
THIS ANNOUNCEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR UNITS OF THE EXCHANGE TRADED FUNDS BELOW

If you are in any doubt about the contents this Announcement or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

If you have sold or transferred all your units in the HSBC China Dragon Fund (the “Fund”), you should at once hand this Announcement to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

IMPORTANT: The Stock Exchange of Hong Kong Limited (the “SEHK”), Hong Kong Securities Clearing Company Limited, Hong Kong Exchanges and Clearing Limited (“HKEX”) and the Securities and Futures Commission (the “SFC”), 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.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

SFC authorisation is not a recommendation or an endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

HSBC CHINA DRAGON FUND

滙豐中國翔龍基金

*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)*

INTERIM DISTRIBUTION ANNOUNCEMENT

Further to the Announcement and Notice dated 9 December 2024 and entitled “Announcement and Notice of the Cessation of Trading, Termination, Voluntary Deauthorisation and Delisting and Waiver from Strict Compliance with Certain Provisions of the Code” (the “First Announcement”), this Announcement is to inform the Relevant Investors of the Interim Distribution per Unit of the Fund, which is as follows:

	Interim Distribution	Interim Distribution per Unit (rounded down to 4 decimal places)
HSBC China Dragon Fund	HK\$67,585,989.00	HK\$3.0000

The date as at which an investor needs to be recorded by the HKSCC Nominees Limited as the beneficial owner of Units which are registered in the name of HKSCC Nominees Limited and held in CCASS to be entitled to the Interim Distribution, Final Distribution and Further Distribution (if any) is 17 March 2025 (i.e. the “Distribution Record Date”). The Interim Distribution for the Fund will be credited to the CCASS and Registrar accounts of the relevant financial intermediaries and stockbrokers through whom the Relevant Investors held the Units. It is expected that the Relevant Investors will receive the Interim Distribution on 26 March 2025, but the exact timing may vary between different stockbrokers and financial intermediaries. Each Relevant Investor should contact their

stockbrokers or financial intermediaries in relation to the payment arrangements, including payment procedures and settlement date, of the relevant Interim Distribution from them.

The Manager will issue an announcement to confirm the amount of Final Distribution at least 7 business days prior to the Final Distribution Date, which is expected to be payable on or around 12 August 2025 (the “Final Distribution Date”). If PRC tax clearance is not obtained by 12 August 2025, an announcement will be issued to inform Relevant Investors of the updated expected date of PRC tax clearance and the updated Final Distribution Date.

The Manager currently does not expect there will be any Further Distribution after the Final Distribution. If there is any Further Distribution, the Manager will, after having consulted with the Trustee, and the Fund’s Auditors, issue an announcement to confirm the amount of Further Distribution at least 7 business days prior to the Further Distribution Date. Further Distribution (if any) is expected to be payable around 13 November 2025 (or such other dates to be announced). For the avoidance of doubt, there will be no such announcement if there is no Further Distribution.

Stockbrokers and financial intermediaries are urged to forward a copy of this Announcement to their clients holding Units in the Fund, and inform them of the contents of this Announcement as soon as possible.

Relevant Investors should contact their stockbrokers and financial intermediaries in relation to the payment of the relevant Distribution from them.

Investors are strongly advised to read and consider the First Announcement together with the Offering Circular of the Fund, for further details in relation to the Fund, the termination, deauthorisation and delisting and the applicable risk factors and their implications to investors.

If investors are in doubt about the contents of this Announcement, they should contact their independent financial intermediaries or professional advisers to seek their professional advice, or direct their queries to the Manager (for details, please refer to section 5 below). Any product documents of the Fund should be retained by the investors for personal use only and not for public circulation.

Reference is made to the First Announcement issued by HSBC Global Asset Management (Hong Kong) Limited (the “**Manager**”), the manager of the Fund.

Capitalised terms not defined in this Announcement shall have the same meanings as defined in the First Announcement.

The purpose of this Announcement is to inform the Relevant Investors of the Interim Distribution. Relevant Investors, as defined in the First Announcement, mean those investors who held Units in the Fund as at close of business on 17 March 2025 (i.e. the Distribution Record Date).

1. **Interim Distribution Amount**

As disclosed in the First Announcement, the Manager would, on 19 March 2025, disclose the amount of Interim Distribution and amounts per Unit and the date of payment in respect of the Relevant Investors.

On the above basis, the Manager, after having consulted with the Trustee, has resolved to approve that an Interim Distribution of the following amount shall be paid in cash by the Fund in the form of an Interim Distribution to the Relevant Investors of the Fund:

	Interim Distribution	Interim Distribution per Unit (rounded down to 4 decimal places)
HSBC China Dragon Fund	HK\$67,585,989.00	HK\$3.0000

Each Relevant Investor will be entitled to an Interim Distribution amounting to 17.5747% of the Fund's Net Asset Value as of 12 March 2025 (i.e. Trading Cessation Date), proportionate to each Relevant Investor's interests in the Fund as of the Distribution Record Date. The Manager has liquidated all the onshore investments in RMB which is exposed to the relevant foreign exchange rate risks till the Fund will only be allowed to carry out the relevant spot forward exchange when the PRC tax clearance is obtained. Thus, the Manager has determined that such foreign exchange exposure should be mitigated from the Trade Cessation Date in the best interest of the investors. Foreign exchange forward has been carried out and therefore a cash reserve determined by the Manager will be required for settlement purposes before the Final Distribution in case such transaction will be matured or rolled over at the Manager's discretion. Any residual cash reserve will be included in the Final Distribution.

The Interim Distribution is calculated based on the available sales proceeds (as at 12 March 2025, being the Trading Cessation Date) primarily derived from the liquidation of offshore investments (including stocks on the SEHK, American Depositary Receipts, Global Depositary Receipts, and Exchange-Traded Funds), which commenced and completed on 12 March 2025 (i.e. the Trading Cessation Date), after deducting applicable fees, expenses, and their accruals to be due immediately before the Final Distribution (include but not limited to those payable to the Trustee, Qualified Foreign Investor Custodian, Sub-Custodian, auditor, Qualified Foreign Investor auditor, Qualified Foreign Investor tax advisor, the Manager, legal counsel, the Registrar, and other operational expenses of the Fund) and the cash reserve for the relevant foreign exchange activities). The Manager has received the sale proceeds from offshore investments on 12 March 2025.

2. **Final Distribution Amount**

Upon obtaining PRC tax clearance and after having consulted with the Fund's Auditor, its QFI's Auditor, its QFI's tax agent and the Trustee, the Manager will declare a Final Distribution in respect of the Relevant Investors 7 days before the Final Distribution Date and such Final Distribution will be paid to the Relevant Investors on or around 12 August 2025. It is expected that the Final Distribution will be 82.4253% of the total Net Asset Value as of 12 March 2025. If PRC tax clearance is not obtained by 12 August 2025, an announcement will be issued to inform Relevant Investors of the updated expected date of tax clearance and the updated Final Distribution Date. Each Relevant Investor will be entitled to a Final Distribution of an amount equal to the Net Asset Value of the Fund as at the Trading Cessation Date, less (i) Interim Distribution and (ii) any tax payable (including but not limited to any final tax amount payable to PRC tax authority per PRC tax clearance received), taking into account any upward or downward adjustments (e.g. any gain/loss on the foreign exchanges, any interest earned from cash placed in any interest bearing accounts including but not limited to savings account or term deposit accounts for cash management purpose and in the best interest to the investors at the Fund level, any outstanding receivables including but not limited to cash dividends, surplus of the Provision) in proportion to the Relevant Investor's interests in the Fund as at the Distribution Record Date.

The Final Distribution payable to each Relevant Investor is expected to be paid around 12 August 2025, to the accounts of its financial intermediary or stockbroker maintained with

CCASS as at the Distribution Record Date. The publication of Final Distribution announcement on the Fund's and HKEX's website disclosing the amount of Final Distribution and the date of payment of the Final Distribution will be made at least 7 business days prior to the Final Distribution Date.

3. **Further Distribution**

The Manager currently does not expect that there will be any further distribution after the Final Distribution. Further Distribution is conditional and will only be payable if there is any refund further to the Final Distribution (as a result of any unexpected refund or fee adjustments further to the Final Distribution) and any receivables (for example, cash credit interests received after the Final Distribution). In the event if there is Further Distribution, the Manager will, after having consulted with the Trustee, and the Fund's Auditors, issue an announcement to confirm the amount of Further Distribution and the date of payment of Further Distribution on the Fund's and HKEX's website at least 7 business days prior to the day of the Further Distribution Date and such Further Distribution (if any) is expected to be payable around 13 November 2025 (or such other date to be announced). For the avoidance of doubt, there will be no such announcement if there is no Further Distribution.

4. **Distribution Payment**

The date as at which an investor needs to be recorded by the HKSCC Nominees Limited as the beneficial owner of Units which are registered in the name of HKSCC Nominees Limited and held in CCASS to be entitled to the Interim Distribution, Final Distribution and Further Distribution (if any) is 17 March 2025 (i.e. the "**Distribution Record Date**"). The Interim Distribution for the Fund will be credited to the CCASS and Registrar accounts of the relevant financial intermediaries and stockbrokers through whom the Relevant Investors held the Units. It is expected that the Relevant Investors will receive the Interim Distribution on 26 March 2025, but the exact timing may vary between different stockbrokers and financial intermediaries. Each Relevant Investor should contact their stockbrokers or financial intermediaries in relation to the payment arrangements, including payment procedures and settlement date, of the relevant Interim Distribution from them.

Distribution to the extent of distribution of profits and/or capital of the Fund should generally not be subject to Hong Kong profits tax by Hong Kong investors (whether by way of withholding or otherwise). For investors carrying on a trade, profession or business in Hong Kong, profits derived in redemption or disposal of Units in the Fund may be subject to Hong Kong profits tax if the profits in question arise in or are derived from such trade, profession or business, sourced in Hong Kong, as well as the Units of the Fund are revenue assets of the investors.

Investors should consult their professional tax advisers for tax advice.

5. **Net Asset Value of the Fund**

Each of the Manager and the Trustee confirms that, the Net Asset Value and Net Asset Value per Unit of the Fund as at Trading Cessation Date were as follows:

	Net Asset Value	Net Asset Value per Unit (rounded up to 2 decimal places)
HSBC China Dragon Fund	HK\$384,561,001.53	HK\$17.07

A simple breakdown of the Net Asset Value of the Fund is as follows:

HSBC China Dragon Fund

	As at Trading Cessation Date
Assets	
Offshore Cash and cash equivalents (F)	HK\$ 84,975,484.68
Onshore Cash and cash equivalents	HK\$ 305,127,094.02
Unrealised Profit / Loss on FX Forward	(HK\$133,559.47)
Total assets	HK\$389,969,019.23
Liabilities	
Accrued expenses and other payables*	HK\$5,408,017.70
Total liabilities	HK\$5,408,017.70
Net Asset Value (A)	HK\$384,561,001.53
Number of Units in issue (C)	22,528,663.00
Net Asset Value per Unit (rounded up to 2 decimal places)	HK\$17.07
Interim Distribution per Unit (D) (rounded down to 4 decimal places)	HK\$3.0000
Interim Distribution (B = C x D)	HK\$67,585,989.00
Estimated Final Distribution ((A – B) per unit) (rounded down to 4 decimal places)¹	HK\$14.0698

* Accrued expenses and other payables including 0.5378% of (A) to be due immediately before the Final Distribution and 0.8685% of (A) to be due after the Final Distribution

6. **Determination of Interim Distribution**

As at Trading Cessation Date	Percentage of Total Net Asset Value
Offshore Cash and cash equivalents (F)	22.0967%
Fee payable due immediately before the Final Distribution*	(0.5378%)
Cash Reserve for spot and futures of foreign exchanges ²	(3.9842%)
Interim Distribution (B)³	17.5747%

7. **Provision of Costs and Expenses**

As mentioned in the First Announcement, the Manager has set aside the Provision to discharge Future Costs. Where the Provision is insufficient to cover any Future Costs, any shortfall will be borne by the Manager from its own assets. Conversely, where the Provision, if any, is in excess of the actual amount of the Future Costs, such excess will be refunded to the Relevant Investors as part of the Final Distribution.

¹ The Estimated Final Distribution is rounded down to 4 decimal places to provide a more accurate figure. The Estimated Final Distribution, is subject to change based on certain factors such as any tax payable, including but not limited to any final tax amount payable to the PRC tax authority per PRC tax clearance received. This amount also may be subject to any upward or downward adjustments, as such Relevant Investors may not receive the full Estimated Final Distribution.

² The Manager, after having consulted with the Trustee and the Fund's Auditor who have raised no objection to the approach and figures, has reserved certain level of cash liquidity for the spot or forward trades of the foreign exchange from the Offshore Cash and cash equivalent. The cash reserve is essential for managing foreign exchange exposure and potential hedging losses due to the timing of onshore repatriation, which depends on the PRC tax clearance.

³ The Manager, after having consulted with the Trustee, the Fund's Auditor who have raised no objection to the approach and figures, has determined the Interim Distribution based on the Offshore Cash and cash equivalents, the cash reserve for the spot or forward trades of the foreign exchange and the payables due immediately before the Final Distribution.

8. Preparing annual report covering the Termination Audit Period

Under Chapter 11.6 of the Code, the Manager is required to publish and distribute annual reports containing the information provided under Appendix E to the Code to Unitholders within 4 months of the end of the Fund's financial year (which ends on 31 December in each year). Once financial reports are issued, Unitholders will be notified of where such reports, in printed and electronic forms, can be obtained within the relevant time frame.

The Termination Date is not expected to fall within the financial year ending on 31 March 2025, in order to minimize the operational costs, the Manager will rely on explanatory note (2) to Chapter 11.6 of the Code, which permits the extension of the reporting period for the annual report in the case of fund termination and combine the annual report for the preceding financial year with the termination audit of the Fund. The Manager intends to extend the period covering the period from 1 April 2024 to the Termination Date (to be announced) (the "**Termination Audit Period**"). For the avoidance of doubt, no half-yearly unaudited interim reports will be available in 2025.

If the Termination Date will fall on or before 30 September 2025, the annual report covering the period from 1 April 2024 to the Termination Date (the "**Termination Audit Report**") will be issued within 4 months of the Termination Date.

If the Termination Date will fall after 30 September 2025, due to accounting requirements two separate reports will be published to cover the Termination Audit Period. The first report (the "**First Termination Audit Report**") covering the period from 1 April 2024 to 30 September 2025 (the "**First Termination Audit Period**") will be sent to the Relevant Investors as soon as practicable and in any event no later than 4 months after 30 September 2025. The second report ("**Extended Termination Audit Report**") will then cover the period from 1 October 2025 to the Termination Date (the "**Extended Termination Audit Period**"). The Extended Termination Audit Report will be sent to the Relevant Investors as soon as practicable and in any event no later than 4 months after the Termination Date.

The contents of all reports mentioned above (the "**Termination Audit Reports**") shall comply with the requirements under 4.5(f) and Appendix E to the Code and all other applicable provisions of the Code and other applicable laws and regulations.

The Manager will notify Unitholders of the Fund via the Final Distribution announcement (expected to be on or around 1 August 2025, at least 7 business days prior to the Final Distribution Date) on the Manager's website: <https://www.assetmanagement.hsbc.com.hk/en/intermediary/fund-centre/hk0820038419>⁴ and the HKEX's website of, among other things, the expected Termination Date, when the Termination Audit Reports will be published and the start and end dates of the Termination Audit Period. The hard copies will also be made available free of charge from the office of the Manager upon request.

The Manager confirms that Unitholders will not be prejudiced from the above arrangement under Chapter 11.6 of the Code. The Manager also confirms that, save as otherwise set out above, the Manager will continue to comply with all the other applicable provisions of the Code, the applicable provisions in the Trust Deed, the rules governing the listing of collective investment schemes issued by the SEHK and other applicable laws and regulations in respect of the Fund.

The Manager will issue further announcements as follows:

- (at least 7 business days prior to the Final Distribution Date) an announcement to inform Relevant Investors of the Final Distribution amounts per Unit and the Final Distribution Date;

⁴ The website has not been reviewed by the SFC.

- (on or around 12 August 2025), if PRC tax clearance is not obtained by 12 August 2025, an announcement to inform Relevant Investors of this fact and to provide an estimated time of PRC tax clearance;
- (at least 7 business days prior to the Further Distribution Date, if any) an announcement to inform Relevant Investors of the Further Distribution amounts per Unit and the Further Distribution Date. For the avoidance of doubt, no announcement will be issued if there is no Further Distribution; and
- (on or shortly before the Termination Date) an announcement to inform Relevant Investors of the Termination Date, the dates for the Deauthorisation and Delisting, with regard to the Fund,

in accordance with the applicable regulatory requirements. If there is any change to the abovementioned dates the Manager will issue separate announcement to inform the Relevant Investors. Investors should exercise caution and consult with their professional and financial advisers before deciding on any course of action to be taken in relation to their Units.

9. **Enquiries**

If you have any queries in relation to the contents of this Announcement and Notice, please direct them to your stockbrokers or financial intermediaries or contact the Registrar by calling their enquiry hotline at (852) 2862 8691 during normal business hours (Monday to Friday (excluding public holidays), from 9:00 a.m. to 6:00 p.m.) or contact the Manager in person at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong, or by calling: (852) 2284 1229, or visiting the Manager's website: <https://www.assetmanagement.hsbc.com.hk/en/individual-investor/fund-centre/hk0820038419>⁵.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and Notice and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement misleading.

HSBC Global Asset Management (Hong Kong) Limited
as Manager of the Fund

19 March 2025

As at the date of this Announcement and Notice, the Board of Directors of the Manager consists of Mr. MOREAU, Nicolas Jean Marie Denis, Ms. HO, Wai Fun, Mr. TAM, Chun Pong Stephen and Mr. TO, Kok Wing

⁵ The website has not been reviewed by the SFC.