

C L I F F O R D
C H A N C E

HSBC GLOBAL ASSET MANAGEMENT (HONG KONG) LIMITED

and

HSBC INSTITUTIONAL TRUST SERVICES (ASIA) LIMITED

FOURTH SUPPLEMENTAL TRUST DEED
for
HSBC CHINA DRAGON FUND

THIS FOURTH SUPPLEMENTAL DEED is made the 7th day of January 2016

BETWEEN

- (A) **HSBC GLOBAL ASSET MANAGEMENT (HONG KONG) LIMITED** having its registered office at HSBC Main Building, 1 Queen's Road Central, Hong Kong (the "**Manager**"); and
- (B) **HSBC INSTITUTIONAL TRUST SERVICES (ASIA) LIMITED** having its registered office at HSBC Main Building, 1 Queen's Road Central, Hong Kong (the "**Trustee**");

and is supplemental to a trust deed dated 20 June 2007, as amended, restated and supplemented by a supplemental trust deed dated 29 June 2007, the second supplemental deed dated 17 November 2009 and the third supplemental deed dated 21 August 2012 (collectively, the "**Trust Deed**"), also made by the Trustee and the Manager, and constituting HSBC China Dragon Fund (the "**Trust**").

NOW THIS DEED WITNESSES as follows:

- 1. Unless there is something inconsistent in the subject matter or the context, words and expression defined in the Trust Deed shall have the same meanings in this Supplemental Deed.
- 2. With effect on and from 8 January 2016, the Trust Deed shall be amended as follows:
- 3. The following shall be inserted in Clause 10:

"10.12 Subject to the Manager being granted a general mandate ("**General Mandate**") from the Holders by way of an extraordinary resolution at a Holders' general meeting and compliance with all applicable laws and regulations, the Manager will offer a right to all Holders to redeem part or all of their holdings in the Fund ("**Recurring Redemption Offer**") (subject to a Redemption Levy) as the Manager determines at its discretion taking into account the best interests of the Holders, subject to the following conditions:

- 1. the Fund must be trading at a discount of its net asset value of 20% (daily average) or more for three consecutive months;
- 2. the redemption offer must only be made in the best interests of the Holders;
- 3. there is no material adverse impact to the Fund;

4. the Manager must comply with the principles and rules under the Code on Share Buy-Backs ("**Buy-Back Code**") as if they were applicable to the Fund (including but not limited to all relevant timing and disclosure requirements under the Buy-Back Code), the SFC Products Handbook and all other applicable codes, rules, regulations and laws (together "**Applicable Regulations**"), with the only following exceptions:
 - (a) no independent advice by an independent board committee and/or independent financial adviser will be required in relation to any redemption offer made following the approval of the current Recurring Redemption Offer proposal at the Extraordinary General Meeting;
 - (b) where the redemption proceeds cannot be repatriated from the mainland due to legal or regulatory requirements beyond the control of the Manager, the redemption proceeds payment period may be extended beyond the time limits stipulated in the Applicable Regulations. In such case, the Manager must keep proper records to demonstrate and justify this and keep Holders and the SFC properly and promptly informed. In any event, the redemption proceeds must be paid to Holders as soon as possible after the receipt of the proceeds by the Fund;
5. in considering whether to proceed with a redemption offer, the Manager must take into account of all relevant prevailing market conditions (such as market liquidity, the percentage of stocks held by the Fund which have been suspended from trading and other relevant regulatory requirements) and must be reasonably satisfied that the redemption proceeds can be paid to Holders in accordance with the time limits stipulated in the Applicable Regulations;
6. there is no minimum number of redemption offer to be made in a calendar year and the maximum number for each calendar year shall not exceed three;
7. the aggregate redemption of all Holders to be no more than 20% of the total outstanding number of Units as at the relevant lodgement date of each Recurring Redemption Offer; and

8. Holders, other than any Holder that has a material interest in the Recurring Redemption Offer which is different from the interests of all other Holders, may by Extraordinary Resolution at a general meeting terminate the Manager's entitlement to make any further redemption offer under the Recurring Redemption Offer, and

sub-clauses 10.13 to 10.23 shall apply in such circumstance.

- 10.13 The Recurring Redemption Offer will be effective from the Business Day immediately after the latest Voluntary Redemption Day (the "**Effective Date**") until the termination of the Fund.
- 10.14 The Recurring Redemption Offer will take effect on a redemption day ("**Special Redemption Day**") when the conditions under clause 10.12 (1) to (8) are satisfied, with the approval of the Trustee at the applicable Net Asset Value per Unit on Special Redemption Day. The Special Redemption Day shall be determined by the Manager taking into account the time required to notify the Holders, to receive from the Holders their desired portion of Units with respect to the Recurring Redemption Offer and to realise the attributable portion of assets of the Fund to satisfy such Recurring Redemption Offer.
- 10.15 The Recurring Redemption Offer will be subject to applicable regulatory approvals but will not be subject to any approval of the Holders and/or advice from any independent financial adviser.
- 10.16 On receipt by the Manager and/or, if the Manager and the Trustee so agree, the Trustee (and/or any person appointed by the Manager for such purpose) of a redemption request from a Holder which complies with the requirements of sub-clause 10.17, the Manager or, if the Manager and the Trustee have so agreed as aforesaid, the Trustee shall, subject to sub-clause 10.23, effect the redemption of the Units specified in the redemption request at the Redemption Price on the Special Redemption Day on which those Units are to be realised in accordance with the provisions of this paragraph.

A redemption request complying with the requirements of sub-clause 10.17 shall be dealt with only on the Special Redemption Day. In order for a redemption request to be effected on the Special Redemption Day, it must be received by the Manager (or its agent) or, if applicable, the Trustee or the Registrar not later than a dealing deadline of such number of Business Days before the Special Redemption Day as determined by the Manager and as specified in

the notification to the Holders with respect to the relevant Recurring Redemption Offer.

- 10.17 To be effective a request for any Recurring Redemption Offer must be given in writing signed by the Holder or any one of joint Holders and must specify the number of Units that are to be realised, and the name or names of the Holder or Holders together with the relevant certificate(s) and/or transfer receipt(s) and/or any other document(s) of the title (and/or any satisfactory indemnity or indemnities required in respect thereof). Subject as hereinafter provided, a redemption request once given cannot be revoked without the consent of the Manager.
- 10.18 The price per Unit shall be realised on the Special Redemption Day at the Redemption Price per Unit as at the appropriate Valuation Day in relation to such Special Redemption Day, less any redemption levy of up to 2% of the redemption proceeds which is to be retained by the Fund for its own benefit.
- 10.19 Any amount payable to a Holder in respect of the realisation of Units shall be paid as soon as practicable in any event no later than such date as approved by the Commission. Such amount shall be paid in accordance with and subject to the provisions of this clause 10.23.
- 10.20 Redemption proceeds of any Recurring Redemption Offer will not be paid to any redeeming Holder until:
- (a) a valid original redemption request for any Recurring Redemption Offer has been received by or on behalf of the Manager or, if relevant, the Trustee; and
 - (b) the signature of the Holder (or each joint Holder) has been verified to the satisfaction of the Manager or its agent or, if relevant, the Trustee.
- Where relevant account details have been provided, redemption proceeds will be paid in the Base Currency by cheque by ordinary post at the Holder's risk.
- 10.21 A Holder shall only be entitled to realise part of his holding of Units only if such realisation would not result in his holding fewer Units after such redemption than the Minimum Number or Value of Units.
- 10.22 Where Units are to be realised on the Special Redemption Day the Manager shall proceed to effect any sales necessary to provide the cash required to meet the redemption request. Where the Manager (or its agent) has effected or will effect the redemption, the

Manager (or its agent) shall notify the Trustee that the Units are to be realised and cancelled and in such event the Trust shall be reduced by the cancellation of the said Units. Where the Trustee will effect the redemption, the Trustee shall promptly notify the Manager that the Units are to be realised and cancelled so that the Manager has sufficient time to effect any sales necessary to provide the cash required to meet the redemption request or to exercise its rights under clause 9. The Trustee shall (subject as otherwise provided in this Trust Deed) pay to the Holder, at the direction of the Manager, out of the relevant Trust Fund in respect of the cancellation of the Units the Redemption Price thereof less any deductions which the Manager, pursuant to any discretion hereunder, directs the Trustee to make or, if agreed, pay to the Manager out of the Trust Fund the Redemption Price and the Manager shall (subject as otherwise provided in this Deed) pay over the same to the Holder. The Trustee may only effect redemptions of Units if so agreed with the Manager and on the terms for the time being approved by the Manager, provided always that the Trustee shall at all times comply with the terms of the Offering Circular in connection therewith.

10.23 The Manager may at any time suspend the right of the Holders to require the redemption of Units on the Special Redemption Day under this paragraph and may accordingly delay the Valuation Day and the payment of any moneys in respect of any such realisation so suspended in the event that:

(A) **When relevant market closed**

any period when any market on which a substantial part of the Investments or other property for the time being comprised in the Trust is quoted, listed or dealt in is closed;

(B) **When dealings on market restricted or suspended**

any period when dealings on any such market are restricted or suspended;

(C) **When disposal cannot be effected normally or without materially prejudicing the Holders' interests**

during the existence of any state of affairs as a result of which disposal or valuation of some or all investments or other property for the time being comprised in the Trust cannot, in the opinion of the Manager, be effected normally or without materially prejudicing the interests of Holders.

Such suspension (which expression shall include the aforesaid right to delay payment) shall take effect forthwith upon the declaration thereof by the Manager and thereafter there shall be no realisation of Units of the Trust and/or payment of moneys in respect of any such redemption until the Manager shall declare the suspension at an end if (a) the condition giving rise to the suspension under (A), (B) and/or (C) above shall have ceased to exist and (b) no other condition under which suspension is authorized by the Manager under this paragraph shall exist. Any declaration by the Manager pursuant to this paragraph shall be consistent with such current rules and regulations, if any, relating to the subject matter thereof as shall have been promulgated by any authority having jurisdiction over the Trust (including but not limited to the Code on Unit Trusts and Mutual Funds issued by the Commission) and subject to that it shall be conclusive. The Trustee shall, subject to and in accordance with the provisions of the Trust Deed, realise Units of the Trust in respect of which it or any of its authorized agents has received a redemption request as at the Business Day next following the termination of such suspension."

4. Except as amended by this Supplemental Deed, the Trust Deed shall continue in full force and effect.
5. This Supplemental Deed may be executed in any number of counterparts each of which when executed by one or more of the parties hereto shall constitute an original but all of which shall constitute one and the same instrument.
6. Subject to Clause 23 of the Trust Deed, this Supplemental Deed shall be subject to and governed by the laws of Hong Kong.

IN WITNESS WHEREOF this Supplemental Deed has been entered into the day and year first above written.

THE COMMON SEAL of
HSBC GLOBAL ASSET MANAGEMENT
(HONG KONG) LIMITED

was duly affixed in the presence of:

Guillermo Eduardo Maldonado Codina
Pedro Augusto Botelho Bastos

G.E. Maldonado

P. Bastos



SIGNED, SEALED and DELIVERED

for and on behalf of

HSBC INSTITUTIONAL TRUST SERVICES
(ASIA) LIMITED

by its duly appointed attorney in the presence of:

[Signature]

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[Signature]

Bertha Tam

[Signature]

Eva Wong