** may submit applications to the White Form eIPO Service Provider through the designated website at **[www.eipo.com.hk](http://www.eipo.com.hk)** from 9:00 a.m. on Friday, 6 July, 2007 until 11:30 a.m. on Wednesday, 11 July, 2007 (or such later time as described under the paragraph headed "Effect of bad weather conditions on the opening of the applications lists" in the Offering Circular) (24 hours daily, except on the last application day). The latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Wednesday, 11 July, 2007, the last application day, or, if the application lists are not open on that day, then by the time and date stated in the paragraph headed "Effect of bad weather conditions on the opening of the application lists" in the Offering Circular. Applicants will not be permitted to submit applications to the White Form eIPO Service Provider after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

Investors can also apply for Hong Kong Public Offering Units by giving **electronic application instructions** to HKSCC as follows:

1. CCASS Investor Participants can give **electronic application instructions** to HKSCC through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** on behalf of CCASS Investor Participants if they go to the Customer Service Centre of HKSCC at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong and complete an input request form. Offering Circulars are also available for collection at the Customer Service Centre of HKSCC; and
2. those who are not CCASS Investor Participants can instruct their brokers or custodians who are CCASS Broker Participants or CCASS Custodian Participants to give **electronic application instructions** to HKSCC via CCASS terminals to apply for Hong Kong Public Offering Units on their behalf.

CCASS Broker/Custodian Participants can input electronic application instructions at the following times on the following dates:

<b>Friday, 6 July, 2007</b>	<b>—</b>	<b>9:00 a.m. to 8:30 p.m.<sup>(1)</sup></b>
<b>Saturday, 7 July, 2007</b>	<b>—</b>	<b>8:00 a.m. to 1:00 p.m.<sup>(1)</sup></b>
<b>Monday, 9 July, 2007</b>	<b>—</b>	<b>8:00 a.m. to 8:30 p.m.<sup>(1)</sup></b>
<b>Tuesday, 10 July, 2007</b>	<b>—</b>	<b>8:00 a.m. to 8:30 p.m.<sup>(1)</sup></b>
<b>Wednesday, 11 July, 2007</b>	<b>—</b>	<b>8:00 a.m.<sup>(1)</sup> to 12:00 noon</b>

<sup>(1)</sup> These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Broker/Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Friday, 6 July, 2007 until 12:00 noon on Wednesday, 11 July, 2007 (24 hours daily, except the last application day).

Subject to the terms and conditions set out in the Offering Circular and the Application Forms relating thereto, applications must be received by 12:00 noon on Wednesday, 11 July, 2007 (or such later date as may subsequently be announced or as may apply in the case of a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal being in force).

It is expected that the announcement of the level of indications of interest in the Placing, the level of applications in the Hong Kong Public Offering and the basis of allocations of the Hong Kong Public Offering Units will be published on Thursday, 19 July, 2007 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese).

The results of allocations of the Hong Kong Public Offering Units under the Hong Kong Public Offering, including applications made under **WHITE** and **YELLOW** Application Forms, applications made online through the designated website of the White Form eIPO Service Provider at **www.eipo.com.hk** under the **White Form eIPO** service, and by giving **electronic application instructions** to HKSCC, which will include the Hong Kong Identity Card numbers, passport numbers or Hong Kong business registration numbers of successful applicants (where applicable) and the number of the Hong Kong Public Offering Units successfully applied for, will be available at the times and dates and in the manner specified as follows:

- results of allocations will be available from the Hong Kong Public Offering allocation results telephone enquiry line. Applicants may find out whether or not their applications have been successful and the number of Hong Kong Public Offering Units allocated to them, if any, by calling 2862 8669 between 9:00 a.m. and 10:00 p.m. from Thursday, 19 July, 2007 to Sunday, 22 July, 2007;



- results of allocations will be available from the Hong Kong Public Offering website at **www.iporeresults.com.hk** on a 24-hour basis from 8:00 a.m. on Thursday, 19 July, 2007 to 12:00 midnight on Wednesday, 25 July, 2007. The user will be required to key in the Hong Kong Identity Card/passport/Hong Kong business registration number provided in his/her/its Application Form to search for his/her/its own allocation result; and
- special allocation results booklets setting out the results of allocations will be available for inspection during opening hours of individual branches from Thursday, 19 July, 2007 to Saturday, 21 July, 2007 at all the receiving bank branches at the addresses set out in the section headed “How to apply for the Hong Kong Public Offering Units — Where to collect the Offering Circular and the Application Forms” in the Offering Circular.

Unit certificates for wholly or partially successful applications of applicants applying on **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants at the close of business on Thursday, 19 July, 2007, or, under contingent situation, on any other date HKSCC or HKSCC Nominees chooses. If you are applying through a designated CCASS Participant (other than a CCASS Investor Participant), you can check the number of Hong Kong Public Offering Units allocated to you and (if you have instructed a CCASS Broker/Custodian Participant to give **electronic application instructions** on your behalf) the amount of refund payable to you with that CCASS Participant. If you are applying as a CCASS Investor Participant, you should check the results made available by the Manager on Thursday, 19 July, 2007 (for CCASS Investor Participants applying by giving **electronic application instructions** to HKSCC, you can also check the application results via the CCASS Phone System and CCASS Internet Systems). You can check your new account balance via the CCASS Phone System by calling 2979 7888 or CCASS Internet System at <https://ip.ccass.com> (under the procedures contained in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time) immediately after the credit of the Hong Kong Public Offering Units to your CCASS Investor Participant stock account on Thursday, 19 July 2007. HKSCC will also make available to you an activity statement showing the number of Hong Kong Public Offering Units credited to your CCASS Investor Participant stock account and (if you are applying by giving **electronic application instructions** to HKSCC) the amount of refund money credited to your designated bank account.

By order of the Board  
**HSBC Investments (Hong Kong) Limited as manager of HSBC China Dragon Fund**  
**Mr. BROWN, Simeon Thomas**  
*Director of the Manager*

Hong Kong, Friday, 6 July 2007

As at the date of this announcement, the board of directors of the Manager is comprised as follows: The executive directors of the Manager are Mr. BROWN, Simeon Thomas, Ms. LOUIE, Ngar Yee, Mr. AU, King Lun and Ms. LAM, Po Yee. The non-executive directors of the Manager are Mr. CHENG Hoi Chuen, Mr. LEUNG, William Wing Cheung, Ms. LEUNG, Margaret Ko May Yee, Mr. SIBLEY, Nicholas John, Mr. ENGEL, Conrado, Mr. FRIED, David Lawrence and Mr. McCOMBE, Mark Seumas.

*“Please also refer to the published version of this announcement in **South China Morning Post**.”*