

IMPORTANT

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HSBC CHINA DRAGON FUND

滙豐中國翔龍基金

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

(Stock Code: 820)

Voluntary Announcement – Fund Performance

This is a voluntary announcement made by HSBC China Dragon Fund (the “Fund”).

The following tables demonstrate the performance of different asset classes of the Fund.

The row “The Fund’s A-share and other QFII investments” represents the indicative performance of the Fund’s direct investments in China A-shares and other QFII (Qualified Foreign Institutional Investor) investments and the Fund’s indirect investments in China A-shares through instruments such as China A-shares access products and exchange traded funds in relation to China A-shares. The Fund has changed its investment objectives on 6 September 2012; please refer to the latest Offering Circular of the Fund for details. With effect from 6 September 2012, certain other investments may also be classified under this row in the tables below in the calculation, please refer to Note 1 below for details ⁽¹⁾.

The row “The Fund’s non A-share and non QFII investments” represents the indicative performance of the Fund’s other investments such as H-shares, red chips and B-shares.

The relevant figures are gross of fees and (if any) net of capital gain tax provision performances calculated from internal sources; and are for indicative purpose only. Returns would be lower once fees are deducted. The performances of the indices are quoted for indicative comparison purpose only and the indices are not the benchmarks of the Fund.

	Calendar year performance ⁽²⁾											
	2017 Year-to-date ⁽¹⁾	2016 full year	2015 full year	2014 full year	2013 full year	2012		2011 full year	2010 full year	2009 full year	2008 full year	2007 since August 07 ⁽³⁾
						Year-to-date since 1 January up to 31 December ⁽¹⁾	Year-to-date since 1 January up to 5 September ⁽¹⁾					
The Fund’s A-share and other QFII investments (gross of fees and net of capital gain tax provision) ⁽¹⁾	23.27%	-12.60%	12.64%	32.32%	1.25%	10.12%	N.A.	-26.10%	5.78%	89.66%	-59.35%	32.50%
<i>MSCI China A</i>	19.52%	-18.94%	7.15%	46.91%	1.02%	9.46%	N.A.	-22.89%	-4.02%	97.00%	-61.99%	20.96%
The Fund’s non A-share and non QFII investments (gross of fees)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0.13%	-18.91%	5.62%	69.11%	-55.17%	28.40%
<i>MSCI China</i>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0.27%	-18.32%	5.10%	62.71%	-51.12%	23.43%

	Cumulative performance ⁽⁴⁾			
	up to 29 September 2017 ⁽¹⁾			up to 5 September 2012 ⁽¹⁾
	6 months	1 year	Since August 07 ⁽³⁾	Since August 07 ⁽³⁾
The Fund's A-share and other QFII investments (gross of fees and net of capital gain tax provision) ⁽¹⁾	14.29%	19.83%	42.96%	N.A.
<i>MSCI China A</i>	14.37%	15.40%	13.04%	N.A.
The Fund's non A-share and non QFII investments (gross of fees)	N.A.	N.A.	N.A.	-16.52%
<i>MSCI China</i>	N.A.	N.A.	N.A.	-15.50%

The following table demonstrates the performance of the Fund as a whole up to 29 September 2017. "Net asset value of the Fund" performance figures are net of fees performance calculated according to the net asset value per unit of the Fund.

As at 29 September 2017:

	Calendar year performance ⁽²⁾												Cumulative performance ⁽⁴⁾		
	2017 year-to-date	2016 full year	2015 full year	2014 full year	2013 full year	2012 full year	2011 full year	2010 full year	2009 full year	2008 full year	2007 since August 07 ⁽³⁾	6 months	1 year	Since August 07 ⁽³⁾	
Net asset value of the Fund (net of fees) ⁽¹⁾	21.65%	-13.04%	9.85%	30.49%	-0.47%	13.16%	-23.31%	4.76%	75.51%	-57.82%	29.48%	13.16%	18.00%	31.51%	

As at 29 September 2017:

Net asset value per unit of the Fund:	HK\$12.98
Closing price of the Fund on the Stock Exchange of Hong Kong:	HK\$10.34
Discount / Premium to net asset value:	20.34% discount

Source: HSBC Global Asset Management (Hong Kong) Limited, data as at 29 September 2017. All performance figures are total return figures in Hong Kong dollars.

Performance figures of the Fund are calculated according to the value of the respective underlying assets of the Fund or the net asset value per unit of the Fund (as the case may be), and are not calculated according to the Fund's market price on the exchange. The Fund's market price on the Stock Exchange of Hong Kong may be different from its net asset value per unit.

Investment involves risk. Past performance information presented is not indicative of future performance. Please refer to the Offering Circular of the Fund for further details including the risk factors.

Note:

1. The performance of the Fund was achieved under the following circumstances that no longer apply: (a) the Fund has changed its investment objectives on 6 September 2012; please refer to the latest Offering Circular of the Fund for details. Before the change of investment objectives, the Fund aims to invest in various types of Chinese equities, including but not limited to A-shares, B-shares, H-shares and red chips. After the change of investment objectives, the Fund mainly invests directly and indirectly in China A-shares. After the change of investment objectives, although the Fund may still invests in other investments such as B-shares, H-shares and red chips, such other investments shall not exceed 10% of the net asset value of the Fund. As a result, with effect from 6 September 2012, when calculating the performance in the tables above, the Fund classifies all its assets under "The Fund's A-share and other QFII investments"; and (b) the Fund recognized an over-provision of tax as a gain in its valuation and resulted in an increase in the Fund's net asset value of around 5.13% on 13 October 2015.
2. Calendar year performance is the gain or loss of the Fund throughout a particular year.
3. Performance figures are calculated since 1 August 2007, being the first dealing day of the month following the launch of the Fund on 20 July 2007.
4. Cumulative performance is the gain or loss of the Fund over certain period of time up to the relevant date.

The Fund is a close-ended fund and no investor may demand redemption of their units.

The listing of the Fund on the Stock Exchange of Hong Kong does not guarantee a liquid market and the Fund may be delisted. The Fund's market price on the Stock Exchange of Hong Kong may be different from its net asset value per unit. Currency movement may affect the value of investments. Investment in emerging market involves higher risks. The Fund mainly invests directly and indirectly in China A-shares, which are subject to specific risks and restrictions as disclosed in the Offering Circular. The Fund differs from a typical trust and investors should read the Offering Circular for details including the risk factors. The document has not been reviewed by the Securities and Futures Commission.

HSBC Global Asset Management (Hong Kong) Limited
Manager of HSBC China Dragon Fund
19 October 2017

As at the date of this announcement, the board of directors of the Manager is comprised as follows: The executive directors of the Manager are Mr. BERRY, Stuart Glenn, Mr. BOTELHO BASTOS, Pedro Augusto, Dr. MALDONADO-CODINA, Guillermo Eduardo and Mr. TAM, Chun Pong Stephen. The non-executive directors of the Manager are Dr. APENBRINK, Rudolf Eduard Walter, Mr. MARTIN, Kevin Ross and Ms. WONG, Pik Kuen Helen.