
THIS ANNOUNCEMENT AND NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your Units in the HSBC MSCI Golden Dragon ETF, HSBC MSCI Hong Kong ETF, HSBC MSCI China ETF and/or HSBC MSCI Taiwan ETF (each a “Sub-Fund”, collectively the “Sub-Funds”), you should at once hand this Announcement and Notice 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.

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 and Notice, 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 and Notice. SFC authorisation is not a recommendation or an endorsement of the Trust and the Sub-Funds nor does it guarantee the commercial merits of the Trust and the Sub-Funds or their performance. It does not mean the Trust and the Sub-Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

HSBC ETFs Trust

*a Hong Kong unit trust authorised under
Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong
comprising four sub-funds*

HSBC MSCI Golden Dragon ETF (Stock Code: 3088)

HSBC MSCI Hong Kong ETF (Stock Code: 3000)

HSBC MSCI China ETF (Stock Code: 3033)

HSBC MSCI Taiwan ETF (Stock Code: 3083)

(each a “Sub-Fund”, collectively the “Sub-Funds”)

ANNOUNCEMENT AND NOTICE OF THE PROPOSED CESSATION OF TRADING, TERMINATION, VOLUNTARY DEAUTHORISATION AND DELISTING AND NOTICE OF EXTRAORDINARY GENERAL MEETING

IMPORTANT: Investors are strongly advised to consider the contents of this Announcement and Notice. This Announcement and Notice is important and requires your immediate attention. It concerns the proposed cessation of trading, proposed termination, proposed deauthorisation and proposed delisting of the Trust and the Sub-Funds. In particular, investors should note that, subject to the Unitholders’ approval at the extraordinary general meeting to be held on 17 September 2013 (the “Meeting”), the SFC’s and the SEHK’s respective approvals (where necessary):

- taking into account the relevant factors, including, in particular, the relatively small Net Asset Value of the Sub-Funds (see details of the factors in section 1 below), the Manager proposes to seek the termination, the voluntary deauthorisation and delisting of the Trust and the Sub-Funds;

- the Last Trading Day of the Units in the Sub-Funds will be 23 September 2013, i.e. the last day on which investors may buy or sell Units on the SEHK and the last day for redemption of Units in accordance with the usual trading arrangements currently in place, but no creation of Units in the primary market through a Participating Dealer will be allowed from 19 August 2013;
- the Units of the Sub-Funds will cease trading as from 24 September 2013 (the “Trading Cessation Date”); that means, no further buying or selling Units on the SEHK and no redemption of Units will be possible from the Trading Cessation Date onwards;
- from the Trading Cessation Date onwards: (a) the Sub-Funds will mainly hold cash; (b) the Sub-Funds will cease to track the respective Indices, and will not be able to meet their respective investment objectives of tracking the performance of such Indices; and (c) the Units of the Sub-Funds will no longer be traded on the SEHK;
- the Manager will, after having consulted with the Sub-Funds’ Auditors, declare a Final Distribution to the investors who remain so as at 26 September 2013, i.e. the Distribution Record Date, and the Final Distribution will be payable on or around 2 October 2013 (the “Final Distribution Date”);
- if there is any further distribution after the Final Distribution, the Manager will issue an announcement to confirm the amount of further distribution (which may include any refund of excess of Unforeseen Expenses Provision (if any)) on or around 5 November 2013 and such further distribution (if any) will be payable on or around 6 November 2013;
- by the date the Trustee and the Manager form an opinion that the Trust and the Sub-Funds cease to have any contingent or actual assets or liabilities, the Trustee and the Manager will commence the completion of the termination of the Trust and the Sub-Funds (such date being the “Termination Date”);
- during the period from the Trading Cessation Date until, at least, the Termination Date, the Sub-Funds will still have listing status on the SEHK, and the Trust and the Sub-Funds will remain authorised by the SFC and continue to comply with the Code and all the other applicable laws and regulations (unless any waiver or exemption has been granted), although the Sub-Funds will be operated only in a limited manner;
- the Manager will maintain the Sub-Funds’ listing status, and, subject to the SEHK’s approval, expects the Delisting to take effect at or around the same time as the Deauthorisation;
- the Manager expects that the Deauthorisation and the Delisting will take place either on the Termination Date or immediately after the Termination Date; and
- investors should pay attention to the risk factors as set out in section 6.1 below (including liquidity risk, Units trading at a discount or premium and Market Maker’s inefficiency risk, tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day risk, Net Asset Value downward adjustment risk, possible provision for unforeseen expenses risk, failure to track the Indices risk, lack of voting right risk and delay in distribution risk). Investors should exercise caution and consult with their professional and financial advisers before dealings in the Units or otherwise deciding on the course of actions to be taken in relation to their Units.

The implementation of the proposal to terminate the Trust and the Sub-Funds, and to voluntarily seek the Deauthorisation and the Delisting (the “Proposal”) is subject to the approval by the Unitholders at the Meeting of the Resolution (as set out in the accompanying notice of extraordinary general meeting) to approve the Proposal. The Resolution must be passed by Unitholders holding 75% or more of the total number of votes cast for and against the Resolution.

Stockbrokers and financial intermediaries are urged to:

- **forward a copy of this Announcement and Notice to their clients holding Units in the Sub-Funds, and inform them of the contents of this Announcement and Notice as soon as possible;**
- **facilitate their clients who want to dispose of Units in the Sub-Funds on or before the Last Trading Day; and**
- **inform their clients as soon as possible if any earlier dealing deadline, additional fees or charges, and/or other terms and conditions will be applicable in respect of the provision of their services in connection with any disposal of Units.**

If investors are in doubt about the contents of this Announcement and Notice, 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 10 below).

The Manager will, until the Last Trading Day, issue reminder announcements on a weekly basis to investors informing and reminding them of the Last Trading Day, the Trading Cessation Date, the Record Date and the Distribution Record Date. Also, further announcements will be made in due course to inform the investors of the Final Distribution Date, the Termination Date, the dates for the Deauthorisation and the Delisting and whether there is any further distribution after the Final Distribution as and when appropriate in accordance with the applicable regulatory requirements.

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.

The Manager announces its Proposal to seek the termination and the voluntary Deauthorisation and Delisting of the Trust and the Sub-Funds. The proposed termination, Deauthorisation and Delisting of the Trust and the Sub-Funds will be subject to the final approval of the SFC and the SEHK, and will only take place after the Trustee and the Manager have formed an opinion that the Trust and the Sub-Funds have no outstanding contingent or actual liabilities or assets. Terms otherwise not defined in this Announcement and Notice will have the same meaning as those defined in the Prospectus of the Sub-Funds.

To be effective, the Proposal requires Unitholders to pass the Resolution set out in the EGM Notice. Please refer to the section 7.3 below if you wish to attend and/or vote at the Meeting to be held on 17 September 2013 personally and/or appoint a representative to attend the Meeting to vote on your behalf. The Record Date for the purpose of determining the beneficial owners of

Units in the Sub-Funds which are entitled to vote is 10 September 2013. If the Meeting is adjourned, the Record Date will be postponed to a date which is approximately 15 days after the initial Record Date, and all votes received by the Manager for the Meeting will lapse and will not be carried forward to the adjourned meeting. If the Meeting is adjourned because a quorum is not present, the Unitholders present in person or by proxy at the adjourned meeting shall be a quorum. Unitholders who are entitled to vote in the adjourned meeting will need to vote again in the adjourned meeting. The Manager will issue a notice informing the Unitholders about the details of the adjourned meeting (if any) in due course.

IN THE EVENT THE RESOLUTION IS NOT PASSED AT THE MEETING, THE MANAGER RESERVES ITS RIGHT TO TERMINATE (A) THE TRUST (AND EACH SUB-FUND) UNDER CLAUSE 35.6(A) OF THE TRUST DEED IF THE AGGREGATE NET ASSET VALUE OF ALL THE UNITS OUTSTANDING IN EACH SUB-FUND IS LESS THAN HK\$100,000,000 OR (B) ONE OR MORE OF THE SUB-FUNDS UNDER CLAUSE 35.7(A) OF THE TRUST DEED IF THE AGGREGATE NET ASSET VALUE OF ALL THE UNITS IN EACH OF THE RELEVANT SUB-FUNDS IS LESS THAN HK\$100,000,000. IN SUCH CIRCUMSTANCES, THE MANAGER SHALL GIVE NOTICE TO THE UNITHOLDERS TO FIX THE DATE (WHICH SHOULD NOT BE LESS THAN THREE MONTHS AFTER THE SERVICE OF SUCH NOTICE) AT WHICH SUCH TERMINATION IS TO TAKE EFFECT.

Furthermore, in the event the Resolution is not passed at the Meeting or any adjourned meeting, the Manager will publish an announcement on the Manager's website www.etfs.hsbc.com/hk and HKEX's website to reactivate the creation of Units and to confirm that the Units will continue to be redeemed in the primary market through a Participating Dealer, and continue to be bought or sold in the secondary market on the SEHK, unless and until the Trust or any relevant Sub-Fund has been terminated by the Manager under the relevant provisions of the Trust Deed.

Regarding the costs for effecting the Proposal, if the aggregated amount of (a) the Relevant Termination Related Expenses; and (b) the ongoing costs and expenses of a Sub-Fund which should be covered by the Estimated Total Expense Ratio, exceed the Estimated Total Expense Ratio as set out in the table in section 5 below, the Manager will cover any shortfall from its own assets.

1. Proposed termination of the Trust and the Sub-Funds, cessation of trading and liquidation of assets

1.1. Proposed termination of the Trust and the Sub-Funds

According to Clause 35.10 of the Trust Deed, the Trust may be terminated at any time in the event that an extraordinary resolution (i.e. a resolution passed by a majority consisting of 75% or more of the total number of votes cast for and against such resolution) to that effect is passed.

The Net Asset Value and the Net Asset Value per Unit of each of the Sub-Funds as at 13 August 2013 were as follows:

	Net Asset Value	Net Asset Value per Unit
HSBC MSCI Golden Dragon ETF	HK\$132.78 million	HK\$36.8820
HSBC MSCI Hong Kong ETF	HK\$120.83 million	HK\$33.5635
HSBC MSCI China ETF	HK\$238.32 million	HK\$28.0377
HSBC MSCI Taiwan ETF	TWD1,201.91 million (HK\$311.11 million)	TWD171.7007 (HK\$44.4436)
	<i>Indicative TWD / HK\$ exchange rate as at 13 August 2013: 3.8633375</i>	

Having taken into account the relevant factors including interests of the investors as a whole, the currently relatively small Net Asset Value and the relatively low trading volume of the Sub-Funds, the Manager is of the view that the proposed termination of the Trust (and therefore all Sub-Funds) would be in the best interests of the investors in the Sub-Funds. Therefore, the Manager recommends that Unitholders pass the Resolution to terminate the Trust (and therefore all Sub-Funds) on the date on which the Trustee and the Manager form an opinion that the Trust and the Sub-Funds cease to have any contingent or actual assets or liabilities.

1.2. The proposed cessation of trading

Assuming the Resolution is passed at the Meeting under Clause 35.10 of the Trust Deed, the Manager will aim to realise all of the assets of all the Sub-Funds effective from 24 September 2013 in exercise of its investment powers under Clause 9.5 of the Trust Deed.

The Manager will then proceed with the Final Distribution as soon as practicable (see details in section 2.2 below). As such, assuming the Resolution is passed at the Meeting under Clause 35.10 of the Trust Deed, 23 September 2013 will be the Last Trading Day on which investors may buy or sell Units on the SEHK in accordance with the usual trading arrangements currently in place.

The Manager currently does not expect that there will be any further distribution after the Final Distribution. In case of contrary, the Manager will issue an announcement to confirm the amount of further distribution (which may include any refund of excess of Unforeseen Expenses Provision (if any)) on or around 5 November 2013 and such further distribution (if any) will be payable on or around 6 November 2013. If there is any change to the dates mentioned in this paragraph, the Manager will issue an announcement informing the Unitholders of the revised dates.

Also, in view of the proposed cessation of trading, no further creation of Units by Participating Dealers will be allowed from 19 August 2013. However, in the event the Resolution is not passed at the Meeting (or adjourned meeting as described in section 7.1 below), the Manager will reactivate the creation of Units by issuing an announcement, which will be published on the Manager's website www.etfs.hsbc.com/hk and HKEx's website.

For the avoidance of doubt redemption of Units by Participating Dealers will continue to be permitted until the Last Trading Day.

Investors should note that they cannot redeem Units directly from a Sub-Fund. Only Participating Dealers may submit redemption applications to the Manager and the Participating Dealer may have its own application procedures for its clients and may set application cut-off times for its clients which are earlier than those set out in the Prospectus. Investors are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

1.3. Impact on the proposed realisation of the assets

Assuming the Resolution is passed at the Meeting under Clause 35.10 of the Trust Deed, after the realisation of the assets of the relevant Sub-Funds (as described in section 1.2 above), the relevant Sub-Funds will mainly hold cash, primarily consisting of the proceeds from the realisation of the assets. It therefore follows that, from the Trading Cessation Date, the relevant Sub-Funds will cease to track their respective Indices and will not be able to meet their respective investment objectives of tracking the performance of such Indices.

2. What will happen after the Trading Cessation Date?

2.1. Immediately from the Trading Cessation Date

Assuming the Resolution is passed at the Meeting under Clause 35.10 of the Trust Deed, effective from the Trading Cessation Date, the Units will cease trading on the SEHK, that is, investors will only be allowed to buy or sell Units on the SEHK until (and including) the Last Trading Day which is 23 September 2013 and will not be allowed to do so from the Trading Cessation Date onwards.

2.2. During the period from the Trading Cessation Date until the Termination Date

Assuming the Resolution is passed at the Meeting under Clause 35.10 of the Trust Deed, the Manager will, after having consulted the Sub-Funds' Auditors, declare a Final Distribution in respect of the Relevant Investors (i.e. those investors who do not sell their Units on or before the Last Trading Day). Such Final Distribution will be made on or around 2 October 2013. Please refer to section 3.2 below for further details on the Final Distribution. The Manager currently does not expect that there will be any further distribution after the Final Distribution. In case of contrary, the Manager will issue an announcement to confirm the amount of further distribution (which may include any refund of excess of Unforeseen Expenses Provision (if any)) on or around 5 November 2013 and such further distribution (if any) will be payable on or around 6 November 2013. If there is any change to the dates mentioned in this paragraph, the Manager will issue an announcement informing the Unitholders of the revised dates.

On the Termination Date (which is expected to be on or around 25 November 2013) which is the date on which the Trustee and the Manager form an opinion that all the Sub-Funds cease to have any contingent or actual assets or liabilities, the Manager and the Trustee will commence the completion of the termination of the relevant Sub-Funds.

During the period from the Trading Cessation Date until, at least, the Termination Date, the Sub-Funds will still have listing status on the SEHK, and the Sub-Funds will remain authorised by the SFC and continue to comply with the Code and all the other applicable laws and regulations (unless any waiver or exemption has been granted), although the Sub-Funds will be operated only in a limited manner (as described in section 4.2 below).

The Deauthorisation and Delisting will take place either on the Termination Date or immediately after the Termination Date, subject to the SFC's and the SEHK's approval respectively. The Manager expects, subject to the SEHK's approval, that the Delisting will only take place at or around the same time of the Deauthorisation.

The proposed termination, Deauthorisation and Delisting will be subject to the payment of all outstanding fees and expenses (for details, please refer to section 5 below), the discharge of all outstanding liabilities of the Sub-Funds, as well as the final approvals of the SFC and the SEHK.

Following Deauthorisation, the Trust and the Sub-Funds will no longer be subject to regulation by the SFC. Further, stockbrokers, financial intermediaries and investors must not circulate any marketing or other product information relating to the relevant Sub-Funds to the public in Hong Kong as this may be in breach of the SFO.

2.3. Important dates

Subject to the SFC's and the SEHK's respective approvals for the proposed arrangements set out in this Announcement and Notice, it is anticipated that the expected important dates in respect of the Sub-Funds will be as follows:

THIRD REMINDER

Dispatch of this Announcement and Notice and the EGM Notice	16 August 2013
No further creation of Units	From 19 August 2013
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 attend and vote at the Meeting (the "Record Date")	10 September 2013
Time and date of the Meeting	4:00pm on 17 September 2013
Announcement of the results of the Meeting	Before 8:30am on 18 September 2013
<i>The following dates will only be relevant if the Resolution is passed at the Meeting under Clause 35.10 of the Trust Deed. If the Meeting is adjourned, then each date below will be postponed to a date which is approximately 15 days after the initial date. If the Meeting is adjourned because a quorum is not present, the Unitholders present in person or by proxy at the adjourned meeting shall be a quorum. The Manager will issue a notice informing the Unitholders about the details of the adjourned meeting (if any) and the revised dates in due course. For the avoidance of doubt, the Resolution will remain the same at the adjourned meeting. In addition, if there is any change to the dates below, the Manager will issue an announcement informing the Unitholders of the revised dates:</i>	
Last day for setting aside any Unforeseen Expenses Provision. If the amount of Unforeseen Expenses Provision (if any) set aside is material, an announcement will be issued	18 September 2013
Last day for dealings in the Units on the SEHK and last day for redemption of Units by Participating Dealer (the "Last Trading Day")	23 September 2013
Dealings in the Units on the SEHK cease (the "Trading Cessation Date"), i.e. same date on which the Manager will start to realise all the assets of the Sub-Funds and the Sub-Funds will cease to be able to track the relevant Indices	24 September 2013
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 Final Distribution and further distribution (if any) (which may include any refund of excess of Unforeseen Expenses Provision (if any)) (the "Distribution Record Date")	26 September 2013
Final Distribution (after the Manager having consulted with the Sub-Funds' Auditors) will be paid to the investors who are still holding Units as at the Distribution Record Date (the "Final Distribution Date")	On or around 2 October 2013
If there is any further distribution after the Final Distribution, announcement to confirm the amount and the payment date of further distribution (which may include any refund of excess of Unforeseen Expenses Provision (if any))	On or around 5 November 2013

Further distribution (if any) (which may include any refund of excess of Unforeseen Expenses Provision (if any)) will be paid to the investors who are still holding Units as at the Distribution Record Date	On or around 6 November 2013
Termination of the Sub-Funds (the "Termination Date")	On or around 25 November 2013, which is the date on which the Manager and the Trustee form an opinion that the Sub-Funds cease to have any contingent or actual assets or liabilities
Deauthorisation and Delisting of the Sub-Funds	<p>On or around 25 November 2013, which is the date on which the SFC and SEHK approve the Deauthorisation and Delisting respectively</p> <p>The Manager expects that the Deauthorisation and Delisting will take place either on the Termination Date or immediately after the Termination Date</p>

The Manager will, on a weekly basis from the date of this Announcement and Notice to the Last Trading Day, issue reminder announcements to Unitholders informing and reminding them of the Last Trading Day, the Trading Cessation Date, the Record Date and the Distribution Record Date. In addition, the Manager will issue further announcements in due course to inform the Unitholders of the Final Distribution Date, the dates for the Deauthorisation and Delisting, as well as the Termination Date, with regard to the Trust and the relevant Sub-Funds, and whether there is any further distribution after the Final Distribution, as and when appropriate in accordance with the applicable regulatory requirements.

All stockbrokers and financial intermediaries are urged to forward a copy of this Announcement and Notice, together with any further announcements, to their clients investing in the Units, and inform them of the contents of this Announcement and Notice, and any further announcements, as soon as possible.

3. Potential actions to be taken by investors on or before the Last Trading Day

3.1. Trading on the SEHK on any trading day up to (and including) the Last Trading Day

On any trading day up to (and including) the Last Trading Day, an investor may continue to buy or sell its Units in the Sub-Funds on the SEHK in accordance with the usual trading arrangements, during the trading hours of the SEHK and based on the prevailing market

prices. HSBC Securities Brokers (Asia) Limited, the Market Maker of the Sub-Funds will continue to perform its market making functions in accordance with the Trading Rules of the SEHK in respect of each Sub-Fund.

Investors should note that stockbrokers or other financial intermediaries may impose brokerage fees on any sale of the Units on the SEHK on investors, and a transaction levy (at 0.003% of the price of the Units) and a trading fee (at 0.005% of the price of the Units) will be payable by each of the buyer and the seller of the Units.

Stamp duty will also be imposed on any sale or purchase of the Units of the HSBC MSCI Golden Dragon ETF, HSBC MSCI Hong Kong ETF and HSBC MSCI China ETF on the SEHK (0.1% of the price of the Units, payable by both the buyer and seller, i.e. 0.2% in total, except in respect of qualifying market maker transactions). No charge to stamp duty will arise in Hong Kong in respect of sale or purchase of Units of the HSBC MSCI Taiwan ETF on the SEHK because approval has been given by the Financial Services and Treasury Bureau upon listing of the HSBC MSCI Taiwan ETF for remission or refund in full of stamp duty payable or paid in respect of any contract notes or instruments of transfer relating to transactions in Units in the HSBC MSCI Taiwan ETF.

The trading price of Units may be below or above the Net Asset Value per Unit.

3.2. Holding Units after the Last Trading Day

Assuming the Resolution is passed at the Meeting under Clause 35.10 of the Trust Deed, for Relevant Investors who are still holding Units in any of the relevant Sub-Funds after the Last Trading Day, the Manager will, after having consulted with the relevant Sub-Funds' Auditors, declare Final Distributions in respect of such Relevant Investors. Each Relevant Investor will be entitled to a Final Distribution of an amount equal to the relevant Sub-Fund's then Net Asset Value in proportion to the Relevant Investor's interests in the Sub-Fund as at the Distribution Record Date. The Sub-Fund's then Net Asset Value will be the total value of the net proceeds from the realisation of the assets of the relevant Sub-Fund as described in section 1.3 above, less the liabilities of the relevant Sub-Fund (such as the fees and expenses payable by the relevant Sub-Fund and, if any, the Unforeseen Expenses Provision) as at the Distribution Record Date.

The Final Distribution to each Relevant Investor is expected to be paid to the accounts of its financial intermediary or stockbroker maintained with CCASS on or around 2 October 2013. The Manager will issue further announcement to inform the Relevant Investors of the exact day of payment of the Final Distribution, together with the amount of Final Distribution per Unit, in due course.

The Manager currently does not expect that there will be any further distribution after the Final Distribution. In case of contrary, the Manager will issue an announcement to confirm the amount of further distribution (which may include any refund of excess of Unforeseen Expenses Provision (if any)) on or around 5 November 2013 and such further distribution (if any) will be payable on or around 6 November 2013. If there is any change to the dates mentioned in this paragraph, the Manager will issue an announcement informing the Unitholders of the revised dates.

IMPORTANT NOTE: Investors should note and consider the risk factors as set out in section 6.1 below and consult with their professional and financial advisers before disposing of any Units. If an investor disposes of its Units at any time on or before the Last Trading Day, such investor will not, in any circumstances, be entitled to any portion of the Final Distribution and/or any further distribution (if any) in respect of any Units so disposed. Investors should therefore exercise caution and consult with their professional and financial advisers before dealing in their Units or otherwise deciding on any course of action to be taken in relation to their Units.

4. **Consequences of the commencement of the cessation of trading**

4.1. **Continued existence of the Sub-Funds**

Each of the Sub-Funds will maintain its SFC authorisation status and SEHK listing status, until the Deauthorisation and Delisting. Deauthorisation and Delisting will follow as soon as possible after the termination.

By the time the Trustee and the Manager form an opinion that the relevant Sub-Funds cease to have any contingent or actual assets or liabilities, the Manager and the Trustee will complete the proposed termination process.

4.2. **Limited operation of the Sub-Funds**

During the period from the Trading Cessation Date until the Deauthorisation, the Sub-Funds will continue to comply with the Code and all the other applicable laws and regulations (unless any waiver or exemption has been granted), although each Sub-Fund will only be operated in a limited manner as there will not be any trading of Units and the Sub-Funds will have no investment activities from the Trading Cessation Date onwards.

5. **Costs**

As indicated in section 3.1 above, investors' stockbrokers or financial intermediaries may levy certain fees and charges for any orders to dispose of Units on or before the Last Trading Day.

All redemption of Units by the Participating Dealer will be subject to the fees and costs as set out in the Prospectus. The Participating Dealer may pass on to the relevant investors such fees and costs. The Participating Dealer may also impose fees and charges in handling any redemption request which would also increase the cost of redemption. Investors are advised to check with the Participating Dealer as to the relevant fees, costs and charges.

The following table sets out the Estimated Total Expense Ratios which have been charged by each of the Sub-Funds, as set out in the Prospectus. These Estimated Total Expense Ratios will remain unchanged upon the implementation of the Proposal and the Manager will continue to collect such fees from the relevant Sub-Funds up to (and including) the Trading Cessation Date:

Sub-Fund	Estimated Total Expense Ratio (% p.a. of Net Asset Value)
HSBC MSCI Golden Dragon ETF#	0.50%
HSBC MSCI Hong Kong ETF	0.50%
HSBC MSCI China ETF	0.50%
HSBC MSCI Taiwan ETF	0.50%

Since the HSBC MSCI Golden Dragon ETF is a fund of funds, it has already borne the costs of the underlying Sub-Funds indirectly. Such portion of the costs therefore will not be charged directly to the HSBC MSCI Golden Dragon ETF again to avoid double charging.

The Relevant Termination Related Expenses to implement the Proposal are estimated to be around HK\$1,000,000. Since the Estimated Total Expense Ratios are capped at the rates as set out in the table above, if the aggregated amount of (a) the Relevant Termination Related Expenses actually incurred by a Sub-Fund, including the costs involved in preparing and convening the Meeting to implement the Proposal; and (b) the ongoing costs and expenses of a Sub-Fund which should be covered by the Estimated

Total Expense Ratio, exceed the Estimated Total Expense Ratio as set out in the table above, the Manager will cover any shortfall from its own assets.

Please however note that the relevant Estimated Total Expense Ratio will not cover certain duties, charges and other costs and expenses as disclosed in the Prospectus (including all transaction, borrowing and overdraft facility costs and expenses in relation to the Sub-Funds and, as explained in the paragraph below, all Unforeseen Expenses) which will be paid separately out of the assets of the relevant Sub-Funds.

If after the date of this Announcement and Notice certain types of Unforeseen Expenses which are unforeseeable at the time of this Announcement and Notice and which are not covered by the Estimated Total Expense Ratio as disclosed in the Prospectus (including but not limited to any taxes, levies, duties or similar charges and professional fees in relation to agreeing and/or contesting any such liabilities or recoveries and all litigation expenses) come to the attention of the Manager and/or the Trustee, subject to the approval from both the Trustee and the Manager, an Unforeseen Expenses Provision may be set aside for payment of such expenses on or before 18 September 2013. The Manager envisages that the amount of such Unforeseen Expenses, and therefore, the amount of the Unforeseen Expenses Provision to be set aside, should be immaterial. However, if the Unforeseen Expenses Provision to be set aside is, in the opinion of the Trustee and the Manager, a material amount, the Manager will issue an announcement to confirm the amount of Unforeseen Expenses Provision on 18 September 2013. **The setting aside of any Unforeseen Expenses Provision will reduce the Net Asset Value of the Sub-Funds and the Net Asset Value per Unit. Please refer to “Net Asset Value downward adjustment risk” in section 6.1 below.**

Where the Unforeseen Expenses Provision, if any, is insufficient to cover any future costs and, if applicable any Unforeseen Expenses, any shortfall will be borne by the Manager. Conversely, where the Unforeseen Expenses Provision, if any, is in excess of the actual amount of the future costs or, as the case may be, Unforeseen Expenses (when materialised), the Manager will issue an announcement to confirm the amount of excess of Unforeseen Expenses Provision on or around 5 November 2013 and such excess will be refunded to the Relevant Investors as part of further distribution on or around 6 November 2013 in proportion to the Relevant Investor's interests in the Sub-Fund as at the Distribution Record Date. If there is any change to the dates mentioned in this paragraph, the Manager will issue an announcement informing the Unitholders of the revised dates.

The Sub-Funds do not have any unamortised preliminary expense or contingent liabilities (such as outstanding litigation) as at the date of this Announcement and Notice.

6. **Other matters**

6.1. **Other implications of the proposed cessation of trading, the proposed termination of the Trust and the Sub-Funds and the proposed Deauthorisation and Delisting**

In consequence of this Announcement and Notice and the proposed cessation of trading, the proposed termination of the Trust and the Sub-Funds and the proposed Deauthorisation and Delisting, investors should note and consider the following risks:

“Liquidity risk” - Trading of Units in the Sub-Funds on the SEHK from the date of this Announcement and Notice may become less liquid.

“Units trading at a discount or premium and Market Maker's inefficiency risk” - Although up to (and including) the Last Trading Day, the Market Maker will continue to perform its market making functions in respect of the relevant Sub-Funds in accordance with the Trading Rules of the SEHK, Units in the Sub-Funds may trade at a discount

compared to their Net Asset Value in extreme market situations. This is because many investors may want to sell their Units after the Proposal has been announced but there may not be many investors in the market who are willing to purchase the Units. On the other hand, it is also possible that the Units of the Sub-Funds may trade at a premium because there will be no creation of Units from 19 August 2013 and consequently the divergence between the supply of and demand for the Units may be larger than usual. The Market Maker may not be able to effectively perform its market making activities to provide liquidity of the trading of Units on the SEHK in these extreme market situations. As a result, the price volatility of the Units may be higher than usual from the date of this Announcement and Notice up to (and including) the Last Trading Day.

“Tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day risk” - The setting aside of the Unforeseen Expenses Provision, if any, will adversely affect the Net Asset Value per Unit. This reduction of Net Asset Value per Unit may cause the relevant Sub-Funds’ returns to substantially deviate from the performance of the relevant Indices so that the relevant Sub-Funds will not be able to properly track the performance of the relevant Indices during the period from the date of this Announcement and Notice to the Last Trading Day and thus triggering significant tracking error. Furthermore, it is possible that the size of the relevant Sub-Funds may drop drastically before the Last Trading Day. This may impair the Manager’s ability to fulfill the investment objectives of the relevant Sub-Funds and result in significant tracking error. In the extreme situation where the size of the relevant Sub-Fund becomes so small that the Manager considers that it is not in the best interest of the relevant Sub-Fund to continue to invest in the market, the Manager may decide to convert the whole or part of the investments of the relevant Sub-Fund into cash or deposits in order to protect the interest of the investors of the relevant Sub-Fund.

“Possible provision for unforeseen expenses risk” - There may be certain expenses such as (but not limited to) tax, levy, duty or similar charges and professional fees in relation to agreeing and/or contesting any such liabilities or recoveries and litigation expenses which are unforeseeable at the time of this Announcement and Notice. If the need for incurring any such expenses comes to the attention of the Manager and/or the Trustee during the period from the date of this Announcement and Notice to 18 September 2013, the Unforeseen Expenses Provision may be set aside for such expenses. While the Manager envisages that the amount of such expenses should be immaterial, any such Unforeseen Expenses Provision will reduce the Net Asset Value per Unit.

“Net Asset Value downward adjustment risk” - Changes in economic environment, consumption pattern and investors’ expectations may have significant impact on the value of the investments and there may be significant drop in value of the securities. Also, the Net Asset Value of the relevant Sub-Funds may be reduced as some of the Sub-Funds’ assets may be set aside as Unforeseen Expenses Provision. Such market movements and the setting aside of the Unforeseen Expenses Provision may result in substantial downward adjustment of the Net Asset Value per Unit before the Last Trading Day.

“Failure to track the Indices risk” - The Manager will aim to realise all securities held by the relevant Sub-Funds with effect from the Trading Cessation Date. Thereafter, the relevant Sub-Funds’ assets will mainly be in cash. It therefore follows that, from the Trading Cessation Date, each of the Sub-Funds will cease to track the relevant Indices, and will not be able to meet its investment objective of tracking the performance of the relevant Indices.

“Lack of voting right risk” - Only investors who are determined as beneficial owners of Units in the Sub-Funds as at the Record Date will be entitled to vote at the Meeting. However, as the trading of Units will continue from the Record Date through the Last Trading Day, investors who purchase the Units after the Record Date but before the Last Trading Day will not be entitled to vote at the Meeting. By contrast, investors who sell

their Units after the Record Date but before the Last Trading Day will remain entitled to vote at the Meeting.

“Delay in distribution risk” - Assuming the Resolution is passed at the Meeting, the Manager will aim to realise all of the assets of all the Sub-Funds and then proceed with the Final Distribution as soon as practicable. However, the Manager may not be able to realise all the assets of the Sub-Funds in a timely manner during certain periods of time, for example, when the trading on the relevant stock exchanges is restricted or suspended or when the official clearing and settlement depository of the relevant market is closed. In this case, the payment of the Final Distribution or further distribution (if any) to the Relevant Investors may be delayed.

6.2. Tax implications

Based on the Manager’s understanding of the law and practice in force at the date of this Announcement and Notice, the Trust and any of its Sub-Funds are not subject any capital gain tax in relation to the realisation of assets under the Proposal.

No tax will be payable by investors in Hong Kong in respect of the Final Distribution or further distribution (if any), except that Hong Kong profits tax may arise where the transactions giving rise to such distribution or refund form part of a trade, profession or business carried on in Hong Kong.

Investors should consult their professional financial advisers for tax advice.

6.3. Connected party transaction

The Participating Dealer of the Sub-Funds is The Hongkong and Shanghai Banking Corporation Limited, which is a Connected Person of the Manager and the Trustee. The Participating Dealer currently owns a substantial holding of Units of the Sub-Funds.

HSBC Bank plc, which is also a Connected Person of the Manager and the Trustee, also owns certain amount of Units of the HSBC MSCI Hong Kong ETF.

As a Connected Person of the Manager and the Trustee, neither the Participating Dealer nor HSBC Bank plc will be counted in the quorum and vote on the Resolution at the Meeting in respect of those Units of which they are the beneficial owners (please see section 7.1 below).

However, the Participating Dealer or HSBC Bank plc may decide to dispose of all or part of their Units, either by selling the Units on the SEHK or by redeeming the Units in the primary market, after being informed of the Proposal via this Announcement and Notice. Such disposal may occur before or after the Meeting, regardless of whether the Resolution will be passed. Any disposal of Units by the Participating Dealer or HSBC Bank plc, which is beyond the control of the Manager, may significantly reduce the size of the relevant Sub-Fund and impair the Manager’s ability to fulfill the investment objectives of the relevant Sub-Funds and result in significant tracking error. Please refer to “Tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day risk” in section 6.1 above.

7. Procedures

7.1. Extraordinary General Meeting

The implementation of the Proposal is subject to the approval by the Unitholders at the Meeting to be held on 17 September 2013 of the Resolution (as set out in the accompanying EGM Notice) to approve the termination of the Sub-Funds, Deauthorisation and Delisting.

The quorum for passing the Resolution shall be Unitholders present in person or by proxy registered as holding not less than one-quarter of all the Units for the time being in issue. If the Meeting is adjourned because a quorum is not present, the Unitholders present in person or by proxy at the adjourned meeting shall be a quorum.

The Resolution must be passed by Unitholders holding 75% or more of the total number of votes cast for and against the Resolution. None of the Trustee, the Manager, Investment Adviser or any of their respective Connected Persons shall cast any vote in respect of Units beneficially owned by it in relation to the Resolution as it or its Connected Persons has a material interest in the Resolution. Furthermore, all Units beneficially owned by the Trustee, the Manager or the Investment Adviser (as the case may be) and any of their respective Connected Persons shall be ignored for all purposes in establishing whether or not a quorum is present as if such Units were not then in issue.

According to the Manager's understanding as at the date of this Announcement and Notice, the Trustee, the Manager, the Investment Adviser, the Participating Dealer, HSBC Bank plc and any of their respective Connected Persons are the parties which have to abstain from voting and whose Units have to be ignored for purposes in establishing whether or not a quorum is present as if such Units were not then in issue.

7.2. Recommendation

The Manager considers the Proposal to be in the best interest of investors and recommends investors to vote in favour of the Resolution.

IN THE EVENT THE RESOLUTION IS NOT PASSED AT THE MEETING, THE MANAGER RESERVES ITS RIGHT TO TERMINATE (A) THE TRUST (AND EACH SUB-FUND) UNDER CLAUSE 35.6(A) OF THE TRUST DEED IF THE AGGREGATE NET ASSET VALUE OF ALL THE UNITS OUTSTANDING IN EACH SUB-FUND IS LESS THAN HK\$100,000,000 OR (B) ONE OR MORE OF THE SUB-FUNDS UNDER CLAUSE 35.7(A) OF THE TRUST DEED IF THE AGGREGATE NET ASSET VALUE OF ALL THE UNITS IN EACH OF THE RELEVANT SUB-FUNDS IS LESS THAN HK\$100,000,000.

7.3. Action to be taken

If you would like to vote and/or to attend the Meeting personally and/or appoint a representative to attend the Meeting to vote on your behalf, you will need to follow Procedure (A) if you hold an investor participant account with CCASS and your Units are held in that account as at the Record Date; or Procedure (B) if your Units are held by or through your broker or custodian who is a participant of CCASS as at the Record Date.

Procedure (A)

- If you personally hold an account with CCASS, HKSCC will notify you of the Meeting.
- If you wish to vote but do not wish to attend the Meeting, you simply need to instruct HKSCC whether you wish to vote in favour of the Resolution or against it on or before the CCASS Deadline. HKSCC will then vote on your behalf according to your wishes.
- If you wish to vote in person or appoint a representative to attend the Meeting to vote on your behalf, you need to notify HKSCC that you or your representative (as the case may be) would like to attend and vote at the Meeting. You will need to do so on or

before the CCASS Deadline. HKSCC will appoint you or your representative (as the case may be) as its corporate representative in respect of your own Units and then provide the Manager and the Registrar with a list of corporate representatives who will attend and vote at the Meeting. You or your representative (as the case may be) will only be permitted to attend the Meeting if your name or your representative's name (as the case may be) is on HKSCC's list.

Procedure (B)

- If you hold your Units through a broker or custodian who is a participant of CCASS, HKSCC will only notify your broker or custodian of the Meeting.
- Your broker or custodian should then notify you of the Meeting. If you do not hear from your broker or custodian about the Meeting, we recommend that you contact your broker or custodian.
- If you wish to vote but do not wish to attend the Meeting, you simply need to instruct your broker or custodian whether you wish to vote in favour of the Resolution or against it on or before the deadline as determined by your broker or custodian. Your broker or custodian should then make arrangements with HKSCC to vote on your behalf according to your wishes.
- If you wish to vote in person or appoint a representative to attend the Meeting to vote on your behalf you need to notify your broker or custodian that you or your representative (as the case may be) would like to attend and vote at the Meeting. You will need to do so on or before the deadline as determined by your broker or custodian. Your broker or custodian should then make arrangements with HKSCC for your name or your representative's name (as the case may be) to be added to the list of corporate representatives who will attend the Meeting. HKSCC will then provide the Manager and the Registrar with that list. You or your representative (as the case may be) will only be permitted to attend the Meeting if your name or your representative's name (as the case may be) is on HKSCC's list.

Please note that whether you follow Procedure (A) or Procedure (B) your ability or your representative's ability (as the case may be) to attend the Meeting will depend on HKSCC being notified of your wish to attend the Meeting in person or to appoint a representative to attend the Meeting (as the case may be). The list, prepared by HKSCC, of corporate representatives who notified their wish to attend the Meeting in person or to appoint a representative to attend the Meeting (as the case may be) will be conclusive and persons not named on the list will not be permitted to attend. This means whether or not a person will be admitted to the Meeting is beyond the control of the Manager or the Trustee and Registrar.

The Resolution shall be decided by a poll. On a poll every Unitholder who is present in person or by representative shall have one vote for every Unit of which he is the Unitholder.

An announcement informing you of the results of the Meeting will be published on the Manager's website www.etfs.hsbc.com/hk and HKEx's website shortly after the Meeting.

8. What will happen if the Resolution is not passed at the Meeting?

IN THE EVENT THE RESOLUTION IS NOT PASSED AT THE MEETING, THE MANAGER RESERVES ITS RIGHT TO TERMINATE (A) THE TRUST (AND EACH SUB-FUND) UNDER CLAUSE 35.6(A) OF THE TRUST DEED IF THE AGGREGATE NET ASSET VALUE OF ALL THE UNITS OUTSTANDING IN EACH SUB-FUND IS LESS THAN HK\$100,000,000 OR (B) ONE OR MORE OF THE SUB-FUNDS UNDER CLAUSE

35.7(A) OF THE TRUST DEED IF THE AGGREGATE NET ASSET VALUE OF ALL THE UNITS IN EACH OF THE RELEVANT SUB-FUNDS IS LESS THAN HK\$100,000,000.

Furthermore, in the event the Resolution is not passed at the Meeting or any adjourned meeting, the Manager will publish an announcement on the Manager's website www.etfs.hsbc.com/hk and HKEx's website to reactivate the creation of Units and to confirm that the Units will continue to be redeemed in the primary market through a Participating Dealer, and continue to be bought or sold in the secondary market on the SEHK, unless and until the Trust or any relevant Sub-Fund has been terminated by the Manager under the relevant provisions of the Trust Deed.

9. **Documents available for inspection**

Copies of the following documents are available for inspection free of charge at the offices of the Manager and copies thereof may be obtained from the Manager at a cost of HK\$150 per set:

- the Trust Deed;
- the Participation Agreement;
- the Conversion Agency Agreement;
- the Service Agreement;
- the audited accounts and the half-yearly unaudited reports of the Trust; and
- the Prospectus.

10. **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 Manager in person at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong, or by calling: (852) 2284 1108, or emailing by hsbc.etf@hsbc.com.hk, or visiting the Manager's website: www.etfs.hsbc.com/hk.

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 Investment Funds (Hong Kong) Limited

as Manager of the Trust and the Sub-Funds

16 August 2013

As at the date of this Announcement and Notice, the Board of Directors of the Manager consists of BERRY Stuart Glenn, CONXICOEUR Patrice Pierre Henri, KOO Julie J, LAM Po Yee, MALDONADO-CODINA Guillermo Eduardo, MUNRO Joanna, NG Kai Man Edgar.

DEFINITIONS

In this Announcement and Notice, unless the context otherwise requires, the following terms shall have the following meanings:

CCASS	The Central Clearing and Settlement System established and operated by HKSCC or any successor system operated by HKSCC or its successors
CCASS Deadline	Being such date as may be informed by HKSCC through CCASS channels to be the last day for an investor who personally holds an account with CCASS to instruct HKSCC whether he/she wishes to vote in favour of the Resolution or against it
Code	The Code on Unit Trusts and Mutual Funds dated June 2010 issued by the SFC (as amended or replaced from time to time)
Connected Person	Has the meaning as set out in the Code which at the date of this Announcement and Notice means in relation to a company: <ul style="list-style-type: none"> (a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise, directly or indirectly, 20% or more of the total votes in that company; or (b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or (c) any member of the group of which that company forms part; or (d) any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c)
Deauthorisation	The deauthorisation of the Trust, the Sub-Funds and their offering documents by the SFC under section 106 of the SFO
Delisting	The delisting of the Sub-Funds from the SEHK
Distribution Record Date	26 September 2013, being the date for the purpose of determining the beneficial owners of Units in each of the Sub-Funds who are entitled to the Final Distribution and further distribution (if any) (which may include any refund of excess of Unforeseen Expenses Provision (if any))
EGM Notice	The notice of the Meeting included in this Announcement and Notice
Final Distribution	Has the meaning given to that term in section 3.2 above
Final Distribution Date	On or around 2 October 2013, being the date on which the Final Distribution of the relevant Sub-Fund will take place
HKSCC	Hong Kong Securities Clearing Company Limited or its successors
Index or Indices	In respect of Sub-Fund(s), the index/indices against which the relevant Sub-Fund(s) is/are benchmarked

THIRD REMINDER

Investment Adviser	HSBC Global Asset Management (Hong Kong) Limited or its successors
Last Trading Day	23 September 2013, being the last day for dealings in the Units on the SEHK and last day for redemption of Units by Participating Dealer
Manager	HSBC Investment Funds (Hong Kong) Limited or its successors
Market Maker	HSBC Securities Brokers (Asia) Limited or its successors
Meeting	The extraordinary general meeting of the Trust and each Sub-Fund to be held on 17 September 2013
Participating Dealer	The Hongkong and Shanghai Banking Corporation Limited
Proposal	The proposal to terminate the Trust and the Sub-Funds, and to voluntarily seek the Deauthorisation and the Delisting
Prospectus	The Prospectus of the Trust and the Sub-Funds dated 21 December 2012
Record Date	10 September 2013, being the date for the purpose of determining the beneficial owners of Units in each of the Sub-Funds who are entitled to vote
Registrar	HSBC Institutional Trust Services (Asia) Limited or its successors
Relevant Investors	The investors who are still holding Units in any of the relevant Sub-Funds after the Last Trading Day
Relevant Termination Related Expenses	Including but not limited to legal costs, regulatory fees and Auditors' fees for termination, Deauthorisation and Delisting, but excluding certain duties, charges and other costs and expenses which are not covered by the Estimated Total Expense Ratio as disclosed in the Prospectus (such as transaction, borrowing and overdraft facility costs and expenses in relation to the Sub-Funds and Unforeseen Expenses)
Resolution	The extraordinary resolution as set out in the EGM Notice
SEHK	The Stock Exchange of Hong Kong Limited or its successors
SFC	The Securities and Futures Commission of Hong Kong or its successors
SFO	The Securities and Futures Ordinance (Cap.571 Laws of Hong Kong)
Sub-Fund or Sub-Funds	HSBC MSCI Golden Dragon ETF, HSBC MSCI Hong Kong ETF, HSBC MSCI China ETF and/or HSBC MSCI Taiwan ETF, as the case may be
Termination Date	The date on which the Trustee and the Manager form an opinion that the relevant Sub-Funds cease to have any contingent or actual assets or liabilities

Trading Cessation Date	24 September 2013, being the date on which the dealings in the Units on the SEHK cease
Trust	HSBC ETFs Trust
Trust Deed	The trust deed dated 25 February 2011 governing the Trust and the Sub-Funds
Trustee	HSBC Institutional Trust Services (Asia) Limited or its successors
Unforeseen Expenses	Certain types of expenses which are unforeseeable at the time of this Announcement and Notice and which are not covered by the Estimated Total Expense Ratio as disclosed in the Prospectus (including but not limited to full amount of all taxes, levies, duties or similar charges and professional fees in relation to agreeing and/or contesting any such liabilities or recoveries and all litigation expenses)
Unforeseen Expenses Provision	The provision which may be set aside for Unforeseen Expenses
Units	In respect of a Sub-Fund, one undivided share in such Sub-Fund
Unitholder	A holder of Units in respect of a Sub-Fund

NOTICE OF EXTRAORDINARY GENERAL MEETING

HSBC ETFs Trust

*a Hong Kong unit trust authorised under
Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong
comprising four sub-funds*

**HSBC MSCI Golden Dragon ETF (Stock Code: 3088)
HSBC MSCI Hong Kong ETF (Stock Code: 3000)
HSBC MSCI China ETF (Stock Code: 3033)
HSBC MSCI Taiwan ETF (Stock Code: 3083)**

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary meeting (the "Meeting") of the Trust and the Sub-Funds will be held at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong on 17 September 2013 at 4:00pm for the purpose of considering and, if thought fit, passing the following resolution:

EXTRAORDINARY RESOLUTION

THAT:

- (i) the termination of the HSBC ETFs Trust (the "Trust") and the HSBC MSCI Golden Dragon ETF, HSBC MSCI Hong Kong ETF, HSBC MSCI China ETF and HSBC MSCI Taiwan ETF (collectively the "Sub-Funds");
- (ii) the voluntary deauthorisation of the Trust (and all of the Sub-Funds) and their offering documents pursuant to section 106 of the Securities and Futures Ordinance, which is conditional on (i); and
- (iii) the voluntary withdrawal of the listing of the units of the Sub-Funds (the "Units") from The Stock Exchange of Hong Kong Limited (the "SEHK"), which is conditional on (i) and (ii);

are hereby approved and the Manager is authorised to take all necessary steps to effect the same.

The quorum for passing the extraordinary resolution shall be unitholders present in person or by proxy registered as holding not less than one-quarter of all the Units for the time being in issue.

The extraordinary resolution must be passed by unitholders holding 75% or more of the total number of votes cast for and against the extraordinary resolution.

Please refer to section 7 "Procedures" of the Announcement and Notice if you wish to attend and/or vote at the Meeting.

HSBC Investment Funds (Hong Kong) Limited
as Manager of the Trust and the Sub-Funds
Hong Kong, 16 August 2013