CSOP ETF Series OFC
Prospectus

14 September 2026

CSOP
ASSET MANAGEMENT

IMPORTANT: If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser for independent professional financial advice.

Investors should note that this Prospectus relates to Sub-Fund(s) which may offer both exchange-traded class of Shares and unlisted (not exchange-traded) class of Shares.

CSOP ETF SERIES OFC

(a Hong Kong public umbrella open-ended fund company with variable capital, limited liability and segregated liability between sub-funds and authorized under section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO"))

PROSPECTUS

CSOP STAR 50 INDEX ETF

Stock Code: 3109

CSOP HUATAI-PB CSI PHOTOVOLTAIC INDUSTRY ETF

Stock Code: 3134

CSOP HANG SENG BIOTECH ETF

Stock Code: 3174

CSOP MSCI CHINA A 50 CONNECT ETF

Stock Code: 3003

CSOP NASDAQ 100 ETF

Stock Code: 3034

CSOP FTSE VIETNAM 30 ETF

Stock Code: 3004

Manager

CSOP Asset Management Limited

Listing Agent
(in respect of Listed Class of Shares only)

Altus Capital Limited

14 September 2026

Hong Kong Exchanges and Clearing Limited ("HKEx"), The Stock Exchange of Hong Kong Limited (the "SEHK"), Hong Kong Securities Clearing Company Limited ("HKSCC") and the Hong Kong Securities and Futures Commission (the "SFC") take no responsibility for the contents of this Prospectus, 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 Prospectus. The Company has been registered with the SFC as an open-ended fund company. The Company and each Sub-Fund have each been authorised as collective investment schemes by the SFC. Registration with and authorisation by the SFC do not represent a recommendation or endorsement of the Company or any of the Sub-Funds nor do they guarantee the commercial merits of the Company, any of the Sub-funds or their performance. They do not mean the Company or any of the Sub-Funds is suitable for all investors nor does it represent an endorsement of their suitability for any particular investor or class of investors.

IMPORTANT – while section 112S of the SFO provides for segregated liability between sub-funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to section 112S of the SFO.

IMPORTANT INFORMATION

This Prospectus relates to the offer in Hong Kong of shares (the "Shares") in the CSOP ETF Series OFC (the "Company") and its sub-fund(s). The Company is a public umbrella open-ended fund company incorporated in Hong Kong on 28 January 2021 with variable capital and limited liability. The Company can have a number of sub-funds (each a "Sub-Fund") with segregated liability among them and in respect of which a separate class or classes of Shares will be issued. Where specified in the relevant Appendix, a Sub-Fund may issue both exchange-traded classes of Shares ("Listed Class of Shares") and/or unlisted (not exchange-traded) classes of Shares ("Unlisted Class of Shares"). CSOP Asset Management Limited (the "Manager") has been appointed as the management company of the Company and each Sub-Fund. Cititrust Limited has been appointed as the custodian of the Company and each Sub-Fund. CSOP STAR 50 Index ETF, CSOP Huatai-PB CSI Photovoltaic Industry ETF, CSOP Hang Seng Biotech ETF, CSOP MSCI China A 50 Connect ETF, CSOP NASDAQ 100 ETF and CSOP FTSE Vietnam 30 ETF are Sub-Funds of the Company.

The information contained in this Prospectus has been prepared to assist potential investors in making an informed decision in relation to investing in the Sub-Fund(s). It contains important facts about the Sub-Fund(s) whose Shares are offered in accordance with this Prospectus. A product key facts statement which contains the key features and risks of each Sub-Fund is also issued by the Manager and such product key facts statements shall form part of this Prospectus, and shall be read, in conjunction with, this Prospectus. For a Sub-Fund which issues both Listed Class of Shares and Unlisted Class(es) of Shares, separate sets of product key facts statement will be available for the Listed Class of Shares and the Unlisted Class(es) of Shares that are offered to Hong Kong investors respectively.

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus and the Product Key Facts Statement of each Sub-Fund 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 in this Prospectus or any Product Key Facts Statement misleading. The Manager also confirms that this Prospectus includes particulars given in compliance with (in respect of Listed Class of Shares only) *The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, the *Code on Unit Trusts and Mutual Funds* (the "UT Code"), the *Code on Open Ended Fund Companies* and the "Overarching Principles" of the SFC *Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products* for the purposes of giving information with regard to the Shares in each Sub-Fund.

Each Sub-Fund is a fund falling within Chapter 8.6 of the UT Code. Certain Sub-Fund(s) may also be subject to additional Chapters of the UT Code. The Company has been registered with the SFC as an open-ended fund company under Section 112D of the SFO. The Company and each Sub-Fund are authorised by the SFC in Hong Kong under Section 104 of the SFO. The SFC takes no responsibility for the financial soundness of the Company, any Sub-Fund or for the correctness of any statements made or opinions expressed in this Prospectus. Registration with and authorisation by the SFC do not represent a recommendation or endorsement of the Company or any of the Sub-Funds nor do they guarantee the commercial merits of a scheme or its performance. They do not mean the Company or the Sub-Funds are suitable for all investors nor do they represent an endorsement of their suitability for any particular investor or class of investors.

You should consult your financial adviser or your tax advisers and take legal advice as appropriate as to whether any governmental or other consents are required, or other formalities need to be observed, to enable you to acquire Shares as to whether any taxation effects, foreign exchange restrictions or exchange control requirements are applicable and to determine whether any investment in a Sub-Fund is appropriate for you.

The Shares in the Listed Class of Shares of CSOP STAR 50 Index ETF, CSOP Huatai-PB CSI Photovoltaic Industry ETF, CSOP Hang Seng Biotech ETF, CSOP MSCI China A 50 Connect ETF, CSOP NASDAQ 100 ETF and CSOP FTSE Vietnam 30 ETF have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from the respective date of commencement of dealings in the Shares of CSOP STAR 50 Index ETF, CSOP Huatai-PB CSI Photovoltaic Industry ETF, CSOP Hang Seng Biotech ETF, CSOP MSCI China A 50 Connect ETF, CSOP NASDAQ 100 ETF and CSOP FTSE Vietnam 30 ETF on the SEHK or such other date as may be determined by HKSCC. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

No action has been taken to permit an offering of Shares or the distribution of this Prospectus in any jurisdiction other than Hong Kong and, accordingly, this Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any other United States Federal or State law and, except in a transaction which does not violate the Securities Act, may not be directly or indirectly offered to or sold in the United States of America or any of its territories or for the benefit of a US Person (as defined in Regulation S of the Securities Act). The Company and each Sub-Fund have not been and will not be registered as an investment company under the United States Investment Company Act of

1940, as amended. Shares may not be acquired or owned by (i) an employee benefit plan, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), that is subject to Title I of ERISA, (ii) a plan, as defined in Section 4975(e)(1) of the United States Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), that is subject to Section 4975 of the Internal Revenue Code, (iii) a plan that is subject to any other law, regulation, rule or restriction that is substantially similar to ERISA or Section 4975 of the Internal Revenue Code ("Similar Law") or (iv) an entity whose assets are deemed to include the assets of such an employee benefit plan or plan for purposes of ERISA, Section 4975 of the Internal Revenue Code or Similar Law, unless the purchase, holding and disposition of Shares will not constitute a violation under ERISA, Section 4975 of the Internal Revenue Code and any applicable Similar Law.

Furthermore, distribution of this Prospectus (including the Product Key Facts Statement) shall not be permitted unless it is accompanied by a copy of the latest annual financial report of the Sub-Fund(s) (where existing) and, if later, its most recent interim report.

You should note that any amendment or addendum to this Prospectus will only be posted on the Company's website (http://www.csopasset.com) the contents of which, and of any other websites referred to in this Prospectus, have not been reviewed by the SFC. This Prospectus (including the Product Key Facts Statement) may refer to information and materials included in websites. Such information and materials do not form part of this Prospectus and they have not been reviewed by the SFC or any regulatory body. Investors should note that the information provided in websites may be updated and changed periodically without any notice to any person.

Questions and Complaints

Investors may raise any questions on or make any complaints about the Company (including the Sub-Fund(s)) by contacting the Managers Customer Service Hotline at its address as set out in the Directory of this Prospectus or calling the Manager on +852 3406 5688 during normal office hours.

DIRECTORY

Directors
CHEN Chia Ling
WONG Ka Yan

Company
CSOP ETF Series OFC
2801-2803 & 3303-3304,
Two Exchange Square
8 Connaught Place
Central
Hong Kong

Manager and QFI Holder
CSOP Asset Management Limited
南方東英資產管理有限公司
2801-2803 & 3303-3304, Two Exchange Square
8 Connaught Place
Central
Hong Kong

*Investment Advisor^*
SSI Asset Management Company Limited
5/F, 1C Ngo Quyen Street
Hoan Kiem District
Hanoi, Vietnam

Custodian
Cititrust Limited
50/F, Champion Tower
3 Garden Road, Central
Hong Kong

Sub-Custodian and Administrator
Citibank, N.A., Hong Kong Branch
50/F, Champion Tower
3 Garden Road, Central
Hong Kong

*Registrar (in respect of Listed Class of Shares)**
Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

*Transfer Agent (in respect of Unlisted Class of Shares)^^*
Citicorp Financial Services Limited
9/F, Citi Tower
One Bay East, 83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Legal Counsel to the Manager
Simmons & Simmons
30/F, One Taikoo Place
979 King's Road
Hong Kong

Auditor
Ernst & Young
27/F One Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

*Listing Agent**
Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

*Service Agent / Conversion Agent**
HK Conversion Agency Services Limited
8th Floor, Two Exchange Square
8 Connaught Place
Central, Hong Kong

*Participating Dealers #**

*Market Makers #**

 # Please refer to the Company's website and the website of the HKEX for the latest lists of Market Makers and Participating Dealers for each Sub-Fund.

** Applicable in respect of Listed Class of Shares only.*

^ Applicable in respect of CSOP FTSE Vietnam 30 ETF only.

^^ Applicable in respect of CSOP NASDAQ 100 ETF only.

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PART 1 – GENERAL INFORMATION RELATING TO THE COMPANY AND SUB-FUNDS

Part 1 of this Prospectus includes information relevant to the Company and all Sub-Fund(s) established under the Company.

The information presented in this Part 1 should be read in conjunction with the information presented in the relevant Appendix in Part 2 of this Prospectus in respect of a particular Sub-Fund. Where the information in Part 2 of this Prospectus conflicts with the information presented in this Part 1, the information in the relevant Appendix in Part 2 prevails, however, it is applicable to the specific Sub-Fund of the relevant Appendix only. Please refer to Part 2 "Specific Information Relating to Each Sub-Fund" for further information.

DEFINITIONS

In this Prospectus (including the relevant Appendix for any Sub-Fund), unless the context requires otherwise, the following expressions have the meanings set out below.

"A-Shares" means shares issued by companies incorporated in Chinese Mainland and listed on the SSE or the SZSE, traded in RMB and available for investment by domestic investors through Stock Connect and QFIs.

"Administrator" means Citibank, N.A., Hong Kong Branch, or such other person or persons for the time being duly appointed as administrators hereof in succession thereto.

"AFRC" means the Accounting and Financial Reporting Council or its successors.

"After Listing" means, in respect of Listed Class of Shares, the period which commences on the Listing Date and continues until the relevant Sub-Fund is terminated.

"Appendix" means an appendix to this Prospectus that sets out specific information applicable to a Sub-Fund.

"Application" means, in respect of Listed Class of Shares, an application by a Participating Dealer for the creation or redemption of Shares in accordance with the procedures for creation and redemption of Shares set out in the Operating Guidelines, the relevant Participation Agreement and the terms of the Instrument.

"Application Share" means, in respect of Listed Class of Shares, such number of Shares of such class or whole multiples thereof as specified in this Prospectus for the relevant Sub-Fund or such other number of Shares from time to time determined by the Manager, approved by the Custodian and notified to the Participating Dealers.

"Business Day" in respect of a Sub-Fund, means, unless the Manager otherwise agrees or otherwise specified in Part 2 of this Prospectus, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant market on which Securities and/or FDIs comprised in the relevant Index or Securities and/or FDIs comprised in the relevant Sub-Fund, as the case may be, are traded is open for normal trading, or if there are more than one such market, the market designated by the Manager is open for normal trading, and (b) (where applicable) the Index is compiled and published, or such other day or days as the Manager may agree from time to time.

"Cancellation Compensation" means, in respect of Listed Class of Shares, an amount payable by a Participating Dealer for the account of the relevant Sub-Fund in respect of a Default or a cancellation of Creation Application or Redemption Application in accordance with the Instrument, the Participation Agreement and/or the Operating Guidelines applicable at the time the relevant Creation Application or Redemption Application is made.

"CCASS" means the Central Clearing and Settlement System established and operated by HKSCC or any successor system operated by HKSCC or its successors.

"CCASS Settlement Day" means the term "Settlement Day" as defined in the General Rules of HKSCC.

"Class Currency" means, in relation to a class of Shares, the base currency of the Sub-Fund relating thereto or such other currency of account as specified for such class of Shares in accordance with the Instrument.

"Company" means CSOP ETF Series OFC.

"Connected Person" has the meaning as set out in the UT Code which at the date of this Prospectus means in relation to a company:

(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).

"Conversion Agency Agreement" means the agreement by which the Conversion Agent agrees with the Manager to provide its services in respect of Listed Class of Shares of a Sub-Fund, as may from time to time be entered amongst the Company, the Manager, the Conversion Agent and HKSCC.

"Conversion Agent" means HK Conversion Agency Services Limited or such other person as may from time to time be appointed to act as conversion agent in relation to Listed Class of Shares of a Sub-Fund.

"Creation Application" means, in respect of Listed Class of Shares, an application by a Participating Dealer for the creation and issue of Shares in an Application Share size in accordance with the Operating Guidelines and the Instrument.

"CSDCC" means the China Securities Depository and Clearing Co., Ltd.

"CSRC" means China Securities Regulatory Commission.

"Custodian" means Cititrust Limited unless otherwise specified in Part 2 of this Prospectus.

"Custody Agreement" means the custody agreement dated 2 February 2021 between the Company for itself and each Sub-Fund and the Custodian by which the Custodian is appointed.

"Dealing Day" means each Business Day during the continuance of the relevant Sub-Fund, and/or such other day or days as the Manager may from time to time determine.

"Dealing Deadline" means, in respect of a Sub-Fund, in relation to any Dealing Day, such time or times as the Manager may from time to time in consultation with the Custodian determine generally or in relation to any particular place for (in respect of Listed Class of Shares) submission of Application(s) by a Participating Dealer, or (in respect of Unlisted Class(es) of Shares) submission of application for subscription or redemption of Unlisted Class(es) of Shares, as specified in the relevant Appendix.

"Default" means, in respect of Listed Class of Shares, a failure by a Participating Dealer in respect of:

(a) a Creation Application to deliver the requisite Securities, FDIs and/or any relevant cash amount; or

(b) a Redemption Application to deliver the Shares the subject of the Redemption Application and/or relevant cash amount.

"Deposited Property" means, in respect of a Sub-Fund, all the assets (including Income Property), received or receivable by the Company for the time being held or deemed to be held by the Company for the account of the relevant Sub-Fund but excluding (i) Income Property standing to the credit of the distribution account of such Sub-Fund (other than interest earned thereon), and (ii) any other amount for the time being standing to the credit of the distribution account of such Sub-Fund.

"Directors" means the directors of the Company for the time being or the directors of the Company

present at a meeting of directors at which a quorum is present and includes any committee of the Directors duly constituted for the purposes relevant in the context in which any reference to the Directors appears or the members of such committee present at a meeting of such committee at which a quorum is present, and "Director" shall be construed accordingly.

"Duties and Charges" means, in relation to any particular transaction or dealing in respect of a Listed Class of Shares, all stamp and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property or the creation, issue, transfer, cancellation or redemption of Shares or the acquisition or disposal of Securities and/or FDIs (as the case may be) or, unless otherwise specified in the relevant Appendix, the entering into or termination of any FDIs (including any costs associated with the entering into, or unwind or maintenance of, any hedging arrangements in respect of such FDIs, or any costs associated with any collateral arrangements in respect of such Securities, Futures Contracts or Swaps), or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing and including but not limited to, in relation to an issue of Shares or redemption of Shares, a charge (if any) of such amount or at such rate as is determined by the Manager to be made for the purpose of compensating or reimbursing the Sub-Fund for the difference between (a) the prices used when valuing the Securities and/or FDIs (as the case may be) in the Scheme Property for the purpose of such issue or redemption of Shares and (b) (in the case of an issue of Shares) the prices which would be used when acquiring the same Securities and/or FDIs (as the case may be) if they were acquired by the Sub-Fund with the amount of cash received by the Sub-Fund upon such issue of Shares and (in the case of a redemption of Shares) the prices which would be used when selling the same Securities and/or FDIs (as the case may be) if they were sold by the Sub-Fund in order to realise the amount of cash required to be paid out of the Sub-Fund upon such redemption of Shares.

"Encumbrance" means any mortgage, charge, pledge, lien, third party right or interest, any other encumbrance or security interest of any kind or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect other than any such encumbrance or security interest imposed by the terms of the relevant clearing system/depositary or otherwise created by the terms of the Participation Agreement, the Instrument or any agreement between the Company, the Manager, the Custodian and the relevant Participating Dealer.

"Entities within the Same Group" means entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognised accounting standards.

"Extension Fee" means, in respect of Listed Class of Shares, the fee payable to the Custodian on each occasion the Company, upon a Participating Dealer's request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.

"FDIs" means financial derivative instruments, including, for the avoidance of doubt, Futures Contracts and Swaps.

"Futures Contract" means any futures contract which is traded on any Futures Exchange.

"Futures Exchange" means the Hong Kong Futures Exchange Limited and such other futures exchange from time to time determined by the Manager.

"Government and other Public Securities" has the meaning as set out in the UT Code which at the date of this Prospectus means any investment issued by, or the payment of principal and interest on, which is guaranteed by a government, or any fixed-interest investment issued by its public or local authorities or other multilateral agencies.

"HKD" means Hong Kong dollars, the lawful currency for the time being and from time to time of Hong Kong.

"HKEX" means Hong Kong Exchanges and Clearing Limited or its successors.

"HKSCC" means the Hong Kong Securities Clearing Company Limited or its successors.

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

"IFRS" means International Financial Reporting Standards.

"Income Property" means, in respect of a Sub-Fund, (a) all interest, dividends and other sums deemed by the Manager, (after consulting the auditors either on a general or case by case basis), to be in the nature of income (including taxation repayments, if any) received or receivable by the Custodian in respect of the Deposited Property of the relevant Sub-Fund (whether in cash or, without limitation, by warrant, cheque, money, credit or otherwise or the proceeds of sale or transfer of any Income Property received in a form other than cash); (b) all interest and other sums received or receivable by the Company in respect of (a), (c) or (d) of this definition; (c) all cash payments received or receivable by the Custodian for the account of the relevant Sub-Fund in respect of an Application; (d) all Cancellation Compensation received by the Custodian for the account of the relevant Sub-Fund; and (e) any payments to be received or are receivable by the Company under any contractual agreements in the nature of investments for the benefit of the relevant Sub-Fund but excluding (i) other Deposited Property; (ii) any amount for the time being standing to the credit of the distribution account for the account of the relevant Sub-Fund or previously distributed to Shareholders; (iii) gains for the account of the relevant Sub-Fund arising from the realisation of Securities and/or FDIs (as the case may be); and (iv) any sums applied towards payment of the fees, costs and expenses payable by the Company from the Income Property of the relevant Sub-Fund.

"Index" means, in respect of an Index Tracking Sub-Fund, the index or benchmark (as the context required) against which the relevant Index Tracking Sub-Fund may be benchmarked or may otherwise be referenced as set out in the relevant Appendix.

"Index Provider" means, in respect of an Index Tracking Sub-Fund, the person responsible for compiling the Index against which the relevant Index Tracking Sub-Fund benchmarks its investments and who holds the right to licence the use of such Index to the relevant Index Tracking Sub-Fund as set out in the relevant Appendix.

"Index Tracking Sub-Fund" means a Sub-Fund with a principal objective to track, replicate or correspond to a financial index or benchmark, with an aim of providing or achieving investment results or returns that closely match or correspond to the performance of the Index that it tracks.

"Initial Issue Date" means, in respect of Listed Class of Shares of a Sub-Fund, the date of the first issue of Shares, which shall be the Business Day immediately before the Listing Date.

"Initial Offer Period" means, in respect of each Sub-Fund or a class, such period as may be determined by the Manager as the initial offer period in relation to that Sub-Fund or class (as the case may be), which (in the case of Listed Class of Shares) shall be the period before the relevant Listing Date as set out in the relevant Appendix.

"Insolvency Event" occurs in relation to a person where (i) an order has been made or an effective resolution passed for the liquidation or bankruptcy of the person; (ii) a receiver or similar officer has been appointed in respect of the person or of any of the person's assets or the person becomes subject to an administration order; (iii) the person enters into an arrangement with one or more of its creditors or is deemed to be unable to pay its debts; (iv) the person ceases or threatens to cease to carry on its business or substantially the whole of its business or makes or threatens to make any material alteration to the nature of its business; or (v) the Manager in good faith believes that any of the above is likely to occur.

"Instrument" means the instrument of incorporation of the Company filed to the Companies Registry of Hong Kong on, and effective as of, 28 January 2021, including its Schedules and Appendices, as amended from time to time.

"Issue Price" means, in respect of Listed Class of Shares of a Sub-Fund, the price at which Shares

may be issued, determined in accordance with the Instrument.

"Laws and Regulations" means all applicable laws and regulations including the SFO, Securities and Futures (Open-ended Fund Companies) Rules (Chapter 571AQ of the Laws of Hong Kong), (as amended from time to time), the OFC Code, the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products (including the UT Code, as amended from time to time and supplemented by published guidelines or other guidance issued by the SFC) and the SFC Fund Manager Code of Conduct (as amended from time to time and supplemented by published guidelines or other guidance issued by the SFC).

"Listed Class of Shares" means a class of Shares which is listed on either the SEHK or any other Recognised Stock Exchange.

"Listing Date" means, in respect of Listed Class of Shares, the date on which the Shares in the Listed Class of Shares in respect of a Sub-Fund are first listed and from which dealings therein are permitted to take place on SEHK, the expected date of which is set out in the relevant Appendix for the Sub-Fund.

"Management Agreement" means the discretionary management agreement dated 28 January 2021 between the Company for itself and each Sub-Fund and the Manager by which the Manager is appointed.

"Manager" means CSOP Asset Management Limited or such other person or persons for the time being duly appointed as investment manager of the Company in succession thereto being approved by the SFC under the UT Code.

"Market" means in any part of the world:

(a) in relation to any Security: the SEHK or such other stock exchange from time to time determined by the Manager; and

(b) in relation to any Futures Contract: the Hong Kong Futures Exchange Limited or such other futures exchange from time to time determined by the Manager,

and any over-the-counter transaction conducted in any part of the world and in relation to any Security or Futures Contract shall be deemed to include any bilateral agreement with a responsible firm, corporation or association in any country in any part of the world dealing in the Security or Futures Contract which the Manager may from time to time elect.

"Market Maker" means a broker or dealer permitted by the SEHK to act as such by making a market for Listed Class of Shares in the secondary market on the SEHK.

"Multi-Counter" means, in respect of Listed Class of Shares, the facility by which the Shares traded in more than one currency (HKD, RMB and/or USD) are each assigned separate stock codes on the SEHK. Where the Share of a Sub-Fund is traded in two eligible currencies, the facility is referred to as a "Dual Counter".

"Net Asset Value" means the net asset value of a Sub-Fund or, as the context may require, the net asset value of a class of Shares or a Share calculated under the Instrument.

"OFC Code" means the Code on Open Ended Fund Companies issued by the SFC (as amended, or replaced, from time to time).

"Operating Guidelines" means, in respect of Listed Class of Shares of a Sub-Fund, the guidelines for the creation and redemption of Shares of that class as set out in the schedule to each Participation Agreement as amended from time to time by the Manager with the approval of the Custodian, and where applicable, with the approval of HKSCC and the Conversion Agent, and following consultation, to the extent reasonably practicable, with the relevant Participating Dealers, subject always, in respect of the relevant Operating Guidelines for a Participating Dealer, any amendment being notified in writing by the Manager in advance to the relevant Participating Dealer.

Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the class of Shares applicable at the time of the relevant Application.

"Participating Dealer" means, in respect of Listed Class of Shares, a licensed broker or dealer who is (or who has appointed an agent or delegate who is) a person admitted for the time being by HKSCC as a participant of CCASS and who has entered into a Participation Agreement in form and substance acceptable to the Company, the Manager and the Custodian, and any reference in this Prospectus to "Participating Dealer" shall include a reference to any agent or delegate so appointed by the Participating Dealer.

"Participation Agreement" means an agreement entered into between, among others, the Company, the Manager, the Custodian and a Participating Dealer (and its agent, if applicable), and if determined necessary by the Manager (in its absolute discretion), each of HKSCC and the Conversion Agent, setting out, (amongst other things), the arrangements in respect of the issue of Listed Class of Shares and the redemption and cancellation of Listed Class of Shares. References to the Participation Agreement shall, where appropriate, mean the Participation Agreement, read together with the Operating Guidelines.

"PBOC" means the People's Bank of China.

"PD Agent" means a person who is admitted by HKSCC as either a Direct Clearing Participant or a General Clearing Participant (as defined in the General Rules of HKSCC) in CCASS and who has been appointed by a Participating Dealer as its agent for the creation and redemption of Listed Class of Shares.

"PRC" means The People's Republic of China.

"PRC mainland" or the "Chinese Mainland" means all the customs territories of the PRC excluding Hong Kong, Macau and Taiwan of the PRC for purpose of interpretation of this Prospectus only.

"QFI" or "QFI Holder" means a qualified foreign investor approved pursuant to the relevant PRC mainland laws and regulations, as may be promulgated and/or amended from time to time, including both qualified foreign institutional investor (QFII)(i.e. QFI to make investment in PRC mainland domestic securities and futures market by remitting foreign currencies) and/or RMB qualified foreign institutional investors (RQFII)(i.e. QFI to make investment in PRC mainland domestic securities and futures market by remitting offshore RMB), as the case may be, or, as the context may require, the QFII/RQFII regime.

"Recognised Futures Exchange" means an international futures exchange which is recognised by the SFC or which is approved by the Manager.

"Recognised Stock Exchange" means an international stock exchange which is recognised by the SFC or which is approved by the Manager.

"Redemption Application" means, in respect of Listed Class of Shares, an application by a Participating Dealer for the redemption of Shares in Application Share size in accordance with the Operating Guidelines and the Instrument.

"Redemption Price" means, in respect of Unlisted Class(es) of Shares, the price per Share at which such Share is redeemed, calculated in accordance with the Instrument.

"Redemption Value" means, in respect of Listed Class of Shares, the price per Share at which such Share is redeemed, calculated in accordance with the Instrument.

"Registrar" means, in respect of Listed Class of Shares, Tricor Investor Services Limited or such person as may from time to time be appointed by the Company (and acceptable to the Manager) as registrar in respect of Listed Class of Shares of each Sub-Fund to keep the register of the Shareholders of Listed Class of Shares of the Sub-Fund.

"Registrar Agreement" means the registrar agreement dated 28 December 2020 between the

Company for itself and each Sub-Fund and the Registrar by which the Registrar is appointed as the Registrar in respect of Listed Class of Shares of each Sub-Fund, as amended from time to time.

"Reverse Repurchase Transactions" means transactions whereby a Sub-Fund purchases Securities from a counterparty of Sale and Repurchase Transactions and agrees to sell such Securities back at an agreed price in the future.

"RMB" or "Renminbi" means Renminbi Yuan, the lawful currency of the PRC mainland.

"SAFE" means the State Administration of Foreign Exchange of the PRC.

"Sale and Repurchase Transactions" means transactions whereby a Sub-Fund sells its Securities to a counterparty of Reverse Repurchase Transactions and agrees to buy such Securities back at an agreed price with a financing cost in the future.

"SAT" means the State Administration of Taxation of the PRC.

"Scheme Property" means all the property of the Company.

"Securities" means any shares, stocks, debentures, loan stocks, bonds, securities, commercial paper, acceptances, trade bills, warrants, participation notes, certificates, structured products, treasury bills, instruments or notes of, or issued by or under the guarantee of, any body, whether incorporated or unincorporated, and whether listed or unlisted, or of any government or local government authority or supranational body, whether paying interest or dividends or not and whether fully-paid, partly paid or nil paid and includes (without prejudice to the generality of the foregoing):

(a) any right, option or interest (howsoever described) in or in respect of any of the foregoing, including units in any unit trust;

(b) any certificate of interest or participation in, or temporary or interim certificate for, receipt for or warrant to subscribe or purchase, any of the foregoing;

(c) any instrument commonly known or recognised as a security;

(d) any receipt or other certificate or document evidencing the deposit of a sum of money, or any rights or interests arising under any such receipt, certificate or document; and

(e) any bill of exchange and any promissory note

"Securities Lending Agent" means such person as may from time to time be appointed by the Company to manage a Sub-Fund's securities lending activities.

"Securities Lending Transactions" means transactions whereby a Sub-Fund lends its Securities to a security-borrowing counterparty for an agreed fee.

"SEHK" means The Stock Exchange of Hong Kong Limited or its successors.

"Service Agent" means HK Conversion Agency Services Limited or such other person as may from time to time be appointed to act as service agent in relation to Listed Class of Shares a Sub-Fund.

"Service Agent's Fee" means, in respect of Listed Class of Shares, the fee which may be charged for the benefit of the Service Agent to each Participating Dealer or PD Agent (as the case may be) on each book-entry deposit or withdrawal transaction made by the relevant Participating Dealer or PD Agent (as the case may be), the maximum level of which shall be determined by the Service Agent and set out in this Prospectus.

"Service Agreement" means each agreement by which the Service Agent provides its services in respect of Listed Class of Shares of a Sub-Fund entered amongst the Company, the Manager, the Custodian, the Registrar, the Participating Dealer, the PD Agent (where applicable), the Service

Agent and HKSCC.

"Settlement Day" means, in respect of Listed Class of Shares, the Business Day which is two Business Days after the relevant Dealing Day (or such other Business Day as is permitted in relation to such Dealing Day (including the Dealing Day itself) pursuant to the Operating Guidelines) or such other number of Business Days after the relevant Dealing Day as determined by the Manager in consultation with the Custodian from time to time and notified to the relevant Participating Dealers, either generally or for a particular class or classes of Shares, pursuant to the Operating Guidelines or as otherwise described in the relevant Appendix.

"SFC" means the Securities and Futures Commission of Hong Kong or its successors.

"SFO" means the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

"Share" means such number of undivided shares or such fraction of an undivided share of a Sub-Fund to which a Share relates as is represented by a Share of the relevant class and, except where used in relation to a particular class of Share, a reference to Shares means and includes Shares of all classes.

"Share Cancellation Fee" means, in respect of Listed Class of Shares, the fee charged by the Conversion Agent in respect of the cancellation of Shares in connection with an accepted Redemption Application of a Sub-Fund.

"Shareholder" means the person for the time being entered on the Register as the holder of a Share or Shares including, where the context so admits, persons jointly so registered.

"SSE" means the Shanghai Stock Exchange.

"STAR Board" means the Science and Technology Innovation Board of Shanghai Stock Exchange.

"Stock Connect" means the securities trading and clearing linked programme with an aim to achieve mutual stock market access between Chinese Mainland and Hong Kong, comprising the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

"Sub-Fund" means a segregated pool of assets and liabilities into which the Scheme Property is divided, established under the Instrument and as described in the relevant Appendix.

"Subscription Price" means, in respect of Unlisted Class(es) of Shares, the price per Share at which the Share of a particular class will be issued, determined in accordance with the Instrument.

"Swap" means a swap agreement to be entered by the Company on behalf of a Sub-Fund which may, subject to the terms of the Instrument, take such form as determined or agreed by the Manager, including an International Swaps and Derivatives Association master agreement, schedules, annexes and confirmations as well as related documents.

"Swap Counterparty" means a counterparty of each Sub-Fund pursuant to a Swap.

"SZSE" means the Shenzhen Stock Exchange.

"Transaction Fee" means the fee, in respect of Listed Class of Shares, which may be charged for the benefit of the Custodian, the Registrar and/or the Conversion Agent or the Service Agent (as the case may be) to each Participating Dealer on each Dealing Day upon which an Application has been or Applications have been made by the relevant Participating Dealer.

"Transfer Agent" means, in respect of Unlisted Class(es) of Shares of a Sub-Fund, Citicorp Financial Services Limited or such person as may from time to time be appointed by the Company (and acceptable to the Manager) as transfer agent in respect of Unlisted Class(es) of Shares of the relevant Sub-Fund to keep the register of the Shareholders of Unlisted Class(es) of Shares of the relevant Sub-Fund.

“Transfer Agent Agreement” means the transfer agent agreement dated 31 May 2024 between the Company for itself and the relevant Sub-Fund(s) and the Transfer Agent by which the Transfer Agent is appointed as the Transfer Agent in respect of Unlisted Class(es) of Shares of the relevant Sub-Fund(s), as amended from time to time.

“Unlisted Class of Shares” means a class of Shares which is neither listed on the SEHK nor any other Recognised Stock Exchange.

“US” or “United States” means the United States of America.

“USD” means United States dollars, the lawful currency of the United States of America.

“UT Code” means the Code on Unit Trusts and Mutual Funds issued by the SFC (as amended, or replaced, from time to time).

“Valuation Point” means, in respect of a Sub-Fund (or class), unless otherwise specified in the relevant Appendix of a Sub-Fund, the official close of trading on the Market on which the Securities constituting the Index or comprising the portfolio of the Sub-Fund, as the case may be, are listed on each Dealing Day or if more than one, the official close of trading on the last relevant Market to close or such other time or times as determined by the Manager from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation, issue, switching and redemption of Shares.

INTRODUCTION

The Company

The Company is a public umbrella open-ended fund company with variable capital with limited liability, which was incorporated in Hong Kong under the SFO on 28 January 2021 with the business registration number 72616960. It is constituted by way of its Instrument filed to the Companies Registry of Hong Kong on, and effective as of, 28 January 2021.

The Company is registered with the SFC under Section 112D of the SFO. The Company and each Sub-Fund is authorised as a collective investment scheme by the SFC under Section 104 of the SFO and each Sub-Fund falls within Chapter 8.6 of the UT Code. SFC registration or authorisation is not a recommendation or endorsement of a Sub-Fund nor does it guarantee the commercial merits of the Company, any Sub-Fund or their performance. It does not mean that the Company or a Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Sub-Fund(s)

The Company may issue different classes of Shares and the Company shall establish a separate pool of assets in respect of each Sub-Fund (each such separate pool of assets a "Sub-Fund") to which one or more class of Shares shall be attributable. The assets of a Sub-Fund will be invested and administered separately from the other assets of the Company. All assets and liabilities attributable to each Sub-Fund shall be segregated from the assets and liabilities of any other Sub-Funds, and shall not be used for the purpose of, or borne by the assets of, any other Sub-Fund. Each Sub-Fund will have its own Appendix in Part 2 of this Prospectus.

Each Sub-Fund will be an exchange traded fund listed on the SEHK, but it may issue both Listed Class of Shares (which will be listed on the SEHK and, where indicated in the relevant Appendix, may be available for trading on the SEHK using a Multi Counter) and Unlisted Class(es) of Shares.

The Company reserves the right to establish other Sub-Funds and/or issue further classes of Shares relating to a Sub-Fund or Sub-Funds in the future in accordance with the provisions of the Instrument.

INVESTMENT OBJECTIVE, STRATEGY AND RESTRICTIONS, SECURITIES LENDING AND BORROWING

Investment Objective

A Sub-Fund may be an Index Tracking Sub-Fund or an actively managed Sub-Fund.

The investment objective of each Index Tracking Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the relevant Index unless otherwise stated in the relevant Appendix.

The investment objective of each actively managed Sub-Fund is set out in the relevant Appendix.

Investment Strategy

For a Sub-Fund which is a feeder fund, the Sub-Fund will seek to achieve its investment objective by investing at least 90% of its Net Asset Value in a single underlying fund. The investment strategy of each Sub-Fund is stated in the relevant Appendix.

Index Tracking Sub-Funds

Each Index Tracking Sub-Fund will adopt either a full replication or a representative sampling strategy.

Full Replication Strategy

Where an Index Tracking Sub-Fund adopts a full replication strategy as its investment strategy, it will invest in substantially all the Securities constituting the Index in substantially the same weightings (i.e. proportions) as these Securities have in the Index. When a Security ceases to be a constituent of the Index, rebalancing occurs which involves, among other things, selling the outgoing Security and potentially using the proceeds to invest in the incoming Security.

Representative Sampling Strategy

Where an Index Tracking Sub-Fund adopts a representative sampling strategy as its investment strategy, it will invest, directly in securities that are included in the Index or indirectly through FDIs, in a representative sample of the Securities in the relevant Index that collectively reflects the investment characteristics of such Index and aims to replicate its performance. An Index Tracking Sub-Fund adopting a representative sampling strategy may or may not hold all of the Securities that are included in the relevant Index, and may hold a portfolio of Securities (in case of direct investment for physical representative sampling strategy) and FDIs (in case of indirect investment for synthetic representative sampling strategy) which are not included in the Index, provided that these collectively feature a high correlation with the Index.

Switching Between Strategies

Whilst the full replication strategy is likely to track the performance of the relevant Index more closely when compared to the representative sampling strategy, it may not be the most efficient way to do so. Also, it may not always be possible or it may be difficult to buy or hold certain Securities comprising the Index. The Manager may therefore, in the appropriate circumstances, choose to use a representative sampling strategy, having regard to the number of Securities constituting the Index, the liquidity of such Securities, any restrictions on the ownership of such Securities, the transaction expenses and other trading costs, and tax and other regulatory restrictions.

Investors should note that the Manager may switch between the above investment strategies, without prior notice to investors, in its absolute discretion as it believes appropriate in order to achieve the investment objective of the relevant Index Tracking Sub-Fund by tracking the relevant Index as closely (or efficiently) as possible for the benefit of investors.

In addition to the investment strategies set out above, an Index Tracking Sub-Fund may be launched with synthetic or futures-based strategies as described in the relevant Appendix for each such Index Tracking Sub-Fund.

Actively managed Sub-Funds

An actively managed Sub-Fund does not track an index. The Manager will actively manage the relevant Sub-Fund based on its investment strategy in seeking to achieve the investment objective of the Sub-Fund, as described in the relevant Appendix.

Stock Connect

The Stock Connect is a securities trading and clearing linked programme developed by the HKEx, the SSE, the SZSE and the CSDCC, with an aim to achieve mutual stock market access between Chinese Mainland and Hong Kong. It comprises the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

Each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including a Sub-Fund), through their Hong Kong brokers and securities trading service companies (in Shanghai and Qianhai Shenzhen respectively) established by the SEHK and the HKSCC, are able to trade eligible shares listed on the SSE or the SZSE by routing orders to the SSE or the SZSE (as the case may be). Under the Southbound Trading Link, eligible investors, through Chinese Mainland's securities firms and securities trading service companies established by the SSE and the SZSE, are able to trade eligible shares listed on the SEHK by routing orders to the SEHK.

Eligible securities

Initially, Hong Kong and overseas investors are only able to trade certain stocks listed on the SSE market (the "SSE Securities") and the SZSE market (the "SZSE Securities"). SSE Securities include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H Shares listed on the SEHK, except the following:

a) SSE-listed shares which are not traded in RMB; and

b) SSE-listed shares which are included in the "risk alert board".

SZSE Securities will include all the constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which have a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed A-Shares which have corresponding H shares listed on SEHK, except the following:

a) SZSE-listed shares which are not traded in RMB; and

b) SZSE-listed shares which are included in the "risk alert board".

At the initial stage of Shenzhen-Hong Kong Stock Connect, shares listed on the ChiNext Board of SZSE under Northbound Trading Link will be limited to institutional professional investors. Subject to resolution of related regulatory issues, other investors may subsequently be allowed to trade such shares.

It is expected that the list of eligible securities will be subject to review.

Trading day

Investors (including a Sub-Fund) will only be allowed to trade on the other market on days where both markets are open for trading, and banking services are available in both markets on the corresponding settlement days.

Trading quota

Trading under the Stock Connect will be subject to a daily quota ("Daily Quota"), which will be separate for Northbound and Southbound trading, for each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day. The quotas do not belong to any Sub-Fund and are utilised on a first-come-first-serve basis. The SEHK monitors the quota and publishes the remaining balance of the Northbound Daily Quota at scheduled times on the HKEx's website. The Daily Quota may change in future. The Manager will not notify investors in case of a change of quota.

Settlement and Custody

The HKSCC is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors. Accordingly investors do not hold SSE Securities or SZSE Securities directly – these are held through their brokers' or custodians' accounts with CCASS.

Corporate actions and shareholders' meetings

Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities or SZSE Securities held in its omnibus stock account in the CSDCC, the CSDCC as the share registrar for SSE or SZSE listed companies still treats the HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities or SZSE Securities. The HKSCC will monitor the corporate actions affecting SSE Securities or SZSE Securities and keep the relevant CCASS participants informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

Currency

Hong Kong and overseas investors (including a Sub-Fund) will trade and settle SSE Securities and SZSE Securities in RMB only.

Trading fees and taxes

In addition to paying trading fees and stamp duties in connection with A-Share trading, a Sub-Fund may be subject to other fees and taxes concerned with income arising from stock transfers which are determined by the relevant authorities.

Coverage of Investor Compensation Fund

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

For defaults occurring on or after 1 January 2020, the Investor Compensation Fund also covers investors' losses in relation to securities traded on a stock market operated by the Shanghai Stock Exchange or the Shenzhen Stock Exchange and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement.

On the other hand, since a Sub-Fund is carrying out Northbound trading through securities b rokers in Hong Kong but not Chinese Mainland brokers, such trading is not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in Chinese Mainland. Further information about the Stock Connect is available at the website: http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm.

Investment Restrictions

Unless otherwise specifically provided for in the relevant Appendix, the investment restrictions

applicable to each Sub-Fund (that are included in the Instrument) are summarised below:

(a) the aggregate value of a Sub-Fund's investments in, or exposure to, any single entity through the following may not exceed 10% of the total Net Asset Value of such Sub-Fund, save as permitted by Chapter 8.6(h) and as varied by Chapter 8.6(h)(a) of the UT Code in respect of an Index Tracking Sub-Fund:

(1) investments in Securities issued by such entity;

(2) exposure to such entity through underlying assets of FDIs; and

(3) net counterparty exposure to such entity arising from transactions of over-the-counter FDIs;

(b) subject to (a) above and Chapter 7.28(c) of the UT Code and unless otherwise approved by the SFC, the aggregate value of a Sub-Fund's investments in, or exposure to, Entities within the Same Group through the following may not exceed 20% of the total Net Asset Value of the Sub-Fund:

(1) investments in Securities issued by such entities;

(2) exposure to such entities through underlying assets of FDIs; and

(3) net counterparty exposure to such entities arising from transactions of over-the-counter FDIs;

(c) unless otherwise approved by the SFC, the value of a Sub-Fund's cash deposits made with the same entity or Entities within the Same Group may not exceed 20% of the total Net Asset Value of the Sub-Fund, unless:

(1) the cash is held before the launch of the Sub-Fund and for a reasonable period thereafter prior to the initial subscription proceeds being fully invested, or

(2) the cash is proceeds from liquidation of investments prior to the merger or termination of a Sub-Fund, whereby the placing of cash deposits with various financial institutions may not be in the best interest of investors; or

(3) the cash is proceeds received from subscriptions pending investments and held for the settlement of redemption and other payment obligations, whereby the placing of cash deposits with various financial institutions is unduly burdensome and the cash deposits arrangement would not compromise investors' interests;

For the purpose of this sub-paragraph (c), cash deposits generally refer to those that are repayable on demand or have the right to be withdrawn by a Sub-Fund and not referable to provision of property or services.

(d) ordinary shares issued by any single entity (other than Government and other Public Securities) held for the account of a Sub-Fund, when aggregated with other holdings of ordinary shares of the same entity held for the account of all other Sub-Funds under the Company collectively may not exceed 10% of the nominal amount of the ordinary shares issued by the entity;

(e) not more than 15% of the total Net Asset Value of a Sub-Fund may be invested in Securities and other financial products or instruments that are neither listed, quoted nor dealt in on a stock exchange, over-the-counter market or other organised securities market which is open to the international public and on which such Securities are regularly traded;

(f) notwithstanding (a), (b), (d) and (e), where direct investment by a Sub-Fund in a market is not in the best interests of investors, a Sub-Fund may invest through a wholly-owned subsidiary company established solely for the purpose of making direct investments in such

market. In this case:

(1) the underlying investments of the subsidiary, together with the direct investments made by the Sub-Fund, must in aggregate comply with the requirements of Chapter 7 of the UT Code;

(2) any increase in the overall fees and charges directly or indirectly borne by the Shareholders or the Sub-Fund as a result must be clearly disclosed in the Prospectus; and

(3) the Sub-Fund must produce the financial reports as required under 5.10(b) of the UT Code in a consolidated form to include the assets (including investment portfolio) and liabilities of the subsidiary company as part of those of the Sub-Fund;

(g) notwithstanding (a), (b) and (d), not more than 30% of the total Net Asset Value of a Sub-Fund may be invested in Government and other Public Securities of the same issue, except, for an Index Tracking Sub-Fund which has been authorised by the SFC as an index fund, such limit may be exceeded with the approval of the SFC;

(h) subject to (g), a Sub-Fund may fully invest in Government and other Public Securities in at least six different issues. Subject to the approval of the SFC, an Index Tracking Sub-Fund which has been authorised by the SFC as an index fund may exceed the 30% limit in (g) and may invest all of its assets in Government and other Public Securities in any number of different issues;

(i) unless otherwise approved by the SFC, a Sub-Fund may not invest in physical commodities;

(j) for the avoidance of doubt, exchange traded funds that are:

(1) authorised by the SFC under Chapter 8.6 or 8.10 of the UT Code; or

(2) listed and regularly traded on internationally recognised stock exchanges open to the public (nominal listing not accepted) and (i) the principal objective of which is to track, replicate or correspond to a financial index or benchmark, which complies with the applicable requirements under Chapter 8.6 of the UT Code; or (ii) the investment objective, policy, underlying investments and product features of which are substantially in line with or comparable with those set out under Chapter 8.10 of the UT Code,

may either be considered and treated as (i) listed Securities for the purposes of and subject to the requirements in paragraphs (a), (b) and (d) above; or (ii) collective investment schemes for the purposes of and subject to the requirements in paragraph (k) below. However, the investments in exchange traded funds shall be subject to paragraph (e) above and the relevant investment limits in exchange traded funds by a Sub-Fund should be consistently applied and clearly disclosed in this Prospectus;

(k) where a Sub-Fund invests in shares or units of other collective investment schemes ("**underlying schemes**"),

(1) the value of such Sub-Fund's investment in units or shares in underlying schemes which are non-eligible schemes (as determined by the SFC) and not authorised by the SFC, may not in aggregate exceed 10% of the total Net Asset Value of the Sub-Fund; and

(2) such Sub-Fund may invest in one or more underlying schemes which are either schemes authorised by the SFC or eligible schemes (as determined by the SFC), but the value of the Sub-Fund's investment in units or shares in each such underlying scheme may not exceed 30% of the total Net Asset Value of the Sub-Fund, unless the underlying scheme is authorised by the SFC and its name and key investment information are disclosed in the Prospectus of the Sub-Fund,

provided that in respect of (1) and (2) above:

(i) the objective of each underlying scheme may not be to invest primarily in any investment prohibited by Chapter 7 of the UT Code, and where that underlying scheme's objective is to invest primarily in investments restricted by Chapter 7 of the UT Code, such investments may not be in contravention of the relevant limitation prescribed by Chapter 7 of the UT Code. For the avoidance of doubt, a Sub-Fund may invest in scheme(s) authorised by the SFC under Chapter 8 of the UT Code (except for hedge funds under Chapter 8.7 of the UT Code), eligible scheme(s) (as determined by the SFC) of which the net derivative exposure (as defined in the UT Code) does not exceed 100% of its total net asset value, and exchange traded funds satisfying the requirements in paragraph (j) above in compliance with paragraph (k)(1) and (k)(2);

(ii) where the underlying schemes are managed by the Manager, or by other companies within the same group that the Manager belongs to, then paragraphs (a), (b), (d) and (e) above are also applicable to the investments of the underlying scheme;

(iii) the objective of the underlying schemes may not be to invest primarily in other collective investment scheme(s);

(3) where an investment is made in any underlying scheme(s) managed by the Manager or any of its Connected Persons, all initial charges and redemption charges on the underlying scheme(s) must be waived; and

(4) the Manager or any person acting on behalf of the Sub-Fund or the Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or the manager of an underlying scheme, or quantifiable monetary benefits in connection with investments in any underlying scheme;

(l) a Sub-Fund may invest 90% or more of its total Net Asset Value in a single collective investment scheme and may be authorised as a feeder fund by the SFC. In this case:

(1) the underlying scheme ("**master fund**") must be authorised by the SFC;

(2) the relevant Appendix must state that:

(i) the Sub-Fund is a feeder fund into the master fund;

(ii) for the purpose of complying with the investment restrictions, the Sub-Fund (i.e. feeder fund) and its master fund will be deemed a single entity;

(iii) the Sub-Fund (i.e. feeder fund)'s annual report must include the investment portfolio of the master fund as at the financial year end date; and

(iv) the aggregate amount of all the fees and charges of the Sub-Fund (i.e. feeder fund) and its underlying master fund must be clearly disclosed;

(3) unless otherwise approved by the SFC, no increase in the overall total of initial charges, redemption charges, the Manager's annual fee, or any other costs and charges payable to the Manager or any of its Connected Persons borne by the Shareholders or by the Sub-Fund (i.e. feeder fund) may result, if the master fund in which the Sub-Fund (i.e. feeder fund) invests is managed by the Manager or by its Connected Person; and

(4) notwithstanding paragraph (k)(iii) above, the master fund may invest in other collective investment scheme(s) subject to the investment restrictions as set out in paragraph (k); and

(m) if the name of a Sub-Fund indicates a particular objective, investment strategy, geographic region or market, the Sub-Fund should, under normal market circumstances, invest at least 70% of its Net Asset Value in securities and other investments to reflect the particular objective, investment strategy or geographic region or market which the Sub-Fund represents.

Investment Prohibitions

A Sub-Fund shall not:

(a) invest in a security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5% of the total nominal amount of all the issued securities of that class or the directors and officers of the Manager collectively own more than 5% of those securities;

(b) invest in any type of real estate (including buildings) or interests in real estate, including options or rights, but excluding shares in real estate companies and interests in real estate investment trusts (REITs) and in the case of investments in such shares and REITs, they shall comply with the investment restrictions and limitations set out in sub-paragraphs (a), (b), (d), (e) and (k) under the section entitled "Investment Restrictions" above where applicable. For the avoidance of doubt, where investments are made in listed REITs, Chapters 7.1, 7.1A and 7.2 of the UT Code apply and where investments are made in unlisted REITs, which are either companies or collective investment schemes, then Chapters 7.3 and 7.11 of the UT Code apply respectively;

(c) make short sales if as a result a Sub-Fund would be required to deliver Securities exceeding 10% of the total Net Asset Value of the Sub-Fund (for this purpose Securities sold short must be actively traded on a market where short selling is permitted, and for the avoidance of doubt, a Sub-Fund is prohibited to carry out any naked or uncovered short sale of securities and short selling should be carried out in accordance with all applicable laws and regulations);

(d) lend or make a loan out of the assets of a Sub-Fund, except to the extent that the acquisition of bonds or the making of a deposit (within the applicable investment restrictions) might constitute a loan;

(e) subject to Chapter 7.3 of the UT Code, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person, save and except for Reverse Repurchase Transactions in compliance with the UT Code;

(f) enter into any obligation in respect of a Sub-Fund or acquire any asset or engage in any transaction for the account of a Sub-Fund which involves the assumption of any liability which is unlimited. For the avoidance of doubt, the liability of Shareholders is limited to their investment in the relevant Sub-Fund; or

(g) apply any part of a Sub-Fund in the acquisition of any investments which are for the time being nil paid or partly paid in respect of which a call is due to be made for any sum unpaid on such investments unless such call could be met in full out of cash or near cash forming part of a Sub-Fund whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transactions in FDIs for the purposes of Chapters 7.29 and 7.30 of the UT Code.

Note: The investment restrictions set out above apply to each Sub-Fund, subject to the following in relation to each Index Tracking Sub-Fund: A collective investment scheme authorised by the SFC under the UT Code is usually restricted from making investments which would result in the value of that collective investment scheme's holdings of the Securities of any single entity exceeding 10% of the collective investment scheme's total net asset value. Given the investment objective of each Index Tracking Sub-Fund and nature of the relevant Index, an Index Tracking Sub-Fund is allowed under Chapter 8.6(h) of the UT Code to hold investments in constituent Securities of any single

entity exceeding 10% of the relevant Index Tracking Sub-Fund's latest available Net Asset Value if such constituent Securities account for more than 10% of the weighting of the Index and the relevant Index Tracking Sub-Fund's holding of any such constituent Securities does not exceed their respective weightings in the Index, except where the weightings are exceeded as a result of changes in the composition of the Index and the excess is only transitional and temporary in nature.

However, the restrictions in 8.6(h)(i) and (ii) (as described above) do not apply in relation to an Index Tracking Sub-Fund if:

(a) the relevant Index Tracking Sub-Fund adopts a representative sampling strategy which does not involve full replication of the constituent Securities of the Index in the exact weightings of such Index;

(b) the strategy is clearly disclosed in the relevant Appendix;

(c) the excess of the weightings of the constituent Securities held by the relevant Index Tracking Sub-Fund over the weightings in the Index is caused by the implementation of the representative sampling strategy;

(d) any excess weightings of the relevant Index Tracking Sub-Fund's holdings over the weightings in the Index must be subject to a maximum limit reasonably determined by the relevant Index Tracking Sub-Fund after consultation with the SFC. In determining this limit, the relevant Index Tracking Sub-Fund must consider the characteristics of the underlying constituent Securities, their weightings and the investment objectives of the Index and any other suitable factors;

(e) limits laid down by the relevant Index Tracking Sub-Fund pursuant to the point above must be disclosed in the relevant Appendix;

(f) disclosure must be made in the relevant Index Tracking Sub-Fund's interim and annual reports as to whether the limits imposed by such Index Tracking Sub-Fund itself pursuant to the above point (d) have been complied with in full. If there is non-compliance with the said limits during the relevant reporting period, this must be reported to the SFC on a timely basis and an account for such non-compliance should be stated in the report relating to the period in which the non-compliance occurs or otherwise notified to investors.

Securities Financing Transactions

Where indicated in the relevant Appendix, a Sub-Fund may enter into Securities Lending Transactions, Sale and Repurchase Transactions and Reverse Repurchase Transactions or other similar over-the-counter transactions ("Securities Financing Transactions"), provided that they are in the best interests of the Shareholders, the associated risks have been properly mitigated and addressed, and the counterparties to the Securities Financing Transactions are financial institutions which are subject to ongoing prudential regulation and supervision.

A Sub-Fund which engages in Securities Financing Transactions is subject to the following requirements:

(a) it shall have at least 100% collateralisation in respect of the Securities Financing Transactions into which it enters to ensure there is no uncollateralised counterparty risk exposure arising from these transactions;

(b) all the revenues arising from Securities Financing Transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of the Securities Financing Transactions to the extent permitted by applicable legal and regulatory requirements, shall be returned to the Sub-Fund;

(c) it shall ensure that it is able to at any time to recall the securities or the full amount of cash / collateral (as the case may be) subject to the Securities Financing Transactions or terminate the Securities Financing Transactions into which it has entered.

Further, details of the arrangements are as follows:

(a) each counterparty for such transactions will be independent counterparties approved by the Manager with credit rating of BBB- or above (by Moody's or Standard & Poor's, or any other equivalent ratings by recognised credit rating agencies) or which are corporations licensed by the SFC or are registered institutions with the Hong Kong Monetary Authority;

(b) the Custodian, upon the instruction of the Manager, will take collateral, which can be cash or non-cash assets fulfilling the requirements under "Collateral" below;

(c) for repurchase transactions, it is the intention of the Manager to sell the securities for cash equal to the market value of the securities provided to the counterparty, subject to appropriate haircut. Cash obtained in repurchase transactions will be used for meeting redemption requests or defraying operating expenses, but will not be re-invested;

(d) the maximum and expected level of a Sub-Fund's assets available for these transactions will be as set out in the relevant Appendix; and

(e) where any Securities Financing Transaction has been arranged through the Custodian or a Connected Person of the Custodian or the Manager, such transaction shall be conducted at arm's length and executed on the best available terms, and the relevant entity shall be entitled to retain for its own use and benefit any fee or commission it receives on a commercial basis in connection with such arrangement.

Borrowing

Subject always to the provisions of the Instrument and the UT Code, borrowing against the assets of each Sub-Fund is allowed up to a maximum of 10% of its total Net Asset Value. For this purpose, back-to-back loans do not count as borrowing. Where the Manager so determines, a Sub-Fund's permitted borrowing level may be a lower percentage as set out in the relevant Appendix. The Company may borrow for the account of a Sub-Fund any currency, and charge or pledge assets of that Sub-Fund for securing such borrowing for the account of that Sub-Fund, and interest thereon and expenses thereof, for the following purposes:

(a) facilitating the creation or redemption of Shares or defraying operating expenses;

(b) enabling the Manager to acquire Securities for the account of such Sub-Fund; or

(c) for any other proper purpose as may be agreed by the Manager from time to time, except to enhance the performance of any Sub-Fund.

Financial Derivative Instruments

Subject always to the provisions of the Instrument and the UT Code, the Manager may on behalf of a Sub-Fund enter into any transactions in relation to swaps or other FDIs, for hedging or non-hedging (investment) purposes.

Where specified in the relevant Appendix, a Sub-Fund may acquire FDIs for hedging purposes. FDIs are considered as being acquired for hedging purpose if they meet all of the following criteria:

(a) they are not aimed at generating any investment return;

(b) they are solely intended for the purpose of limiting, offsetting or eliminating the probability of loss or risks arising from the investments being hedged;

(c) they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and

(d) they exhibit price movements with high negative correlation with the investments being hedged under normal market conditions. Hedging arrangement should be adjusted or re-

positioned, where necessary and with due consideration on the fees, expenses and costs, to enable the Sub-Fund to meet its hedging objective in stressed or extreme market conditions.

Where specified in the relevant Appendix, a Sub-Fund may acquire FDIs for non-hedging purposes ("**investment purposes**"), subject to the limit that the Sub-Fund's net exposure relating to these FDIs ("**net derivative exposure**") does not exceed 50% of its total Net Asset Value (unless otherwise approved by the SFC for a Sub-Fund pursuant to Chapter 8.8 or Chapter 8.9 of the UT Code). For the avoidance of doubt:

(a) for the purpose of calculating net derivative exposure, the positions of FDIs acquired by a Sub-Fund for investment purposes are converted into the equivalent position in the underlying assets of the FDIs, taking into account the prevailing market value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the position;

(b) the net derivative exposure should be calculated in accordance with the requirements and guidance issued by the SFC which may be updated from time to time; and

(c) FDIs acquired for hedging purposes will not be counted towards the 50% limit referred to in this paragraph so long as there is no residual derivative exposure arising from such hedging arrangement.

Subject to Chapter 7.26 and 7.28 of the UT Code, a Sub-Fund may invest in FDIs provided that the exposure to the underlying assets of the FDI, together with the other investments of the Sub-Fund, may not in aggregate exceed the correponding investment restrictions or limitations applicable to such underlying assets and investments as set out in the relevant provisions of Chapter 7 of the UT Code.

The FDIs invested by a Sub-Fund shall be either listed or quoted on a stock exchange, or dealt in over-the-counter market and comply with the following provisions:

(a) the underlying assets consist solely of shares in companies, debt Securities, money market instruments, units/shares of collective investment schemes, deposits with substantial financial institutions, Government and other Public Securities, highly-liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates, currencies or other asset classes acceptable to the SFC, in which the Sub-Fund may invest according to its investment objectives and policies. . Where a Sub-Fund invests in index-based FDIs, the underlying assets of such FDIs are not required to be aggregated for the purposes of the investment restrictions or limitations set out in Chapters 7.1, 7.1A, 7.1B and 7.4 of the UT Code provided that the relevant Index is in compliance with Chapter 8.6(e) of the Code;

(b) the counterparties to over-the-counter FDI transactions or their guarantors are substantial financial institutions or such other entity acceptable to the SFC on a case-by-case basis;

(c) subject to paragraphs (a) and (b) under the section entitled "Investment Restrictions" above, the net counterparty exposure to a single entity arising from transactions of the over-the-counter FDIs may not exceed 10% of the Net Asset Value of the Sub-Fund. The exposure of a Sub-Fund to a counterparty of over-the-counter FDIs may be lowered by the collateral received (if applicable) by such Sub-Fund and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter FDIs with that counterparty, if applicable; and

(d) the valuation of the FDIs is marked-to-market daily, subject to regular, reliable and verifiable valuation conducted by the Manager, the Custodian or their nominee(s), agent(s) or delegate(s) independent of the issuer of the FDIs through measures such as the establishment of a valuation committee or engagement of third party services. The FDIs can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Sub-Fund. Further, the calculation agent/fund administrator should

be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the FDIs on a regular basis.

A Sub-Fund shall at all times be capable of meeting all its payment and delivery obligations incurred under transactions in FDIs (whether for hedging or for investment purposes). The Manager shall, as part of its risk management process, monitor to ensure that the transactions in FDIs are adequately covered on an ongoing basis. Assets that are used to cover the Sub-Fund's obligation should be free from any liens and encumbrances, should exclude any cash or near cash for the purpose of meeting a call on any sum unpaid under a security and cannot be applied for any other purposes. A transaction in FDIs which gives rise to a future commitment or contingent commitment of a Sub-Fund should also be covered as follows:

- in the case of FDI transactions which will, or may at the Sub-Fund's discretion, be cash settled, the Sub-Fund should at all times hold sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and

- in the case of FDI transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the Sub-Fund should hold the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Manager considers the underlying assets to be liquid and tradable, the Sub-Fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation. Where it is holding alternative assets as cover, the Sub-Fund should apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations.

The above policies relating to FDIs apply to financial instruments which embeds a financial derivative as well. For the purposes herein, an "embedded financial derivative" is a financial derivative instrument that is embedded in another security.

Collateral

Collateral received from counterparties shall comply with the following requirements:

- Liquidity – collateral must be sufficiently liquid and tradable that it can be sold quickly at a robust price that is close to pre-sale valuation. Collateral should normally trade in a deep and liquid market place with transparent pricing;

- Valuation – collateral should be marked-to-market daily by using independent pricing source;

- Credit quality – asset used as collateral must be of high credit quality and should be replaced immediately as soon as the credit quality of the collateral or the issuer of the asset being used as collateral has deteriorated to such a degree that it would undermine the effectiveness of the collateral;

- Haircut – collateral should be subject to prudent haircut policy which should be based on the market risks of the assets used as collateral in order to cover potential maximum expected decline in collateral values during liquidation before a transaction can be closed out with due consideration on stress period and volatile markets. For the avoidance of doubt the price volatility of the asset used as collateral should be taken into account when devising the haircut policy;

- Diversification – collateral must be appropriately diversified to avoid concentrated exposure to any single entity and/or Entities within the Same Group and a Sub-Fund's exposure to issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in Chapters 7.1, 7.1A, 7.1B, 7.4, 7.5, 7.11, 7.11A, 7.11B and 7.14 of the UT Code;

- Correlation – the value of the collateral should not have any significant correlation with the creditworthiness of the counterparty or the issuer of the FDIs in such a way that would

undermine the effectiveness of the collateral. As such, securities issued by the counterparty or the issuer of the FDIs or any of their related entities should not be used as collateral;

- Management of operational and legal risks – the Manager shall have appropriate systems, operational capabilities and legal expertise for proper collateral management;

- Independent custody – collateral must be held by the Custodian;

- Enforceability – collateral must be readily accessible/enforceable by the Custodian without further recourse to the issuer of the FDIs, or the counterparty of the Securities Financing Transactions;

- Cash collateral – any re-investment of cash collateral received for the account of the Sub-Fund shall be subject to the following requirements:

  (i) cash collateral received may only be reinvested in short-term deposits, high quality money market instruments and money market funds authorised under Chapter 8.2 of the UT Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC, and subject to corresponding investment restrictions or limitations applicable to such investments or exposure as set out in Chapter 7 of the UT Code. For this purpose, "money market instruments" refer to securities normally dealt in on the money markets, including government bills, certificates of deposit, commercial papers, short-term notes and bankers' acceptances, etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account.

  (ii) the portfolio of assets from re-investment of cash collateral shall comply with the requirements as set out in Chapter 8.2(f) and (n) of the UT Code;

  (iii) cash collateral received is not allowed to be further engaged in any Securities Financing Transactions; and

  (iv) when the cash collateral received is reinvested into other investment(s), such investment(s) is/are not allowed to be engaged in any Securities Financing Transactions;

  Non-cash collateral received may not be sold, re-invested or pledged;

- Encumbrances – collateral should be free of prior encumbrances; and

- Collateral should generally not include (i) structured products whose payouts rely on embedded FDIs or synthetic instruments; (ii) securities issued by special purpose vehicles, special investment vehicles or similar entities; (iii) securitised products; or (iv) unlisted collective investment schemes.

Subject to the requirements above, below is a summary of the collateral policy and criteria adopted by the Manager:

- eligible collateral include cash, cash equivalents, government bonds, supranational bonds, corporate bonds, debt securities, stocks, funds and money market instruments;

- the issuer of collateral must be of high quality including governments, supranationals, government agencies, substantial financial institution, policy banks or government guaranteed entities with an investment grade credit rating. The rating by a recognised credit rating agency shall be taken into account in the credit assessment process. Securities rated with a non-investment grade credit rating is not eligible for collateral purpose. There is no criteria for country of origin of the counterparty;

- no maturity constraints will apply to the collateral received;

- regular stress tests are carried out under normal and exceptional liquidity conditions to enable an adequate assessment of the liquidity risks attached to the collateral received;

- the haircut policy takes account of market volatility, the foreign exchange volatility between collateral asset and underlying agreement, liquidity and credit risk of the collateral assets, and the counterparty's credit risk (for each eligible security type). Haircuts shall be set to cover the maximum expected decline in the market price of the collateral asset (over a conservative liquidation horizon) before a transaction can be closed out. Cash collateral will not be subject to haircut;

- the collateral would be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer;

- the collateral received would be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

- collateral must be readily enforceable by the Custodian and may be subject to netting or set-off; and

- cash collateral will generally not be used for reinvestment purposes unless otherwise determined by the Manager and notified to investors.

Where a Sub-Fund receives collateral, a description of holdings of collateral (including but not limited to a description of the nature of collateral, identity of the counterparty providing the collateral, value of the Sub-Fund (by percentage) secured/covered by collateral with breakdown by asset class/nature and credit rating (if applicable)) will be disclosed in the Sub-Fund's annual and interim financial reports for the relevant period as required under Appendix E of the Code.

If any of the restrictions or limitations set out above is breached in respect of a Sub-Fund, the Manager will make it a priority objective to take all necessary steps within a reasonable period of time to remedy such breach, taking into account the interests of the Shareholders of that Sub-Fund.

The Custodian will take reasonable care to ensure that the investment and borrowing limitations set out in the Instrument and the conditions under which a Sub-Fund was authorised are complied with.

DETERMINATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Net Asset Value of each Sub-Fund will be calculated by the Administrator in the base currency of the relevant Sub-Fund as at each Valuation Point applicable to the relevant Sub-Fund by valuing the assets of the relevant Sub-Fund and deducting the liabilities of the relevant Sub-Fund, in accordance with the terms of the Instrument.

Where a Sub-Fund has more than one class of Shares, to ascertain the Net Asset Value of a class, a separate class account will be established in the books of the Sub-Fund. An amount equal to the proceeds of issue of each Share of the relevant class will be credited to the relevant class account.

Set out below is a summary of how various Securities held by the relevant Sub-Fund are valued:

(a) Securities that are quoted, listed, traded or dealt in on any Market shall unless the Manager (in consultation with the Custodian) determines that some other method is more appropriate, be valued by reference to the official closing price or, if unavailable, the last traded price on the Market as the Manager may consider in the circumstances to provide fair criterion, provided that (i) if a Security is quoted or listed on more than one Market, the Manager shall adopt the price quoted on the Market which in its opinion provides the principal market for such Security; (ii) if prices on that Market are not available at the relevant time, the value of the Securities shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager, or, if the Custodian so requires, by the Manager after consultation with the Custodian if the prices on that Market is not available for more than such period of time as may be agreed between the Manager, the Custodian and/or any delegates appointed by the Custodian applicable to the Sub-Fund; (iii) interest accrued on any interest-bearing Securities shall be taken into account, unless such interest is included in the quoted or listed price; and (iv) the Manager, the Administrator or its delegates may accept as sufficient evidence of the value of any asset of a Sub-Fund or the cost price or sale price thereof, any market quotation or certification by a calculation agent, broker, any professional person, firm or association qualified in the opinion of the Custodian or its delegates or the Manager to provide such a quotation; and (v) the Manager, the Administrator or its delegates may rely upon the established practice and rulings of any market and any committees and officials thereof on which any dealing in any assets of the Sub-Fund or other property is from time to time effected in determining what shall constitute a good delivery and any similar matters; and (vi) the Manager and the Administrator shall be entitled to use and rely on electronic price feeds from such source or sources as they may from time to time determine, notwithstanding that the prices so used are not the last traded prices as the case may be;

(b) the value of each interest in any unlisted mutual fund corporation or unit trust shall be the latest available net asset value per share or unit in such mutual fund corporation or unit trust or if not available or appropriate, the latest available bid or offer price for such unit, share or other interest;

(c) Futures Contracts will be valued based on the formulae set out in the Instrument; The value of the swap invested by a Sub-Fund, which is not listed or quoted on a recognised market, will be determined on each Dealing Day either by reference to electronic pricing systems (e.g. Bloomberg), or by the swap counterparty, which, in doing so, will be acting as the calculating agent. The value of the swap will be calculated based on the mark-to-market value of such swap (excluding any fees, commissions and other expenses in connection with the entry or negotiation of the swap, and initial margin or deposits). Where the value is determined by the swap counterparty, the Manager will carry out an independent verification of this valuation on a daily basis. In addition, the Administrator will carry out an independent verification of the value of the swap in accordance with its internal policy and the terms of the swaps;

(d) except as provided for in paragraph (b), the value of any investment which is not listed, quoted or ordinarily dealt in on a Market shall be the initial value thereof equal to the amount expended on behalf of the relevant Sub-Fund in the acquisition of such investment (including, in each case the amount of stamp duties, commissions and other acquisition expenses) provided that the

Manager may at any time in consultation with the Custodian and shall at such times or at such intervals as the Custodian may request, cause a revaluation to be made on a regular basis by a professional person approved by the Custodian as qualified to value such investments (which may, if the Custodian agrees, be the Manager);

(e) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager after consultation with the Custodian, any adjustment should be made to reflect the value thereof; and

(f) notwithstanding the foregoing, the Manager may in consultation with the Custodian adjust the value of any investment or permit some other method of valuation to be used if, having regard to relevant circumstances, the Manager considers that such adjustment is more appropriate to fairly reflect the value of the investment.

Currency conversion will be performed at such rates as determined by the Administrator or its delegates or the Manager (after consultation with the Custodian where the Manager considers appropriate) from time to time.

The value of the Swap invested by a Sub-Fund, which is not listed or quoted on a recognised market, will be determined on each Dealing Day either by reference to electronic pricing systems (e.g. Bloomberg), or by the Swap Counterparty, which, in doing so, will be acting as the calculating agent. The value of the Swap will be calculated based on the mark-to-market value of such swap (excluding any fees, commissions and other expenses in connection with the entry or negotiation of the Swap, and initial margin or deposits). Where the value is determined by the Swap Counterparty, the Manager will carry out an independent verification of this valuation on a daily basis. In addition, the Administrator will carry out an independent verification of the value of the Swap in accordance with its internal policy and the terms of the Swaps.

The above is a summary of the key provisions of the Instrument with regard to how the various assets of the relevant Sub-Fund are valued.

To the extent that the valuation or accounting basis adopted by the Sub-Funds deviates from IFRS, the Manager may make necessary adjustments in the annual financial statements to comply with IFRS. Any such adjustments will be disclosed in the financial reports, including a reconciliation note to reconcile values arrived at by applying the Company's valuation rules.

Suspension of Determination of Net Asset Value

The Manager may, in consultation with the Custodian, declare a suspension of the determination of the Net Asset Value of any Sub-Fund or of any class of Shares for the whole or any part of any period during which:

(a) there exists any state of affairs prohibiting the normal disposal and/or purchase of the investments of the relevant Sub-Fund;

(b) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise a substantial part of the Securities and/or FDIs held or contracted for the account of the Sub-Fund or it is not possible to do so without seriously prejudicing the interest of Shareholders of the relevant Sub-Fund;

(c) for any other reason the prices of investments of the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(d) there is a breakdown in the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Share of the relevant class or when for any other reason the value of any Securities and/or FDIs or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(e) the remittance or repatriation of funds which will or may be involved in the realisation of, or

in the payment for, a substantial part of the Securities and/or FDIs or other property of the relevant Sub-Fund or the subscription or redemption of Shares of the relevant class is delayed or cannot, in the opinion of the Manager, be carried out promptly or at normal rates of exchange;

(f) the business operations of the Company or any delegate of the Company or the Manager in respect of the determination of the Net Asset Value of the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God;

(g) the existence of any state of affairs prohibiting the normal disposal of any notional investment to which a Swap is linked (if applicable); or

(h) in the case of a Sub-Fund authorised by the SFC as a feeder fund, the determination of the net asset value of the master fund (as defined in the sub-section "**Investment Restrictions**" of the section "**Investment Objective, Strategy and Restrictions, Securities Lending and Borrowing**") is suspended.

Any suspension shall take effect upon its declaration and thereafter there shall be no determination of the Net Asset Value of the relevant Sub-Fund and, in the case of an Index Tracking Sub-Fund, the Manager shall be under no obligation to rebalance the relevant Index Tracking Sub-Fund until the suspension is terminated on the earlier of (i) the Manager declaring the suspension is at an end; and (ii) the first Dealing Day on which (1) the condition giving rise to the suspension shall have ceased to exist; and (2) no other condition under which suspension is authorised exists.

The Manager shall immediately after declaration of any such suspension by the Manager notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on the Company's website at http://www.csopasset.com (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or in such other publications as the Company decides.

No Shares of a Sub-Fund will be issued, switched or redeemed during any period of suspension of the determination of the Net Asset Value of the relevant Sub-Fund.

In respect of Listed Class of Shares, a Participating Dealer may, at any time after a suspension has been declared and before termination of such suspension, withdraw any Creation Application or Redemption Application by notice in writing to the Company. If no such notification of the withdrawal of any such Creation Application or Redemption Application (as the case may be) has been received by the Company before termination of such suspension, the Company shall, subject to and in accordance with the provisions of the Operating Guidelines and/or the Instrument, treat such Creation Application or Redemption Application (as the case may be) as having been received on the next Dealing Day the termination of such suspension.

In respect of Unlisted Class(es) of Shares, any Shareholder may at any time after a suspension has been declared and before termination of such suspension, withdraw any subscription, switching or redemption application submitted prior to such suspension by notice in writing to the Company and the Company shall promptly notify the Custodian and/or Transfer Agent accordingly. If no such notice withdrawing any such application has been received by the Company and the Custodian and/or Transfer Agent before termination of such suspension, the Company shall, subject to and in accordance with the provisions of the Instrument, issue, switch or redeem such Unlisted Class(es) of Shares in respect of such application as at the Dealing Day next following the termination of such suspension.

FEES AND EXPENSES

There are different levels of fees and expenses applicable to investing in a Sub-Fund as set out below, current as at this date of this Prospectus. Where any levels of fees and expenses applicable to a particular Sub-Fund differs from the following, such fees and expenses will be set out in full in the relevant Appendix.

Investors should note that certain fees and expenses are applicable only to Listed Class of Shares, and certain other fees and expenses are applicable only to Unlisted Class(es) of Shares.

Fees and Expenses Payable in respect of a Listed Class of Shares Only

Fees and expenses payable by Participating Dealers on creations and redemptions (as applicable) of Listed Class of Shares (applicable both during the Initial Offer Period and After Listing)	**Amount**
Transaction Fee and Service Agent's Fee	Up to RMB4,000 / USD650 / HKD5,000 [1] per Application and HKD1,000[1] per book-entry deposit and book-entry withdrawal transaction
Application cancellation fee	RMB8,000 / USD1,300 / HKD10,000[2] per Application
Extension Fee	RMB8,000 / USD1,300 / HKD10,000[3] per Application
Stamp duty	Nil
All other Duties and Charges incurred by the Custodian or the Manager in connection with the creation or redemption	As applicable[4]

Fees and expenses payable by investors of Listed Class of Shares	**Amount**
(i) Fees payable by clients of the Participating Dealers in respect of creations and redemptions (as applicable) via the Participating Dealer (applicable both during the Initial Offer Period and After Listing)	
Fees and charges imposed by the Participating Dealer[5]	Such amounts as determined by the relevant Participating Dealer

1 The Transaction Fee of RMB4,000 / USD650 / HKD5,000 (as the case maybe) is payable by a Participating Dealer to the Custodian for the benefit of the Custodian and/or the Registrar. The Service Agent's fee of HKD1,000 is payable by a Participating Dealer to the Service Agent for each book-entry deposit or book-entry withdrawal transaction. A Participating Dealer may pass on to the relevant investor such Transaction Fee.

2 An application cancellation fee is payable to the Custodian in respect of either a withdrawn or failed Creation Application or Redemption Application.

3 An Extension Fee is payable to the Custodian on each occasion the Company, upon a Participating Dealer's request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.

4 Swap fees (borne by a Sub-Fund) do not form part of "Duties and Charges" payable by a Participating Dealer.

5 The Participating Dealer may increase or waive the level of its fees in its discretion. Information regarding these fees and charges is available upon request to the relevant Participating Dealer.

(ii) Fees payable by all investors in respect of dealings in the Shares on SEHK (applicable After Listing)	
Brokerage	Market rates
Transaction levy	0.0027%[6] of the trading price
AFRC transaction levy	0.00015%[7] of the trading price
SEHK trading fee	0.00565%[8] of the trading price
Stamp duty	Nil

Fees and expenses payable by a Sub-Fund	See the relevant Appendix

Fees and Expenses Payable in respect of Unlisted Class of Shares Only

The following fees and charges are payable by investors of an Unlisted Class of Shares:

Subscription fee

Under the Instrument, the Manager is entitled to impose a subscription fee on the issue of any Unlisted Class of Shares of any Sub-Fund of up to a maximum of 5% of the Subscription Price.

The subscription fee is payable in addition to the Subscription Price. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the subscription fee of an Unlisted Class of Shares of a Sub-Fund.

Redemption fee

Under the Instrument, the Manager is entitled to impose a redemption fee on the redemption of any Unlisted Class of Shares of any Sub-Fund of up to a maximum of 3% of the Redemption Price.

The redemption fee is deducted from the redemption proceeds payable to a Shareholder in respect of each Share of an Unlisted Class of Shares redeemed. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the redemption fee of an Unlisted Class of Shares of a Sub-Fund.

Switching fee

Under the Instrument, the Manager is entitled to impose a switching fee on the switching of any Unlisted Class of Shares of up to 1% of the Redemption Price payable in respect of the Existing Class (as defined below) being switched.

The switching fee is deducted from the amount realised from redemption of the Existing Class and retained by or paid to the Manager unless otherwise determined by the Manager. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the switching fee of an Unlisted Class of Shares of a Sub-Fund.

Fees and Expenses Payable by a Sub-Fund (applicable to both Listed Class of Shares and

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6 Transaction levy of 0.0027% of the trading price of the Shares, payable by each of the buyer and the seller.
7 AFRC transaction levy of 0.00015% of the trading price of the Shares, payable by each of the buyer and the seller.
8 Trading fee of 0.00565% of the trading price of the Shares, payable by each of the buyer and the seller.

Unlisted Class(es) of Shares)

Management Fee

Save as otherwise provided in the relevant Appendix, each class of Shares of each Sub-Fund employs a single management fee structure, with such class paying all of its fees, costs and expenses (and its due proportion of any costs and expenses of the Company allocated to it) as a single flat fee (the "Management Fee").

Fees and expenses taken into account in determining a Sub-Fund's Management Fee include, but are not limited to, the Manager's fee, the Custodian's fee, the Administrator's fee, the Registrar' fee and the Transfer Agent's fee (if applicable). For the avoidance of doubt, any such fees and expenses exceeding the relevant Management Fee will be borne by the Manager and will not be charged to the relevant Sub-Fund.

Notwithstanding the above, the Management Fee does not include brokerage and transaction costs such as the fees and charges relating to the investment and realising the investments of a Sub-Fund and extraordinary items such as litigation expenses. The Management Fee is accrued daily, paid monthly in arrears.

The current Management Fee percentage in respect of each class of Shares of each Sub-Fund is set out in the relevant Appendix (up to a maximum of 3.0% per annum of the Net Asset Value of the relevant class).

The Manager may pay a distribution fee to any distributor or sub-distributors of the Company out of the Management Fee it receives from the Company. A distributor may re-allocate an amount of the distribution fee to the sub-distributors.

Directors' remuneration and expenses

Under the Instrument, the Directors shall be entitled to remuneration for their services as Directors up to an amount per annum equivalent to US$30,000 per Director and, where payable, such remuneration shall be allocated fairly as between Sub-Funds by reference to their respective Net Asset Values.

The Company may pay any travelling, accommodation and other expenses properly incurred by Directors in connection with their attendance at meetings of Directors, general meetings, separate meetings of the Shareholders or any Sub-Fund or class of Shareholders or the exercise of their powers and the discharge of their responsibilities in relation to the Company.

Estimated Ongoing Charges

The estimated ongoing charges of any newly established Sub-Fund (or class(es) thereof), which are the sum of anticipated ongoing expenses of the relevant Sub-Fund (or class(es) thereof) expressed as a percentage of its estimated average Net Asset Value, and the actual ongoing charges of any existing Sub-Fund (or class(es) thereof), which are the sum of actual ongoing expenses of the relevant Sub-Fund expressed as a percentage of its actual average Net Asset Value, are set out in the relevant product key facts statement. Where a Sub-Fund is newly established the Manager will make a best estimate of the ongoing charges and keep such estimate under review. The establishment costs of a Sub-Fund may also be included in the ongoing charges calculation payable by a Sub-Fund. Ongoing expenses may be deducted from the assets of a Sub-Fund where these are permitted by the Instrument, the UT Code, the OFC Code and the law. These include all types of cost borne by a Sub-Fund, whether incurred in its operation or the remuneration of any party. In respect of an Index Tracking Sub-Fund, the estimated or actual ongoing charges do not represent the estimated or actual tracking error of the relevant Index Tracking Sub-Fund. Where disclosed in an Appendix of a Sub-Fund, ongoing charges and expenses of that Sub-Fund may be borne by the Manager.

Brokerage rates

A Sub-Fund shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Please refer to the relevant Appendix for further information on brokerage rates.

Promotional Expenses

A Sub-Fund will not be responsible for any promotional expenses including those incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Sub-Fund will not be paid (either in whole or in part) out of the Scheme Property.

Other Expenses

The Sub-Funds will bear all operating costs relating to the administration of the Sub-Funds including but not limited to stamp and other duties, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan, charges and expenses of its legal counsel, auditors and other professionals, (for an Index Tracking Sub-Fund only) index licensing fees, the costs in connection with maintaining a listing of the Shares of any Listed Class of Shares on the SEHK or other exchange and maintaining the Company's and the Sub-Funds' authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation and amendment of the Instrument, any disbursements or out-of-pocket expenses properly incurred on behalf of the Sub-Funds by the Custodian, the Manager, the Registrar, the Transfer Agent or any of its service providers, the expenses incurred in convening meetings of Shareholders, preparing, printing and distributing annual and half-yearly financial reports and other circulars relating to the Sub-Funds and the expenses of publishing Share prices.

Swap Fees and Indirect Costs

Please refer to the relevant Appendix for further information on swap fees and indirect costs (if applicable).

No money should be paid to any intermediary in Hong Kong which is not licensed or registered to carry on Type 1 regulated activity under Part V of the SFO.

Establishment Costs

The cost of establishing the Company and the initial Sub-Fund (namely CSOP STAR 50 Index ETF) including the initial preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs including, if considered appropriate by the Manager, any additional costs of determining the stock code, is approximately HKD750,000 and will be borne by CSOP STAR 50 Index ETF (unless otherwise determined by the Manager and set out in the relevant Appendix of any subsequent Sub-Fund) and will be amortised over the first five financial years of CSOP STAR 50 Index ETF (or such other period as determined by the Manager after consulting the Auditor and the Custodian).

The cost of establishing CSOP Hang Seng Biotech ETF including the preparation of the Appendix 3 to the Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs including, if considered appropriate by the Manager, any additional costs of determining the stock code, will be borne by CSOP Hang Seng Biotech ETF (unless otherwise determined by the Manager and set out in the relevant Appendix of any subsequent Sub-Fund) and amortised over the first five financial years of CSOP Hang Seng Biotech ETF or such other period as determined by the Manager after consulting the Auditor. Such costs are estimated to be HKD 650,000.

The cost of establishing CSOP MSCI China A 50 Connect ETF including the preparation of the Appendix 4 to the Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs including, if considered appropriate by the Manager, any additional costs of determining the stock code, will be borne by CSOP MSCI China A 50 Connect ETF (unless otherwise determined by the Manager and set out in the relevant

Appendix of any subsequent Sub-Fund) and amortised over the first five financial years of CSOP MSCI China A 50 Connect ETF or such other period as determined by the Manager after consulting the Auditor. Such costs are estimated to be HKD 1,550,000.

The cost of establishing CSOP NASDAQ 100 ETF including the preparation of the Appendix 5 to the Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs including, if considered appropriate by the Manager, any additional costs of determining the stock code, will be borne by CSOP NASDAQ 100 ETF (unless otherwise determined by the Manager and set out in the relevant Appendix of any subsequent Sub-Fund) and amortised over the first five financial years of CSOP NASDAQ 100 ETF or such other period as determined by the Manager after consulting the Auditor. Such costs are estimated to be HKD 600,000.

The cost of establishing CSOP FTSE Vietnam 30 ETF including the preparation of the Appendix 6 to the Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs including, if considered appropriate by the Manager, any additional costs of determining the stock code, will be borne by CSOP FTSE Vietnam 30 ETF (unless otherwise determined by the Manager and set out in the relevant Appendix of any subsequent Sub-Fund) and amortised over the first five financial years of CSOP FTSE Vietnam 30 ETF or such other period as determined by the Manager after consulting the Auditor. Such costs are estimated to be HKD 500,000.

The cost of establishing subsequent Sub-Funds will be borne by the relevant Sub-Fund to which such costs relate and will be amortised over the first five financial years of the relevant Sub-Funds (or such other period as determined by the Manager after consulting the Auditor and the Custodian).

The attention of investors is drawn to the risk factor entitled “Valuation and accounting risk”.

Increase in Fees

The current fees in respect of each Sub-Fund payable to the Manager and the Custodian as described in the relevant Appendix may be increased on not less than one month’s notice to Shareholders (or such shorter period as approved by the SFC), subject to the maximum rates set out above. In the event that such fees are to be increased beyond the maximum rates set out in the Prospectus, such increase will be subject to the SFC’s approval.

RISK FACTORS

An investment in any Sub-Fund carries various risks. Each of these may affect the Net Asset Value, yield, total return and trading price of the Shares. There can be no assurance that the investment objective of a Sub-Fund will be achieved. Investors should carefully evaluate the merits and risks of an investment in the relevant Sub-Fund in the context of your overall financial circumstances, knowledge and experience as an investor. The risk factors set forth below are the risks which are believed by the Manager and its directors to be relevant and presently applicable to each Sub-Fund. You should refer to additional risk factors, specific to each Sub-Fund, as set out in the relevant Appendix.

General Investment Risks

Investment Objective Risk

There is no assurance that the investment objective of a Sub-Fund will be achieved. Whilst it is the intention of the Manager to implement strategies which are designed to achieve the investment objective of a Sub-Fund and, for an Index Tracking Sub-Fund, to minimise tracking error, there can be no assurance that these strategies will be successful. In addition, trading errors are an intrinsic factor in any investment process, and will occur, notwithstanding the execution of due care and special procedures designed to prevent such errors. It is possible that you as an investor may lose a substantial proportion or all of its investment in a Sub-Fund, including (for an Index Tracking Sub-Fund), where the relevant Index value declines. As a result, each investor should carefully consider whether you can afford to bear the risks of investing in the relevant Sub-Fund.

Market Risk

The Net Asset Value of each Sub-Fund will change with changes in the market value of the Securities, Swaps and/or Futures Contracts it holds. The price of Shares and the income from them may go down as well as up. There can be no assurance that an investor will achieve profits or avoid losses, significant or otherwise. The capital return and income of each Sub-Fund are based on the capital appreciation and income on the Securities, Swaps and/or Futures Contracts it holds, less expenses incurred. A Sub-Fund's return may fluctuate in response to changes in such capital appreciation or income. Furthermore, an Index Tracking Sub-Fund may experience volatility and decline in a manner that broadly corresponds with the relevant Index. Investors in each Sub-Fund are exposed to the same risks that investors who invest directly in the underlying Securities, Swaps and/or Futures Contracts would face. These risks include, for example, interest rate risks (risks of changes in portfolio values with changes in interest rates); income risks (risks of falling incomes from a portfolio in a falling interest rate market); and credit risk (risk of a default by the underlying issuer of a Security in the portfolio of a Sub-Fund or, for an Index Tracking Sub-Fund, a Security that forms part of the Index).

Asset Class Risk

Although the Manager is responsible for the continuous supervision of the investment portfolio of each Sub-Fund, the returns from the types of Securities, Swaps and/or Futures Contracts in which the Sub-Fund invests (either directly or indirectly) may underperform or outperform returns from other Securities, Swaps and/or Futures Contracts markets or from investment in other assets. Different types of Securities, Swaps and/or Futures Contracts tend to go through cycles of out-performance and underperformance when compared with other general Securities, Swaps and/or Futures Contracts markets.

Possible Business Failure Risk

Global markets may experience very high levels of volatility and an increased risk of corporate failures. The insolvency or other corporate failures of any one or more of the companies in which a Sub-Fund invests or (for an Index Tracking Sub-Fund only) of one or more of the constituents of the relevant Index may have an adverse effect on the Index's (if any) and therefore the relevant Sub-Fund's performance. You may lose money by investing in any Sub-Fund.

Management Risk

Each Sub-Fund is subject to management risk. This is the risk that the Manager's strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. In addition, the Manager has absolute discretion to exercise Shareholders' rights with respect to Securities, Swaps and/or Futures Contracts comprising a Sub-Fund. There can be no guarantee that the exercise of such discretion will result in the investment objective of a Sub-Fund being achieved.

Single Country / Concentration Risk

A Sub-Fund may be subject to concentration risk as a result of having a strategy which concentrates in, or for an Index Tracking Sub-Fund, tracking the performance of, a single geographical region or country (such as the PRC mainland) or industry sector. For an Index Tracking Sub-Fund, the Index may be comprised of a limited number of securities. A Sub-Fund may therefore likely be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations in value of the Index or Securities resulting from adverse conditions in the particular geographical region, country or industry sector. Where an Index Tracking Sub-Fund's Index tracks a particular region or country or industry sector or where the Index has a small number of constituents or where the active strategy of a Sub-Fund is concentrated in a single geographical region or country or industry sector, risk factors specific to the relevant Sub-Fund are set out in its Appendix. Please refer to each Sub-Fund's Appendix for details.

Securities Risk

The investments of each Sub-Fund are subject to risks inherent in all Securities (including settlement and counterparty risks). The value of holdings may fall as well as rise. The global markets may experience very high levels of volatility and instability, resulting in higher levels of risk than is customary (including settlement and counterparty risks).

Counterparty Risk

Counterparty risk involves the risk that a counterparty or third party will not fulfil its obligations to a Sub-Fund and settle a transaction in accordance with market practice. A Sub-Fund may be exposed to the risk of a counterparty through investments.

A Sub-Fund may be exposed to the counterparty risk of the Custodian with which the Scheme Property is deposited. The Custodian may be unable to perform their obligations due to credit-related and other events like insolvency of or default of them. In these circumstances the relevant Sub-Fund may be required to unwind certain transactions and may encounter delays of some years and difficulties with respect to court procedures in seeking recovery of the relevant Sub-Fund's assets.

Equity Risk

Investment in equity Securities by a Sub-Fund (where permitted) may offer a higher rate of return than a fund investing in short term and longer term debt securities. However, the risks associated with investments in equity Securities may also be higher, because the investment performance of equity Securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value.

Difficulties in Valuation of Investments Risk

Securities acquired on behalf of a Sub-Fund may subsequently become illiquid due to events relating to the issuer of the securities, market and economic conditions and regulatory sanctions. In cases where no clear indication of the value of a Sub-Fund's portfolio securities is available (for example, when the secondary markets on which a security is traded have become illiquid) the Manager may in consultation with the Custodian apply valuation methods to ascertain the fair value

of such securities, pursuant to the Instrument.

Trading Risk

While the creation/redemption feature of each Sub-Fund is designed to make it likely that Shares will trade close to their Net Asset Value, disruptions to creations and redemptions (for example, as a result of imposition of capital controls by a foreign government) may result in trading prices that differ significantly from the Net Asset Value. The secondary market prices of Shares will fluctuate in accordance with changes in the Net Asset Value and supply and demand on any exchange on which Shares are listed. In addition, when buying or selling Shares on the SEHK additional charges (such as brokerage fees) mean that an investor may pay more than the Net Asset Value per Share when buying Shares on the SEHK and may receive less than the Net Asset Value per Share when selling Shares on the SEHK. The Manager cannot predict whether Shares will trade below, at, or above their Net Asset Value. Since, however, Shares must be created and redeemed in Application Share size (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their Net Asset Value) the Manager believes that ordinarily large discounts or premiums to the Net Asset Value of Shares should not be sustained. If the Manager suspends creations and/or redemptions of Shares, the Manager anticipates that there may be larger discounts or premiums as between the secondary market price of Shares and the Net Asset Value.

Loss of Capital Risk

There is no guarantee that a Sub-Fund's investments will be successful. In addition, trading errors are an intrinsic factor in any investment process, and may occur, notwithstanding the execution of due care and special procedures designed to prevent such errors.

Counterparty to Custodian Risk

The Sub-Funds will be exposed to the credit risk of any custodian or any depository used by the Custodian where cash is held by the Custodian or other depositaries. In the event of the insolvency of the Custodian or other depositaries, a Sub-Fund will be treated as a general creditor of the custodian or other depositaries in relation to cash holdings of the relevant Sub-Fund. The Sub-Fund's Securities are however maintained by the custodian or other depositaries in segregated accounts and should be protected in the event of insolvency of the Custodian or other depositaries.

Indemnity Risk

Under the Custody Agreement and the Management Agreement, the Custodian and the Manager (and their respective directors, officers and employees) shall be entitled, except to the extent of any fraud, negligence, or wilful default on its (or their) part, to be indemnified and held harmless out of the assets of the relevant Sub-Fund in respect of any (in addition to any right of indemnity given by law) action, costs, claims, damages, expenses or liabilities to which it (or they) may be put or which it (or they) may incur by virtue of the proper performance of their respective duties. Any reliance by the Custodian or the Manager on the right of indemnity would reduce the assets of a Sub-Fund and the value of the Shares.

Dividends May Not be Paid Risk

Whether a Sub-Fund or a class of Shares will pay distributions on its Shares is subject to the Manager's distribution policy (as described in the relevant Appendix) and also mainly depends on dividends declared and paid in respect of the Securities comprising the Index or the portfolio of the Sub-Fund. In addition, dividends received by a Sub-Fund may be applied towards meeting the costs and expenses of that Sub-Fund. Dividend payment rates in respect of such Securities will depend on factors beyond the control of the Manager including, general economic conditions, and the financial position and dividend policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by each Sub-Fund and therefore, each Sub-Fund may effectively pay distributions out of the capital. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Share. The Manager may amend its distribution policy subject to the SFC's prior approval (if required) and by giving not less than one month's prior notice to Shareholders.

Early Termination Risk

A Sub-Fund may be terminated early under certain circumstances as set out in the Instrument and summarised under the section headed "Termination (otherwise than by winding up)" below. Upon a Sub-Fund being terminated, the Company will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in the relevant Sub-Fund to the Shareholders in accordance with the Instrument. Investors may suffer a loss where a Sub-Fund is terminated because any such amount distributed may be more or less than the capital invested by the Shareholder.

Effect of Redemptions Risk

If significant redemptions of Shares are requested by the Participating Dealers in respect of Listed Class of Shares or by Shareholders of Unlisted Class(es) of Shares, it may not be possible to liquidate the relevant Sub-Fund's investments at the time such redemptions are requested or the Manager may be able to do so only at prices which the Manager believes does not reflect the true value of such investments, resulting in an adverse effect on the return to investors. Where significant redemptions of Shares are requested by the Participating Dealers for Listed Class of Shares or by the Shareholders of Unlisted Class(es) of Shares, the right of Participating Dealers or Shareholders (as the case may be) to require redemptions in excess of 10% of the of the total Net Asset Value of Shares in a Sub-Fund then in issue (or such higher percentage as the Manager may determine) may be deferred, or the period for the payment of redemption proceeds may be extended.

In addition, the Manager may also in certain circumstances suspend the determination of the Net Asset Value of a Sub-Fund for the whole or any part of any period. Please see the section on "Determination of Net Asset Value" for further details.

Borrowing Risk

The Company may borrow for the account of a Sub-Fund (up to 10% of the Net Asset Value of each Sub-Fund unless otherwise specified in the Appendix) for various reasons, such as facilitating redemptions or to acquire investments for the account of the Sub-Fund. Borrowing involves an increased degree of financial risk and may increase the exposure of a Sub-Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that a Sub-Fund will be able to borrow on favourable terms, or that the relevant Sub-Fund's indebtedness will be accessible or be able to be refinanced by the relevant Sub-Fund at any time.

Government Intervention and Restriction Risk

Governments and regulators may intervene in the financial markets, such as by the imposition of trading restrictions, a ban on short selling or the suspension of short selling for certain stocks. This may affect the operation and market making activities of the Sub-Fund, and may have an unpredictable impact on the Sub-Funds, including increasing or decreasing the level of premium or discount of the Share price to Net Asset Value or affecting the ability of the Index Tracking Sub-Funds to track the relevant Index. Furthermore, such market interventions may have a negative impact on the market sentiment which may in turn affect the performance of an Index (if any) and

as a result the performance of the relevant Sub-Fund.

No Right to Control the Sub-Fund's Operation Risk

Investors will have no right to control the daily operations, including investment and redemption decisions, of the Sub-Funds.

Reliance on the Manager Risk

In the case of loss of service of the Manager or any of its key personnel, as well as any significant interruption of the Manager's business operations or in the extreme case of the insolvency of the Manager, the Custodian may not find successor managers with the requisite skills and qualifications quickly or at all and the new appointment may not be on equivalent terms or of similar quality.

Foreign Exchange Risk

If a Sub-Fund's assets are generally invested (either directly or indirectly) in Securities, Swaps or Futures Contracts denominated other than in its base currency, and if a substantial portion of the revenue and income of a Sub-Fund is received in a currency other than its base currency, any fluctuation in the exchange rate of the base currency relative to the relevant foreign currency will affect the Net Asset Value of a Sub-Fund regardless of the performance of its underlying portfolio. If the relevant Sub-Fund's Net Asset Value is determined on the basis of HKD, an investor may lose money if he invests in any Sub-Fund if the local currency of a foreign market depreciates against the HKD, even if the local currency value of the Sub-Fund's holdings goes up.

Foreign Security Risk

Investing in the Securities of non-Hong Kong companies involves special risks and considerations not typically associated with investing in Hong Kong companies. These include differences in accounting, disclosure, auditing and financial reporting standards, the possibility of expropriation or confiscatory taxation, adverse changes in investment or exchange control regulations, the imposition of restrictions on the expatriation of funds or other assets of a Sub-Fund, political instability which could affect local investments in foreign countries, and potential restrictions on the flow of international capital. Non-Hong Kong companies may be subject to less governmental regulation than Hong Kong companies. Moreover, individual foreign economies may differ favourably or unfavourably from the Hong Kong economy in such respects as growth of gross domestic product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payment positions.

Some overseas stock exchanges may have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. Some countries prohibit or restrict foreign investment, or the repatriation of income, capital or the proceeds from sale of Securities. The Sub-Fund may incur higher costs investing in these countries. These restrictions may limit the Sub-Fund's ability to invest in these countries, delay the investment or repatriation of capital of the Sub-Fund and (for an Index Tracking Sub-Fund) impact the Sub-Fund's ability to track the performance of the Index.

Securities Financing Transactions Risks

A Sub-Fund which enters into Securities Financing Transactions may be subject to legal risk, operational risks, liquidity risk of the counterparty and custody risk of the collateral and the following risks:

- *Securities Lending Transactions* – Securities Lending Transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out.

- *Sale and Repurchase Transactions* – In the event of the failure of the counterparty with which collateral has been placed, a Sub-Fund may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with

the counterparty due to inaccurate pricing of the collateral or market movements.

- *Reverse Repurchase Transactions* – In the event of the failure of the counterparty with which cash has been placed, a Sub-Fund may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Collateral and FDI Risks

The risks associated with the use of FDIs are different from, or possibly greater than, the risks associated with investing directly in Securities and other traditional investments. Generally, an FDI is a financial contract the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indices. Any Sub-Fund investing in FDIs may utilise both exchange-traded and over-the-counter derivatives. Compared to equity Securities, FDIs can be more sensitive to changes in market prices of the underlying assets and thus market prices of FDIs may fall in value as rapidly as they may rise. Investors investing in such Sub-Funds are exposed to a higher degree of fluctuation in value than a Sub-Fund which does not invest in FDIs. Transactions in over-the-counter FDIs may involve additional risk such as the risk that a counterparty defaults as there is no regulated market for such FDIs. Investing in FDIs also involves other types of risks including, but not limited to, the risk of adopting different valuation methodologies and imperfect correlation between the FDI and its underlying securities, rates and indices. Risks associated with FDIs also include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a FDI can result in a loss significantly greater than the amount invested in the FDI by a Sub-Fund. Exposure to FDIs may lead to a high risk of significant loss by a Sub-Fund. There is no assurance that any derivative strategy used by a Sub-Fund will succeed.

There are risks associated with management of collateral and re-investment of collateral. The value of any collateral received in respect of FDI transactions (if any) may be affected by market events. In the case of collateral assets which are listed securities, the listing of such securities may be suspended or revoked or the trading of such securities on the stock exchanges may be suspended, and during the period of suspension or upon revocation, it may take longer to realise the relevant collateral assets. In the case of collateral assets which are debt securities, the value of such securities will be dependent on the creditworthiness of the issuers or obligors in respect of the relevant collateral assets. In the event any issuer or obligor of such collateral assets is insolvent, the value of the collateral assets will be reduced substantially and may cause the relevant Sub-Fund's exposure to such counterparty to be under-collateralised. If the Sub-Fund reinvests cash collateral, it is subject to investment risk including the potential loss of principal.

A Sub-Fund uses investment techniques, including investments in derivatives, such as Futures Contracts and Swaps that may be considered aggressive. The use of derivatives may result in larger losses or smaller gains than investing in or shorting the Securities included in the relevant Index or the portfolio of the Sub-Fund. Investments in these derivatives may generally be subject to market risks that cause their prices to fluctuate more than an investment directly in a security and may increase the volatility of Sub-Fund. The use of derivatives may expose each Sub-Fund to additional risks such as counterparty risk, liquidity risk and increased daily correlation risk. When a Sub-Fund uses derivatives, there may be imperfect correlation between the value of the underlying reference assets and the derivative, which may prevent each Sub-Fund from achieving its investment objective.

With respect to the use of Swaps, if the underlying index has a dramatic intraday move in value that causes a material decline in the Sub-Fund's Net Asset Value, the terms of the Swap agreement between each Sub-Fund and its Swap Counterparty may allow the Swap Counterparty to immediately close out of the transaction with the Sub-Fund. In such circumstances, each Sub-Fund may be unable to enter into another swap agreement or invest in other derivatives to achieve the desired exposure consistent with the Sub-Fund's investment objective. Any financing, borrowing or other costs associated with using derivatives may also have the effect of lowering the Sub-Fund's return. In addition, the Sub-Fund's investments in derivatives are subject to the following risks:

- Swaps. Swaps are entered into primarily with major global financial institutions for a specified period which may range from one day to more than one year. In a standard swap transaction, two parties agree to exchange the return (or differentials in rates of return) earned or realised on particular predetermined reference or underlying Securities or instruments. The gross return to be exchanged or swapped between the parties is calculated based on a notional amount or the return on or change in value of a particular dollar amount invested in a basket of Securities representing a particular index. Total return swaps are subject to counterparty risk, which relates to credit risk of the Swap Counterparty and liquidity risk of the Swaps themselves.

- Futures Contracts. A futures contact is a contract to purchase or sell a particular security, or the cash value of an index, at a specified future date at a price agreed upon when the contract is made. Under such contracts, no delivery of the actual Securities is required. Rather, upon the expiration of the contract, settlement is made by exchanging cash in an amount equal to the difference between the contract price and the closing price of a security or index at expiration, net of the variation margin that was previously paid.

Counterparty Risk

Each Sub-Fund may invest in Futures Contracts and/or Swaps involving counterparties for the purpose of attempting to gain exposure to a relevant index without actually purchasing those Securities or investments. The use of these derivatives involves risks that are different from those associated with Securities. For example, each Sub-Fund is exposed to the risk that the Swap Counterparty may be unwilling or unable to make timely payments to meet its contractual obligations or may fail to return holdings that are subject to the agreement with the Swap Counterparty. If the Swap Counterparty becomes bankrupt or defaults on its payment obligations to the Sub-Fund, it may not receive the full amount it is entitled to receive. In addition, each Sub-Fund may enter into swap agreements with a limited number of counterparties, which may increase the Sub-Fund's exposure to counterparty credit risk. Each Sub-Fund does not specifically limit its counterparty risk with respect to any single counterparty and there is a chance for each Sub-Fund to have single counterparty. Further, there is a risk that no suitable counterparties are willing to enter into, or continue to enter into, transactions with each Sub-Fund and, as a result, each Sub-Fund may not be able to achieve its investment objectives. A Sub-Fund will not enter into any agreement involving a Swap Counterparty unless the Manager believes that the other party to the transaction is creditworthy.

Liquidity Risk

Some Securities held by a Sub-Fund, including derivatives, may be difficult to sell or illiquid, particularly during times of market turmoil. Illiquid Securities may also be difficult to value. Markets for Securities or financial instruments could be disrupted by a number of events, including, but not limited to an economic crisis, natural disasters, new legislation or regulatory changes. Illiquid Securities may also be difficult to value. If a Sub-Fund is forced to sell an illiquid security at an unfavourable time or at a price that is lower than Manager's judgment of the Security's true market value, each Sub-Fund may be forced to sell the security at a loss. Such a situation may prevent each Sub-Fund from limiting losses, realising gains or achieving its investment objective, thus adversely affecting the Sub-Fund's performance.

Severe Weather Conditions Risk

The SEHK has announced that, from 23 September 2024, on any day on which severe weather conditions persist (i.e. Typhoon Signal No. 8 or above is hoisted, or Black Rainstorm Warning is issued by the Hong Kong Observatory, or a situation of "Extreme Conditions" is announced by the Hong Kong Government), trading, clearing and settlement services and operations will continue in both the securities and derivatives markets in Hong Kong, and the SEHK will maintain normal operations to the furthest extent possible.

Accordingly, the Listed Classes of each Sub-Fund will be traded on the SEHK on such days, if the SEHK maintains normal operations. Further, on each such day which is a Dealing Day, it is intended that the dealing of Unlisted Classes of Shares of each Sub-Fund (if offered) will be conducted,

pursuant to the terms and procedures set out in this Prospectus.

The implementation of trading and dealing of Shares of the Company (and the Sub-Funds) will depend on the operational support of its service providers. Although system testing has been performed, and contingency plans have been developed, there is a possibility of extreme events (e.g. temporary power outages or the suspension of electronic money transfer channels) so that service providers of the Company may not be able to operate, or to operate at the usual level.

While the Manager, the Custodian and other service providers of the Company will take appropriate measures to ensure normal operations as far as possible, to facilitate the investment in different classes of Shares, in both the primary and the secondary markets, investors should note that their ability to invest will also depend on the availability of the services of their own service providers. For example, investors who wish to invest in the Listed Classes of Shares of a Sub-Fund will have to do so through their brokers, while investors in the Unlisted Classes will need to check with their authorised distributors whether dealing is offered through them, on a day on which severe weather conditions persist. These service providers are independent of the Manager, and it cannot be guaranteed that their services will not be disrupted by severe weather events.

Risks Associated with Investment in an Index Tracking Sub-Fund

Passive Investment Risk

An Index Tracking Sub-Fund is not actively managed. Accordingly, an Index Tracking Sub-Fund may be affected by a decline in the market segments relating to the relevant Index or Indices. The Manager will not take defensive positions in declining markets. Investors may lose a significant part of their respective investments if the Index falls. Each Index Tracking Sub-Fund invests (either directly or indirectly) in the Securities, Swaps and/or Futures Contracts included in or representative of the relevant Index regardless of their investment merit, except to the extent of any representative sampling strategy. The Manager does not attempt to take defensive positions unless under extreme market circumstances, the Manager will adopt temporary defensive position for protection of the Index Tracking Sub-Fund. Investors should note that the lack of discretion on the part of the Manager to adapt to market changes due to the inherent investment nature of an Index Tracking Sub-Fund will mean a decline in the Index or Indices are expected to result in corresponding falls in the Net Asset Values of the Index Tracking Sub-Fund, and investors may lose substantially all of their investment.

Representative Sampling Risk

With a representative sampling strategy, an Index Tracking Sub-Fund does not hold all of the Securities in its Index and may invest in Securities not included in its Index, provided that the sample closely reflects the overall characteristics of the Index which the Manager believes will help the Index Tracking Sub-Fund achieve its investment objective. The Securities held by an Index Tracking Sub-Fund may also be over or underweight relative to the Securities in its Index. It is therefore possible that an Index Tracking Sub-Fund may be subject to larger tracking error.

Tracking Error Risk

An Index Tracking Sub-Fund's returns may deviate from the Index due to a number of factors. For example, the fees and expenses of an Index Tracking Sub-Fund, any adoption of a representative sampling strategy, costs of using FDIs, liquidity of the market, imperfect correlation of returns between an Index Tracking Sub-Fund's assets and the Securities or FDIs constituting its Index, inability to rebalance an Index Tracking Sub-Fund's holdings of Securities or FDIs in response to high portfolio turnover, transaction costs, a temporary lack of liquidity in the markets for the Securities or FDIs held by an Index Tracking Sub-Fund, changes in the constituents of the Index, rounding of Security or FDIs prices, inability to acquire the required number of Securities or FDIs due to limited Sub-Fund size, changes to the Indices and regulatory policies may affect the Manager's ability to achieve close correlation with the performance of the relevant Index. The level of fees, taxes and expenses payable by an Index Tracking Sub-Fund will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of each Index Tracking Sub-Fund can be estimated, the growth rate of an Index Tracking Sub-Fund, and hence its Net

Asset Value, cannot be anticipated. The above factors may cause an Index Tracking Sub-Fund's returns to deviate from the performance of its Index. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time to achieve the performance of the relevant Index.

Risk Associated with Differences in Trading, Fee and Cost Arrangements between Listed Class and Unlisted Class(es) of Shares

Each Sub-Fund is an exchange traded fund, which may offer both Listed Class of Shares and Unlisted Class(es) of Shares. Dealing arrangements in respect of Listed Class of Shares and Unlisted Class(es) of Shares are different, and depending on market conditions, investors of the Listed Class of Shares may be at an advantage compared to investors of the Unlisted Class(es) of Shares, or vice versa. The Net Asset Value per Share of each of the Listed Class of Shares and Unlisted Class(es) of Shares may also be different due to the different fees (such as the Management Fee) and costs applicable to each such class of Shares.

In addition, investors should note that different cost mechanisms apply to Listed Class of Shares and Unlisted Class(es) of Shares. For Listed Class of Shares, the Transaction Fee and Duties and Charges in respect of Creation and Redemption Applications are paid by the Participating Dealer applying for or redeeming such Shares and/or the Manager. Investors of Listed Class of Shares in the secondary market will not bear such Transaction Fees and Duties and Charges (but for the avoidance of doubt, may bear other fees, such as SEHK trading fees, as described under the section "Fees and Expenses"). On the other hand, the subscription and redemption of Unlisted Class(es) of Shares may be subject to a subscription fee and redemption fee respectively, which will be payable to the Manager by the investor subscribing or redeeming. In addition, the Manager may, in its absolute discretion, in addition to the Subscription Price and/or Redemption Price, in certain circumstances, add or deduct an amount of Subscription Adjustment Allowance or Redemption Adjustment Allowance (as the case may be) it considers represents an appropriate provision for transactional fees or expenses which are customarily incurred by the Sub-Fund, and such additional amount will be paid to the Custodian and will form part of the assets of the relevant Sub-Fund. Please refer to Schedule 2 for further information on Subscription Adjustment Allowance and Redemption Adjustment Allowance.

Any or all of these factors may lead to a difference in the Net Asset Value of the Listed Class of Shares and Unlisted Class(es) of Shares.

Trading Arrangements in respect of Unlisted Class(es) of Shares

Unlike investors of Listed Class of Shares who may buy and sell Shares in the secondary market during SEHK trading hours, investors of Unlisted Class(es) of Shares are only able to subscribe and redeem at the relevant Subscription Price and Redemption Price (as the case may be) based on the latest available Net Asset Value as at the end of each Dealing Day. As such, holders of Listed Class of Shares would have intra-day trading opportunities which will not be available to holders of Unlisted Class(es) of Shares. In a stressed market scenario, holders of Listed Class of Shares can sell their Shares on the secondary market during SEHK trading hours if the market continues to deteriorate, while holders of Unlisted Class(es) of Shares will not be able to do.

Trading Arrangements in respect of Listed Class of Shares

Conversely, secondary market investors generally do not have access to the redemption facilities which are available to investors of Unlisted Class(es) of Shares. During stressed market conditions, Participating Dealers may, on their own account or on behalf of any primary market investors, redeem Listed Class of Shares on the primary market at the Net Asset Value of the relevant Sub-Fund, but the secondary market trading prices may have diverged from the corresponding Net Asset Value. In such circumstances, holders of the Listed Class of Shares in the secondary market will be at an apparent disadvantage to holders of the Unlisted Class(es) of Shares as the latter will be able to redeem from the relevant Sub-Fund at Net Asset Value whilst the former will not.

Please also refer to "Risks Associated with Market Trading (applicable to Listed Class of Shares only)" below for additional risks relating to Listed Class of Shares.

Risks Associated with Market Trading (applicable to Listed Class of Shares only)

Absence of Active Market and Liquidity Risks

Although Listed Class of Shares of each Sub-Fund is listed for trading on the SEHK, there can be no assurance that an active trading market for such Shares will develop or be maintained. In addition, if the underlying Securities, Swaps or Futures Contracts have limited trading markets, or if the spreads are wide, this may adversely affect the price of the Listed Class of Shares and the ability of an investor to dispose of his, her or its Listed Class of Shares at the desired price. If an investor needs to sell his, her or its Listed Class of Shares at a time when no active market for them exists, the price received for the Shares – assuming an investor is able to sell them – is likely to be lower than the price received if an active market did exist.

No Trading Market in the Listed Class of Shares Risk

Although Listed Class of Shares is listed on the SEHK and one or more Market Makers have been appointed, there may be no liquid trading market for the Listed Class of Shares or that such Market Maker(s) may cease to fulfil that role. Further, there can be no assurance that Listed Class of Shares will experience trading or pricing patterns similar to those of exchange traded funds which are issued by investment companies in other jurisdictions or those traded on the SEHK which are based upon indices other than the Index.

Suspension of Trading Risk

Investors and potential investors will not be able to buy, nor will investors be able to sell, Listed Class of Shares on the SEHK during any period in which trading of the Listed Class of Shares is suspended. The SEHK may suspend the trading of Listed Class of Shares whenever the SEHK determines that it is appropriate and in the interest of a fair and orderly market to protect investors. The subscription and redemption of Shares may also be suspended if the trading of Shares is suspended.

Listed Class of Shares May Trade at Prices Other than Net Asset Value Risk

Listed Class of Shares may trade on the SEHK at prices above or below the most recent Net Asset Value. The Net Asset Value per Share of each Sub-Fund is calculated at the end of each Dealing Day and fluctuates with changes in the market value of the relevant Sub-Fund's holdings. The trading prices of the Listed Class of Shares fluctuate continuously throughout the trading hours based on market supply and demand rather than Net Asset Value. The trading price of the Listed Class of Shares may deviate significantly from Net Asset Value particularly during periods of market volatility. Any of these factors may lead to the Listed Class of Shares of the relevant Sub-Fund trading at a premium or discount to the Net Asset Value. On the basis that Listed Class of Shares can be created and redeemed in Application Share size at Net Asset Value, the Manager believes that large discounts or premiums to Net Asset Value are not likely to be sustained over the long-term.

While the creation/redemption feature is designed to make it likely that the Listed Class of Shares will normally trade at prices close to the relevant Sub-Fund's next calculated Net Asset Value attributable to the Listed Class of Shares, trading prices are not expected to correlate exactly with the relevant Sub-Fund's Net Asset Value attributable to the Listed Class of Shares due to reasons relating to timing as well as market supply and demand factors. In addition, disruptions to creations and redemptions or the existence of extreme market volatility may result in trading prices that differ significantly from Net Asset Value. In particular, if an investor purchases Listed Class of Shares at a time when the market price is at a premium to Net Asset Value or sells when the market price is at a discount to Net Asset Value, then the investor may sustain losses.

Cost of Trading Listed Class of Shares Risk

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Listed Class of Shares on the SEHK, investors may pay more than the Net Asset Value per Share of the Listed Class of Shares when buying the Listed Class of Shares on the SEHK, and may receive less

than the Net Asset Value per Share of the Listed Class of Shares when selling Listed Class of Shares on the SEHK. In addition, investors on the secondary market will also incur the cost of the trading spread, being the difference between what investors are willing to pay for the Listed Class of Shares (bid price) and the price at which they are willing to sell Listed Class of Shares (ask price). Frequent trading may detract significantly from investment results and an investment in Listed Class of Shares may not be advisable particularly for investors who anticipate making small investments regularly.

Restrictions on Creation and Redemption of Listed Class of Shares Risk

Investors should note that Listed Class of Shares of a Sub-Fund is not like a typical retail investment fund offered to the public in Hong Kong (for which units or shares can generally be purchased and redeemed directly from the manager). Listed Class of Shares of a Sub-Fund may only be created and redeemed in Application Share sizes directly by a Participating Dealer (either on its own account or on behalf of an investor through a stockbroker which has opened an account with the Participating Dealer). Other investors of Listed Class of Shares may only make a request (and if such investor is a retail investor, through a stockbroker which has opened an account with a Participating Dealer) to create or redeem Listed Class of Shares in Application Share sizes through a Participating Dealer which reserves the right to refuse to accept a request from an investor to create or redeem Listed Class of Shares under certain circumstances. Alternatively, investors may realise the value of their Listed Class of Shares by selling their Shares through an intermediary such as a stockbroker on the SEHK, although there is a risk that dealings on the SEHK may be suspended. Please refer to the section headed "Creations and Redemptions (Primary Market)" for details in relation to the circumstances under which creation and redemption applications can be rejected.

Secondary Market Trading Risk

Listed Class of Shares in a Sub-Fund may trade on the SEHK when the relevant Sub-Fund does not accept orders to subscribe or redeem Shares. On such days, Listed Class of Shares may trade in the secondary market with more significant premiums or discounts than might be experienced on days when the Sub-Fund accepts subscription and redemption orders.

Reliance on Market Makers Risk

Although it is a requirement that the Manager uses its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Listed Class of Shares of each Sub-Fund, there may be circumstances such as the revocation of the relevant market making approvals or registration or other changes beyond the control of the Manager that may result in the sudden loss of a Market Maker for a Sub-Fund. It should be noted that liquidity in the market for the Listed Class of Shares may be adversely affected if there is no market maker for a Sub-Fund or, where there is a Multi-Counter, if there is no Market Maker for any of the counters of Listed Class of Shares of a Sub-Fund. The Manager will seek to mitigate this risk by using its best endeavours to put in place arrangements so that at least one Market Maker for each available counter of the Listed Class of Shares of each Sub-Fund gives not less than 3 months' notice prior to terminating market making under the relevant market making agreements. It is possible that there is only one Market Maker to the Listed Class of Shares of a Sub-Fund or to a counter of the Listed Class of Shares of a Sub-Fund or the Manager may not be able to engage a substitute Market Maker within the termination notice period of a Market Maker. There is also no guarantee that any market making activity will be effective.

Reliance on Participating Dealers Risk

The creation and redemption of Listed Class of Shares may only be effected through Participating Dealers. A Participating Dealer may charge a fee for providing this service. Participating Dealers will not be able to create or redeem Listed Class of Shares during any period when, amongst other things, dealings on the SEHK are restricted or suspended, settlement or clearing of Securities through the CCASS is disrupted or (for an Index Tracking Sub-Fund only) the Index is not compiled or published. In addition, Participating Dealers will not be able to issue or redeem Listed Class of Shares if some other event occurs that impedes the calculation of the Net Asset Value of the

relevant Sub-Fund or disposal of the relevant Sub-Fund's Securities, Swaps or Futures Contracts cannot be effected. Where a Participating Dealer appoints an agent or delegate (who is a participant of CCASS) to perform certain CCASS-related functions, if the appointment is terminated and the Participating Dealer fails to appoint an alternative agent or delegate, or if the agent or delegate ceases to be a participant of CCASS, the creation or realisation of Listed Class of Shares by such Participating Dealer may also be affected. Since the number of Participating Dealers at any given time will be limited, and there may even be only one Participating Dealer at any given time, there is a risk that investors may not always be able to create or redeem Listed Class of Shares freely.

Trading Time Differences Risk (if applicable)

As a stock exchange or futures exchange may be open when the Listed Class of Shares are not priced, the value of any Security or FDI which comprises the Index or the portfolio of the Sub-Fund may change when investors may not be able to buy or sell Listed Class of Shares. Further the price of Securities, Swaps or Futures Contracts may not be available during part of the Trading Day due to trading hour differences which may result in the trading price of Listed Class of Shares deviating from the Net Asset Value per Share attributable to Listed Class of Shares. When trading FDIs there may be a time difference between the trading times of the FDIs and the underlying index constituents or the underlying securities. There may be imperfect correlation between the value of the underlying index constituents or securities and the FDIs, which may prevent a Sub-Fund from achieving its investment objective.

Listed Class of Shares may be Delisted from the SEHK Risk

The SEHK imposes certain requirements for the continued listing of Securities, including the Listed Class of Shares, on the SEHK. Investors cannot be assured that any Sub-Fund will continue to meet the requirements necessary to maintain the listing of Listed Class of Shares on the SEHK or that the SEHK will not change the listing requirements. If the Listed Class of Shares of a Sub-Fund is delisted from the SEHK, Shareholders will have the option to redeem their Listed Class of Shares by reference to the Net Asset Value of the Sub-Fund attributable to the Listed Class of Shares. Where the relevant Sub-Fund remains authorised by the SFC, such procedures required by the UT Code will be observed by the Manager including as to notices to Shareholders, withdrawal of authorisation and termination, as may be applicable. Should the SFC withdraw authorisation of a Sub-Fund for any reason it is likely that the Listed Class of Shares may also have to be delisted.

Risks Associated with the Indices (applicable to Index Tracking Sub-Funds only)

Fluctuations Risk

The performance of the Shares of an Index Tracking Sub-Fund should, before fees and expenses, correspond closely with the performance of the relevant Index. If the relevant Index experiences volatility or declines, the price of the Shares of the Index Tracking Sub-Fund which tracks that Index will vary or decline accordingly.

Licence to Use Index may be Terminated Risk

The Manager is granted a licence by the Index Provider to use each Index to create the relevant Index Tracking Sub-Fund based on the Index and to use certain trade-marks and any copyright in the Index. An Index Tracking Sub-Fund may not be able to fulfil its objective and may be terminated if the licence agreement is terminated. The initial term of the licence agreement may be limited in period and thereafter renewable for only short periods. There can be no guarantee that the relevant licence agreement will be perpetually renewed. For further information on the grounds for terminating the licence agreement, please refer to the section on "Index Licence Agreement" in each Index Tracking Sub-Fund's Appendix. Although the Manager will seek to find a replacement Index, an Index Tracking Sub-Fund may also be terminated if the relevant Index ceases to be compiled or published and there is no replacement Index using the same or substantially similar formula for the method of calculation as used in calculating the Index.

Compilation of Index Risk

The Securities and/or FDIs of each Index are determined and composed by the relevant Index Provider without regard to the performance of the relevant Index Tracking Sub-Fund. Each Index Tracking Sub-Fund is not sponsored, endorsed, sold or promoted by the relevant Index Provider. Each Index Provider makes no representation or warranty, express or implied, to investors in any Index Tracking Sub-Fund or other persons regarding the advisability of investing in Securities and/or FDIs generally or in any Index Tracking Sub-Fund particularly. Each Index Provider has no obligation to take the needs of the Manager or investors in the relevant Index Tracking Sub-Fund into consideration in determining, composing or calculating the relevant Index. There is no assurance that an Index Provider will compile the relevant Index accurately, or that the Index will be determined, composed or calculated accurately. In addition, the process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Provider without notice. Consequently there can be no guarantee that the actions of an Index Provider will not prejudice the interests of the relevant Index Tracking Sub-Fund, the Manager or investors.

Composition of an Index May Change Risk

The Securities and/or FDIs constituting an Index will change as the Securities and/or FDIs of the Index are delisted, or as the Securities and/or FDIs mature or are redeemed or as new Securities and/or FDIs are included in the Index or where the methodology of the Index is changed by the Index Provider. When this happens the weightings or composition of the Securities and/or FDIs owned by the relevant Index Tracking Sub-Fund (either directly or indirectly) will change as considered appropriate by the Manager to achieve the investment objective. Thus, an investment in Shares of an Index Tracking Sub-Fund will generally reflect the performance of the relevant Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Shares. However, there can be no guarantee that an Index Tracking Sub-Fund will, at any given time accurately reflect the composition of the relevant Index (please refer to the section on “Tracking Error Risk”).

Risks Associated with Regulation

Withdrawal of SFC Authorisation Risk

The Company and each Sub-Fund have been authorised as a collective investment scheme under the UT Code by the SFC under Section 104 of the SFO. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. This does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. For an Index Tracking Sub-Fund, the SFC reserves the right to withdraw the authorisation of the Company or an Index Tracking Sub-Fund if the relevant Index is no longer considered acceptable or impose such conditions as it considers appropriate. If the Manager does not wish the Company or a Sub-Fund to continue to be authorised by the SFC, the Manager will give Shareholders at least one months’ notice of the intention to seek SFC’s withdrawal of such authorisation. In addition, any authorisation granted by the SFC may be subject to certain conditions which may be withdrawn or varied by the SFC. If, as a result of such withdrawal or variation of conditions, it becomes illegal, impractical or inadvisable to continue the Company or a Sub-Fund, the Company or the Sub-Fund (as applicable) will be terminated.

General Legal and Regulatory Risk

A Sub-Fund must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in the investment policy and objectives followed by the Sub-Fund. Furthermore, such change in the laws may have an impact on the market sentiment which may in turn affect the performance of an Index or the Securities comprising the portfolio of a Sub-Fund and as a result, the performance of the relevant Sub-Fund. It is impossible to predict whether such an impact caused by any change of law will be positive or negative for the Sub-Fund. In the worst case scenario, a Shareholder may lose a material part of its investments in a Sub-Fund.

Taxation Risk

Investing in a Sub-Fund may have tax implications for a Shareholder depending on the particular circumstances of each Shareholder. Prospective investors are strongly urged to consult their own tax advisers and counsel with respect to the possible tax consequences to them of an investment in the Shares. Such tax consequences may differ in respect of different investors.

FATCA related risks

The US Foreign Account Tax Compliance Act ("FATCA") provides that a 30% withholding tax will be imposed on certain payments to certain foreign financial institutions, such as the Company and each Sub-Fund, including interests and dividends from securities of US issuers, unless the Company provide the withholding agent with certification to comply with FATCA and the Company obtains and reports the name, address and taxpayer identification number of certain persons that own, directly or indirectly, an interest in the relevant Sub-Fund, as well as certain other information relating to any such interest. The US Internal Revenue Service (the "IRS") has released regulations and other guidance that provide for the phased implementation of the foregoing withholding and reporting requirements. The United States Department of the Treasury and Hong Kong have entered into an intergovernmental agreement based on the Model 2 arrangement. Although the Company and each Sub-Fund will attempt to satisfy any obligations imposed on them to avoid the imposition of FATCA withholding tax, no assurance can be given that the Company and each Sub-Fund will be able to fully satisfy these obligations. If any Sub-Fund becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of such Sub-Fund may be adversely affected and such Sub-Fund and its Shareholders may suffer material loss.

The Company and each Sub-Fund's ability to comply with FATCA will depend on each Shareholder providing the Company or its agent with information that the Company requests concerning the Shareholder or its direct and indirect owners. As at the date of this Prospectus, all Shares in the Listed Class of Shares of each Sub-Fund are registered in the name of HKSCC Nominees Limited. HKSCC Nominees Limited has registered as a participating foreign financial institution.

Please also refer to the sub-section entitled "FATCA and compliance with US withholding requirements" under the section headed "Taxation" in this Prospectus for further details on FATCA and related risks.

All prospective investors and Shareholders should consult with their own tax advisers regarding the possible implications of FATCA and the tax consequences on their investments in a Sub-Fund. Shareholders who hold their Shares through intermediaries should also confirm the FATCA compliance status of those intermediaries.

Legal and Compliance Risk

Domestic and/or international laws or regulations may change in a way that adversely affects the Company or the Sub-Funds. Differences in laws between jurisdictions may make it difficult for the Custodian or Manager to enforce legal agreements entered into in respect of the Sub-Funds. The Custodian and the Manager reserve the right to take steps to limit or prevent any adverse effects from changes to laws or their interpretation, including altering investments of or restructuring the Sub-Funds.

Valuation and Accounting Risk

The Manager intends to adopt IFRS in drawing up the annual financial reports of each Sub-Fund. However, the calculation of the Net Asset Value in the manner described under the section on "Determination of Net Asset Value" will not necessarily be in compliance with generally accepted accounting principles, that is, IFRS. Investors should note that under IFRS, establishment costs should be expensed as incurred and that the amortisation of the expenses of establishing a Sub-Fund is not in accordance with IFRS; however, the Manager has considered the impact of such non-compliance and has considered that it will not have a material impact on the financial statements of each Sub-Fund. To the extent that the basis adopted by a Sub-Fund for subscription and redemption purposes deviates from IFRS, the Manager may make necessary adjustments in the annual financial reports for the financial reports to be in compliance with IFRS. Any such adjustments will be disclosed in the annual financial reports, including a reconciliation.

Contagion Risk

The Instrument allows the Company to issue Shares in separate Sub-Funds. The Instrument provides for the manner in which the liabilities are to be attributed across the various Sub-Funds under the Company (liabilities are to be attributed to the specific Sub-Fund in respect of which the liability was incurred). A person to whom such a liability is owed has no direct recourse against the assets of the relevant Sub-Fund (in the absence of the Company granting that person a security interest).

Cross Liability Risk

The assets and liabilities of each Sub-Fund under the Company will be tracked, for book keeping purposes, separately from the assets and liabilities of any other Sub-Funds, and the Instrument provides that the assets of each Sub-Fund should be segregated from each other. There is no guarantee that the courts of any jurisdiction outside Hong Kong will respect the limitations on liability and that the assets of any particular Sub-Fund will not be used to satisfy the liabilities of any other Sub-Fund.

MANAGEMENT OF THE COMPANY AND SUB-FUNDS

The Directors

The Directors of the Company are as follows:

WONG Ka Yan

Ms. WONG Ka Yan is a Director of the Company. She is concurrently the General Counsel and Head of Legal and Compliance Department of the Manager, responsible for providing strategic legal and compliance advice to the business teams of the Manager and its subsidiaries ("CSOP Group"). Ms. Wong oversees, from legal and compliance perspectives, the design and development of financial products of CSOP Group globally. Ms. Wong has extensive legal and compliance experience in relation to retail funds, in particular, the listing and distribution of exchange traded funds to retail investors in Hong Kong. Ms. Wong is a solicitor in Hong Kong. She was trained and had worked in reputable US law firms before she joined the Manager, including Reed Smith LLP and Hogan Lovells. She obtained her Master of Laws degree from the University College London, and her double Bachelor's degrees in Business Administration (LAW) and LLB from the University of Hong Kong.

CHEN Chia Ling

Ms. CHEN Chia Ling is an Independent Director of the Company. Ms. Chen holds a Master's degree in International Business from the University of Bristol in the United Kingdom and a Bachelor's degree from York University in Canada. Ms. Chen has over 20 years of experience in the financial services industry and over 10 years of experience in asset management, including experience with regard to launching exchange-traded funds.

From September 2013 to October 2014, Ms. Chen was a director of China Asset Management (Hong Kong) Limited ("CAMHK") as the manager of exchanged traded funds listed in Hong Kong. Ms. Chen was also the Chief Executive Officer of CAMHK from 2011 to 2014. Prior to taking over the Chief Executive Officer role, Ms. Chen was the Head of Business Development in charge of new business development including the infrastructure from 2009 to 2011. Before joining CAMHK, Ms. Chen served as Head of Sales (Greater China) at Deutsche Asset Management (Hong Kong) Limited and a director of the Equity Derivatives Desk at ABN AMRO Bank.

The Manager

The Manager is CSOP Asset Management Limited 南方東英資產管理有限公司.

The Manager was established in January 2008 and is licensed to carry on Types 1 (dealing in securities), 4 (advising on securities) and 9 (asset management) regulated activities under the SFO with CE Number ARN075.

The Manager, a subsidiary of China Southern Fund Management Co. Limited, was the first Hong Kong subsidiary set up by a PRC mainland fund house to carry out asset management and securities advisory activities in Hong Kong.

The Manager is dedicated to serving investors as a gateway for investment between China and the rest of the world. For inbound investment, the Manager boasting local expertise makes the ideal adviser or partner of international investors. For outbound investment, it is keen to introduce suitable overseas investment opportunities to domestic PRC mainland institutional and retail investors. The Manager provides discretionary management services and advisory services to both institutional investors and investment funds.

The directors of the Manager

The directors of the Manager are Yi Zhou, Li Chen, Xiaosong Yang, Chen Ding and Huachen Zhang.

Yi Zhou

Mr. Zhou holds a degree in Computer Communication from the Nanjing University of Posts and Telecommunications and has 16 years of experience in the securities industry. Mr. Zhou once worked on technology management in the telecommunications center of Jiangsu Posts & Telecommunications Bureau and administrative management at Jiangsu Mobile Communication Co., Ltd. He served as the Chairman of the Board of Directors at Jiangsu Beier Co., Ltd. and Nanjing Xinwang Tech Co., Ltd., and the Deputy General Manager of Shanghai Beier Fortune Communications Company.

Mr. Zhou is the CEO, Chairmen of Executive Committee, and Executive Director of Huatai Securities Co., Ltd., and is appointed as the Chairman of China Southern Asset Management Co., Ltd. in May 2022. Mr. Zhou joined Huatai Securities in August 2006 and served as the President and party secretary of Huatai Securities Co., Ltd. Mr. Zhou, from June 2016 to December 2019, served as the Chairman of the Board of Directors of Huatai Securities Co., Ltd.

Li Chen

Ms. Chen, holder of Master of Laws, has served as Researcher, Assistant General Manager of Security Business Department, Deputy Director of Research Department, Director of Research Department, Assistant Director of the Executive Committee in Huatai Securities. Ms. Chen is currently the Director, Secretary of the Party Committee and Executive Vice President in China Southern Fund Management Company Limited.

Xiaosong Yang

Mr. Yang is the Chief Executive Officer and Director of China Southern Asset Management Co., Ltd where Mr. Yang has overall responsibility for the business. He joined China Southern Asset Management Co., Ltd as the Head of Compliance in 2012.

Prior to joining China Southern Asset Management Co. Ltd., Mr. Yang worked for China Securities Regulatory Commission. Mr. Yang holds a Master's Degree in Economics from Renmin University of China in the PRC mainland.

Chen Ding, MH, JP

Ms. Ding has served as Chief Executive Officer of CSOP Asset Management Limited since joining the company in 2010, overseeing the formulation of the firm’s overall business direction and setting strategic priorities. Prior to this role, she was the Assistant CEO, Managing Director at China Southern Asset Management Co., Ltd. from 2003 to 2013, accumulating over 30 years of experience in the asset management industry.

Ms. Ding was awarded the Medal of Honour by the Hong Kong Special Administrative Region Government in 2021 and appointed as a Justice of the Peace in 2024. In 2025, she was appointed by the Hong Kong Special Administrative Region Government as an Independent Non-Executive Director of the Hong Kong Exchanges and Clearing Limited.

Since 2023, Ms. Ding has held the position of Vice Chairperson of the Hong Kong Financial Services Development Council, concurrently serving as Convener of the Mainland Opportunities Committee. Additionally, she transitioned to the position of Permanent Honorary Chairperson of the Chinese Asset Management Association of Hong Kong in 2020, following her tenure as its chairperson. Her current roles also include serving as Executive Board Member of the Treasury Markets Association Council.

Throughout her career, Ms. Ding has held several roles across government advisory bodies, including serving on the government’s Task Force on Enhancing Stock market Liquidity, the Securities and Futures Commission’s Product Advisory Committee, Process Review Panel, and Securities and Futures Appeals Tribunal, as well as the sub-Committee of Hong Kong Monetary Authority’s Financial Infrastructure and Market Development. Additionally, she was a member of The Mandatory Provident Fund Schemes Appeal Board. Her leadership extended to co-chairing the International Business Committee of the Asset Management Association of China and she held leadership positions as Vice Chairperson of the Chinese Securities Association of Hong Kong and

as member of the Executive Committee of the Investment Management Association of Singapore.

Huachen Zhang

Mr. Zhang, holder of Master in Business Administration, has served as Assistant Vice President of Huarong International Asset Management Company Limited, and Managing Director of Wealthink AI-Innovation Capital Limited. Mr. Zhang is currently the Co-CEO of GoFintech Innovation Limited.

The Manager has a risk management policy which enables it to monitor and measure at any time the risk of the FDIs used by any Sub-Fund for investment purposes. Each Sub-Fund is subject to daily risk management and control procedures such as, but not limited to:

(A) daily calculation of value at risk (a methodology used to estimate the maximum amount of portfolio losses under normal market conditions);

(B) limitation on the percentage of the Net Asset Value committed as margin for all futures or options contracts;

(C) liquidity guidelines on each open futures or option contract such as maximum holding compared to daily average volume for the contract;

(D) diversification guidelines per futures or option contract (limitation on the percentage of the Net Asset Value committed as margin for each single futures or option contract); and

(E) historical and hypothetical stress tests which aim to simulate adverse market scenarios.

The Investment Advisor (applicable in respect of CSOP FTSE Vietnam 30 ETF only)

The Manager has appointed SSI Asset Management Company Limited (the "**Investment Advisor**") as its investment advisor of the CSOP FTSE Vietnam 30 ETF pursuant to an investment advisory agreement entered into between the Manager and the Investment Advisor. The Investment Advisor shall provide investment advice to the Manager in respect of the CSOP FTSE Vietnam 30 ETF in accordance with the investment strategies of the CSOP FTSE Vietnam 30 ETF in Vietnam securities market as set out in the offering documents, including but not limited to research expertise and liquidity considerations of the securities in which the CSOP FTSE Vietnam 30 ETF invests in Vietnam. The Investment Advisor is independent of the Manager. For the avoidance of doubt, the Investment Advisor will not have any discretionary management powers regarding the CSOP FTSE Vietnam 30 ETF which remain with the Manager.

SSI Asset Management Company Limited is the leading asset management company in Vietnam. It was licensed by the State Securities Commission of Vietnam to manage securities investment funds, securities investment companies and securities investment portfolios, and provide securities investment advisory services.

The Investment Advisor is a local asset manager in Vietnam that provide a full range of professional investment management and advisory services dedicated to both institutional and individual investors from local and overseas. Directors and senior management of the Investment Advisor are reputable and experienced investment experts with deep insights into the Vietnamese and international financial markets.

The Investment Advisor is a wholly owned subsidiary of SSI Securities Corporation, one of the largest securities firms in Vietnam by market capitalization and a top broker in both retail and institutional segments.

The Management Fee is inclusive of the Investment Advisor's fee and the Manager will pay the fees of the Investment Advisor out of the Management Fee.

The Custodian

The Custodian of the Company is Cititrust Limited, which is a registered trust company in Hong

Kong. Cititrust Limited is a wholly-owned subsidiary of Citigroup Inc. ("**Citigroup**"). As a global financial services group, Citigroup and its subsidiaries provide a broad range of financial products and services, including consumer banking, corporate and investment banking, securities brokerage and wealth management to consumers, corporations, governments and institutions.

Under the Custody Agreement, the Custodian is responsible for the safekeeping of the assets of the Company and each Sub-Fund, subject to the provisions of the Instrument and the SFO.

The Custodian may, however, appoint a person or persons (including a Connected Person of the Custodian) to be agent, nominee, custodian, joint custodian, co-custodian and/or sub-custodian to hold certain assets of any Sub-Fund and may empower any such person or persons to appoint, with no objection in writing by the Custodian, co-custodians and/or sub-custodians. The Custodian may also appoint delegates for the performance of its duties, powers or discretions under the Custody Agreement. The Custodian is required to (a) exercise reasonable care, skill and diligence in the selection, appointment and monitoring of such persons and, (b) be satisfied that such persons retained remain suitably qualified and competent on an ongoing basis to provide the relevant custodial services to the Sub-Funds provided however that if the Custodian has discharged its obligations set out in (a) and (b) above, the Custodian shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any such person(s) not being the Custodian's Connected Person appointed as agents, nominees, custodians or joint custodians of certain assets of any Sub-Fund. The Custodian however shall remain liable for any act or omission of any such person that is a Connected Person of the Custodian and that is appointed as agent, nominee, custodian, joint custodian, co-custodian and/or sub-custodian to hold certain assets of any Sub-Fund (including the Custodian which is appointed by the Custodian and the Manager and the PRC Custodian which is appointed by the Sub-Custodian, and both being Connected Persons of the Custodian) as if the same were the acts or omissions of the Custodian.

The Custodian shall not be liable for: (A) any act, omission, insolvency, liquidation or bankruptcy of Euro-clear Clearing System Limited or Clearstream Banking S.A. or any other recognised or central depositaries or clearing system which may from time to time be approved by the Custodian and the Manager; or (B) the custody or control of any investments, assets or other property which is under the custody or control of or on behalf of a lender in respect of any borrowing made by the Custodian for the purposes of the Company or any Sub-Fund.

Subject as provided in the Custody Agreement, the Custodian is entitled to be indemnified from the assets of the relevant Sub-Fund from and against any and all actions, proceedings, liabilities, costs, claims, damages, expenses, including all reasonable legal, professional and other similar expenses which may be incurred by or asserted against the Custodian in performing its obligations or duties in connection with the Company and/or the relevant Sub-Fund. Notwithstanding the aforesaid, the Custodian is neither exempted from any liability to holders imposed under Hong Kong law nor breaches of trust through fraud or negligence nor may it be indemnified against such liability by Shareholders or at Shareholders' expense. Subject to the applicable law and the provisions of the Custody Agreement and the Instrument, the Custodian shall not, in the absence of fraud, negligence or wilful default on the part of the Custodian, be liable for any losses, costs or damage to the Company, any Sub-Fund or any Shareholder.

The Custodian will remain as the primary custodian of the Company until it retires or is removed. The circumstances under which the Custodian may retire or be removed are set out in the Custody Agreement. Where any Sub-Fund is authorised pursuant to section 104 of the Securities and Future Ordinance, any change in the Custodian is subject to the SFC's prior approval and the Custodian will remain as the custodian of the Company until a new primary custodian is appointed. Shareholders will be duly notified of any such changes in accordance with the requirements prescribed by the SFC.

The Custodian will be entitled to the fees described in the section headed "Fees and Expenses" above and to be reimbursed for all costs and expenses in accordance with the provisions of the Custody Agreement.

The Sub-Custodian

The Custodian has appointed Citibank, N.A. as the Sub-Custodian of the Company.

The Sub-Custodian has been a provider of custodial and settlement services to domestic and international clients since its establishment in the United States of America in 1814. The Sub-Custodian's global custodial network covers all mature and major emerging markets.

The Sub-Custodian began offering securities services in Hong Kong in the mid-1970s and developed a full-blown capability by the mid 1980s.

The Administrator

Citibank, N.A., Hong Kong Branch acts as administrator of the Company and each Sub-Fund, and is responsible for certain financial, administrative and other services in relation to the Company and each Sub-Fund, including:

(a) determining the Net Asset Value and the Net Asset Value per Share;

(b) preparing and maintaining the Company and the Sub-Funds' financial and accounting records and statements; and

(c) assisting in preparing the financial statements of the Company and the Sub-Funds.

The Registrar (applicable in respect of Listed Class of Shares only)

Tricor Investor Services Limited has been appointed as the Registrar in respect of Listed Class of Shares of each Sub-Fund under the terms of the Registrar Agreement, unless otherwise stated in the relevant Appendix. The Registrar provides services in respect of the establishment and maintenance of the register of the Shareholders in the Listed Class of Shares of each Sub-Fund.

The Transfer Agent (applicable in respect of Unlisted Class of Shares only)

Citicorp Financial Services Limited has been appointed as the Transfer Agent in respect of Unlisted Class(es) of Shares of CSOP NASDAQ 100 ETF under the terms of the Transfer Agent Agreement. The Transfer Agent provides services in respect of the establishment and maintenance of the register of the Shareholders in the Unlisted Class(es) of Shares of the relevant Sub-Fund(s).

The Service Agent or Conversion Agent (applicable in respect of Listed Class of Shares only)

Where a Sub-Fund creates and redeems in-kind in respect of SEHK listed Securities, HK Conversion Agency Services Limited may act as Conversion Agent under the terms of the Conversion Agency Agreement. HK Conversion Agency Services Limited otherwise acts as Service Agent under the terms of the Service Agreement. The Service Agent or Conversion Agent performs, through HKSCC, certain of its services in connection with the creation and redemption of Listed Class of Shares in a Sub-Fund by Participating Dealers.

The Participating Dealers (applicable in respect of Listed Class of Shares only)

A Participating Dealer may act for its own account or for your account as its clients in making Creation Applications and Redemption Applications. Different Sub-Funds may have different Participating Dealers. The latest list of the Participating Dealers in respect of each Sub-Fund is available at http://www.csopasset.com (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC).

The Market Makers (applicable in respect of Listed Class of Shares only)

A Market Maker is a broker or dealer permitted by the SEHK to make a market for the Listed Class of Shares in the secondary market and whose obligations include quoting bid prices to potential sellers and offer prices to potential buyers when there is a wide spread between the prevailing bid prices and offer prices for the Listed Class of Shares on the SEHK. Market Makers facilitate the efficient trading of Listed Class of Shares by providing liquidity in the secondary market when it is

required, in accordance with the market making requirements of the SEHK.

Subject to applicable regulatory requirements, the Manager use its best endeavours to put in place arrangements so that there is at all times at least one Market Maker for Listed Class of Shares in each available counter. If the SEHK withdraws its permit to the existing Market Maker(s), the Manager will use its best endeavours to put in place arrangements so that there is at least one other Market Maker for each available counter of the Listed Class of Shares of each Sub-Fund to facilitate the efficient trading of Listed Class of Shares. The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker for each available counter of the Listed Class of Shares of each Sub-Fund will give not less than 3 months' notice prior to terminating market making under the relevant market making agreement. The latest list of Market Makers in respect of each available counter for the Listed Class of Shares of each Sub-Fund is available at www.hkex.com.hk and http://www.csopasset.com (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC). Please refer to the section on "Website Information" for the warning and the disclaimer regarding information contained in such website.

The Listing Agent (applicable in respect of Listed Class of Shares only)

Unless otherwise specified in the relevant Appendix, Altus Capital Limited has been appointed by the Manager as the Listing Agent for the Listed Class of Shares of each Sub-Fund in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in respect of the listing of the Listed Class of Shares of the relevant Sub-Fund on the SEHK. The Listing Agent is a licensed corporation which holds, amongst others, a Type 6 (advising on corporate finance) regulated activity licence under the SFO with CE Number AGH102.

The Auditor

The Directors have appointed Ernst & Young to act as the auditor of the Company and each Sub-Fund (the "Auditor"). The Auditor is independent of the Manager and the Custodian.

Conflicts of Interest and Soft Dollars

The Manager, the Investment Advisor (as applicable) and the Custodian may, from time to time, act as manager, sub-investment manager, investment delegate, investment adviser, trustee or custodian or in such other capacity in connection with any collective investment scheme separate and distinct from the Company and each Sub-Fund and retain any profit or benefit made in connection therewith.

In addition:

(a) The Manager or any of its Connected Persons may purchase and sell investments for the account of a Sub-Fund as agent for the Sub-Fund or deal with any Sub-Fund as principal with the prior written consent of the Custodian.

(b) The Custodian, the Manager, the Investment Advisor (as applicable) and any of their Connected Persons may contract or enter into any financial, banking or other transaction with one another or with any Shareholder or any company or body any of whose shares or securities form part of the relevant Sub-Fund's assets.

(c) The Custodian, the Manager, the Investment Advisor (as applicable) or any of their Connected Persons may become the owner of Shares and hold, dispose or otherwise deal with them with the same rights which it would have had if it had not been the Custodian, the Manager, the Investment Advisor (as applicable) or any of their Connected Persons.

(d) The Custodian, the Manager, the Investment Advisor (as applicable) and any of their Connected Persons may buy, hold and deal in any securities, commodities or other property for their own account or for the account of their other customers notwithstanding that similar securities, commodities or other property may be held by a Sub-Fund.

(e) Any arrangements for the borrowing or deposit of any monies for the account of a Sub-Fund may be made with any of the Custodian, the Manager, the Investment Advisor (as applicable), any investment delegate or any of their Connected Persons being a banker or other financial institution provided that such person shall charge or pay (as the case may be) interest or fees at a rate or amount no higher (in the case of a borrowing) or lower (in the case of a deposit) than the prevailing rates or amounts for transactions of a similar type, size and term, in the same currency and with institutions of similar standing, negotiated at arm's length in accordance with ordinary and normal course of business. Any such deposits shall be maintained in a manner that is in the best interests of Shareholders.

(f) Neither the Custodian, the Manager, the Investment Advisor (as applicable) nor any of their Connected Persons shall be liable to account to each other or to any Sub-Fund or to the Shareholders for any profits or benefits made or derived from or in connection with any such transaction mentioned above.

It is, therefore, possible that any of the Custodian, the Manager, the Investment Advisor (as applicable) or any of their Connected Persons may, in the course of business, have potential conflicts of interest with a Sub-Fund. Each will, at all times, have regard in such event to its obligations to the Sub-Fund and the Shareholders and will endeavour to ensure that such conflicts are resolved fairly.

Subject to applicable rules and regulations, the Manager, its delegate or any of its Connected Persons may enter into portfolio transactions for or with a Sub-Fund as agent in accordance with normal market practice, provided that commissions charged to the Sub-Fund in these circumstances do not exceed customary full service brokerage rates. If a broker does not provide research or other lawful services in addition to brokerage execution, such broker will generally charge a brokerage commission that is discounted from customary full service brokerage rates. Where the Manager invests a Sub-Fund in shares or units of a collective investment scheme managed by the Manager, its delegates or any of its Connected Persons, the manager of the scheme in which the investment is being made by the Sub-Fund must waive any preliminary or initial charge which it is entitled to charge for its own account in relation to the acquisition of shares or units and there must be no increase in the overall total of annual management fees (or other costs and charges payable to the Manager or any of its Connected Persons) borne by the Sub-Fund.

None of the Manager, its delegates (including investment delegates if any) or any of their Connected Persons shall, retain any cash commission rebates or other payment or benefit (except as otherwise provided for in this Prospectus or in the Instrument) received from a third party (either directly or indirectly) arising out of the sale or purchase or loan of investments for a Sub-Fund, and any such rebates or payments or benefits which are received shall be credited to the account of the Sub-Fund.

The Manager, its delegates (including investment delegates, if any) or any of their Connected Persons may receive, and are entitled to retain, goods, services or other benefits, such as research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publication (known as soft dollar benefits) which are of demonstrable benefit to a Sub-Fund as a whole and may contribute to an improvement in the performance of the relevant Sub-Fund or of the Manager and/or any of its Connected Persons in providing services to the relevant Sub-Fund (as may be permitted under the UT Code, applicable rules and regulations), from brokers and other persons through whom investment transactions are carried out ("brokers") provided that the quality of transaction execution is consistent with best execution standards, brokerage rates are not in excess of customary institutional full-service brokerage rates and the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer. For the avoidance of doubt, such goods and services do not include travel accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments. Details of soft commission arrangements will be disclosed in the relevant Sub-Fund's annual report.

The services of the Custodian provided to the Company and each Sub-Fund are not deemed to be exclusive and the Custodian shall be free to render similar services to others so long as its services hereunder are not impaired thereby and to retain for its own use and benefit all fees and other monies payable thereby and the Custodian shall not be deemed to be affected with notice of or to be under any duty to disclose to any Sub-Fund any fact or thing which comes to the notice of the Custodian in the course of the Custodian rendering similar services to others or in the course of its business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out its duties under the Custody Agreement.

Conflicts of interest may also arise due to the widespread business operations of the Custodian, the Manager, the Investment Advisor (as applicable), the Registrar, the Transfer Agent, the Conversion Agent or the Service Agent (as the case may be) and their respective holding companies, subsidiaries and affiliates. The foregoing parties may effect transactions where those conflicts arise and shall not, subject to the terms of the Instrument and the relevant agreement(s), be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of a Sub-Fund will be on arm's length terms and in the best interests of Shareholders. For so long as a Sub-Fund is authorised by the SFC and it is an applicable requirement of the UT Code, the Manager, if transacting with brokers or dealers connected to the Manager, the Investment Advisor (as applicable), investment delegates, the Custodian or any of their respective Connected Persons, must ensure it complies with the following obligations:

(a) such transactions should be on arm's length terms;

(b) it must use due care in the selection of brokers or dealers and ensure that they are suitably qualified in the circumstances;

(c) transaction execution must be consistent with applicable best execution standards;

(d) the fee or commission paid to any such broker or dealer in respect of a transaction must not be greater than that which is payable at the prevailing market rate for a transaction of that size and nature;

(e) the Manager must monitor such transactions to ensure compliance with its obligations; and

(f) the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the annual financial statements of the Sub-Fund.

STATUTORY AND GENERAL INFORMATION

Financial Reports

The financial year-end of the Company (and each Sub-Fund) is 31 December every year. Audited annual financial reports are to be prepared (in accordance with IFRS) and published on the Company's website in English only within 4 months of each financial year-end. Half-yearly unaudited financial reports are also to be prepared up to 30 June of each year and published on the Company's website within 2 months of such date. Once these financial reports are made available on the Company's website, investors will be notified within the relevant timeframe.

Only an English version of the audited financial reports and the half-yearly unaudited financial reports of each Sub-Fund will be available. Printed copies may be requested free of charge from the Manager by contacting it, as described below under "Notices".

The financial reports provide details of the assets of each Sub-Fund and the Manager's statement on transactions during the period under review (including, for an Index Tracking Sub-Fund, a list of any constituent Securities of the relevant Index, if any, that each accounts for more than 10% of the weighting of the relevant Index as at the end of the relevant period and their respective weighting showing any limits adopted by the relevant Index Tracking Sub-Fund have been complied with). The financial reports shall also provide a comparison of each Index Tracking Sub-Fund's performance and the actual relevant Index performance over the relevant period and such other information as is required under the UT Code.

The Instrument

The Company was incorporated in Hong Kong under the SFO on 28 January 2021. Its constitution is set out in the Instrument filed to the Companies Registry of Hong Kong on, and effective as of, 28 January 2021 (and as may be further amended, modified or supplemented from time to time). All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Instrument.

Indemnities of the Manager

Under the Management Agreement, the Manager is not liable in respect of any act or omission of:

(a) any person, firm or company through whom transactions in Investments are effected for the account of any Sub-Fund;

(b) the Custodian;

(c) the Administrator (if any);

(d) any Participating Dealer, Market Maker or Listing Agent;

(e) any party having custody or possession of the Company's assets from time to time; or

(f) any clearance or settlement system.

Nothing in any of the provisions of the Management Agreement and the Instrument (i) exempts the Manager from or against any liability to Shareholders for breach of its obligations through its fraud or negligence or any liability to Shareholders imposed by virtue of any Hong Kong law in relation to its duties nor (ii) indemnifies the Manager against such liability by Shareholders or at the Shareholders' expense.

Subject to the Instrument, the Company agrees to indemnify and keep indemnified the Manager and the directors, officers and employees of the Manager from and against any and all liabilities, obligations, losses, damages, suits and expenses (each a "Loss") which may be incurred by or asserted against the Manager in its capacity as Manager of the Company. However, such indemnity excludes Losses resulting from the negligence, wilful default or fraud of the person

seeking to rely on this indemnity and excludes expenses incurred by the Manager for which it is responsible under the Management Agreement.

When the Manager appears in, prosecutes or defends any action or suit in respect of the provisions of the Management Agreement or the Instrument or in respect of the Company, any Sub-Fund or any part thereof or any corporate or Shareholders' action which in its opinion would or might involve it in expense or liability, it shall be entitled to be indemnified by the Company out of the relevant Sub-Fund to its satisfaction against any costs or expenses in connection with the Manager appearing, prosecuting or defending such actions or suits.

Nothing in the Management Agreement excludes or restricts the liability to the Company which the Manager may have under the SFO.

No provision of the Instrument or the Management Agreement shall be construed as (i) providing any exemption of any liability of the Manager to the Shareholders under Hong Kong law, nor may the Manager be indemnified against such liability by Shareholders or at the Shareholders' expense, or (ii) diminishing or exempting the Manager from any of its duties and liabilities under applicable Laws and Regulations, and no provision shall have the effect of providing any of such exemption or indemnity.

Indemnities of the Custodian

The Custodian shall not be liable for payment to the Company of any amount in respect of any breach of the Custodian Agreement except for payments in respect of the relevant party's direct damages resulting from breach of the Custodian Agreement by reason of the negligence, intentional failure or fraud of the Custodian. Direct damages shall include the relevant party's reasonable legal fees and disbursements. For the avoidance of doubt, the Custodian shall be liable for the acts and omissions of its agents or sub-custodians in relation to the Company.

Under the Custodian Agreement, without prejudice to any indemnity to which the Custodian may otherwise be entitled under applicable law, the Company agrees to (1) indemnify the Custodian for all losses, costs, damages, taxes and expenses (including reasonable legal fees and disbursements) (each a "Loss") incurred by the Custodian (directly or payable to its agents or sub-custodians) arising in connection with the failure of the Company to perform any of its obligations under the Custodian Agreement or arising from or in connection with the Custodian's appointment or performance under the Custodian Agreement; and (2) defend and hold the Custodian harmless from or in connection with any Loss imposed on, incurred by, or asserted against the Custodian (directly or through any of its agents or sub-custodians) or otherwise arising in connection with or arising out of any claim, action or proceeding by any third party, except any Loss resulting from the Custodian's failure to satisfy its obligation of reasonable care, skill and diligence as provided in the Custodian Agreement or the failure of any Agent to satisfy the same standard of care, or any Loss for which the Custodian is liable under the Applicable Laws and Regulations (as defined in the Custodian Agreement), in each case except any Loss resulting from negligence, fraud or wilful default of the Custodian.

Nothing in the Custodian Agreement excludes or restricts the liability to the Company which the Custodian may have under the SFO.

No provision of the Instrument or the Custodian Agreement shall be construed as (i) providing any exemption of any liability of the Custodian to the Shareholders under Hong Kong law, nor may the Custodian be indemnified against such liability by Shareholders or at the Shareholders' expense, or (ii) diminishing or exempting the Custodian from any of its duties and liabilities under applicable laws and regulations, and no provision shall have the effect of providing any of such exemption or indemnity.

Modification of the Instrument

An amendment to the Instrument may be made to the extent permitted by the Laws and Regulations applicable to the Company and in accordance with the Instrument.

No alteration to the Instrument may be made unless:

(a) the alteration has been approved by Shareholders by a special resolution (as defined in the Instrument); or

(b) the Custodian certifies in writing that in its opinion the proposed alteration: (i) is necessary to make possible compliance with fiscal or other statutory, regulatory or official requirements; (ii) does not materially prejudice Shareholders' interests, does not to any material extent release the Directors, the Manager, the Custodian or any other person from any liability to Shareholders and does not increase the costs and charges payable from the scheme property; or (iii) is necessary to correct a manifest error.

In all other cases involving any material changes, no alteration may be made except by a special resolution of Shareholders or the approval of the SFC. The Company shall provide written notice to Shareholders in respect of any alteration to this Instrument and any alteration to the Company generally in accordance with the Laws and Regulations applicable to the Company.

Shareholders and intending applicants are advised to consult the terms of the Instrument for further details.

Meetings of Shareholders

Proxies may be appointed. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at any meeting of the Shareholders. If a clearing house (or its nominee(s)), being a corporation, is a Shareholder, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Shareholders provided that, if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such representative is so authorised. Each person so authorised shall be deemed to have been duly authorised without further evidence of the facts and shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person were the registered Shareholder of the Shares held by the clearing house (or its nominee(s)), including the right to vote individually on a poll.

Voting Rights

Shareholders' meetings may be convened by the Directors or by Shareholders representing at least 10% of the Shares in issue, on not less than 21 calendar days' notice in respect of a meeting where a special resolution (as defined in the Instrument) is to be proposed and 14 calendar days' notice in respect of a meeting where an ordinary resolution (as defined in the Instrument) is to be proposed.

These meetings may be used to modify the terms of the Instrument, including removing the Manager or terminating a Sub-Fund at any time. Such amendments to the Instrument must be considered by Shareholders of at least 25% of the Shares in issue and passed by a 75% or more of the votes cast.

Other matters that require an ordinary resolution being passed would be considered by Shareholders of at least 10% of the Shares in issue and passed by a simple majority of more than 50% of the votes cast. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to such day and time not being less than 15 days thereafter and to such place as may be appointed by the chairman of the meeting. At such adjourned meeting, the Shareholders present in person or by proxy shall be a quorum. Notice of any adjourned meeting of Shareholders shall be given in the same manner as for an original meeting and such notice shall state that the Shareholders present at the adjourned meeting, whatever their number and the number of Shares held by them, will form a quorum.

The Instrument contains provisions for the holding of separate meetings of Shareholders holding Shares of different classes where only the interests of Shareholders of such class are affected.

Removal and Retirement of the Directors

A person ceases to be a Director if the person:

(a) ceases to be a Director or is prohibited from being a Director under the applicable Laws and Regulations or under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);

(b) becomes bankrupt or makes any arrangement or composition with the person's creditors generally;

(c) becomes a mentally incapacitated person;

(d) resigns from the office of Director by notice in writing of the resignation of not less than 28 days;

(e) for more than 6 months has been absent without the Directors' permission from Directors' meetings held during that period;

(f) upon the expiry of any period or notice period stated in an agreement for the provision of services between the Company and the Director or if such agreement is summarily terminated in accordance with its terms; or

(g) is removed from the office of Director by an ordinary resolution (as defined in the Instrument).

Special notice (in accordance with the applicable Laws and Regulations) is required of a resolution to remove a Director or appoint a person in place of a Director so removed at the meeting at which the Director is removed.

Removal and Retirement of the Manager

Under the Management Agreement, the Manager must retire in the case of (i) below, and must be subject to removal by notice in writing from the Directors in the case of (ii) or (iii) below:

(i) when it ceases to be eligible to be a Manager or is prohibited from being a Manager under the applicable Laws and Regulations, or when the SFC withdraws its approval of the Manager;

(ii) when it goes into liquidation, becomes bankrupt or has a receiver appointed over its assets;

(iii) when for good and sufficient reason, the Directors state in writing that a change in the Manager is desirable in the interests of the Shareholders.

The Manager shall be entitled to retire in favour of some other person considered by the Company to be suitably qualified and approved by the SFC, upon giving written notice to the Company in accordance with the Management Agreement and subject to such person entering into a management agreement similar to the Management Agreement.

In the event that the Manager shall retire or be removed or its appointment shall otherwise terminate, the Company shall appoint another corporation eligible under the Laws and Regulations (as defined in the Management Agreement) to act as the investment manager of an open-ended fund company which is approved by the SFC to be the investment manager of the Company in place of the Manager so retiring or being removed on or before the expiry of any period of notice of such retirement or removal.

The Manager may not retire except upon the appointment of a new Manager approved by the SFC.

Removal and Retirement of the Custodian

Under the Custody Agreement, the Custodian must retire in the case of (i) below, and must be subject to removal by notice in writing in the case of (ii) and (iii) below:

(i) when it ceases to be eligible to be a Custodian or is prohibited from being a Custodian under applicable Laws and Regulations, or when the SFC withdraws its approval of the Custodian;

(ii) when it goes into liquidation, becomes bankrupt or has a receiver appointed over its assets; or

(iii) when for good and sufficient reason, the Directors state in writing that a change in the Custodian is desirable in the interests of the Shareholders.

In the event that the Custodian shall retire or be removed or its appointment shall otherwise terminate, the Company shall appoint another corporation eligible under the Laws and Regulations to act as a custodian of an OFC which is approved by the SFC to be the Custodian in place of the Custodian so retiring or being removed on or before the expiry of any period of notice of such retirement or removal. The retirement of the Custodian should take effect at the same time as the new Custodian takes up office.

The Custodian may not retire except upon the appointment of a new Custodian approved by the SFC.

Deferred Redemption

In the event that redemption requests are received for the redemption of Shares (in respect of both Listed Class of Shares and Unlisted Class(es) of Shares) representing in aggregate more than 10% (or such higher percentage as the Manager may determine in respect of the Sub-Fund as permitted by the SFC) of the total Net Asset Value of Shares in a Sub-Fund then in issue, the Company may reduce the requests rateably and pro rata amongst all Shareholders (both Listed Class of Shares and Unlisted Class(es) of Shares) seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10% (or such higher percentage as the Manager may determine in respect of a Sub-Fund as permitted by the SFC) of the total Net Asset Value of Shares in the relevant Sub-Fund then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests in respect of the relevant Sub-Fund themselves exceed 10% (or such higher percentage as the Manager may determine in respect of that Sub-Fund as permitted by the SFC) of the total Net Asset Value of Shares in the relevant Sub-Fund then in issue), pro rata amongst all relevant Shareholders of both Listed Class of Shares and Unlisted Class(es) of Shares, in priority to any other Shares in the relevant Sub-Fund for which redemption requests have been received. Shares will be redeemed at the Redemption Value or Redemption Price (as the case may be) prevailing on the Dealing Day on which they are redeemed.

Restrictions on Shareholders

The Directors have power to impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held which would result in such holding being:

(a) in contravention of any laws or requirements of any country, any governmental authority or (in the case of Listed Class of Shares) any stock exchange on which such Shares are listed;

(b) in circumstances which, in the Directors' opinion, might result in the Company, the Sub-Fund, the Directors, any service provider and/or other Shareholders incurring any tax liability or suffering any other pecuniary disadvantage which the Company, the Sub-Fund, the Directors, service provider and/or other Shareholders might not otherwise have incurred or suffered; or

(c) in breach of any applicable anti-money laundering or identification verification or national status or residency requirements imposed on him (whether under the terms of any underlying investment arrangement or otherwise) including without limitation the issue of any warranty or supporting document required to be given to the Company.

Upon notice that any Shares are so held, the Directors may require such Shareholders to redeem or transfer such Shares in accordance with the provisions of the Instrument. A person who

becomes aware that he is holding or owning Shares in breach of any of the above restrictions is required either to redeem his Shares in accordance with the Instrument or to transfer his Shares to a person whose holding would be permissible under this Prospectus and the Instrument in a manner that would result in such Shareholder no longer being in breach of the restrictions above.

Termination (otherwise than by winding up)

Without prejudice to any provision in the applicable Laws and Regulations by virtue of which the Company, or a Sub-Fund or a class of Shares may be terminated in other circumstances, the Company, a Sub-Fund or a class of Shares may be terminated, subject to and in accordance with the applicable Laws and Regulations, by the Directors in their absolute discretion if:

(a) in the case of a Sub-Fund including classes therein, 1 year from the date of the first issue of Share relating to the relevant Sub-Fund or at any date thereafter the Net Asset Value of the relevant Sub-Fund is less than USD10,000,000 or its equivalent in the base currency of the Sub-Fund;

(b) in the case of a class only, there are no Shareholders of such class in a Sub-Fund;

(c) in the case of the Company, 1 year from the date of the first issue of Shares relating to the first Sub-Fund or at any date thereafter the Net Asset Value of the Company is less than USD10,000,000 or its equivalent in the base currency of the Company;

(d) any law shall be passed which renders it illegal or in the reasonable opinion of the Directors impracticable or inadvisable to continue the relevant Sub-Fund or the Company;

(e) in the case of a Sub-Fund including classes therein, the Index (for an Index Tracking Sub-Fund) is no longer available for benchmarking;

(f) in the case of a Listed Class of Shares or a Sub-Fund with only Listed Class of Shares, the Listed Class of Shares is no longer listed on the SEHK or any such other stock exchange from time to time determined by the Manager;

(g) in the case of a Listed Class of Shares or a Sub-Fund with only Listed Class of Shares, at any time, the Listed Class of Shares ceases to have any Participating Dealer; or

(h) in the case of a Listed Class of Shares or a Sub-Fund with only Listed Class of Shares, at any time, the Listed Class of Shares ceases to have any Market Maker.

The Directors shall give reasonable notice of termination of the Company, the relevant Sub-Fund, or the class of Shares (as the case may be) to the Shareholders in the Company, the relevant Sub-Fund or the class of Shares (as the case may be) in such manner and with such contents which are compliant with the applicable Laws and Regulations, and by such notice fix the date on which such termination is to take effect, provided that no less than one month's notice will be given to the relevant Shareholders in case of termination of the Company or a Sub-Fund. Shareholders' approval is not required to effect termination of the Company or a Sub-Fund.

Investors should note that, due to the nature of the listing of Listed Class of Shares on the SEHK, the termination procedures applicable to Listed Class of Shares and Unlisted Class(es) of Shares of the same Sub-Fund may differ. In the event of termination of the Company, a Sub-Fund or a particular class of Shares, Shareholders will be notified of the relevant termination procedures applicable to its holding of the relevant class of Shares.

With effect on and from the date as at which the Company or any Sub-Fund is to terminate:

(a) no Shares of the relevant class or classes may be issued or sold by the Company;

(b) the Manager shall on the instructions of the Directors realise all the assets then comprised in the relevant Sub-Fund;

(c) distributions shall be made to the Shareholders of the relevant Class or Classes in proportion to their respective interests in the relevant Sub-Fund all net cash proceeds derived from the realisation of the relevant Sub-Fund and available for the purpose of such distribution, provided that the Custodian shall be entitled to retain out of any monies in its hands as part of the relevant Sub-Fund full provision for all costs, charges, expenses, claims and demands reasonably incurred by or on behalf of the Company, Directors, the Manager or the Custodian in connection with or arising out of the termination of the relevant Sub-Fund; and

(d) any unclaimed proceeds or other monies held by the Custodian in the event of a termination may at the expiration of 12 calendar months from the date upon which the same became payable be paid into court, subject to the right of the Custodian to deduct therefrom any expenses it may incur in making such payment.

Every such distribution shall be made in such manner as the Directors shall at their reasonable discretion determine but shall be made only against the production of such evidence relating to the Shares of the relevant class or classes in respect of which the same is made and upon delivery of such form of request for payment as shall be reasonably required.

Winding Up

Subject to any other provisions applicable to the specific Sub-Fund set out in the relevant Appendix to this Prospectus, the rights of the Shareholders to participate in the property comprised in a Sub-Fund on a winding up of the Company or a Sub-Fund shall be proportionate to the proportionate interests in the Sub-Fund represented by the Shares which they hold.

If the Company or a Sub-Fund is wound up and a surplus remains after the payment of debts proved in the winding up, the liquidator:

(a) may, with the required sanction of a special resolution (as defined in the Instrument) of the Company or Shareholders of the relevant Sub-Fund and any other sanction required by the Laws and Regulations, divide amongst the Shareholders the whole or any part of the assets of the Company or relevant Sub-Fund (whether they consist of property of the same kind or not) and may, for this purpose, set a value the liquidator thinks fair on any property to be so divided; and

(b) may determine how the division is to be carried out between the Shareholders or different classes of Shareholders.

Distribution Policy

The Manager will adopt a distribution policy for each Sub-Fund as the Manager considers appropriate having regard to the Sub-Fund's net income, fees and costs. For each Sub-Fund this distribution policy (including the currency of such distribution) will be set out in the relevant Appendix. Distributions will always depend on payments on Securities held by the relevant Sub-Fund which will in turn depend on factors beyond the control of the Manager including, general economic conditions, and the financial position and distribution policies of the relevant underlying entities. Unless otherwise specified in the relevant Appendix, no distribution will be paid out of capital and/or effectively out of capital of the Sub-Fund. There can be no assurance that such entities will declare or pay dividends or distributions.

Inspection of Documents

Copies of the constitutive documents are available for inspection free of charge at the offices of the Manager and copies thereof may be obtained from the Manager upon the payment of a reasonable fee.

Part XV of the SFO

Part XV of the SFO sets out the Hong Kong disclosure of interests' regime applicable to Hong Kong listed companies. The regime applies to open-ended fund companies whose Securities are listed

on the SEHK. However the Company has made a Category 3 application to the SFC for exemption from Part XV of the SFO pursuant to section 309(2) thereof and the Guidelines for the Exemption of Listed Corporations and Other Persons from Part XV of the SFO (Disclosure of Interests). Consequently, Shareholders of Listed Class of Shares are not obliged to disclose their interest in the Company or in a Sub-Fund.

Anti-money Laundering Regulations

As part of the Manager's, the Company's, the Registrar's, the Transfer Agent's and the Participating Dealer's responsibility for the prevention of money laundering and to comply with all applicable laws to which the Manager, the Company, the Registrar, the Transfer Agent, each Sub-Fund or the relevant Participating Dealer is subject, the Manager, the Company, the Registrar, the Transfer Agent or the relevant Participating Dealer may require a detailed verification of an investor's identity and the source of payment of any applications for Shares at any time as they think appropriate. The Company may, to the extent permitted by law, delegate the maintenance of its anti-money laundering procedures to a third party service provider or agent. Depending on the circumstances of each application, a detailed verification by the Manager, the Registrar, the Transfer Agent, the Custodian or the relevant Participating Dealer might not be required where:

(a) the investor makes the payment from an account held in the investor's name at a recognised financial institution; or

(b) the application is made through a recognised intermediary.

These exceptions apply only if the financial institution or intermediary is within a country recognised by the Custodian and the Manager as having sufficient anti-money laundering regulations.

Delay or failure to provide with the required documents may result in delay or refusal of application or withholding of redemption proceeds. For the purpose of anti-money laundering and/or counter-terrorist financing, the Manager may compulsorily redeem the Shares held by any Shareholder.

The Manager may, to the extent permitted by law, share, for the purposes of combating money laundering and terrorist financing, the information in connection with the Shareholders with its affiliates.

Certification for Compliance with FATCA or Other Applicable Laws

Each Shareholder (i) will be required to, upon demand by the Company or its agent, provide any form, certification or other information reasonably requested by and acceptable to the Company or its agent that is necessary for the Company or a Sub-Fund (a) to prevent withholding (including, without limitation, any withholding taxes required under FATCA) or qualify for a reduced rate or exemption of withholding or backup withholding in any jurisdiction from or through which the Company or a Sub-Fund receives payments and/or (b) to satisfy reporting or other obligations under IRS Code and the United States Treasury Regulations promulgated under the IRS Code, or to satisfy any obligations relating to any applicable law, regulation or any agreement with any tax or fiscal authority in any jurisdiction (ii) will update or replace such form, certification or other information in accordance with its terms or subsequent amendments, and (iii) will otherwise comply with any reporting obligations imposed by the United States, Hong Kong or any other jurisdiction, including reporting obligations that may be imposed by future legislation.

Power to Disclose Information to Authorities

Subject to applicable Laws and Regulations in Hong Kong, the Manager, the Company or any of their authorised person (as permissible under applicable law or regulation) may be required to report or disclose to any government agency, regulatory authority or tax or competent authority in any jurisdictions (including but not limited to the IRS and the IRD), certain information in relation to a Shareholder, including but not limited to the Shareholder's name, address, jurisdiction of birth, date of birth, tax residence, tax identification number (if any), and certain information relating to the Shareholder's holdings, account balance/value, and income or sale or redemption proceeds, to enable the Sub-Fund to comply with any applicable law or regulation or any agreement with the

relevant competent authority (including, but not limited to, any applicable law (including any law, rule and requirement relating to AEOI (as defined below)), regulation or agreement under FATCA).

Liquidity Risk Management

The Manager has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of each Sub-Fund and to ensure that the liquidity profile of the investments of the relevant Sub-Fund will facilitate compliance with such Sub-Fund's obligation to meet redemption requests. Such policy, combined with the liquidity management tools of the Manager, also seeks to achieve fair treatment of Shareholders and safeguard the interests of remaining Shareholders in case of sizeable redemptions.

The Manager's liquidity policy takes into account the investment strategy, the liquidity profile, the redemption policy, the dealing frequency, the ability to enforce redemption limitations and the fair valuation policies of each Sub-Fund. These measures seek to ensure fair treatment and transparency for all investors.

The liquidity management policy involves monitoring the profile of investments held by each Sub-Fund on an on-going basis to ensure that such investments are appropriate to the redemption policy, and will facilitate compliance with each Sub-Fund's obligation to meet redemption requests. Further, the liquidity management policy includes details on periodic stress testing carried out by the Manager to manage the liquidity risk of each Sub-Fund under normal and exceptional market conditions.

As a liquidity risk management tool, the Company may reduce the requests rateably and pro rata amongst all Shareholders (both Listed Class of Shares and Unlisted Class(es) of Shares) seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10% (or such higher percentage as the Manager may determine in respect of a Sub-Fund as permitted by the SFC) of the total Net Asset Value of Shares in the relevant Sub-Fund then in issue (subject to the conditions under the heading entitled "Deferred Redemption" above).

Index Licence Agreements (applicable in respect of Index Tracking Sub-Funds only)

Please refer to the relevant Appendix for details in respect of each Index.

Material Changes to an Index (applicable in respect of Index Tracking Sub-Funds only)

The SFC should be consulted on any events that may affect the acceptability of an Index. Significant events relating to an Index will be notified to the Shareholders of the relevant Index Tracking Sub-Fund as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Index, or a change in the objective or characteristics of the Index.

Replacement of an Index (applicable in respect of Index Tracking Sub-Funds only)

The Manager reserves the right, with the prior approval of the SFC and provided that in its opinion the interests of the Shareholders of the relevant Index Tracking Sub-Fund would not be adversely affected, to replace an Index with another index in accordance with the provisions of the UT Code and the Instrument. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the relevant Index ceasing to exist;

(b) the licence to use the Index being terminated;

(c) a new index becoming available that supersedes the existing Index;

(d) a new index becoming available that is regarded as the market standard for investors in the particular market and/or would be regarded as more beneficial to the Shareholders than the existing Index;

(e) investing in the Securities and/or FDIs comprised within the Index becomes difficult;

(f) the Index Provider increasing its licence fees to a level considered too high by the Manager;

(g) the quality (including accuracy and availability of the data) of the Index having in the opinion of the Manager, deteriorated;

(h) a significant modification of the formula or calculation method of the Index rendering that index unacceptable in the opinion of the Manager; and

(i) the instruments and techniques used for efficient portfolio management not being available.

The Manager may change the name of an Index Tracking Sub-Fund if the relevant Index changes or for any other reasons including if licence to use the Index is terminated. Any change to (i) the use by the relevant Index Tracking Sub-Fund of the Index and/or (ii) the name of the relevant Index Tracking Sub-Fund will be notified to investors.

Information Available on the Internet

The Manager will publish important news and information with respect to each Sub-Fund (including, for Index Tracking Sub-Funds, in respect of the relevant Index), in the English and Chinese languages (unless otherwise specified), on the following website http://www.csopasset.com (which has not been reviewed or approved by the SFC) and, where applicable in respect of Listed Class of Shares, HKEX's website www.hkex.com.hk including:

(a) this Prospectus and the product key facts statement(s) in respect of the Sub-Fund(s) (as revised from time to time). Investors should note that where a Sub-Fund offers both Listed Class of Share and Unlisted Class(es) of Shares to Hong Kong investors, separate sets of product key facts statement will be available for the Listed Class of Shares and the Unlisted Class(es) of Shares of the same Sub-Fund respectively;

(b) the latest annual audited financial reports and half yearly unaudited financial reports (in English only);

(c) any notices relating to material changes to the Sub-Fund(s) which may have an impact on its investors such as material alterations or additions to this Prospectus (including each product key facts statement) or any of the constitutive documents of the Company and/or a Sub-Fund;

(d) any public announcements and notices made by the Manager in respect of the Sub-Fund(s), including information with regard to the Sub-Fund(s) and (where applicable) the relevant Index, the suspension of creations and redemptions of Shares, the suspension of the calculation of its Net Asset Value, changes in its fees and (in respect of Listed Class of Shares) the suspension and resumption of trading in its Shares;

(e) (in respect of Listed Class of Shares only) the near real time indicative Net Asset Value per Share of each Sub-Fund in the relevant base currency and in each trading currency of the Sub-Fund (updated every 15 seconds during SEHK trading hours in HKD);

(f) the last Net Asset Value of each Sub-Fund in the relevant base currency and the last Net Asset Value per Share of each Sub-Fund in the relevant base currency and (in respect of Listed Class of Shares only) each trading currency of the Sub-Fund (updated on a daily basis on each Dealing Day);

(g) the past performance information of each Sub-Fund;

(h) (in respect of each Index Tracking Sub-Fund) the daily tracking difference, the average daily tracking difference and the tracking error of each Sub-Fund;

(i) the full portfolio information of each Sub-Fund (updated on a daily basis unless otherwise

specified in the relevant Appendix);

(j) (in respect of Listed Class of Shares only) the latest list of the Participating Dealers and Market Makers for each Sub-Fund; and

(k) in respect of a Sub-Fund which may distribute dividends, the composition of distributions (i.e. the relative amounts paid out of (i) net distributable income, and (ii) capital), if any, for a 12-month rolling period.

The near real time indicative Net Asset Value per Share (in each trading currency of the Sub-Fund) referred to above is indicative and for reference only. This is updated every 15 seconds during SEHK trading hours and is calculated by ICE Data Services.

In respect of Listed Class of Shares of the relevant Sub-Fund(s) (any reference to "Shares" below shall be construed to refer to the Listed Class of Shares of a Sub-Fund):

- for the CSOP STAR 50 Index ETF, CSOP Huatai-PB CSI Photovoltaic Industry ETF and CSOP MSCI China A 50 Connect ETF, the near real-time indicative Net Asset Value per Share in HKD denomination is indicative and for reference purposes only. This is updated during SEHK trading hours. The near real-time indicative Net Asset Value per Share in HKD uses a real-time HKD:CNH foreign exchange rate – it is calculated using the near real-time indicative Net Asset Value per Share in RMB multiplied by a real-time HKD:CNH foreign exchange rate provided by ICE Data Indices when the SEHK is opened for trading. The near real-time indicative Net Asset Value per Share in HKD is updated every 15 seconds throughout the SEHK trading hours. Since the indicative Net Asset Value per Share in RMB will not be updated when the underlying A-Shares market is closed, any change in the indicative Net Asset Value per Share in HKD (if any) during such period is solely due to the change in the foreign exchange rate;

- the last Net Asset Value per Share of the CSOP STAR 50 Index ETF, CSOP Huatai-PB CSI Photovoltaic Industry ETF and CSOP MSCI China A 50 Connect ETF in HKD is indicative and for reference purposes only and is calculated using the last Net Asset Value per Share in RMB multiplied by an assumed foreign exchange rate using the CNH exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day. The official last Net Asset Value per Share in RMB and the indicative last Net Asset Value per Share in HKD will not be updated when the underlying A-Shares market is closed;

- for CSOP NASDAQ 100 ETF, the near real time indicative Net Asset Value per Share in HKD (updated every 15 seconds during SEHK trading hours) and the last Net Asset Value per Share in HKD are indicative and for reference purposes only. The near real-time indicative Net Asset Value per Share in HKD uses a real-time HKD:USD foreign exchange rate – it is calculated using the near real-time indicative Net Asset Value per Share in USD multiplied by a real-time HKD:USD foreign exchange rate provided by ICE Data Indices when the SEHK is opened for trading. Since the indicative Net Asset Value per Share in USD will not be updated when any underlying share market is closed, any change in the indicative Net Asset Value per Share in HKD (if any) during such period is solely due to the change in the foreign exchange rate;

- the last Net Asset Value per Share of the CSOP NASDAQ 100 ETF in HKD is calculated using the last Net Asset Value per Share in USD multiplied by an assumed foreign exchange rate using the USD exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day. The official last Net Asset Value per Share in USD and the indicative last Net Asset Value per Share in HKD will not be updated when any underlying share market is closed;

- for CSOP FTSE Vietnam 30 ETF, the near real time indicative Net Asset Value per Share in HKD (updated every 15 seconds during SEHK trading hours) and the last Net Asset Value per Share in HKD are indicative and for reference purposes only. The near real time indicative Net Asset Value per Share in HKD uses a real-time HKD:VND foreign exchange rate – it is calculated using the near real-time indicative Net Asset Value per Share in VND multiplied by a real-time HKD:VND foreign exchange rate provided by ICE Data Indices when the SEHK is opened for trading. Since the indicative Net Asset Value per Share in VND will not be updated when the underlying securities market is closed, any change in the indicative Net Asset Value

per Share in HKD (if any) during such period is solely due to the change in the foreign exchange rate; and

- the last Net Asset Value per Share of CSOP FTSE Vietnam 30 ETF in HKD is calculated using the last Net Asset Value per Share in VND multiplied by an assumed foreign exchange rate using the VND exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day. The official last Net Asset Value per Share in VND and the indicative last Net Asset Value per Share in HKD will not be updated when the underlying securities market is closed.

In respect of each Index Tracking Sub-Fund, real-time updates about the Index can be obtained through other financial data vendors. Investors should obtain additional and the latest updated information about the Index (including without limitation, a description of the way in which the Index is calculated, any change in the composition of the Index, any change in the method for compiling and calculating the Index) via the Manager's website at http://www.csopasset.com and the Index Provider's website (neither of which, nor any other website referred to in this Prospectus, has been reviewed by the SFC). Please refer to the section on "Website Information" for the warning and the disclaimer regarding information contained in such website.

Notices

All notices and communications to the Company, the Manager and the Custodian should be made in writing and sent to the following addresses:

Company
CSOP ETF Series OFC
2801-2803 & 3303-3304, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Manager
CSOP Asset Management Limited 南方東英資產管理有限公司
2801-2803 & 3303-3304, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Custodian
Cititrust Limited
50/F, Champion Tower
3 Garden Road, Central
Hong Kong

Website Information

The offer of the Shares is made solely on the basis of information contained in this Prospectus. All references in this Prospectus to other websites and sources where further information may be obtained are merely intended to assist you to access further information relating to the subject matter indicated and such information does not form part of this Prospectus. Neither the Company, the Manager nor the Custodian accepts any responsibility for ensuring that the information contained in such other websites and sources, if available, is accurate, complete and/or up-to-date, and no liability is accepted by the Company, the Manager and the Custodian in relation to any person's use of or reliance on the information contained in these other websites and sources save, in respect of the Manager, the Company's website http://www.csopasset.com (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC). The information and materials included in these websites have not been reviewed by the SFC or any regulatory body. You should exercise an appropriate degree of caution when assessing the value of such information.

Queries and complaints

Investors may contact the complaint officer of the Manager if they have any complaints or enquiries in respect of the Company or the Sub-Fund(s):

Address: 2801-2803 & 3303-3304, Two Exchange Square, 8 Connaught Place, Central, Hong Kong

Manager's Customer Service Hotline: +852 3406 5688

Depending on the subject matter of the complaints or enquiries, these will be dealt with either by the Manager directly, or referred to the relevant parties for further handling. The Manager will revert and address the investor's complaints and enquiries as soon as possible. The contact details of the Manager are set out in the paragraph above.

TAXATION

The following summary of taxation is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Shares. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of investors. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, redeeming or disposing of Shares both under the laws and practice of Hong Kong and the laws and practice of their respective jurisdictions. The information below is based on the law and practice in force at the date of this Prospectus. The relevant laws, rules and practice relating to tax are subject to change and amendment (and such changes may be made on a retrospective basis). As such, there can be no guarantee that the summary provided below will continue to be applicable after the date of this Prospectus. Furthermore, tax laws can be subject to different interpretations and no assurance can be given that relevant tax authorities will not take a contrary position to the tax treatments described below. Investors should refer to additional summaries of applicable taxation, where appropriate, as set out in the Appendix relevant to a Sub-Fund.

Taxation of the Company and Sub-Funds

As the Company and each Sub-Fund have been authorised as a collective investment scheme by the SFC under Section 104 of the SFO, profits of the Company and each Sub-Fund are exempt from Hong Kong profits tax pursuant to Section 26A(1A)(a) of the Inland Revenue Ordinance ("IRO").

Taxation of the Shareholders

Where the Shareholders do not carry on a trade, profession or business in Hong Kong or the Shares in a Sub-Fund are held by the Shareholders as capital assets for Hong Kong profits tax purposes, gains arising from the sale or disposal or redemption of the Shares in the Sub-Fund should not be taxable. For Shareholders carrying on a trade, profession or business in Hong Kong, such gains may be subject to Hong Kong profits tax (which is currently charged at the rate of 16.5% in the case of corporations, and 15% in the case of individuals and unincorporated business with, subject to certain conditions being met, the first HK$2 million of assessable profits to be charged at 8.25% for corporations, and 7.5% for unincorporated businesses) if the gains in question arise in or are derived from such trade, profession or business and sourced in Hong Kong. Shareholders should take advice from their own professional advisers as to their particular tax position.

Distributions by the Company or a Sub-Fund should generally not be subject to Hong Kong profits tax in the hands of the Shareholders (whether by way of withholding or otherwise) according to the current law and practice of the Inland Revenue Department of Hong Kong (as at the date of this Prospectus).

There is no withholding tax on dividends and interest in Hong Kong.

Stamp duty

For a transfer effected on or after 13 February 2015 executed for a transaction by which a Share of a Sub-Fund, as an exchange traded fund is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.

Automatic Exchange of Financial Account Information

The Inland Revenue (Amendment) (No.3) Ordinance (the "Ordinance") came into effect on 30 June 2016. The Ordinance together with the later amendments is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information ("AEOI"). The AEOI comprise, among others, the model Competent Authority Agreement ("CAA") and Common Reporting Standard ("CRS"). In addition, the Inland Revenue Department of Hong Kong ("IRD") published guidance for financial institutions ("FIs") on 9 September 2016 which is updated and amended from time to time to provide guidance to them for

complying with the CRS obligations. The AEOI requires FIs in Hong Kong to obtain certain information and documentation relating to non-Hong Kong tax residents holding financial accounts with the FIs, and report the required information to the IRD for the purpose of automatic exchange. Generally, the information will be reported and automatically exchanged in respect of account holders that are tax residents in a reportable jurisdiction(s) with which Hong Kong has a CAA in force; however, a Sub-Fund and/or its agents may further obtain information and/or documentation relating to the residents of other jurisdictions that are not resident in a reportable jurisdiction for CRS purposes in Hong Kong.

The Company is required to comply with the requirements of the Ordinance, which means that the Company and/or its agents shall obtain and provide to the IRD the required information relating to Shareholders. The Ordinance requires the Company to, amongst other things, (i) register the Company as a "Reporting Financial Institution" with the IRD to the extent the Company maintains reportable financial accounts; (ii) conduct due diligence on its account holders (i.e. Shareholders) in order to determine whether any of their relevant financial accounts are regarded as "Reportable Accounts" under the Ordinance; and (iii) report to the IRD the required information of such Reportable Accounts. The IRD is expected on an annual basis to exchange the required information reported to it to the competent authorities of the respective reportable jurisdictions. Broadly, AEOI requires that Hong Kong FIs should report on: (i) individuals or entities that are tax residents in a reportable jurisdiction; and (ii) certain entities controlled by individuals who are tax residents in such jurisdictions. Under the Ordinance, details of Shareholders, including but not limited to their name, place of birth, date of birth, address, tax residence, tax identification number(s) (if any), account number, account balance/value regarding their interest in the Company, and income or sale or redemption proceeds received from the Company, should be reported to the IRD and subsequently exchanged with competent authorities in the relevant jurisdictions.

By investing in a Sub-Fund and/or continuing to invest in a Sub-Fund, Shareholders acknowledge that they may be required to provide additional information or documents to the Company and/or its agents in order for the Company to comply with the Ordinance. A Shareholder's information (and information on controlling persons including beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Shareholders that are passive non-financial entities as defined under the Ordinance) may be exchanged by the IRD to the competent authorities in the relevant reportable jurisdictions.

Each Shareholder and prospective investor should consult its own professional tax advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment in the Sub-Fund(s).

FATCA and compliance with US withholding requirements

The US Hiring Incentives to Restore Employment Act (the "HIRE Act") was signed into US law in March 2010 and includes certain provisions commonly referred to as the "Foreign Account Tax Compliance Act" or "FATCA". Broadly, the FATCA provisions are set out in sections 1471 to 1474 of the US Internal Revenue Code of 1986, as amended (the "Revenue Code"), which impose a reporting regime on foreign financial institutions such as the Company and each Sub-Fund with respect to certain payments, including interest and dividends received. All such payments may be subject to FATCA withholding at a rate of 30%, unless the recipient of the payment satisfies certain requirements intended to enable the IRS to identify United States persons (within the meaning of the Revenue Code) ("US persons") with direct or indirect interests in such payment. To avoid such withholding on payments made to it, foreign financial institutions (including banks, brokers, custodians and investment funds) (an "FFI"), such as the Company and each Sub-Fund will be required to enter into an agreement (an "FFI Agreement") with the IRS to be treated as a participating FFI. Participating FFIs are required to identify all investors that are US persons and certain entities that are directly or indirectly owned by US persons and report certain information concerning such US persons to the IRS annually. The FFI Agreement will also generally require that a participating FFI deduct and withhold 30% from certain payments made by the participating FFI to investors who fail to cooperate with certain information requests made by the participating FFI or do not consent to FATCA reporting and disclosure to the IRS (referred to as "recalcitrant account holders") and may be required to close accounts of such account holders. Moreover, participating FFIs are required to deduct and withhold such payments made to investors that are

themselves FFIs but are not compliant with FATCA.

FATCA withholding applies to payments of US source income, including US source dividends and interest, made after 30 June 2014. The 30% withholding may also apply to certain non-US source payments otherwise attributable to amounts that would be subject to FATCA withholding (also known as "foreign passthru payments") in the future. Unless an exemption applies, withholding agents (which includes participating FFIs) will generally be required to begin withholding withholdable payments made after 30 June 2014.

The United States and a number of other jurisdictions have entered into intergovernmental agreements ("IGAs"). The United States Department of the Treasury and Hong Kong have entered into an intergovernmental agreement (the "Hong Kong IGA") based on the Model 2 arrangement ("Model 2 IGA"). The Model 2 IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the IRS. Under the Hong Kong IGA, an FFI (including the Company and each Sub-Fund) will not be required to impose FATCA withholding at 30% on payments to recalcitrant account holders or close the accounts of such account holders (provided information regarding such account holders is reported to the IRS as required). Withholding may apply to withholdable payments covered by FATCA if the Company and each Sub-Fund cannot satisfy the applicable requirements and is determined to be non-FATCA compliant or if the Hong Kong government is found in breach of the terms of the agreed IGA.

The Company has been registered with the IRS as a reporting single FFI with Global Intermediary Identification Number DX6RRU.99999.SL.344. In order to protect Shareholders and avoid being subject to withholding under FATCA, it is the Company's intention to endeavour to satisfy the requirements imposed under FATCA. Hence it is possible that this may require the Company and each Sub-Fund (through its agents or service providers) as far as legally permitted, to report information on the holdings or investment returns of any Shareholder to the IRS or the local authorities pursuant to the terms of the IGA (as the case may be), including certain Shareholders who fail to provide the information and documents required to identify their FATCA status, or who are non-FATCA compliant financial institutions or who fall within other categories specified in the FATCA provisions and regulations. As at the date of this Prospectus, all Shares in the Listed Class of Shares of each Sub-Fund are registered in the name of HKSCC Nominees Limited. HKSCC Nominees Limited has registered as a participating foreign financial institution.

Although the Company and each Sub-Fund will attempt to satisfy any obligations imposed by FATCA on them to avoid the imposition of FATCA withholding tax, no assurance can be given that the Company and each Sub-Fund will be able to fully satisfy these obligations. If any Sub-Fund becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of such Sub-Fund may be adversely affected and such Sub-Fund and its Shareholders may suffer material loss.

The FATCA provisions are complex and their application is uncertain at this time. The above description is based in part on regulations, official guidance, the Hong Kong IGA and model IGAs, all of which are subject to change or may be implemented in a materially different form. Nothing in this section constitutes or purports to constitute tax advice and Shareholders should not rely on any information set out in this section for the purposes of making any investment decision, tax decision or otherwise. All Shareholders should therefore consult their own tax and professional advisors regarding the FATCA requirements, possible implications and related tax consequences with respect to their own situation. In particular, Shareholders who hold their Shares through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer the above mentioned withholding tax on their investment returns.

PRC mainland taxation

The following summary of PRC mainland taxation is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Shares. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of investors. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, redeeming or disposing of Shares both under the laws and practice of PRC mainland and the laws and practice of their respective

jurisdictions. The information below is based on the law and practice in force in PRC mainland at the date of this Prospectus. The relevant laws, rules and practice relating to tax are subject to change and amendment (and such changes may be made on a retrospective basis). As such, there can be no guarantee that the summary provided below will continue to be applicable after the date of this Prospectus. Furthermore, tax laws can be subject to different interpretations and no assurance can be given that relevant tax authorities will not take a contrary position to the tax treatments described below.

Corporate income tax ("CIT")

If the Company or a Sub-Fund is considered as a tax resident enterprise of the PRC mainland, it will be subject to CIT at 25% on its worldwide taxable income. If the Company or a Sub-Fund is considered as a non-tax resident enterprise with an establishment, a place of business or a permanent establishment (collectively known as "PE") in the PRC mainland, the profits attributable to that PE would be subject to CIT at 25%.

The Manager intends to manage and operate the Company and each Sub-Fund in such a manner that the Company and each Sub-Fund should not be treated as tax resident enterprises of the PRC mainland or non-tax resident enterprises with a PE in the PRC mainland for CIT purposes. As such, it is expected that the Company and each Sub-Fund should only be subject to CIT on withholding basis at 10% (which may be reduced by the application of relevant double tax treaty and domestic regulation) to the extent a Sub-Fund derives PRC mainland sourced income, although this cannot be guaranteed.

Dividend income

Unless a specific exemption or reduction is available under current PRC mainland tax laws and regulations or relevant tax treaties, non-tax resident enterprises without a PE in the PRC mainland are subject to CIT on a withholding basis at a rate of 10%, to the extent it directly derives the PRC mainland sourced passive income. In that respect, pursuant to Guoshuihan [2009] No. 47, Caishui [2014] No. 81 ("Circular 81") and Caishui [2016] No.127 ("Circular 127"), income from dividend and profits distribution of A-Shares and exchange traded funds issued and listed in the PRC mainland ("A-Share ETFs") derived by QFII/RQFII, as well as Hong Kong and overseas investors via the Stock Connect, should be subject to PRC mainland Withholding Income Tax ("WIT") at a rate of 10%, unless such WIT is subject to reduction or exemption in accordance with an applicable tax treaty signed with the PRC mainland. The WIT is withheld by the A-Share company at source.

Under the "Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income" (the "China-HK Arrangement"), dividends distributed by a PRC mainland tax resident to a Hong Kong tax resident (supported by a Hong Kong tax residency certificate) would be subject to a reduced PRC mainland WIT rate of 5% provided (i) the Hong Kong tax resident is the beneficial owner of the dividend; (ii) the Hong Kong tax resident holds at least 25% of the equity of the PRC mainland tax resident; and (iii) the relevant treaty conditions are satisfied. Due to each Sub-Fund's investment restriction, a Sub-Fund would not hold more than 10% of the ordinary shares issued by any single PRC mainland issuer. In this connection, a Sub-Fund would not be able to enjoy the reduced WIT rate of 5% provided under the China-HK Arrangement and therefore the general WIT rate applicable to a Sub-Fund is 10%.

Capital gains

Based on the PRC mainland CIT Law and its Implementation Rules, "income from the transfer of property" sourced from the PRC mainland by a non-tax resident enterprise without a PE in the PRC mainland should be subject to WIT of 10%. However, pursuant to Caishui [2014] No. 79 ("Circular 79"), Circular 81 and Circular 127, CIT is temporarily exempted on capital gains derived by QFII/RQFII and Hong Kong market investors via Stock Connect on the trading of equity investment (including A-Shares and A-Share ETFs) through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect with effect from 17 November 2014 and 5 December 2016 respectively. Based on Circular 79, Circular 81 and Circular 127, no provision for gross realised or unrealised capital gains derived by the Sub-Fund from trading of A-Shares and A-Share ETFs

via QFI, Stock Connect or Swap is made by the Manager on behalf of each Sub-Fund.

Value-added Tax ("VAT") and other surtaxes

The PRC mainland has introduced VAT to replace Business Tax ("BT") across all industry sectors which were historically under the BT regime. Caishui [2016] No. 36 ("Notice No. 36"), jointly promulgated by the PRC Ministry of Finance ("MOF") and the PRC State Taxation Administration ("SAT") on 23 March 2016, contains the VAT rates and rules applicable to the extension of VAT to certain financial services with effect from 1 May 2016.

Notice No. 36 provides that VAT at the rate of 6% applies generally to net gains derived from the trading in PRC mainland marketable securities.

In addition, if VAT is applicable, local surcharges (which include Urban Construction and Maintenance Tax, Education Surcharge and Local Education Surcharge) up to 12% would be imposed based on VAT liabilities. The amount of local surcharges differs from location to location, but the total of VAT and local surcharges would typically be expected to amount to approximately 6.8%.

There are certain exemptions from VAT applicable under Notice No. 36, Caishui [2016] No. 70 and Circular 127, which include gains derived by QFII/RQFII, as well as Hong Kong market investors via Stock Connect, from the trading of securities (including A-Shares and A-Share ETFs) should be exempt from VAT.

Dividends and profit distributions from A-Shares and A-Share ETFs and bank deposit interest are generally considered to be outside the scope of VAT, although the VAT rules do not specifically state this.

The Manager does not intend at this stage to make any provision for VAT on any realised or unrealised gains derived by any of the Sub-Fund from trading of A-Shares and A-Share ETFs via QFI, Stock Connect or Swap, on any dividends or on any profit distributions and bank deposit interest derived by each Sub-Fund in respect of investments or investors which fall within the scope of the exempted categories set out above.

Stamp duty

Stamp duty under the PRC mainland laws generally applies to the execution and receipt of all taxable documents listed in the PRC mainland's Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in the PRC mainland of certain documents, including contracts for the sale of A-Shares and B-Shares traded on the PRC mainland stock exchanges. In the case of contracts for sale of A-Shares and B-Shares, such stamp duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1% of the sales consideration. The Sub-Fund will be subject to this tax on each direct disposal of A-Shares.

Swap arrangement

The Company or the Sub-Fund may gain an economic exposure to A-Share through Swaps. A Swap Counterparty may implement hedge arrangements by acquiring A-Shares using QFI status (that of either itself, a third party or an affiliate), which will be subject to PRC mainland taxation as discussed above. As a result, PRC mainland tax liabilities (if any) accruing to the Swap counterparties under the hedge arrangements may ultimately be charged to the Company or the Sub-Fund contractually and would likely have an economic effect on the value of the Sub-Fund.

General

It should be noted that the actual applicable tax amount imposed by PRC mainland tax authorities may be different and may change from time to time. There is a possibility of the rules being changed and taxes being applied retrospectively. As such, any provision for taxation made by the Manager may be excessive or inadequate to meet final PRC mainland tax liabilities. Consequently, Shareholders may be advantaged or disadvantaged depending upon the final tax liabilities, the

level of provision and when they subscribed and/or redeemed their Shares.

If the actual applicable tax amount levied by PRC mainland tax authorities is higher than that provided for by the Manager so that there is a shortfall in the tax provision amount, investors should note that the Net Asset Value of a Sub-Fund may suffer more than the tax provision amount as such Sub-Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new Shareholders will be disadvantaged. On the other hand, if the actual applicable tax amount levied by PRC mainland tax authorities is lower than that provided for by the Manager so that there is an excess in the tax provision amount, Shareholders who have redeemed their Shares before the PRC mainland tax authorities' ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the Manager's overprovision. In this case, the then existing and new Shareholders may benefit if the difference between the tax provision and the actual taxation liability under that lower tax rate can be returned to the account of the relevant Sub-Fund as assets thereof. Notwithstanding the above provisions, Shareholders who have already redeemed their Shares in a Sub-Fund before the return of any overprovision to the account of such Sub-Fund will not be entitled or have any right to claim any part of such overprovision.

Shareholders should seek their own tax advice on their tax position with regard to their investment in any Sub-Fund.

It is possible that the current tax laws, regulations and practice in the PRC mainland will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher taxation on PRC mainland investments than currently contemplated.

SCHEDULE 1 – PROVISIONS RELATING TO THE OFFER, CREATION, REDEMPTION, LISTING AND TRADING OF THE LISTED CLASS OF SHARES

This Schedule 1 contains disclosure relating to Listed Class of Shares only. Unless the context otherwise requires, references to "Shares" and "Shareholders" in this Schedule shall be construed to refer to the Listed Class of Shares of a Sub-Fund or a Shareholder of such Shares. Save for terms defined below, all other terms used in this Schedule shall have the same meanings as assigned to them under Part 1 of the Prospectus. Please refer to Schedule 2 for information relating to the offer, subscription, switching and redemption of Unlisted Class(es) of Shares.

THE OFFERING PHASES

Initial Offer Period

During the Initial Offer Period, Participating Dealers (acting for themselves or for their clients) may apply for Shares (to be available for trading on the Listing Date) by means of Creation Applications on each Dealing Day for themselves and/or their clients in accordance with the Operating Guidelines.

Unless otherwise stated in the relevant Appendix, the latest date for making a Creation Application for Shares is 5:00 p.m. (Hong Kong time) two Business Days prior to the Listing Date or such other time as the Manager may determine on any day when the trading hours of the SEHK are reduced.

To be dealt with during the Initial Offer Period, the relevant Participating Dealer must submit the Creation Applications to the Company and the Manager (with a copy to the Custodian) on a Business Day no later than two Business Days prior to the Listing Date unless otherwise stated in the relevant Appendix.

If a Creation Application is received by the Company, the Manager and the Custodian after the deadline as specified in the Appendix, that Creation Application shall be carried forward and deemed to be received at the opening of business on the Listing Date, which shall be the Dealing Day for the purposes of that Creation Application.

Creation Applications must be made in Application Share size, which is the number of Shares specified in the relevant Appendix. Participating Dealers (acting for themselves or for their clients) can apply for Shares on each Dealing Day at the Issue Price.

Please refer to the section on "Creations and Redemptions (Primary Market)" for the operational procedures in respect of Creation Applications.

After Listing

The After Listing phase commences on the Listing Date and continues until the relevant Sub-Fund(s) (or the relevant Listed Class of Shares) are terminated.

You can acquire or dispose the Shares in either of the following two ways:

(a) buy and sell Shares on the SEHK; or

(b) apply for creation and redemption of Shares through Participating Dealers.

Buying and selling of Shares on the SEHK

After Listing, all investors can buy and sell Shares in the secondary market in Trading Board Lot Size (as described in the section "Key Information" in the relevant Appendix) or whole multiples thereof like ordinary listed stocks through an intermediary such as a stockbroker or through any of the share dealing services offered by banks or other financial advisers at any time the SEHK is open.

However, please note that transactions in the secondary market on the SEHK will be subject to

brokerage and other fees and will occur at market prices which may vary throughout the day and may differ from Net Asset Value per Share due to market demand and supply, liquidity and scale of trading spread for the Shares in the secondary market. As a result, the market price of the Shares in the secondary market may be higher or lower than Net Asset Value per Share.

Please refer to the section on "Exchange Listing and Trading (Secondary Market)" for further information in respect of buying and selling of Shares on the SEHK.

Creations and Redemptions through Participating Dealers

Shares will continue to be created and redeemed in the primary market at the Issue Price and Redemption Value respectively through Participating Dealers in Application Share size or multiples thereof. Where stated in the relevant Appendix, in-kind creations or in-kind redemptions may be permitted by the Manager. The Application Share size and currency for settlement are as set out in the relevant Appendix.

To be dealt with on a Dealing Day, the relevant Participating Dealer must submit the Applications to the Company and the Manager (with a copy to the Custodian) before the Dealing Deadline on the relevant Dealing Day. If an Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Application. Participating Dealers are under no obligation to create or redeem generally or for their clients and may charge their clients such fee or fees as such Participating Dealers determine.

Settlement in cash for subscribing Shares in cash is due by such time as agreed in the Operating Guidelines on the relevant Dealing Day, unless the Manager agrees with the relevant Participating Dealer to accept later settlement generally or in any particular case.

Settlement of Shares for redeeming Shares is due 2 Business Days (unless as otherwise stated in the relevant Appendix) after the Dealing Day, unless the Manager agrees with the relevant Participating Dealer to accept later settlement generally or in any particular case.

Notwithstanding any Multi-Counter (if applicable) for Shares, all settlement is in the base currency of the relevant Sub-Fund only.

After Listing, all Shares in the Listed Class of Shares of each Sub-Fund will be registered in the name of HKSCC Nominees Limited on the register of the relevant Sub-Fund. The register of the relevant Sub-Fund is the evidence of ownership of Shares. The beneficial interests in Shares of any client of the Participating Dealers shall be established through such client's account with the relevant Participating Dealer or PD Agent (as the case may be) or with any other CCASS participants if the client is buying from the secondary market.

Timetable

Initial Offer Period

The Initial Offer Period and the Listing Date of the Listed Class of Shares of a new Sub-Fund is set out in the Appendix of the new Sub-Fund.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Shares either on their own account or for their clients, in accordance with the Instrument and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Shares to be available for trading on the Listing Date by creation. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Shares for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus and which may change from time to time. The Dealing Deadline in respect of Shares in a Sub-Fund may also change due to market related events. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Shares on their behalf.

After Listing

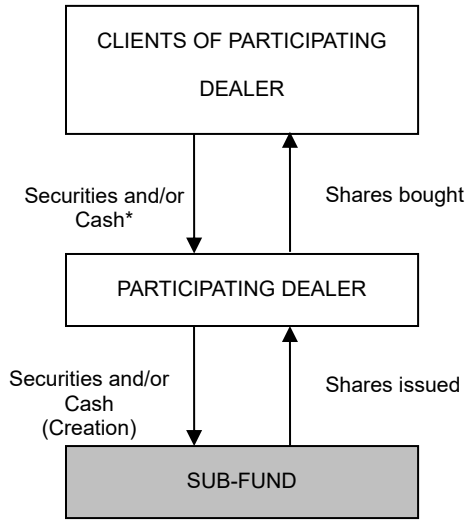
"After Listing" commences on the Listing Date and continues until the relevant Sub-Fund (or the relevant Listed Class of Shares) is terminated.

All investors may buy and sell Shares in the secondary market on the SEHK and Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Shares in the primary market.

Diagrammatic Illustration of Investment in the Listed Class of Shares of a Sub-Fund

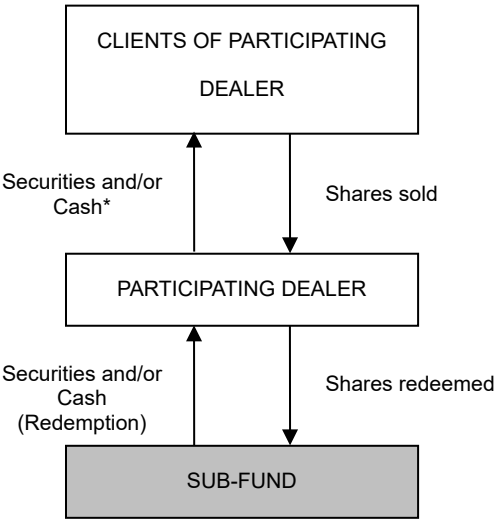
The diagrams below illustrate the creation or redemption and the buying or selling of Shares:

(a) Creation and buying of Shares in the primary market – Initial Offer Period and After Listing



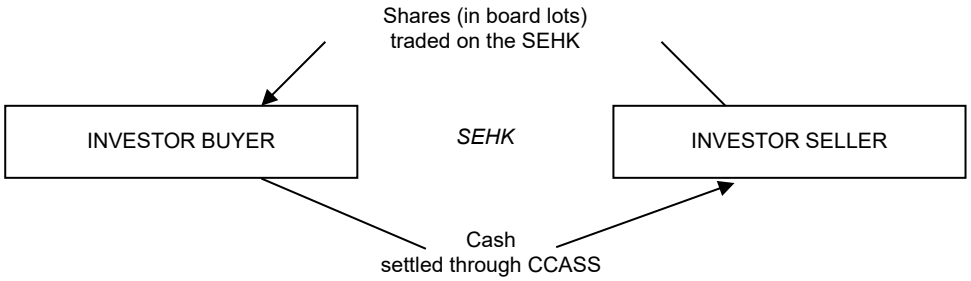
** Clients of a Participating Dealer may agree with the Participating Dealer settlement in a different currency to the creation currency.*

(b) Redemption and selling of Shares in the primary market – After Listing



** Clients of a Participating Dealer may agree with the Participating Dealer settlement in a different currency to the redemption currency.*

(c) Buying or selling of Shares in the secondary market on the SEHK – After Listing



Summary of Offering Methods and Related Fees

Initial Offer Period

Method of Offering*	Minimum Number of Shares (or multiple thereof)	Channel	Available to	Consideration, Fees and Charges**
Cash creation (in the currency as specified in the relevant Appendix)	Application Share size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash Transaction Fee Brokerage fees and/or any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges
In-kind creation	Application Share size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Portfolio of Securities Cash component Transaction Fee Brokerage fees and/or any fees and charges imposed by the Participating

				Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges

After Listing

Method of Acquisition or Disposal of Shares*	Minimum Number of Shares (or multiple thereof)	Channel	Available to	Consideration, Fees and Charges**
Purchase and sale in cash through brokers on the SEHK (secondary market)	Board lot size (see relevant Appendix)	On the SEHK	Any investor	Market price of Shares on SEHK Brokerage fees (in such currency as determined by individual brokers) Transaction Levy Trading Fee (in HKD only unless otherwise specified in the relevant Appendix)
Cash creation and redemption	Application Share size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash (in the currency as specified in the relevant Appendix) Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges

In-kind creation and redemption	Application Share size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Portfolio of Securities Cash component Transaction Fee Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Duties and Charges

* *The methods of creation available to the Participating Dealers in respect of each Sub-Fund, whether in-kind and/or in cash, are specified in the relevant Appendix.*

*** Please refer to "Fees and Expenses" for further details. The currency for payment of subscription monies is specified in the relevant Appendix.*

CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

Investment in a Sub-Fund

There are 2 methods of making an investment in the Listed Class of Shares of a Sub-Fund and of disposing of the Listed Class of Shares to realise an investment in a Sub-Fund.

The first method is to create Shares at the Issue Price or redeem Shares at the Redemption Value directly with the Sub-Fund in the primary market through a Participating Dealer, being a licensed dealer that has entered into a Participation Agreement in respect of the relevant Sub-Fund. Where a Sub-Fund has a Multi-Counter, all creation and redemption for all Shares must be in the base currency of that Sub-Fund. Because of the size of the capital investment (i.e. Application Share size) required either to create or redeem Shares through the Participating Dealer in the primary market, this method of investment is more suitable for institutional investors and market professionals. Participating Dealers are under no obligations to create or redeem Shares for their clients and may impose terms, including charges, for handling creation or redemption orders as they determine appropriate, as described in more detail in this section.

The second method is to buy or to sell Shares in the secondary market on the SEHK which is more suitable for retail investors. The secondary market price of Shares may trade at a premium or discount to the Net Asset Value of the relevant Sub-Fund.

This section of this Schedule describes the first method of investment and should be read in conjunction with the Participation Agreement and the Instrument. The section on "Exchange Listing and Trading (Secondary Market)" relates to the second method of investment.

Creation of Shares through Participating Dealers

Any application for the creation of Shares of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Share size (save and except for application during the relevant Initial Offer Period, the Manager may accept an Application Share size which is not a whole multiple thereof) as set out in the "Key Information" section in the relevant Appendix. Investors cannot

acquire Shares directly from a Sub-Fund. Only Participating Dealers may submit Creation Applications to the Company and the Manager (with a copy to the Custodian).

Shares in each Sub-Fund are continuously offered through a Participating Dealer, who may apply for them on any Dealing Day for its own account or for your account as their client(s), in accordance with the Operating Guidelines, by submitting a Creation Application to the Company and the Manager (with a copy to the Custodian).

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit creation requests received from its clients, subject always to (i) mutual agreement between the relevant initial Participating Dealer and its clients as to its fees for handling such requests; (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to create Shares for the relevant initial Participating Dealer on behalf of such clients (please refer to the sub-section on "Creation process" below for the examples of exceptional circumstances under which the Manager shall have the right to reject a Creation Application); and (iv) mutual agreement between the relevant initial Participating Dealer and its clients as to the method of effecting such creation requests

In addition, a Participating Dealer reserves the right to reject, acting in good faith, any creation request received from a client under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Shares of the relevant class, (ii) the redemption of Shares of the relevant class, and/or (iii) the determination of Net Asset Value of the relevant class is suspended;

(b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities and/or FDIs (for an Index Tracking Sub-Fund) in the relevant Index or (for a Sub-Fund that is not an Index Tracking Sub-Fund) comprising the portfolio of the Sub-Fund;

(c) where acceptance of the creation request or any Security in connection with such creation request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer necessary for compliance with applicable legal and regulatory requirements;

(d) circumstances outside the control of the Participating Dealer which make it for all practicable purposes impossible to process the creation request; or

(e) during any period when the business operations of the Participating Dealer are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Requirements Relating to Creation Requests by Potential Investors

A Participating Dealer may impose fees and charges in handling any creation request which would increase the cost of investment. Investors are advised to check with the Participating Dealer as to relevant fees and charges. Although the Manager has a duty to monitor the operations of each Sub-Fund closely, neither the Company, the Manager nor the Custodian is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Company, the Manager or the Custodian or to accept any such creation requests received from clients. In addition, neither the Custodian nor the Company can ensure effective arbitrage by Participating Dealer.

A Participating Dealer may also impose timing deadlines for the submission by its clients of any creation request and require any such clients to complete the relevant client acceptance procedures and requirements (including, where necessary, providing such documentation and certifications as required by the Participating Dealer) in order to ensure that an effective Creation Application in

respect of a Sub-Fund can be submitted by it to the Company and the Manager (with a copy to the Custodian). Investors are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

The Application Share size for the Listed Class of Shares of a Sub-Fund is the number of Shares specified in the relevant Appendix. Save and except for application during the relevant Initial Offer Period, Creation Applications submitted in respect of Shares other than in Application Share size will not be accepted. The minimum subscription for the Listed Class of Shares of each Sub-Fund is one Application Share.

Creation Process

A Participating Dealer may from time to time submit Creation Applications in respect of a Sub-Fund to the Company and the Manager (with a copy to the Custodian), following receipt of creation requests from clients or where it wishes to create Shares of the relevant Sub-Fund for its own account.

If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix, or such other time as the Manager may determine in consultation with the Custodian on any day when the trading hours of the SEHK, the Recognised Futures Exchange or the Recognised Stock Exchange are reduced. To be effective, a Creation Application must:

(a) be given by a Participating Dealer in accordance with the Instrument, the relevant Participation Agreement and the relevant Operating Guidelines;

(b) specify the number of Shares and the class of Shares (where applicable) which is the subject of the Creation Application; and

(c) include the certifications required in the Operating Guidelines (if any) in respect of creations of Shares, together with such certifications and opinions of counsel (if any) as each of the Custodian and the Manager may separately consider necessary to ensure compliance with applicable securities and other laws in relation to the creation of Shares which are the subject of the Creation Application.

The Company shall have the right to reject, acting in good faith, any Creation Application under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Shares of the relevant class, (ii) the redemption of Shares of the relevant class, and/or (iii) the determination of Net Asset Value of the relevant class is suspended;

(b) where in the opinion of the Manager, acceptance of the Creation Application would have an adverse effect on the relevant Sub-Fund;

(c) where, in the opinion of the Manager, acceptance of the Creation Application would have a material impact on the relevant market on which a Security and/or FDI (for an Index Tracking Sub-Fund, that is a component of the Index for the relevant Sub-Fund) has its primary listing;

(d) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities and/or FDIs as the case may be (for an Index Tracking Sub-Fund) in the relevant Index or (for a Sub-Fund that is not an Index Tracking Sub-Fund) comprising the portfolio of the Sub-Fund;

(e) where acceptance of the Creation Application would render the Company in breach of any

regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Company or the Manager necessary for compliance with applicable Laws and Regulations;

(f) circumstances outside the control of the Company or the Manager make it for all practicable purposes impossible to process the Creation Application;

(g) any period during which the business operations of the Company or any delegate of the Company in respect of a Creation Application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or

(h) an Insolvency Event occurs in respect of the relevant Participating Dealer.

In the event of such rejection, the Company shall notify the relevant Participating Dealer and the Custodian of its decision to reject such Creation Application in accordance with the Operating Guidelines. Where for any reason there is a limit to the number of Shares which can be created, priority will be given to Participating Dealers and the relevant Creation Applications as set out in the Operating Guidelines.

The Company's right to reject a Creation Application is separate and in addition to a Participating Dealer's right to reject, acting in good faith, any creation request received from a client of the Participating Dealer under exceptional circumstances. Notwithstanding a Participating Dealer has accepted creation requests from its clients and in that connection submitted an effective Creation Application, the Company may exercise its rights to reject such Creation Application in the circumstances described herein.

Where the Company accepts a Creation Application from a Participating Dealer, it shall instruct the Custodian and the Registrar to effect (i) for the account of the Sub-Fund, the creation of Shares in Application Share size in exchange for a transfer of cash and/or Securities (at the discretion of the Participating Dealer but subject to the Manager's agreement); and (ii) the issue of Shares to the Participating Dealer, both in accordance with the Operating Guidelines and the Instrument.

Issue of Shares

Shares will be issued at the Issue Price prevailing on the relevant Dealing Day, provided that there may be added to such Issue Price such sum (if any) as represents an appropriate provision for Duties and Charges. Please refer to the section on "Issue Price and Redemption Value" for the calculation of the Issue Price.

On receipt of a Creation Application by a Participating Dealer for Shares in a Sub-Fund during the relevant Initial Offer Period, the Company shall procure the creation and issue of Shares in that Sub-Fund on the relevant Initial Issue Date.

Shares are denominated in the base currency of the relevant Sub-Fund (unless otherwise determined by the Directors) as set out in the relevant Appendix and no fractions of a Share shall be created or issued by the Company.

The creation and issue of Shares pursuant to a Creation Application shall be effected on the relevant Settlement Day for the Dealing Day on which the Creation Application is received (or deemed received) and accepted in accordance with the Operating Guidelines but, for valuation purposes only, Shares shall be deemed created and issued after the Valuation Point on the Dealing Day on which the relevant Creation Application was received or deemed received and the register will be updated on the relevant Settlement Day or the Dealing Day immediately following the Settlement Day if the settlement period is extended. If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. An Extension Fee may be payable in relation to such an extension. See the section on "Fees and Expenses" for further details.

The Registrar shall be entitled to refuse to enter (or allow to be entered) Shares in the Listed Class of Shares in the register if at any time the Registrar is of the opinion that the provisions as set out in the Instrument, the relevant Operating Guidelines or the relevant Participation Agreement, in regard to the issue of Shares, are being infringed.

Fees Relating to Creation Applications

The Conversion Agent, the Service Agent, the Registrar and/or the Custodian may charge a Transaction Fee in respect of Creation Applications and may on any day vary the rate of the Transaction Fee they charge (but not as between different Participating Dealers in respect of the same Sub-Fund). The Transaction Fee shall be paid by or on behalf of the Participating Dealer applying for such Shares and may be set off and deducted against any cash amount due to the Participating Dealer in respect of such Creation Applications for the benefit of the Custodian, the Registrar and/or the Service Agent. See the section on "Fees and Expenses" for further details.

In relation to cash creation of Shares, the Company reserves the right to require the Participating Dealer to pay or cause to be paid an additional sum for the purpose of compensating or reimbursing the Sub-Fund for the difference between:

(a) the prices used when valuing the Securities and/or FDIs, as applicable, of the Sub-Fund for the purpose of such issue of Shares; and

(b) the prices which would be used when acquiring the same Securities and/or FDIs, as applicable, if they were acquired by the Sub-Fund with the amount of cash received by the Sub-Fund upon such issue of Shares.

The Participating Dealer may pass on to the relevant investor such additional sum.

Any commission, remuneration or other sum payable by the Company or Manager to any agent or other person in respect of the issue or sale of any Share shall not be added to the Issue Price of such Share and shall not be paid from the assets of any Sub-Fund.

Cancellation of Creation Applications

A Creation Application once submitted cannot be revoked or withdrawn without the consent of the Company.

The Company shall cancel Shares created and issued in respect of a Creation Application if (a) all the Securities and/or FDIs relating to the Creation Application have not been vested by or on the Initial Issue Date and subsequently the relevant Settlement Day or to the Company's satisfaction or evidence of title and instruments of transfer satisfactory to the Company have not been produced to or to the order of the Company; or (b) the full amount of (i) any cash payable in connection with the relevant Creation Application and (ii) any Duties and Charges, incidental costs associated with the creation of Shares and Transaction Fee payable have not been received in cleared funds by or on behalf of the Custodian by the prescribed time on the Initial Issue Date and subsequently on the relevant Settlement Day, provided that, in either event the Company may at its discretion, (i) extend the settlement period (either for the Creation Application as a whole or for a particular Security or FDI) such extension to be on such terms and conditions (including as to the payment of an any fees or collateral to the Company or otherwise as the Company may determine) as the Directors may determine; or (ii) partially settle the Creation Application to the extent to which Securities and/or FDIs and/or cash (including any cash component) have been vested in, or to the account of, the Sub-Fund, on such terms and conditions as the Directors may determine including terms as to any extension of the settlement period for the outstanding Securities, FDIs or cash (including any cash component).

In addition to the preceding circumstances, the Company may also cancel any creation order for any Shares if it so determines by such time as it specifies in the Operating Guidelines where it is unable to invest the cash proceeds of any Creation Application.

Upon the cancellation of any creation order of any Shares deemed created pursuant to a Creation

Application as provided for above or if a Participating Dealer otherwise withdraws subject to the Company's consent a Creation Application (other than in certain circumstances contemplated in the Instrument such as when the Manager declares a suspension of creations of Shares), any Securities deposited for exchange that have been vested in the Company and/or any cash received by or on behalf of the Company in connection with a Creation Application shall be redelivered to the Participating Dealer (without interest) and the relevant Shares shall be deemed for all purposes never to have been created and the relevant Participating Dealer therefore shall have no right or claim against the Company, the Manager, the Custodian, the Registrar, the Conversion Agent and/or the Service Agent in respect of such cancellation provided that:

(a) the Custodian may charge the relevant Participating Dealer an application cancellation fee (see the section on "Fees and Expenses" for further details);

(b) the Company may at its absolute discretion require the Participating Dealer to pay to the Company, for the account of the relevant Sub-Fund, in respect of each Share so cancelled Cancellation Compensation, being the amount (if any) by which the Issue Price of each such Share exceeds the Redemption Value which would have applied in relation to each such Share if the Participating Dealer had, on the date on which such Shares are cancelled, made a Redemption Application, together with charges, expenses and losses incurred by the Sub-Fund as a result of such cancellation;

(c) the Transaction Fee in respect of such Creation Application shall remain due and payable (notwithstanding that the Creation Application shall be deemed to never have been made) and once paid shall be retained by and for the benefit of the Company, the Custodian, the Registrar, the Conversion Agent and/or the Service Agent (see the section on "Fees and Expenses" for further details); and

(d) no previous valuations of the Scheme Property shall be re-opened or invalidated as a result of the cancellation of such Shares.

Redemption of Shares Through Participating Dealers

Any application for the redemption of Shares of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Share size. Investors cannot redeem Shares directly from the relevant Sub-Fund. Only Participating Dealers may submit Redemption Applications to the Company and the Manager (with a copy to the Custodian).

A Participating Dealer may redeem Shares on any Dealing Day for its own account or for the account of its clients in accordance with the Operating Guidelines, by submitting a Redemption Application to the Company and the Manager (with a copy to the Custodian).

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit redemption requests received from its clients, subject always to (i) mutual agreement between the relevant initial Participating Dealer and its clients as to its fees for handling such request(s); (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to redeem Shares for the relevant initial Participating Dealer on behalf of its clients (please refer to the sub-section on "Redemption process" below for the examples of exceptional circumstances under which the Manager shall have the right to reject a Redemption Application); and (iv) mutual agreement between the relevant initial Participating Dealer and its clients as to the method of effecting such redemption request.

In addition, a Participating Dealer reserves the right to reject, acting in good faith, any redemption request received from a client under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Shares of the relevant class, (ii) the redemption of Shares of the relevant class, and/or (iii) the determination of Net Asset Value of the relevant class is suspended;

(b) where there is in existence any trading restriction or limitation such as the occurrence of a

market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities and/or FDIs (for an Index Tracking Sub-Fund) in the relevant Index or (for a Sub-Fund that is not an Index Tracking Sub-Fund) comprising the portfolio of the Sub-Fund;

(c) where acceptance of the redemption request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer necessary for compliance with applicable legal and regulatory requirements;

(d) circumstances outside the control of the Participating Dealer make it for all practicable purposes impossible to process the redemption request; or

(e) during any period during which the business operations of the Participating Dealer are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Requirements Relating to Redemption Requests by Potential Investors

A Participating Dealer may impose fees and charges in handling any redemption request which would increase the cost of investment and/or reduce the redemption proceeds. You are advised to check with the Participating Dealer as to relevant fees and charges. Although the Manager has a duty to monitor the operations of each Sub-Fund closely, neither the Manager nor the Custodian is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Custodian or to accept any such redemption requests received from clients. In addition, neither the Company nor the Manager can ensure effective arbitrage by a Participating Dealer.

A Participating Dealer may also impose timing deadlines for the submission by its clients of any redemption request and require any such clients to complete the relevant client acceptance procedures and requirements (including, where necessary, providing such documentation and certifications as required by the Participating Dealer) in order to ensure that an effective Redemption Application in respect of a Sub-Fund can be submitted by it to the Company and the Manager (with a copy to the Custodian). You are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

The Application Share size for a Sub-Fund is the number of Shares specified in the relevant Appendix. Redemption Applications submitted in respect of Shares other than in Application Share size will not be accepted. The minimum redemption for each Sub-Fund is one Application Share.

Redemption Process

A Participating Dealer may from time to time submit Redemption Applications in respect of a Sub-Fund to the Company and the Manager (with a copy to the Custodian), following receipt of redemption requests from clients or where it wishes to redeem Shares of the relevant Sub-Fund for its own account.

If a Redemption Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Redemption Application. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix, or such other time as the Manager may determine in consultation with the Custodian on any day when the trading hours of the SEHK are reduced.

To be effective, a Redemption Application must:

(a) be given by a Participating Dealer in accordance with the Instrument, the relevant Participation Agreement and the relevant Operating Guidelines;

(b) specify the number of Shares and the class of Shares (where applicable) which is the subject of the Redemption Application; and

(c) include the certifications required in the Participation Agreement and Operating Guidelines (if any) in respect of redemptions of Shares, together with such certifications and opinions of counsel (if any) as the Company may consider necessary to ensure compliance with applicable securities and other laws in relation to the redemption of Shares which are the subject of the Redemption Application.

The Company shall have the right to reject, acting in good faith, any Redemption Application under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Shares of the relevant class, (ii) the redemption of Shares of the relevant class, and/or (iii) the determination of Net Asset Value of the relevant class is suspended;

(b) where in the opinion of the Manager, acceptance of the Redemption Application would have an adverse effect on the relevant Sub-Fund;

(c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities and/or FDIs (for an Index Tracking Sub-Fund) in the relevant Index or (for a Sub-Fund that is not an Index Tracking Sub-Fund) comprising the portfolio of the Sub-Fund;

(d) where acceptance of the Redemption Application would render the Company in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Company or the Manager necessary for compliance with applicable legal and regulatory requirements;

(e) circumstances outside the control of the Company or the Manager make it for all practicable purposes impossible to process the Redemption Application; or

(f) any period during which the business operations of the Company or any delegate of the Company in respect of a Redemption Application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

In the event of such rejection, the Company shall notify the relevant Participating Dealer and the Custodian of its decision to reject such Redemption Application in accordance with the Operating Guidelines.

The Company's right to reject a Redemption Application is separate and in addition to a Participating Dealer's right to reject, acting in good faith, any redemption request received from a client under exceptional circumstances. Notwithstanding a Participating Dealer has accepted redemption requests from clients and in that connection submitted an effective Redemption Application, the Company may exercise its rights to reject such Redemption Application in the circumstances described herein.

Where the Company accepts a Redemption Application from a Participating Dealer, it shall (i) effect the redemption and cancellation of the relevant Shares; and (ii) require the Custodian to transfer to the Participating Dealer Securities and/or cash in accordance with the Operating Guidelines and the Instrument.

The Participating Dealer will then transfer the Securities and/or cash to the relevant client if the Redemption Application was submitted by the Participating Dealer for the account of its client.

Redemption of Shares

Any accepted Redemption Application will be effected on the Settlement Day provided that a

Redemption Application duly signed by a Participating Dealer (to the satisfaction of the Company) has been received and provided further that the Company shall have received (unless otherwise provided in the Operating Guidelines) the original (and not a faxed copy) of the certificates (if any) representing the Shares to be cancelled (or an indemnity in terms acceptable to the Custodian) and the full amount of any amount payable by the Participating Dealer including the Transaction Fee and any other Duties and Charges have been either deducted or otherwise paid in full.

For valuation purposes only, Shares shall be deemed to have been redeemed and cancelled after the Valuation Point on the Dealing Day on which the Redemption Application was received or deemed received. The name of the Shareholder of such Shares shall be removed from the Register in respect of those Shares redeemed and cancelled on the relevant Settlement Day.

The Redemption Value of Shares tendered for redemption and cancellation shall be the Net Asset Value per Share of a Sub-Fund on the relevant Dealing Day rounded to the nearest 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down) or to such other rounding as determined by the Manager. The benefit of any rounding adjustments will be retained by the relevant Sub-Fund. For the purpose of valuation, the relevant Valuation Point shall be the Valuation Point for the Dealing Day on which the Redemption Application is treated as having been received.

The interval between the receipt of a properly documented Redemption Application and payment of redemption proceeds may not exceed one calendar month provided that there is no delay in submitting all duly completed redemption documentation and the determination of the Net Asset Value or dealing in Shares is not suspended, unless the market(s) in which a substantial portion of investments of the relevant Sub-Fund is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of redemption proceeds within the aforesaid time period not practicable. In such case, subject to all applicable legal or regulatory requirements, payments may be delayed but the extended time frame for the payment of the redemption proceeds shall reflect the additional time needed in light of the specific circumstances in the relevant market(s).

The Company may at its discretion extend the settlement period upon receipt of the extended settlement request by a Participating Dealer in respect of the Redemption Application on such terms and conditions (including as to the payment of the Extension Fee or otherwise as the Company may determine) as the Manager and the Custodian may in their discretion determine, in accordance with the Operating Guidelines.

Fees Relating to Redemption Applications

The Conversion Agent, the Service Agent, the Registrar and/or the Custodian may charge a Transaction Fee in respect of Redemption Applications and may on any day vary the amount of the Transaction Fee they charge (but not as between different Participating Dealers in respect of the same Sub-Fund). The Transaction Fee shall be paid by or on behalf of the Participating Dealer submitting the Redemption Application(s) (and may be set off and deducted against any cash amount due to the Participating Dealer in respect of such Redemption Application(s)) for the benefit of the Custodian, the Registrar, the Conversion Agent and/or the Service Agent. See the section on “Fees and Expenses” for further details.

In relation to cash redemption of Shares, notwithstanding the aforesaid regarding the redemption and cancellation of Shares based on Net Asset Value, the Participating Dealer may be required to pay an additional sum for the purpose of compensating or reimbursing a Sub-Fund for the difference between:

(a) the prices used when valuing the Securities and/or FDIs, as applicable of the Sub-Fund for the purpose of such redemption of Shares; and

(b) the prices which would be used when selling the same Securities and/or FDIs, as applicable if they were sold by the Sub-Fund in order to realise the amount of cash required to be paid out of the Sub-Fund upon such redemption of Shares.

The Participating Dealer may pass on to the relevant investor such additional sum.

The Company may deduct from the redemption proceeds such sum (if any) as the Manager may consider represents an appropriate provision for the Transaction Fee and/or other Duties and Charges.

Where a Sub-Fund redeems in-kind in respect of SEHK listed Securities, the Conversion Agent may charge a Share Cancellation Fee in connection with each accepted Redemption Application.

Cancellation of Redemption Applications

A Redemption Application once given cannot be revoked or withdrawn without the consent of the Company.

No Security shall be transferred and/or no cash amount shall be paid in respect of any Redemption Application unless Shares, which are the subject of the Redemption Application, have been delivered to the Company free and clear of any Encumbrance for redemption by such time on the Settlement Day or other deadline set forth in the Instrument and/or Operating Guidelines as the Company shall for the time being prescribe for Redemption Applications generally.

In the event that Shares, which are the subject of a Redemption Application, are not delivered to the Company for redemption in accordance with the foregoing or are not free and clear of any Encumbrance (other than in certain circumstances contemplated in the Instrument such as when the Manager declares a suspension of redemptions of Shares):

(a) the Custodian may charge the relevant Participating Dealer an application cancellation fee (see the section on “Fees and Expenses” for further details);

(b) the Company may require the Participating Dealer to pay to the Company, for the account of the relevant Sub-Fund, in respect of each Share so cancelled Cancellation Compensation, being the amount (if any) by which the Redemption Value of each such Share is less than the Issue Price which would have applied in relation to each such Share if the Participating Dealer had, on the actual date when the Company is able to repurchase any replacement Securities and/or FDIs made a Creation Application in accordance with the provisions of the Instrument plus such other amount as the Manager reasonably determines as representing any charges, expenses and losses incurred by the Sub-Fund as a result of such cancellation;

(c) the Transaction Fee in respect of such Redemption Application shall remain due and payable (notwithstanding that the Redemption Application shall be deemed to never have been made) and once paid, shall be retained by and for the benefit of the Company, the Custodian, the Registrar, the Conversion Agent and/or the Service Agent (see the section on “Fees and Expenses” for further details); and

(d) no previous valuations of the Scheme Property shall be re-opened or invalidated as a result of an unsuccessful Redemption Application.

Suspension of Creations and Redemptions

The Manager may at its discretion (in consultation with the Custodian and, in respect of redemptions, where practicable following consultation with the relevant Participating Dealers and having regard to the best interests of the Shareholders), suspend the creation of Shares of any class, suspend the redemption of Shares of any class and/or (subject to all applicable legal or regulatory requirements where payment of redemption proceeds exceeds one calendar month) delay the payment of any monies and transfer of any Securities and/or FDIs in respect of any Creation Application and/or Redemption Application in the following circumstances:

(a) during any period when trading on the SEHK or any other Recognised Stock Exchange or Recognised Futures Exchange is restricted or suspended;

(b) during any period when a market on which (i) for an Index Tracking Sub-Fund, a Security

and/or FDI (that is a component of the Index for the relevant Sub-Fund) or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund, has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed;

(c) during any period when dealing on a market on which (i) for an Index Tracking Sub-Fund, a Security and/or FDI (that is a component of the Index for the relevant Sub-Fund) or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund, has its primary listing is restricted or suspended;

(d) during any period when, in the opinion of the Manager, settlement or clearing of Securities and/or FDIs in the official clearing and settlement depositary (if any) of such market is disrupted;

(e) during the existence of any state of affairs as a result of which delivery or purchase of Securities and/or FDIs, as appropriate or disposal of investments for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Shareholders of the relevant Sub-Fund;

(f) in respect of an Index Tracking Sub-Fund only, during any period when the Index for the relevant Sub-Fund is not compiled or published;

(g) during any breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Share of the relevant class or when for any other reason the value of any Securities and/or FDIs or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(h) during any period when the determination of the Net Asset Value of the relevant Sub-Fund is suspended or if any circumstance specified in the section on “Suspension of Determination of Net Asset Value” below arises;

(i) during any period when the Swap (if applicable) cannot be adjusted or reset for any reason;

(j) during any period when the business operations of the Company, the Manager, the Custodian or any delegate of the Company or the Manager in respect of an application for creation or redemption of Shares in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God;

(k) (in respect of creation of Shares only) if as a result of the investment of the proceeds of issue of such Shares in accordance with the investment objective of the Sub-Fund, the Company collectively holds or would hold in aggregate more than 10% of the ordinary shares issued by any single entity; or

(l) in the case of a Sub-Fund authorised by the SFC as a feeder fund and investing into a master fund –

  (i) during any period when a market on which the master fund has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed;

  (ii) during any period when dealing on a market on which the master fund has its primary listing is restricted or suspended;

  (iii) during any period when trading of the master fund on the relevant market is restricted or suspended; or

  (iv) during any period when the determination of the net asset value of the master fund is suspended.

In addition, where the Sub-Funds under the Company hold in aggregate more than the limit of 10% of the ordinary shares issued by any single entity, the Manager will make it a priority objective to take all other necessary steps within a reasonable period to remedy such breach, taking into account the interests of the Shareholders.

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on the Company's website at http://www.csopasset.com (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or in such other publications as it decides.

The Manager shall consider any Redemption Application or any Creation Application received during the period of suspension (that has not been otherwise withdrawn) as having been received immediately following the termination of the suspension. The period for settlement of any redemption will be extended by a period equal to the length of the period of suspension.

A Participating Dealer may, at any time after a suspension has been declared and before termination of such suspension, withdraw any Creation Application or Redemption Application by notice in writing to the Company and the Company shall promptly notify and request the Custodian to return to the Participating Dealer any Securities and/or cash received by it in respect of the Creation Application (without interest) as soon as practicable.

A suspension shall remain in force until the earlier of (a) the Manager declaring the suspension is at an end; and (b) the first Dealing Day on which (i) the condition giving rise to the suspension shall have ceased to exist; and (ii) no other condition under which suspension is authorised exists.

Deferred Redemption and Restrictions on Shareholders

Please refer to the sections headed "Deferred Redemption" and "Restrictions on Shareholders" under "Statutory and General Information" in Part 1 of the Prospectus for circumstances under which the Company may defer redemption requests received on any Dealing Day and under which the Directors may effect compulsory redemption of Shares respectively.

Evidence of Shareholding

Shares will be deposited, cleared and settled by the CCASS. Shares are held in registered entry form only, which means that no Share certificates are issued. HKSCC Nominees Limited is the registered owner (i.e. the sole holder of record) of all outstanding Shares deposited with the CCASS and is holding such Shares for the participants in accordance with the General Rules of HKSCC. Furthermore, the Company, the Manager and the Custodian acknowledge that pursuant to the General Rules of HKSCC neither HKSCC Nominees Limited nor HKSCC has any proprietary interest in the Shares. Investors owning Shares in CCASS are beneficial owners as shown on the records of the participating brokers or the relevant Participating Dealer(s) or PD Agent(s) (as the case may be) who are participants of CCASS.

Transfer of Shares

The Instrument provides that a Shareholder may transfer Shares subject to the provisions of the Instrument.

As all Shares will be held in CCASS, an investor is entitled to transfer Shares held by him by using the standard transfer form issued by SEHK or by an instrument in writing in such other form (and if the transferor or the transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution) as the Directors may from time to time approve. A transferor will be deemed to remain the Shareholder of the Shares transferred until the name of the transferee is entered in the register of Shareholders in respect of the Shares being transferred. Each instrument of transfer must relate to a single Sub-Fund only. To the extent that all Shares are deposited, cleared and settled in CCASS, HKSCC Nominees Limited will be the sole Shareholder, holding such Shares for the persons admitted by HKSCC as a participant of CCASS and to whose account any Shares are for the time being allocated in accordance with the General Rules of HKSCC.

EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

General

The purpose of the listing of the Shares on the SEHK is to enable investors to buy and sell Shares on the secondary market, normally via a broker or dealer in smaller quantities than would be possible if they were to subscribe and/or redeem Shares in the primary market.

The market price of a Share listed or traded on the SEHK may not reflect the Net Asset Value per Share. Any transactions in the Shares on the SEHK will be subject to the customary brokerage commissions and/or transfer taxes associated with the trading and settlement through the SEHK. There can be no guarantee that once the Shares are listed on the SEHK they will remain listed.

The Manager use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Shares of each Sub-Fund. Where a Multi-Counter has been adopted in respect of a Sub-Fund the Manager will use its best endeavours to put in place arrangements so that there is at least one Market Maker for each available counter although these Market Makers may be the same entity. Broadly, the obligations of a Market Maker will include quoting bid and offer prices on the SEHK with the intention of providing liquidity. Given the nature of the Market Maker's role, the Manager may make available to a Market Maker, the portfolio composition information made available to a Participating Dealer.

Shares may be purchased from and sold through the Market Makers. However, there is no guarantee or assurance as to the price at which a market will be made. In maintaining a market for Shares, the Market Makers may make or lose money based on the differences between the prices at which they buy and sell Shares, which is to a certain extent dependent on the difference between the purchase and sale prices of the underlying Securities or FDIs comprised within the Index or the portfolio of the Sub-Fund. Market Makers may retain any profits made by them for their own benefit and they are not liable to account to the relevant Sub-Fund in respect of their profits.

If you wish to buy or sell Shares on the secondary market, you should contact your brokers.

The Listed Class of Shares of CSOP STAR 50 Index ETF, CSOP Huatai-PB CSI Photovoltaic Industry ETF, CSOP Hang Seng Biotech ETF, CSOP MSCI China A 50 Connect ETF, CSOP NASDAQ 100 ETF and CSOP FTSE Vietnam 30 ETF have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from the respective date of commencement of dealings in the Listed Class of Shares of CSOP STAR 50 Index ETF, CSOP Huatai-PB CSI Photovoltaic Industry ETF, CSOP Hang Seng Biotech ETF, CSOP MSCI China A 50 Connect ETF, CSOP NASDAQ 100 ETF and CSOP FTSE Vietnam 30 ETF on the SEHK or such other date as may be determined by HKSCC.

Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any Trading Day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

If trading of the Shares on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for the Shares.

Shares are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Shares of any Sub-Fund on one or more other stock exchanges.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Shares on the SEHK until dealings begin on the SEHK.

Please also refer to the sub-sections on "General", "Renminbi Equity Trading Support Facility" (if relevant) and "Multi-Counter" in the relevant Appendix of the Sub-Fund for additional disclosures on secondary market trading.

SWITCHING

Investors should note that switching between Listed Class of Shares and Unlisted Class(es) of Shares on the secondary market is not available. Participating Dealers who wish to switch between Listed Class of Shares and Unlisted Class of Shares should do so in accordance with the procedures as agreed with the Manager and the Custodian.

ISSUE PRICE AND REDEMPTION VALUE

The Issue Price which is the subject of a Creation Application during the Initial Offer Period of a Sub-Fund will be a fixed amount per Share, or (for an Index Tracking Sub-Fund only) a percentage of the closing level of the relevant Index (expressed in the base currency of the relevant Index Tracking Sub-Fund) as at the last day of the Initial Offer Period, rounded to the nearest 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down), or such other amount from time to time determined by the Manager. The Issue Price during the Initial Offer Period of each Sub-Fund will be set out in the relevant Appendix.

After the expiry of the Initial Offer Period, the Issue Price of Shares created and issued by a Creation Application, will be the prevailing Net Asset Value of the relevant Sub-Fund attributable to the Listed Class of Shares as at the relevant Valuation Point divided by the total number of Listed Class of Shares in issue rounded to the nearest 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down) or to such other rounding as determined by the Manager.

The Redemption Value on a Dealing Day shall be the prevailing Net Asset Value of the relevant Sub-Fund attributable to the Listed Class of Shares as at the relevant Valuation Point divided by the total number of Listed Class of Shares in issue rounded to the nearest 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down) or to such other rounding as determined by the Manager. The benefit of any rounding adjustments will be retained by the relevant Sub-Fund or to such other rounding as determined by the Manager.

The latest Net Asset Value of the Shares will be available on the Company's website at http://www.csopasset.com (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or published in such other publications as the Manager decides.

Neither the Issue Price nor the Redemption Value takes into account Duties and Charges, Transaction Fees or fees payable by a Participating Dealer.

SCHEDULE 2 – PROVISIONS RELATING TO THE OFFER, SUBSCRIPTION, CONVERSION AND REDEMPTION OF THE UNLISTED CLASS(ES) OF SHARES

This Schedule 2 contains disclosure relating to the Unlisted Class(es) of Shares only. Unless the context otherwise requires, references to "Shares" and "Shareholders" in this Schedule shall be construed to refer to an Unlisted Class of Shares of a Sub-Fund or an Shareholder of such Shares. Save for terms defined below, all other terms used in this Schedule shall have the same meanings as assigned to them under the main part of the Prospectus.

SUBSCRIPTION OF UNLISTED CLASS(ES) OF SHARES

Initial Issue of Unlisted Class(es) of Shares

During an Initial Offer Period, Unlisted Class(es) of Shares in a Sub-Fund will be offered to investors at an initial Subscription Price of a fixed price per Share determined by the Manager in its absolute discretion as specified in the relevant Appendix.

If specified in the relevant Appendix, in the event that the total subscription amount in the subscription application for Unlisted Class(es) of Shares received by the Transfer Agent reaches a maximum amount for aggregate subscriptions (as specified in the relevant Appendix) at any time during an Initial Offer Period, the Manager is entitled (but not obliged) to close the relevant class of Shares to further subscriptions before the end of the relevant Initial Offer Period.

If specified in the relevant Appendix, the Manager may decide not to issue any Unlisted Class(es) of Shares in the event that less than a minimum amount for aggregate subscriptions (as specified in the relevant Appendix) is raised during the relevant Initial Offer Period or if the Manager is of the opinion that it is not commercially viable to proceed. In such event subscription monies paid by an applicant will be returned by telegraphic transfer or such other means as the Manager and the Transfer Agent consider appropriate at the applicant's risk (without interest and net of expenses) promptly after the expiry of the Initial Offer Period.

Unlisted Class(es) of Shares will be issued immediately following the close of the Initial Offer Period or such other Business Day as the Manager may determine. Dealing of the Unlisted Class(es) of Shares will commence on the Dealing Day immediately following the closure of the relevant Initial Offer Period.

Subsequent Issue of Unlisted Class(es) of Shares

Following the close of the relevant Initial Offer Period, Unlisted Class(es) of Shares will be available for issue on each Dealing Day at the relevant Subscription Price.

Unless otherwise specified in the relevant Appendix, the Subscription Price on any Dealing Day will be the price per Share of the Unlisted Class(es) of Shares ascertained by dividing the Net Asset Value of the relevant class of the relevant Sub-Fund as at the Valuation Point in respect of the relevant Dealing Day by the number of Shares of such class of that Sub-Fund then in issue and rounded to 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down) or in such manner and to such other number of decimal places as may from time to time be determined by the Manager. Any rounding adjustment will be retained by the relevant Class. The Subscription Price will be calculated and quoted in the relevant Class Currency of the relevant Sub-Fund.

The Manager is entitled to impose a subscription fee on the subscription monies for the application for the issue of Unlisted Class(es) of Shares. The Manager may, either generally or in any particular case, differentiate as to the amount of the subscription fee to be levied in respect of different Sub-Funds or classes of Shares, differentiate between applicants as to the amount of the subscription fee to be levied and/or allow to persons a discount to the subscription fee on such basis or on such scale as the Manager may think fit. For the avoidance of doubt, the Manager will charge the same rate of subscription fee for all applicants in the same Unlisted Class(es) of Shares. The Manager may retain the benefit of such subscription fee or may pay all or part of the subscription fee (and

any other fees received) to recognised intermediaries or such other persons as the Manager may at its absolute discretion determine. Details of the subscription fee are set out in the section headed "Fees and Expenses".

The Manager may require an applicant to pay, in addition to the Subscription Price of the subscription proceeds and any subscription fee, a further amount which it reasonably considers to represent an appropriate allowance for (a) estimated bid/offer spread of the investments of the relevant Sub-Fund, (b) extraordinary transactional fees or expenses, including stamp duty, other taxes, brokerage, bank charges, transfer fees or registration fees, or (c) other charges which are customarily incurred in investing a sum equal to the application monies and issuing the relevant Shares or of delivery or issue of certificates in respect thereof or the remittance of money to the Company (the "Subscription Adjustment Allowance"). Any such Subscription Adjustment Allowance will be paid to the Company and will form part of the Scheme Property of the relevant Sub-Fund or the relevant class of Shares.

Application Procedure

To subscribe for Unlisted Class(es) of Shares, an applicant should complete a subscription application form and return the application form, together with the required supporting documents, to the Transfer Agent by post, facsimile or STP (straight-through processing). Applicants who choose to send an application form by facsimile bear the risk of the form not being received by the Transfer Agent. Applicants should therefore, for their own benefit, confirm with the Transfer Agent safe receipt of an application form. None of the Company, the Directors, the Manager, the Custodian or the Transfer Agent will be responsible to an applicant for any loss resulting from non-receipt or illegibility of any application form sent by fax or for any loss caused in respect of any action taken as a consequence of such application believed in good faith to have originated from properly authorised persons.

Applications for Unlisted Class(es) of Shares during the relevant Initial Offer Period must be received by the Transfer Agent no later than such time as specified in the relevant Appendix. After the Initial Offer Period, applications must be received by the Transfer Agent by the relevant Dealing Deadline. Application requests submitted after the applicable Dealing Deadline in respect of any Dealing Day will be dealt with on the next Dealing Day.

Each applicant whose application is accepted will be sent a contract note confirming details of the purchase of relevant Unlisted Class(es) of Shares but no certificates will be issued.

Applicants may apply for Unlisted Class(es) of Shares through a distributor appointed by the Manager. Distributors may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for Unlisted Class(es) of Shares through a distributor should therefore consult the distributor for details of the relevant dealing procedures.

Where an applicant applies for Unlisted Class(es) of Shares through a distributor, the Manager and the Transfer Agent will treat the distributor (or its nominee) as the applicant. The distributor (or its nominee) will be registered as Shareholder of the relevant Unlisted Class(es) of Shares. The Manager and the Transfer Agent will treat the distributor (or its nominee) as the Shareholder and shall not be responsible for any arrangements between the relevant applicant and the distributor regarding the subscription, holding and redemption of Unlisted Class(es) of Shares and any related matters, as well as any costs or losses that may arise therefrom. The Manager will, however, take all reasonable care in the selection and appointment of distributors.

No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 (dealing in securities) regulated activity under Part V of the Securities and Futures Ordinance.

The Manager may, at its discretion, reject in whole or in part any application for Unlisted Class(es) of Shares. In the event that an application is rejected, application monies will be returned without interest and net of expenses by telegraphic transfer or by such other means as the Manager considers appropriate at the risk of the applicant.

No applications for Unlisted Class(es) of Shares will be dealt with during any periods in which the determination of the Net Asset Value of the relevant Sub-Fund is suspended (for details see "Suspension of Determination of Net Asset Value" in Part 1 of the Prospectus).

Please also refer to the section headed "Suspension of the Issue, Subscription and Redemption of Unlisted Class(es) of Shares" below regarding suspension of issue and subscription of Unlisted Class(es) of Shares.

Payment Procedure

Subscription monies should be paid in the Class Currency of the relevant class of Unlisted Class(es) of Shares. Unless otherwise specified in the relevant Appendix, subscription monies in cleared funds should be received within 3 Business Days following (i) the relevant Dealing Day on which an application was received by the Dealing Deadline or (ii) in the case of applications for Unlisted Class(es) of Shares during the Initial Offer Period, the last day of the relevant Initial Offer Period, or such other period as determined by the Manager. Payment details are set out in the subscription application form.

Subscription monies paid by any person other than the applicant will not be accepted.

The Directors may exercise its discretion to accept late payment of subscription monies, provisionally allot Unlisted Class(es) of Shares by reference to the Net Asset Value of the relevant class of Shares in the relevant Sub-Fund and charge interest on such overdue monies until payment is received in full, at such rate as the Manager thinks appropriate. However, if payment of subscription monies in cleared funds are not made within such period as determined by the Directors, the application may, at the discretion of the Directors, be considered void and cancelled. Upon such cancellation, the relevant Unlisted Class(es) of Shares shall be deemed never to have been issued and the applicant shall have no right to claim against the Company and any loss will be borne by the applicant, provided that: (i) no previous valuations of the relevant Sub-Fund shall be re-opened or invalidated as a result of the cancellation of such Shares; (ii) the Company may require the applicant to pay, for the account of the relevant Sub-Fund, in respect of each such Share cancelled, the amount (if any) by which the Subscription Price on the relevant Dealing Day exceeds the applicable Redemption Price on the date of cancellation; and (iii) the Company shall be entitled to charge the applicant a cancellation fee for the administrative costs involved in processing the application and subsequent cancellation.

Payment in other freely convertible currencies may be accepted. Where amounts are received in a currency other than the relevant Class Currency, they will be converted into the relevant Class Currency and the proceeds of conversion (after deducting the costs of such conversions) will be applied in the subscription of Shares in the relevant Unlisted Class(es) of Shares of the relevant Sub-Fund. Conversion of currencies may involve delay. Bank charges (if any) incurred in converting the subscription monies shall be borne by the relevant applicant and accordingly will be deducted from the subscription proceeds.

Investment minima

Please refer to the relevant Appendix for the minimum initial investment, minimum subsequent investment, minimum holding and minimum redemption amounts in respect of each Unlisted Class of Shares of a Sub-Fund. The Manager may, in its absolute discretion, waive or agree to a lower amount of the investment minima (either generally or in any particular case) stated in the relevant Appendix.

General

All holdings of Unlisted Class(es) of Shares will be in registered form and certificates will not be issued. Evidence of title of Unlisted Class(es) of Shares will be the entry on the register of Shareholders in respect of each Sub-Fund. Shareholders should therefore be aware of the importance of ensuring that the Transfer Agent is informed of any change to the registered details. A maximum of 4 persons may be registered as joint Shareholders.

REDEMPTION OF UNLISTED CLASS(ES) OF SHARES

Redemption Procedure

Shareholders of Unlisted Class(es) of Shares who wish to redeem their Shares in a Sub-Fund may do so on any Dealing Day by submitting a redemption request to the Transfer Agent .

Any redemption request must be received by the Transfer Agent before the Dealing Deadline. Investors redeeming Unlisted Class(es) of Shares through a distributor (or its nominee) should submit their redemption requests to the distributor (or its nominee) in such manner as directed by the distributor (or its nominee). Distributors (or their nominees) may have different dealing procedures, including earlier cut-off times for receipt of redemption requests. Where an investor holds its investment in Unlisted Class(es) of Shares through a distributor (or its nominee), the investor wishing to redeem such Shares must ensure that the distributor (or its nominee), as the registered Shareholder, submits the relevant redemption request by the Dealing Deadline. Redemption requests submitted after the applicable Dealing Deadline in respect of any Dealing Day will be dealt with on the next Dealing Day.

A redemption request may be sent by post, facsimile or STP (straight-through processing). The redemption request must specify: (i) the name of the Sub-Fund, (ii) the relevant class and the value or number of Unlisted Class(es) of Shares to be redeemed and (iii) the name(s) of the registered Shareholder(s).

Unless otherwise requested by the Transfer Agent, the original of any redemption request is not required to be submitted. A Shareholder who chooses to send an application form by facsimile bears the risk of the form not being received by the Transfer Agent. Shareholders should therefore, for their own benefit, confirm with the Transfer Agent safe receipt of a redemption request. None of the Company, the Manager, the Custodian or the Transfer Agent will be responsible to a Shareholder for any loss resulting from non-receipt or illegibility of any redemption request sent by fax or for any loss caused in respect of any action taken as a consequence of such request believed in good faith to have originated from properly authorised persons.

Partial redemption of a holding of Shares in an Unlisted Class of Shares of a Sub-Fund by a Shareholder may be effected, provided that such redemption will not result in the Shareholder holding Shares in an Unlisted Class of Shares less than the minimum holding for that class specified in the relevant Appendix. In the event that, for whatever reason, a Shareholder's holding of Shares in an Unlisted Class of Shares is less than such minimum holding for that class, the Manager may give notice requiring such Shareholder to submit a redemption request in respect of all the Shares of that Unlisted Class of Shares held by that Shareholder or deem such request to have been made in respect of all Shares of the relevant Unlisted Class of Shares held by the Shareholder. A request for a partial redemption of Shares in an Unlisted Class of Shares with an aggregate value of less than the minimum amount for such class of Shares specified in the relevant Appendix (if any) will not be accepted.

All redemption requests must be signed by the Shareholder or, in the case of joint Shareholders, such one or more joint Shareholders who have been authorised to sign such requests on behalf of the other joint Shareholders (where such authorisation has been notified in writing to the Transfer Agent) or, in the absence of such notification, by all joint Shareholders.

Payment of Redemption Proceeds

Unless otherwise specified in the relevant Appendix, the Redemption Price on any Dealing Day will be the price per Share of the Unlisted Class(es) of Shares ascertained by dividing the Net Asset Value of the relevant class of the relevant Sub-Fund as at the Valuation Point in respect of the relevant Dealing Day by the number of Shares of such class then in issue and rounded to 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down) or in such manner and to such other number of decimal places as may from time to time be determined by the Manager. Any rounding adjustment will be retained by the relevant class. The Redemption Price will be calculated and quoted in the relevant Class Currency of the relevant Sub-Fund.

The Company is entitled to deduct from the Redemption Price an amount which it considers represents an appropriate allowance for (a) estimated bid/offer spread of the investments of the relevant Sub-Fund, (b) extraordinary transactional fees or expenses, including stamp duty, other taxes, brokerage, bank charges, transfer fees or registration fees, or (c) other charges which are customarily incurred in selling the Securities constituting the Scheme Property of the relevant Sub-Fund or the remittance of money to the Company (the "Redemption Adjustment Allowance"). Any such Redemption Adjustment Allowance will be retained by the Company on behalf of the relevant Sub-Fund and will form part of the Scheme Property of the relevant Sub-Fund or the relevant Class of Shares.

The Manager may at its option impose a redemption fee in respect of an Unlisted Class of Shares to be redeemed as described in the section headed "Fees and Expenses". The Manager may on any day in its sole and absolute discretion differentiate between Shareholders as to the amount of the redemption fee to be imposed (within the permitted limit provided in the Instrument) on each Shareholder.

The amount due to a Shareholder on the redemption of a Share of an Unlisted Class will be the Redemption Price, less any redemption fee and Redemption Adjustment Allowance. The redemption fee will be retained by the Manager.

Shareholders should note that redemption proceeds will not be paid to any Shareholder until (a) the duly signed original written redemption request (if such original is required by the Transfer Agent) and all other supporting documents, if any are required, have been received by the Transfer Agent; (b) the signature of the Shareholder (or each joint Shareholder) has been verified to the satisfaction of the Custodian and/or Transfer Agent; and (c) any such other procedures as the Transfer Agent may reasonably require have been completed.

Subject as mentioned above, and save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds will normally be paid at the risk and expense of the redeeming Shareholder in the Class Currency of the relevant Sub-Fund by telegraphic transfer to the Shareholder's pre-designated bank account as specified in the redemption request, within 7 Business Days after the relevant Dealing Day (unless otherwise specified in the relevant Appendix) and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless the market(s) in which a substantial portion of the relevant Sub-Fund's investments is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of redemption proceeds within the aforesaid time period not practicable. In such case, subject to all applicable legal or regulatory requirements, the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant market(s). Any bank and other administrative charges associated with the payment of such redemption proceeds as well as the costs incurred in currency conversion, if any, will be borne by the redeeming Shareholder and deducted from the redemption proceeds. With the prior consent of the Manager, arrangements can be made for redemption proceeds to be paid in any major currency other than the Class Currency of the relevant Unlisted Class(es) of Shares of the relevant Sub-Fund being redeemed. Payment will only be made to a bank account in the name of the Shareholder. No third party payments will be made.

The Instrument provides that redemptions may be, in whole or in part, made *in specie* at the discretion of the Company. However, the Company does not intend to exercise this discretion in respect of any Sub-Fund unless otherwise specified in the relevant Appendix. In any event, redemptions may only be made *in specie*, in whole or in part, with the consent of the Shareholder requesting the redemption.

Suspension of Redemptions

The Manager shall, in consultation with the Custodian, having regard to the best interests of Shareholders of the relevant Unlisted Class(es) of Shares, have the right suspend the redemption of Unlisted Class(es) of Shares of any Sub-Fund, or delay the payment of redemption proceeds in respect of any redemption request received, during any period in which the determination of the Net Asset Value of the relevant Sub-Fund is suspended (for details please see the section headed

"Suspension of determination of Net Asset Value" in the main Prospectus).

Please also refer to the section headed "suspension of the issue, subscription and redemption of Unlisted Class(es) of Shares" below.

The Company shall also have the right to reject, acting in good faith, any redemption application under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Shares of the relevant class, (ii) the redemption of Shares of the relevant class, and/or (iii) the determination of Net Asset Value of the relevant class is suspended;

(b) where in the opinion of the Manager, acceptance of the redemption application would have an adverse effect on the relevant Sub-Fund;

(c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities and/or FDIs (for an Index Tracking Sub-Fund) in the relevant Index or (for a Sub-Fund that is not an Index Tracking Sub-Fund) comprising the portfolio of the Sub-Fund;

(d) where acceptance of the redemption application would render the Company in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Company or the Manager necessary for compliance with applicable legal and regulatory requirements;

(e) circumstances outside the control of the Company or the Manager make it for all practicable purposes impossible to process the redemption application; or

(f) any period during which the business operations of the Company or any delegate of the Company in respect of a redemption application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

In the event of such rejection, the Company shall notify the relevant Shareholder and the Custodian and/or Transfer Agent of its decision to reject such redemption application.

Deferred Redemption and Restrictions on Shareholders

Please refer to the sections headed "Deferred Redemption" and "Restrictions on Shareholders" under "Statutory and General Information" in Part 1 of the Prospectus for circumstances under which the Company may defer redemption requests received on any Dealing Day and under which the Directors may effect compulsory redemption of Shares respectively.

Transfer of Unlisted Class(es) of Shares

The Instrument provides that a Shareholder may transfer Shares subject to the provisions of the Instrument. An investor is entitled to transfer such Shares held by him by an instrument in writing in such form as the Directors may from time to time approve. A transferor will be deemed to remain the Shareholder of the Shares transferred until the name of the transferee is entered in the register of Shareholders in respect of the Shares being transferred. Each instrument of transfer must relate to a single Sub-Fund only.

SWITCHING OF UNLISTED CLASS(ES) OF SHARES

Where specified in the relevant Appendix, the Manager may from time to time permit Shareholders to switch some or all of their Shares of an Unlisted Class of Shares of any Sub-Fund (the "Existing

Class") into the Shares of another Unlisted Class of Shares of the same Sub-Fund or another Sub-Fund, or unlisted class of shares, units or interests in other collective investment schemes managed by the Manager or its Connected Persons and which has been authorised by the SFC (the "New Class"). Any switching will be by way of redeeming the Shares in the Existing Class held by the relevant Shareholders in accordance with the redemption procedures set out in the section headed "Redemption of Unlisted Class(es) of Shares" above and by re-investing the redemption proceeds thereof in an Unlisted Class of Shares of such other Sub-Fund in accordance with the subscription procedures set out in the section "Subscription of Unlisted Class(es) of Shares" above or in such other collective investment schemes in accordance with the provisions of the relevant offering documents for such other collective investment schemes (as the case may be).

A request for the switching of part of a holding of Shares in an Unlisted Class of Shares will not be effected if, as a result, the Shareholder would hold less than the minimum holding specified for the New Class (if any) and/or the Existing Class.

Where a request for switching is received by the Transfer Agent prior to the Dealing Deadline in respect of a Dealing Day, switching will be effected as follows:

(a) redemption of the Shares of the Existing Class will be dealt with by reference to the Redemption Price on that Dealing Day (the "Switching Redemption Day") subject to paragraph (c) below;

(b) where the Existing Class and the New Class have different currencies of denomination, the redemption proceeds of the Existing Class, after deduction of any switching fee, shall be converted into the currency of denomination of the New Class; and

(c) the resulting amount will be used to subscribe for shares, units or interests of the New Class at the relevant subscription price on the relevant dealing day in respect of the New Class (the "Switching Subscription Day"). The Switching Subscription Day shall be the same day as the Switching Redemption Day (in the case where the relevant Dealing Day of the Existing Class is not a dealing day in respect of the New Class, the Switching Redemption Day will be the immediately following Dealing Day that is a dealing day for the New Class), provided that the Company shall receive cleared funds in the relevant currency of the New Class within such period as determined by the Manager. In the event that cleared funds are not received within the applicable period, the Switching Subscription Day shall be the day on which the Transfer Agent receives cleared funds in the relevant currency by the dealing deadline of the New Class, unless otherwise determined by the Manager.

The Manager may suspend the switching of Unlisted Class(es) of Shares during any period in which the determination of the Net Asset Value of any relevant Sub-Fund is suspended (for details see "Suspension of Determination of Net Asset Value" in Part 1 of the Prospectus).

Investors should note that switching between Unlisted Class(es) of Shares and Listed Class of Shares on the secondary market is not available. Distributors who wish to switch between Unlisted Class(es) of Shares and Listed Class of Shares should do so in accordance with the procedures as agreed with the Manager and the Custodian.

SUSPENSION OF THE ISSUE, SUBSCRIPTION AND REDEMPTION OF UNLISTED CLASS(ES) OF SHARES

The Manager may at its discretion (in consultation with the Custodian and having regard to the best interests of Shareholders), suspend the issue and/or redemption of Shares of any class of any Sub-Fund and/or (subject to all applicable legal or regulatory requirements where payment of redemption proceeds exceeds one calendar month) delay the payment of any monies and transfer of any Securities and/or FDIs of any redemption application in the following circumstances:

(a) during any period when a market on which (i) for an Index Tracking Sub-Fund, a Security and/or FDI (that is a component of the Index for the relevant Sub-Fund), or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the

Sub-Fund, has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed;

(b) during any period when dealing on a market on which (i) for an Index Tracking Sub-Fund, a Security and/or FDI (that is a component of the Index for the relevant Sub-Fund), or (ii) for a Sub-Fund that is not an Index Tracking Sub-Fund, a substantial part of the investments of the Sub-Fund, has its primary listing is restricted or suspended;

(c) during any period when, in the opinion of the Manager, settlement or clearing of Securities and/or FDIs in the official clearing and settlement depositary (if any) of such market is disrupted;

(d) during the existence of any state of affairs as a result of which delivery or purchase of Securities and/or FDIs, as appropriate or disposal of investments for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Shareholders of the relevant Sub-Fund;

(e) in respect of an Index Tracking Sub-Fund only, during any period when the Index for the relevant Sub-Fund is not compiled or published;

(f) during any breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Share of the relevant class or when for any other reason the value of any Securities and/or FDIs or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(g) during any period when the determination of the Net Asset Value of the relevant Sub-Fund is suspended or if any circumstance specified in the section on “Suspension of Determination of Net Asset Value” in the main Prospectus arises;

(h) during any period when the Swap (if applicable) cannot be adjusted or reset for any reason;

(i) during any period when the business operations of the Company, the Manager, the Custodian, the Transfer Agent or any delegate of the Company or the Manager in respect of an application in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God;

(j) (in respect of issue of Shares only) if as a result of the investment of the proceeds of issue of such Shares in accordance with the investment objective of the Sub-Fund, the Company collectively holds or would hold in aggregate more than 10 per cent of the ordinary shares issued by any single entity; or

(k) in the case of a Sub-Fund authorised by the SFC as a feeder fund and investing into a master fund –

(1) during any period when a market on which the master fund has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed;

(2) during any period when dealing on a market on which the master fund has its primary listing is restricted or suspended;

(3) during any period when trading of the master fund on the relevant market is restricted or suspended; or

(4) during any period when the determination of the net asset value of the master fund is suspended.

In addition, where the Sub-Funds under the Company hold in aggregate more than the limit of 10% of the ordinary shares issued by any single issuer, the Manager will make it a priority objective to take all other necessary steps within a reasonable period to remedy such breach, taking into account the interests of the Shareholders.

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on the Company's website at http://www.csopasset.com (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or in such other publications as it decides.

Any Shareholder may at any time after a suspension has been declared and before termination of such suspension, withdraw any subscription, switching or redemption application submitted prior to such suspension by notice in writing to the Company and the Company shall promptly notify the Custodian and/or Transfer Agent accordingly. If no such notice withdrawing any such application has been received by the Company and the Custodian and/or Transfer Agent before termination of such suspension, the Company shall, subject to and in accordance with the provisions of the Instrument, issue, switch or redeem such Unlisted Class(es) of Shares in respect of such application as at the Dealing Day next following the termination of such suspension.

The Company shall consider any subscription, switch or redemption application received during the period of suspension (that has not been otherwise withdrawn) as having been received immediately following the termination of the suspension. The period for distributing any proceeds will start from the Dealing Day next following the termination of such suspension.

A suspension shall remain in force until the earlier of (a) the Manager declaring the suspension is at an end; and (b) the first Dealing Day on which (i) the condition giving rise to the suspension shall have ceased to exist; and (ii) no other condition under which suspension is authorised exists.

PART 2 – SPECIFIC INFORMATION RELATING TO EACH SUB-FUND

Part 2 of this Prospectus includes specific information relevant to each Sub-Fund established under the Company and listed on the SEHK. It is updated from time to time by the Manager. Information relating to each Sub-Fund is set out in a separate Appendix.

The information presented in each Appendix in this Part 2 should be read in conjunction with the information presented in Part 1 of this Prospectus. Where the information in any Appendix in this Part 2 conflicts with the information presented in Part 1, the information in the relevant Appendix in the Part 2 prevails. However, it is applicable to the specific Sub-Fund of the relevant Appendix only.

Defined terms used in each of the Appendices and which are not defined in this Part 2, bear the same meanings as in Part 1 of this Prospectus. References in each Appendix to "Sub-Fund" refer to the relevant Sub-Fund which is the subject of that Appendix. For each Index Tracking Sub-Fund, references in each Appendix to "Index" refer to the relevant Index details of which are set out in that Appendix.

APPENDIX 1: CSOP STAR 50 Index ETF

Key Information

Set out below is a summary of key information in respect of CSOP STAR 50 Index ETF (the "Sub-Fund") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the performance of the Index
Index	SSE Science and Technology Innovation Board 50 Index (the "Index")
Initial Offer Period	9:00 a.m. (Hong Kong time) of 8 February 2021 to 11.00 a.m. (Hong Kong time) of 8 February 2021, or such other date as the Manager may determine
Initial Issue Date	9 February 2021, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	RMB 13
Listing Date (SEHK)	Expected to be 10 February 2021, but may be postponed by the Manager to a date no later than 25 March 2021
Exchange Listing	SEHK – Main Board
Stock Code	3109
Short Stock Name	CSOP STAR 50
Trading Board Lot Size	100 Shares
Base Currency	RMB
Trading Currency	HKD
Distribution Policy	Subject to the Manager's discretion. Currently the Manager intends to distribute income to Shareholders annually (in December) having regard to the Sub-Fund's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. However, there is no guarantee of regular distribution nor the amount being distributed (if any). All Shares will receive distributions in the base currency (RMB) only*.
Creation/Redemption Policy	Cash (RMB) only
Application Share Size (only by	Minimum 300,000 Shares (or multiples thereof)

or through Participating Dealers)	
Dealing Deadline	2 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Custodian may determine
Management Fee	Currently 0.99% per year of the Net Asset Value
Financial Year End	31 December (The first half-yearly unaudited reports and the first annual financial reports for the Sub-Fund will be for the period from the fund launch to the half year ending 30 June 2021 and the year ending 31 December 2021 respectively.)
Website	http://www.csopasset.com/en/products/co-star50 (this website has not been reviewed by the SFC)

** In the event the relevant Shareholder has no RMB account, the Shareholder may have to bear the fees and charges associated with the conversion of such dividend from RMB into HKD or any other currency. Shareholders are advised to check with their brokers concerning arrangements for distributions and to consider the risk factor entitled "RMB Distributions Risk" below.*

What is the Investment Objective?

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There is no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

The Manager intends to adopt a physical representative sampling strategy through investing up to 100% of its Net Asset Value in a representative sample of securities that collectively has a high correlation with the Index, but whose constituents may or may not themselves be constituents of the Index ("Index Securities").

In pursuing a representative sampling strategy, the Sub-Fund may or may not hold all Index Securities, and may hold securities which are not Index Securities. The Manager may cause the Sub-Fund to deviate from the index weighting on condition that the maximum deviation from the index weighting of any constituent will not exceed 3% or such other percentage as determined by the Manager after consultation with the SFC.

The Manager may also use a full replication strategy through directly investing all, or substantially all, of the assets of the Sub-Fund in Index Securities in substantially the same weightings (i.e. proportions) as the Index Securities have in the Index where the Manager considers appropriate in its absolute discretion. Prior notice will not be given to investors if the Manager switches from a physical representative sampling strategy to a full replication strategy, or vice versa.

For direct investments in the Index Securities, currently, the Sub-Fund will invest primarily through the Manager's QFI status and/or the Stock Connect. The Manager may invest up to 100% of the Sub-Fund's Net Asset Value through either the QFI status granted to the Manager by SAFE (as explained below) and/or Shanghai-Hong Kong Stock Connect (as explained below).

The Manager may invest in financial derivative instruments ("FDIs") including futures and swaps with no more than 10% of the Sub-Fund's Net Asset Value for investment and hedging purposes, where the Manager believes such investments will help the Sub-Fund achieve its investment objective and are beneficial to the Sub-Fund. The futures may be invested by the Sub-Fund will be index futures to manage exposure to the constituents of the Index, if available. The swaps which may be invested by the Sub-Fund will be funded total return swap transaction(s) whereby the Sub-Fund will pass on the relevant portion of cash to the Swap Counterparty(ies) and in return the Swap

Counterparty(ies) will provide the Sub-Fund with an exposure to the economic gain/loss in the performance of the relevant Securities (net of indirect costs).

Securities Lending

The Manager may, on behalf of the Sub-Fund, enter into Securities Lending Transactions, with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value, and is able to recall the securities lent out at any time. All Securities Lending Transactions will only be carried out in the best interest of the Sub-Fund and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "Securities Financing Transactions" under "Investment Objective, Investment Strategy, Investment Restrictions, Securities Lending and Borrowing" of Part 1 of the Prospectus regarding details of the arrangements.

As part of the Securities Lending Transactions, the Sub-Fund must receive cash and/or non-cash collateral (fulfilling the requirements under section "Collateral" under "Investment Objective, Investment Strategy, Investment Restrictions, Securities Lending and Borrowing" of Part 1 of the Prospectus) of at least 100% of the value of the Securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis. The collateral will be safekept by the Custodian or an agent appointed by the Custodian. Please refer to the section "The Custodian" under "Management of the Company and Sub-Funds" in Part 1 of the Prospectus in regard to the extent of the Custodian's responsibility for the safekeeping of the assets of the Company and the appointment of agents.

Non-cash collateral received may not be sold, reinvested or pledged. Any re-investment of cash collateral received shall be subject to the requirements as set out in the Code. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent the Sub-Fund undertakes Securities Lending Transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the Sub-Fund. The cost relating to Securities Lending Transactions will be borne by the borrower.

Other investments

The Sub-Fund may also invest not more than 5% of its Net Asset Value in cash and money market funds for cash management purpose.

The Manager does not currently enter into Sale and Repurchase Transactions, Reverse Repurchase Transactions and other similar over-the-counter transactions. Prior approval of the SFC (to the extent required under applicable regulatory requirements) will be sought and not less than one month's prior notice (or such shorter notice period as may be permitted under applicable regulatory requirements) will be given to Shareholders in the event the Manager wishes to invest in Sale and Repurchase Transactions, Reverse Repurchase Transactions and other similar over-the-counter transactions.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

What is the Shanghai-Hong Kong Stock Connect?

The Stock Connect is a securities trading and clearing linked programme developed by the HKEX, the SSE, the SZSE and the CSDCC, with an aim to achieve mutual stock market access between PRC mainland and Hong Kong. It comprises the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Sub-Fund may invest directly in A-Shares included in the Index via the Shanghai-Hong Kong Stock Connect.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the Sub-Fund), through their Hong Kong brokers and securities trading service companies (in Shanghai and Qianhai Shenzhen respectively) established by the SEHK and the HKSCC, are able to trade eligible shares listed on the SSE by routing orders to the SSE. Under the Southbound Trading Link, eligible investors, through PRC mainland securities firms and securities trading service companies established by the SSE, are able to trade eligible shares listed on the SEHK by routing orders to the SEHK.

Eligible securities

Initially, Hong Kong and overseas investors are only able to trade certain stocks listed on the SSE market (the "SSE Securities"). SSE Securities include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H Shares listed on the SEHK, except the following:

a) SSE-listed shares which are not traded in RMB; and

b) SSE-listed shares which are included in the "risk alert board".

It is expected that the list of eligible securities will be subject to review.

Trading day

Investors (including the Sub-Fund) are only allowed to trade on the SSE market on days where the PRC mainland and Hong Kong stock markets are open for trading, and banking services are available in both markets on the corresponding settlement days.

Trading quota

The trading is subject to rules and regulations issued from time to time. Trading under the Shanghai-Hong Kong Stock Connect will be subject to a daily quota ("Daily Quota"), which will be separate for Northbound and Southbound trading. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shanghai-Hong Kong Stock Connect each day. The Northbound Daily Quota the Shanghai-Hong Kong Stock Connect is currently set at RMB52 billion. The quotas do not belong to the Sub-Fund and are utilised on a first-come-first-serve basis. The SEHK monitors the quota and publishes the remaining balance of the Northbound Daily Quota at scheduled times on the HKEX's website. The Daily Quota may change in future. The Manager will not notify investors in case of a change of quota.

Settlement and Custody

The HKSCC is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors. Accordingly investors do not hold SSE Securities directly – these are held through their brokers' or custodians' accounts with CCASS.

Corporate actions and shareholders' meetings – Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities held in its omnibus stock account in the CSDCC, the CSDCC as the share registrar for SSE listed companies still treats the HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities. The HKSCC will monitor the corporate actions affecting SSE Securities and keep the relevant CCASS participants informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

Currency

Hong Kong and overseas investors (including the Sub-Fund) will trade and settle SSE Securities in RMB only.

Trading fees and taxes

In addition to paying trading fees and stamp duties in connection with A-Share trading, the Sub-Fund may be subject to other fees and taxes concerned with income arising from stock transfers which are determined by the relevant authorities.

Coverage of Investor Compensation Fund

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund covers investors' losses in relation to securities traded on a stock market operated by the SSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the Sub-Fund is carrying out northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, such trading is not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland.

Foreign shareholding restrictions on SSE Securities – Under current PRC mainland rules, a single foreign investor's shareholding in a listed company (regardless of the channels through which shares in such listed company are held, including through QFI and Stock Connect) is not allowed to exceed 10% of the company's total issued shares, while all foreign investors' shareholding in the A-shares of a listed company is not allowed to exceed 30% of its total issued shares. If the aggregate foreign shareholding exceeds the 30% threshold, the foreign investors concerned will be requested to sell the shares on a last-in-first-out basis within five trading days. SSE Securities purchased through Shanghai-Hong Kong Stock Connect will be considered in totality with those purchased by QFI, and subject to the same foreign shareholding restriction.

Further information about the Stock Connect is available at the website: http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm.

What is the QFI regime?

Under current regulations in the PRC mainland, foreign investors can invest in the domestic securities market through certain foreign institutional investors that have obtained status as a QFI from the CSRC to remit foreign freely convertible currencies (in the case of a QFII) and RMB (in the case of a RQFII) for the purpose of investing in the domestic securities markets of the PRC mainland.

On 25 September 2020, the CSRC issued the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors (in Chinese《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》and its implementing rules (collectively, the "New QFI Measures"), which, with effect from 1 November 2020, consolidated the current QFII and RQFII programmes into one.

The QFI regime was introduced on 16 December 2011 by the "Pilot Scheme for Domestic Securities Investment through Renminbi Qualified Foreign Institutional Investors which are Asset Management Companies or Securities Companies" (基金管理公司證券公司人民幣合格境外機構投資者境內證券投資試點辦法) issued by the CSRC, the PBOC and the SAFE, which was repealed effective 1 March 2013.

As of the date of this Prospectus, the QFI regime is governed by (i) the "Regulations on Capital Management of Domestic Securities and Futures Investments by Foreign Institutional Investors jointly issued by the PBOC and the SAFE and effective from 6 June 2020 (境外機構投資者境內證券期貨投資資金管理規定); (ii) the New QFI Measures; and (iii) any other applicable regulations promulgated by the relevant authorities (collectively, the "QFI Regulations").

The Manager, who has obtained QFI status in PRC mainland, may select whether to use foreign convertible currencies or RMB to make investment under the QFI regime.

The Sub-Custodian has been appointed by the Custodian and the Manager to act through its delegate, the PRC Custodian (defined below) and will be responsible for the safe custody of the assets of the Sub-Fund in the PRC mainland invested using the QFI status of the Manager in accordance with the terms of the custody agreement between the Sub-Custodian and PRC Custodian (the "PRC Custody Agreement").

As of the date of this Prospectus, the Custodian has appointed CITIBANK (CHINA) CO., LTD. ("PRC Custodian") as the PRC Custodian. The PRC Custodian possesses the applicable qualification to provide custody services to QFIs. According to the terms of the PRC Custody Agreement, the Custodian shall remain responsible for any omission or wilful default of the PRC Custodian, as if no such appointment had been made.

All of the Sub-Fund's assets acquired via the QFI status granted to the Manager in the PRC mainland (including onshore PRC cash deposits and its onshore A-Shares portfolio) will be held by the PRC Custodian in accordance with the terms of the PRC Custody Agreement and the "PRC Country Schedule for RQFII Services" entered into between the Manager and the PRC Custodian (the "PRC RQFII Agreement"). Securities including A-Shares invested through the QFI status of the Manager will be maintained by the PRC Custodian pursuant to PRC mainland regulations through securities account(s) with the China Securities Depository and Clearing Corporation Limited ("CSDCC") in the joint names of the Manager (as the QFI Holder) and the Sub-Fund. A RMB cash account(s) shall be established and maintained with the PRC Custodian in the joint names of the Manager (as the QFI Holder) and the Sub-Fund. The PRC Custodian shall, in turn, have a cash clearing account with CSDCC for trade settlement according to applicable regulations.

Repatriations in RMB conducted by the Manager (as QFI) on behalf of the Sub-Fund are permitted daily and not subject to any repatriation restrictions, lock-up periods or prior approval from the SAFE.

In the context of investment in securities issued within the PRC mainland using the Manager's QFI status, the Manager will assume dual roles as the Manager of the Sub-Fund and the QFI holder for the Sub-Fund. The Manager will be responsible for ensuring that all transactions and dealings will be dealt with in compliance with the Instrument (where applicable) as well as the relevant laws and regulations applicable to the Manager as a QFI.

In connection with the investment in securities issued within the PRC mainland using the Manager's QFI status, the Custodian has put in place proper arrangements to ensure that:

(a) the Custodian takes into its custody or under its control the assets of the Sub-Fund, including onshore PRC mainland assets of the Sub-Fund acquired by the Sub-Fund through the Manager's QFI status and such PRC mainland assets will be maintained by the PRC Custodian in electronic form via the securities account(s) with the CSDCC and cash held in the cash account(s) with the PRC Custodian ("Onshore PRC Assets"), and holds the same in trust for the Shareholders;

(b) cash and registrable assets of the Sub-Fund, including assets deposited in the securities account(s) with the CSDCC and cash of the Sub-Fund deposited in the cash account with or otherwise held by the PRC Custodian, are registered or held to the order of the Custodian; and

(c) the Sub-Custodian and the PRC Custodian will look to the Custodian for instructions and solely act in accordance with such instructions as provided under the PRC RQFII Agreement.

The Manager has obtained a legal opinion confirming that, as a matter of PRC mainland law:

(a) where the Manager (as RQFII holder), for and on behalf of the Sub-Fund, appoints multiple PRC custodians, one of which should be designated as principal custodian;

(b) Securities account(s) with the CSDCC and maintained by the PRC Custodian and RMB special deposit account(s) with the PRC Custodian (respectively, the "Securities Account" and the "Cash Account") have been opened in the joint names of the Manager (as RQFII holder) and the Sub-Fund for the sole benefit and use of the Sub-Fund in accordance with

all applicable laws, rules and regulations of the PRC mainland and with approval from all competent authorities in the PRC mainland;

(c) the assets held/credited in the Securities Account(s) (i) belong solely to the Sub-Fund, and (ii) are segregated and independent from the proprietary assets of the Manager (as RQFII holder), the Sub-Custodian, the PRC Custodian and any broker appointed by the Manager to execute transactions for the Sub-Fund in the PRC mainland (a "PRC Broker"), and from the assets of other clients of the Manager (as RQFII holder), the Sub-Custodian, the PRC Custodian, and any PRC Broker;

(d) the assets held/credited in the Cash Accounts (i) become an unsecured debt owing from the PRC Custodian to the Sub-Fund, and (ii) are segregated and independent from the proprietary assets of the Manager (as RQFII holder) and any PRC Broker, and from the assets of other clients of the Manager (as RQFII holder) and any PRC Broker;

(e) the Company, for and on behalf of the Sub-Fund, is the only entity which has a valid claim of ownership over the assets in the Securities Account(s) and the debt in the amount deposited in the Cash Accounts of the Sub-Fund;

(f) if the Manager or any PRC Broker(s) is liquidated, the assets contained in the Securities Account(s) and Cash Accounts of the Sub-Fund will not form part of the liquidation assets of the Manager or such PRC Broker in liquidation in the PRC mainland; and

(g) if the PRC Custodian is liquidated, (i) the assets contained in the Securities Account(s) of the Sub-Fund will not form part of the liquidation assets of the PRC Custodian in liquidation in the PRC mainland, and (ii) the assets contained in the Cash Accounts of the Sub-Fund will form part of the liquidation assets of the PRC Custodian in liquidation in the PRC mainland and the Sub-Fund will become an unsecured creditor for the amount deposited in the Cash Accounts.

There are specific risks associated with the QFI regime and investors' attention is drawn to the risk factors under "Risks associated with the QFI regime" in the section on "Risk Factors" in this Appendix.

The offshore RMB market

What led to RMB internationalisation?

RMB is the lawful currency of the PRC mainland. RMB is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC mainland government. Since July 2005, the PRC mainland government began to implement a controlled floating exchange rate system based on the supply and demand in the market and adjusted with reference to a portfolio of currencies. The exchange rate of RMB is no longer pegged to US dollars, resulting in a more flexible RMB exchange rate system.

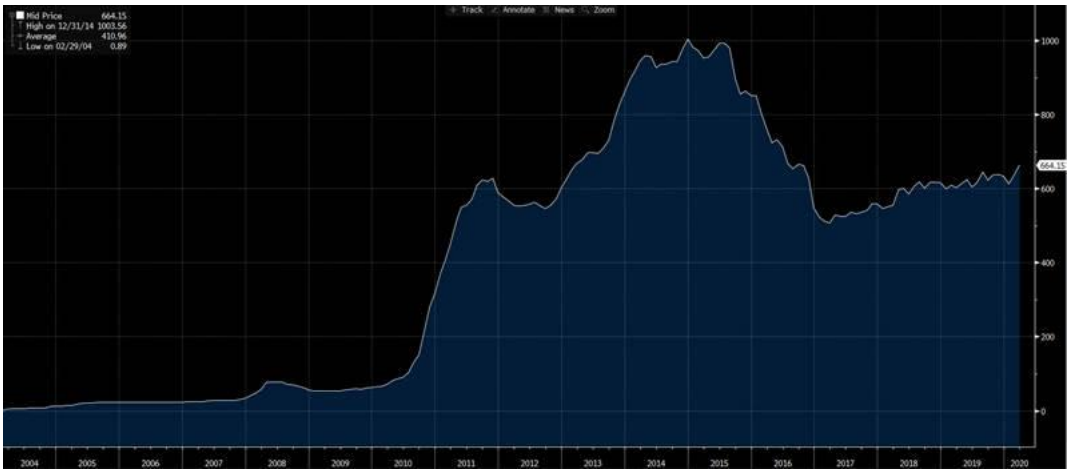
Over the past two decades, the PRC mainland's economy grew rapidly at an average annual rate of 10.5% in real terms. This enables it to overtake Japan to become the second largest economy and trading country in the world. Chinese government did not set a GDP growth goal for 2020 due to the COVID-19 pandemic. However, it was estimated that Chinese GDP growth would be around 2% in 2020, which will still be a top contributor to global growth if compared with the estimated -3% recession of global economy. As the PRC mainland's economy becomes increasingly integrated with the rest of the world, it is a natural trend for its currency – the RMB, to become more widely used in the trade and investment activities

Acceleration in the pace of the RMB internationalisation

The PRC mainland has been taking gradual steps to increase the use of RMB outside its borders by setting up various pilot programmes in Hong Kong and neighbouring areas in recent years. For instance, banks in Hong Kong were the first permitted to provide RMB deposits, exchange, remittance and credit card services to personal customers in 2004. Further relaxation occurred in

2007 when the authorities allowed PRC mainland financial institutions to issue RMB bonds in Hong Kong. As of the end of March 2020, there are 137 banks in Hong Kong engaging in RMB business, with RMB deposits amounting to about RMB644.15 billion, as compared to just RMB63 billion in 2009.

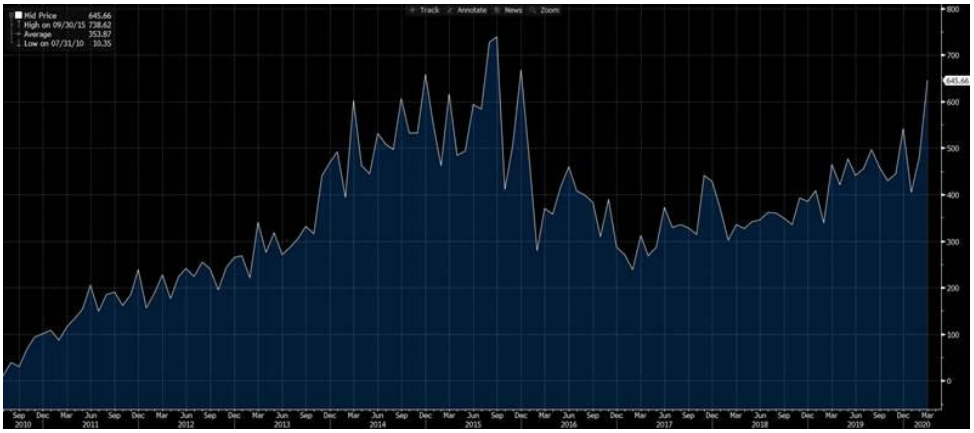
Chart 1. RMB deposits in Hong Kong



Data source: Bloomberg as of 31 March 2020

The pace of RMB internationalisation has accelerated since 2009 when the PRC mainland authorities permitted cross-border trade between Hong Kong/Macau and Shanghai/4 Guangdong cities, and between ASEAN and Yunnan/Guangxi, to be settled in RMB. In December 2017, the arrangement was expanded to 20 provinces/municipalities on the PRC mainland and to all countries/ regions overseas. In March 2020, nearly RMB645.66 billion worth of cross-border trade was settled in Hong Kong with RMB.

Chart 2. Remittances for RMB cross-border trade settlement



Data source: Bloomberg as of 31 March 2020

Onshore versus offshore RMB market

Following a series of policies introduced by the PRC mainland authorities, an RMB market outside the PRC mainland has gradually developed and started to expand rapidly since 2009. RMB traded outside the PRC mainland is often referred as “offshore RMB” with the denotation “CNH”, which distinguishes it from the “onshore RMB” or “CNY”.

Both onshore and offshore RMB are the same currency but are traded in different markets. Since the two RMB markets operate independently where the flow between them is highly restricted, onshore and offshore RMB are traded at different rates and their movement may not be in the same direction. Due to the strong demand for offshore RMB, CNH used to be traded at a premium to onshore RMB, although occasional discount may also be observed. The relative strength of onshore and offshore RMB may change significantly, and such change may occur within a very short period of time.

Notwithstanding that the offshore RMB market showed a meaningful growth during the past two years, it is still at an early stage of the development and is relatively sensitive to negative factors or market uncertainties. For instance, the value of offshore RMB had once dropped by 2% against the US dollars in the last week of September 2011 amidst the heavy selloff of the equities market. In general, the offshore RMB market is more volatile than the onshore one due to its relatively thin liquidity.

There have been talks on the potential convergence of the two RMB markets but that is believed to be driven by political decisions rather than just economics. It is widely expected that the onshore and offshore RMB markets would remain two segregated, but highly related, markets for the next few years.

Recent measures

More measures to relax the conduct of offshore RMB business were announced in 2010. On 19 July 2010, with respect to the lifting of restrictions on interbank transfer of RMB funds and, as well as granting permission for companies in Hong Kong to exchange foreign currencies for RMB without limit. One month later, the PRC mainland authorities announced the partial opening up of the PRC mainland's interbank bond market for foreign central banks, RMB clearing banks in Hong Kong and Macau and other foreign banks participating in the RMB offshore settlement programme.

The National Twelfth Five-Year Plan adopted in March 2011 explicitly supports the development of Hong Kong as an offshore RMB business centre. In August 2011, PRC mainland Vice-Premier Li Keqiang has announced more new initiatives during his visit, such as allowing investments on the PRC mainland equity market through the QFI scheme and the launch of an ETF with Hong Kong stocks as the underlying constituents in the PRC mainland. Also the PRC mainland government has given approval for the first non-financial PRC mainland firm to issue RMB-denominated bonds in Hong Kong.

Chinese bonds and stocks were included in international indexes since 2018. RMB assets are becoming more attractive since then. In 2019, RMB's share of global foreign exchange reserves hit record high, surpassing Australian dollar and Canadian dollar.

RMB internationalisation is a long-term goal

Given the PRC mainland's economic size and growing influence, RMB has the potential to become an international currency in the same ranks as US dollars and euro. But the PRC mainland has to first accelerate the development of its financial markets and gradually make RMB fully convertible on the capital account. Although the internationalisation of RMB will bring benefits such as increasing political influence and reduced exchange rate risks, it also entails risks including rising volatility of RMB exchange rate.

The process of RMB internationalisation is a long and gradual one. It took US dollars many decades to replace the British pound to become a dominant reserve currency. It will also take time for RMB to gain importance in coming years. RMB will not be in a position to challenge the US dollar's main reserve currency status for some time to come.

The A-Share market

Introduction

Chinese Mainland's A-Share market commenced in 1990 with two exchanges, Shanghai Stock Exchange and Shenzhen Stock Exchange. Shanghai Stock Exchange was established on 26 November 1990 and stocks are further divided into class A-Shares and class B-Shares, with A-Shares limited to domestic investors as well as QFIs or through the Stock Connect programmes only and B Shares available to both domestic and foreign investors. As of 30 April 2020, there are 1,552 A-Share listed companies in Shanghai Stock Exchange with total market capitalisation of RMB33.32 trillion. Shanghai Stock Exchange's products cover equities, mutual funds and bonds. The product lines include A-Shares, B-Shares, indices, mutual funds (including exchange traded funds and listed open-end funds), fixed income products, and diversified financial derivative

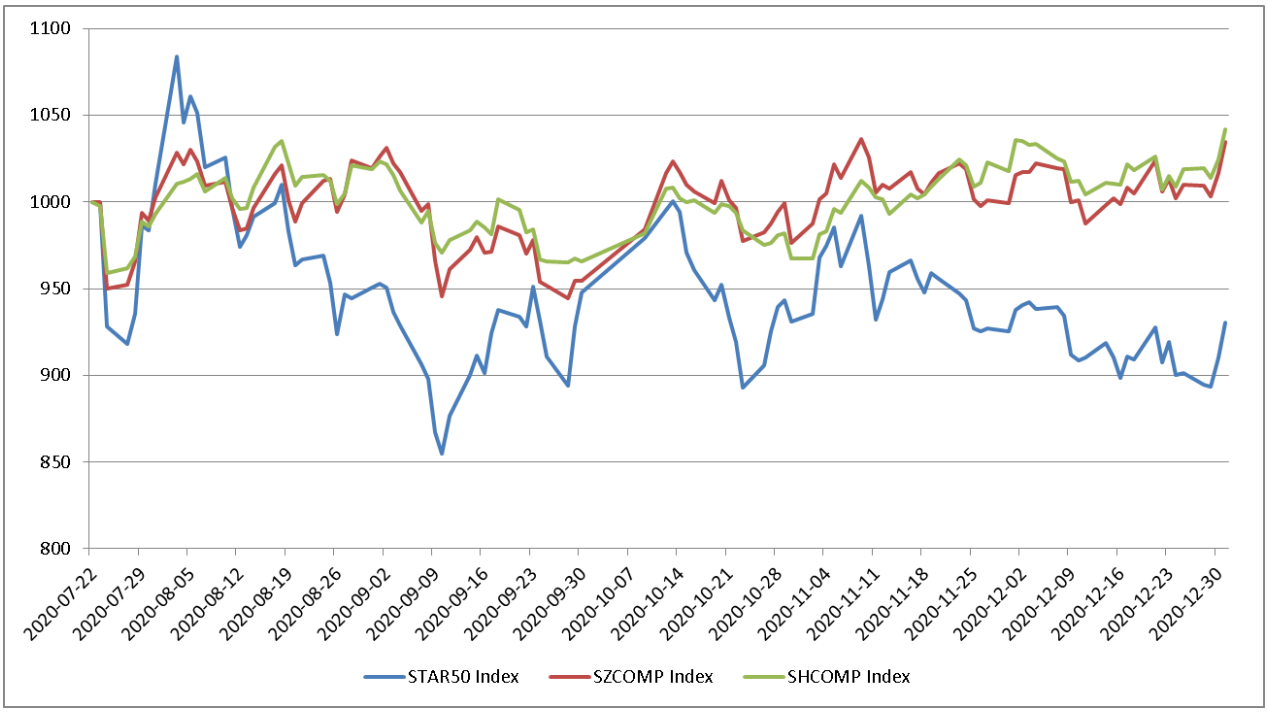
products (including warrants and repurchases).

Shenzhen Stock Exchange was founded on 1 December 1990 and stocks are further divided into class A-Shares and class B-Shares, with A-Shares limited to domestic investors as well as QFIs or through the Stock Connect programmes only and B-Shares available to both domestic and foreign investors. As of 30 April 2020, there are 2,260 A-Share listed companies in Shenzhen Stock Exchange. Shenzhen Stock Exchange's products cover equities, mutual funds and bonds. The product lines include A-Shares, B-Shares, indices, mutual funds (including exchange traded funds and listed open-end funds), fixed income products, and diversified financial derivative products (including warrants and repurchases).

The A-Share market has grown significantly in the past 20 years, with the latest total market capitalisation reaching RMB57.96 trillion comprising 3,812 A-Share listed companies by 30 April 2020.

In terms of investor breakdown, there is an increasing number of institutional investors participating in the A-Shares market since the inception, which include securities investment funds, social pension funds, qualified foreign institutional investors, insurance companies, ordinary investment institutions. However, on a daily basis, retail investors still make up for the majority of the trading volume.

Chart 1. Shanghai and Shenzhen Composite Index Price / STAR 50 Index Price



Data source: BBG; As of 31 December 2020

Differences with Hong Kong's stock market

	PRC mainland		Hong Kong
Key indexes	SHCOMP / SZCOMP	ChiNext / STAR 50	HSI / HSCEI
Trading band limits	10% (5% for ST/S stocks*)	20% after first five trading days of the stock	No Limit
Trading lots	One hundred (100) (no less than two hundred (200) for SSE STAR Board) shares for BUY / one (1) share for SELL**		Each stock has its own individual board lot size (an online broker will usually display this along with the stock price when you get a quote); purchases in amounts which are not multiples of the board lot size are done in a separate "odd lot market".
Trading hours	pre-open: 0915-0925 morning session: 0930-1130 afternoon session: 1300-1500 (1457-1500 is closing	pre-open: 0915-0925 morning session: 0930-1130 afternoon session: 1300-1500 after-hours fixed-price trading: 1505-	pre-open order input: 0900-0915 pre-order matching 0915-0920 order matching: 0920-0928

	auction for the SZSE)	1530 (orders shall be placed between 0915 and 1130 (for morning session) and 1300 and 1530 (for afternoon session))	morning session: 0930-1200 afternoon session: 1300-1600
Settlement	T+1		T+2
Earnings reporting requirements	Annual report: • Full annual report must be disclosed within four (4) months after the reporting period. Interim report: • Full report must be disclosed within two (2) months after the reporting period. Quarterly report: • Full report must be disclosed within one (1) month after the reporting period. The first quarterly report cannot be disclosed before last year's annual report.		Annual report: • Earnings must be disclosed within three (3) months after the reporting period; • Full annual report must be disclosed within four (4) months after the reporting period. Interim report: • Earnings must be disclosed within two (2) months after the reporting period; • Full report must be disclosed within three (3) months after the reporting period.

Note:

** 1) ST stocks refer to special treatment stocks, which means special treatment for companies with financial problems (consecutive 2 fiscal years loss or audited net assets per share less than par value in most recent fiscal year), effective date starting from 22 April 1998. Stocks with ST usually means they have delisting risk.*

2) S stocks refer to those stocks has not yet performed the "split share structure reform".

*** Purchasing in odd lot is not allowed while selling in odd lot is allowed in the A-Share market, with no price difference between odd lot and round lot trading.*

Overview of the Main board of SSE and the STAR Board

The table below summarises the market data of the main board of the SSE and the STAR Board as of 31 December 2020:

	Main Board	**STAR Board**
No. of stocks	1628	215
Market capitalisation (RMB million)	42,183,088	3,349,072

Average daily turnover for Dec 2020 (RMB million)	336,451	29,021
Average price-earnings ratio	15.68	94.63
Average turnover ratio (Dec 2020)	18.34	20.84

Generally, the requirements for companies seeking to list on the STAR Board are less stringent than the requirements for companies seeking to list on the main board. The key differences in the respective listing requirements are summarised below:

	Main Board	**STAR Board**
Targeted companies	Large mature companies	Growing sci-tech innovation companies
Business continuity	In the last 3 years, no major adverse changes have occurred in the main business, directors and senior managers	In the last 2 years, no major adverse changes have occurred in the main business and directors, senior managers and core technical personnel
Profitability	• Profitable in the last 3 consecutive financial years, with aggregate net profits more than RMB 30 million; or • Accumulated total operating revenue exceeds RMB 300 million	• Companies that conform to the orientation of STAR Board, but are not yet profitable or have accumulated deficits, are allowed to be listed. • based on estimated market value, revenue, net income, research and development ("R&D") investment, cash flow and other factors • 5 sets of listing standards (see below table)
Cash flow	Cumulative net cash flow from operating activities in the last three financial years exceeds RMB 50 million	
Net asset	• Intangible assets account for no more than 20% of net assets at the end of the latest period • There is no undistributed deficit at the end of the latest period	

The below table sets out the listing standards of the STAR Board:

Financial Indicators	1. Market value, net profit, (operating revenue)	2. Estimated market value, operating	3. Estimated market value, operating	4. Estimated market value, operating	5. Estimated market value, other indicators

			revenue, total share of R&D investment	revenue, net cash flow from operation	revenue	
Estimated market value	Not less than RMB 1 billion		Not less than RMB 1.5 billion	Not less than RMB 2 billion	Not less than RMB 3 billion	Not less than RMB 4 billion
Net profits	Positive net profit for the last 2 years; cumulative net profit no less than RMB 50 million	Positive net profit for the last year	Not applicable	Not applicable	Not applicable	• The main business or products need to be approved by the relevant state departments. • The market is huge, and the issuer has achieved initial progress. • Pharmaceutical companies need at least one core product approved for phase II clinical trials. • Other companies that meet the positioning of the STAR Market should have obvious technical advantages and meet the corresponding conditions.
Operating revenue	Not applicable	No less than RMB 100 million in the last year	No less than RMB 200 million in the last year	No less than RMB 300 million in the last year	No less than RMB 300 million in the last year	
R&D investment	Not applicable	Not applicable	R&D investment accounts for no less than 15% in the accumulative operating revenue in the last 3 years	Not applicable	Not applicable	
Net cash flow from operation	Not applicable	Not applicable	Not applicable	No less than RMB 100 million in the last 3 years	Not applicable	

The below table sets out the listing standards for red-chip companies. Where an applicant applies for listing on the STAR Board, its market value and financial figures shall meet at least one of the following criteria:

	Large red-chip companies listed abroad	Large unlisted red-chip companies		
Market value /	The market	The estimated	The estimated	The estimated

estimated market value	value is no less than RMB 200 billion.	market value is no less than RMB 20 billion.	market value is no less than RMB 10 billion.	market value is no less than RMB 5 billion.
Operating revenue	Not applicable	The operating income is no less than RMB 3 billion in the latest year.	Not applicable	The operating income is no less than RMB 500 million in the latest year.
Other indicators	Not applicable	Not applicable	The operating revenue is growing fast. With indigenous R&D capacity and world-leading technology, the issuer is well-placed in the horizontal competition	

Measures adopted by the Manager to address the differences between the A-Share market and the Hong Kong market

The Manager has adopted the following measures to address the difference between the A-Share market and the Hong Kong market:

(a) Trading hours: As regards the difference in trading hours, the shorter trading hours in the A-Share market is not considered to present a major risk, as it is expected that there is a sufficient level of liquidity for the A-Shares constituting the Sub-Fund's portfolio.

(b) Trading days: There is a difference in trading days between the A-Share market and the Hong Kong market. It should be noted that Applications are accepted only on a Business Day (normally a day on which both markets are open).

If the Hong Kong market is open while the A-Share market is closed, Shares of the Sub-Fund will be traded in the Hong Kong market and the Manager will continue to publish information including prices in the manner set out in this Prospectus. If the A-Share market is open while Hong Kong market is closed, the Manager will trade the A-Shares when it is necessary, in order to limit the risk to investors. These trades will be properly settled even when the Hong Kong market is closed for holiday by the Custodian's arrangements in place.

(c) Trading band limits: The Manager will be prevented from trading A-Shares on STAR board when they hit the "trading limit", i.e. 20%. If this happens on a particular trading day, the Manager will continue to trade that stock on the subsequent two trading days if necessary. However if the Manager is still unable to trade that A-Share on the second trading day after the original trading day due to the trading band limit, the Manager will settle the A-Share on the latest closing price and the Sub-Fund will make up the trade whenever that A-Share resumes trading again. The Manager believes that the average impact to the Sub-Fund in such situations is immaterial.

The Index

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Index

The Index is a turnover adjusted, market cap-weighted with weighting adjustment factors index consisting of 50 securities with largest market capitalisation and good liquidity listed on the STAR Board. The Index aims to reflect the overall performance of leading technological innovation-

based enterprises' securities. The Index is calculated and disseminated in RMB on a real-time basis and is maintained by China Securities Index Co., Ltd. The Index is quoted in RMB.

The Index is a net total return index. A net total return index calculates the performance of the Index constituents on the basis that any dividends or distributions are reinvested.

The Index was launched on 23 July 2020 and had a base level of 1,000 on 31 December 2019.

As of 31 December 2025, the Index had a total market capitalisation of RMB1,935.91 Billion and 50 constituents.

Index Universe

The index universe includes stocks and China depositary receipts (CDRs) issued by red chip enterprises listed on the STAR Board satisfying the following conditions:

i. The securities have been listed for more than six months. When the number of securities listed for twelve months on the STAR Board reaches 100 to 150, the listing time requirement is adjusted to more than twelve months; or

ii. For securities which daily average total market value since its initial listing is ranked top 5 on the STAR Board, such securities have been listed for more than three months as of the 10th trading day after usual cut-off date of data used for periodic review; or

Note: The "cut-off date" is normally the last trading day of the preceding calendar month before the periodic review adjustments takes effect (e.g. 30 April is the usual cut-off date for the May periodic review (i.e. the June periodic rebalance))

iii. For securities which daily average total market value since its initial listing is ranked top 3 on the STAR Board and condition ii does not apply, such securities have been listed for more than one month when evaluated as appropriate by the Index Advisory Committee using a rule-based and transparent approach;

and

iv. Non -*ST securities (i.e. securities under delisting risk warning); and

v. Performance without serious violation of laws and regulations, serious financial problems, strong evidence of market manipulation and other situations evaluated as inappropriate for index constituents.

For this purpose:

"Serious violation of laws and regulations"

For non-constituents, listed companies that violate the regulations within 1 year prior to the deadline for periodical review shall be ineligible to be included in the index universe. For constituents, listed companies that violate the regulations within 1 year prior to the deadline for periodical review shall be given priority to be deleted if they become deletion candidates. These adjustments are based on irregularities identified by the securities regulatory institutions, which are objective evidence. The Index Advisory Committee will check the above rules from time to time and make sure it's suitable for the index.

"Serious financial problems"

Financial performance is usually measured by the financial report of the relevant listed companies.

"Strong evidence of market manipulation"

Actually, when stock prices show strong evidence of market manipulation or other unusual fluctuations, listed companies are very likely to be noticed by the securities regulatory institutions such as the CSRC and stock exchanges, and if there is sufficient evidence, listed companies will receive punishment from the securities regulatory institutions.

When special circumstances happen, such as unusual large price volatility which is highly concerned by market participants, but has not yet be identified as irregularities by the securities regulatory institutions, it is usually discussed by the Index Advisory Committee. The Index Advisory Committee will evaluate the irregularity risk of the listed company and make a decision on the constituent eligibility base on objective data and their professional knowledge.

For the avoidance of doubt, a stock will be included in the index universe if they can fulfil conditions (ii) or (iii) (in addition to (iv) and (v)), even if they do not meet the listing history condition under (i).

Constituents Selection

1. Securities in the universe are ranked by the daily average trading value over the past year in descending order. Securities ranked within the bottom 10% will be excluded;

2. The remaining securities are ranked by the daily average total market capitalisation over the past year in descending order. The top 50 securities will be selected as constituents. For the avoidance of doubt, total market capitalization is adopted for constituent selection for the Index but free float adjusted market capitalization will be adopted for weighting.

Index Calculation

The Index is weighted as the following calculation formula:

Current Index = Current Total Adjusted Market-Cap / Divisor (i.e. base period) × Base Level

Where Current Total Adjusted Market-Cap = Σ(Security Price × Number of Free Float Adjusted Shares × Weight Factor)

The value of Weight Factor is between 0 and 1, and is calculated at each rebalancing so as to make each constituent's weight is no more than 10% and the total weight of top 5 constituents is no more than 40%.

The calculation of the Weight Factor: In the situation that the index is weighted by free float market cap, the weight of each constituent is capped at 10%, and the total weight of top 5 constituents is capped at 40%. If the weight of top 5 constituents does not exceed 40%, the weight restriction is referred to 10% for each constituent. Otherwise, the total weight of the top 5 constituents is set to 40%, and the weights of the top 5 constituents are allocated according to the adjusted free float market cap ratio. If the weight of the constituent with weights exceeds 10% after the distribution are adjusted to 10%, the top 5 constituents are distributed the remaining weight based on the free float adjusted market cap. If there are still constituent weights that exceed 40% after reallocation, repeat the above steps. The total weight of constituents other than the top 5 is 100% - 40%, and the weights are allocated according to the free float adjusted market cap ratio, and the weight of the constituent is capped at the weight of the fifth largest constituent.

Index Maintenance

The Index is maintained using the "divisor adjustment methodology". In the event of a change in constituent list or a capital change in the index constituents, or constituents' market value fluctuates due to non-trading factors, the divisor is adjusted by means of the divisor adjustment methodology, so as to prevent the discontinuities in the Index. The adjustment formula is as follows:

$$\frac{\text{adjusted market cap before divisor adjustment}}{\text{old divisor}} = \frac{\text{adjusted market cap after divisor adjustment}}{\text{new divisor}}$$

Where: Adjusted Market Cap after Adjustment = Adjusted Market Cap before Adjustment + increase (decrease) in Adjusted Market Cap.

The new divisor (i.e. the adjusted divisor, also known as the new base period) derived from this formula shall be used for the future index calculation.

Constituents and Index Weight Adjustment

Periodic review

The Index is reviewed during the last ten days of February, May, August and November, and adjusted and rebalanced quarterly and the adjustment will be effective as of the next trading day after the 2nd Friday of March, June, September and December.

Normally, the number of constituents adjusted at each periodic review shall not exceed 10%.The Index adopts buffer zone rules for the sake of minimum turnover. According to the ranking (by daily average total market capitalisation over the past year) generated in the current periodic review, new candidate securities which are not the existing constituents ranked top 40 will be given priority to be added to the Index and existing constituents ranked top 60 (by daily average total market capitalisation over the past year) will be given priority to remain in the Index.

A weight factor is assigned to each constituent at each rebalancing. The effective date is the same as that of the constituent adjustment. The weight factor remains the same until next rebalancing day.

The Index adopts a reserve list policy. If a temporary adjustment during the ongoing review is in need due to constituents' delisting, merger, etc., securities on the reserve list shall be added to the Index in turn. For the purpose of improving the predictability and transparency of temporary adjustments to index constituents, some equity indices, for example, CSI 300 and CSI 100, adopt a reserve list policy. The reserve list is used for the temporary adjustment occurring between two regular adjustments. If a temporary adjustment is in needed due to constituents' delisting, merger, etc., securities on the reserve list shall be added to the index in turn. When more than 50% of securities in the reserve list are used, CSI shall update the list according to the reserve list policy and make an announcement on the new reserve list. The number of securities in the reserve list can be found in respective index methodologies.

For details on buffer zone rules, reserve list policy and other information relating to periodic review, please refer to "Equity Indices Calculation and Maintenance Methodology of China Securities Index Company Limited" available on the website www.csindex.com.cn/en/indices/index-rules (the contents of this website has not been reviewed by the SFC).

Ongoing review

In case the representativeness and investability of the Index is affected due to significant changes beyond periodical reviews, CSI may review the constituent securities immediately. Delisted securities will be removed from the constituents. Necessary adjustment will be made when certain corporate event happens so as to maintain the representativeness and investability of the Index. Such events include, without limitation, bankruptcy of constituents, delisting, restructuring, merger, acquisition, spin-off, etc.

For details relating to ongoing review, reserve list policy and other information relating to periodic review, please refer to "Equity Indices Calculation and Maintenance Methodology of China Securities Index Company Limited" available on the website www.csindex.com.cn/en/indices/index-rules (the contents of this website has not been reviewed by the SFC).

Index Advisory Committee

The Index Advisory Committee acts as the consulting agency of the Index Provider, and is responsible for providing professional consultation advice and decision-making suggestions for index construction and maintenance. Issues for consultation include, but are not limited to, rules for index management, plan of index business development and index construction, index methodologies for important indices, significant issues of index maintenance, domestic and foreign trends of index business development, etc.

Members

Committee members are domestic and foreign experts or scholars with extensive representation and influence in the fields of economics, finance, statistics or corporate governance. Members work part time and are not employees of the Index Provider.

Appointment

In principle, each term of the Committee lasts three years and members can serve consecutive terms. The Index Provider may adjust the length of each term and the number of consecutive terms according to needs.

For details, please refer to www.csindex.com.cn/en/about/index-advisory-committee (the contents of this website has not been reviewed by the SFC).

Index Provider

The Index is compiled and managed by China Securities Index Co., Ltd. ("CSI" or the "Index Provider").

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index Constituents

You can obtain the most updated list of the constituents of the Index, their respective weightings, additional information and other important news of the Index from the website of China Securities Index Co., Ltd at http://www.csindex.com.cn (the contents of which has not been reviewed by the SFC).

The Index Provider publishes the real time level of the Index via its website at http://www.csindex.com.cn (the contents of this website has not been reviewed by the SFC). The methodology, the latest information and news of the Index, the latest market capitalisation amount and number of constituents of the Index will be available on the website of the Index Provider www.csindex.com.cn/en/indices/index-detail/000688 (the contents of this website has not been reviewed by the SFC).

Index Codes

Wind Code: 000688CNY02.SH

BBG Ticker: STAR50NR Index

Index Licence Agreement

The licence of the Index commenced on 1 January 2021 and should continue for 3 years (initial term). After the expiration of the initial term, the licence will be automatically renewed for

successive terms of 2 years unless either party gives at least one month's notice of termination prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Index Disclaimer

The SSE Science and Technology Innovation Board 50 Index ("Index") is compiled and calculated by China Securities Index Co., Ltd. ("CSI") as appointed by the Shanghai Stock Exchange ("SSE"). All copyright in the Index values and constituent list vest in SSE. CSI will apply all necessary means to ensure the accuracy of the Index. However, CSI does not guarantee its instantaneity, completeness or accuracy, nor shall it be liable (whether in negligence or otherwise) to any person for any error in the Index or under any obligation to advise any person of any error therein.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 8 February 2021 and ends at 11 a.m. (Hong Kong time) on 8 February 2021, or such other date as the Manager may determine.

The Listing Date is expected to be on 10 February 2021 but may be postponed by the Manager to a date no later than 25 March 2021.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Shares either on their own account or for their clients, in accordance with the Instrument and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Shares to be available for trading on the Listing Date by creation. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Shares for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Shares on their behalf.

After Listing

"After Listing" commences on the Listing Date.

Dealings in the Shares on the SEHK will commence on the Listing Date, which is expected to be on 10 February 2021 but may be postponed by the Manager to a date no later than 25 March 2021.

All investors may buy and sell Shares in the secondary market on the SEHK and Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Shares in the primary market in Application Share size, from 9:30 a.m. (Hong Kong time) to 2 p.m. (Hong Kong time) on each Dealing Day.

Please refer to the section on "The Offering Phases" for details. The following table summarises all key events and the Manager's expected timetable (all references to times are to Hong Kong time):

Initial Offer Period commences • Participating Dealers may apply for creation for themselves or for their clients in Application Share size	• 9:00 a.m. (Hong Kong time) on 8 February 2021 but may be postponed by the Manager to no later than 9:00

	a.m. (Hong Kong time) on 23 March 2021
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Shares to be available for trading on the Listing Date	• 11 a.m. (Hong Kong time) on 8 February 2021 but may be postponed by the Manager to no later than 11 a.m. (Hong Kong time) on 23 March 2021
After listing (period commences on the Listing Date) • All investors may start trading Shares on the SEHK through any designated brokers; and • Participating Dealers may apply for creation and redemption (for themselves or for their clients) in Application Share size	• Commence at 9:30 a.m. (Hong Kong time) on 10 February 2021, but may be postponed by the Manager to a date no later than 25 March 2021 • 9:30 a.m. (Hong Kong time) to 2 p.m. (Hong Kong time) on each Dealing Day

RMB payment procedures

Investors may, unless otherwise agreed by the relevant Participating Dealer, apply for Shares through Participating Dealers only if they have sufficient RMB to pay the application monies and the related fees. Investors should note that RMB is the only official currency of the PRC mainland. While both onshore RMB ("CNY") and offshore RMB ("CNH") are the same currency, they are traded in different and separated markets. Since the two RMB markets operate independently where the flow between them is highly restricted, CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there is a significant amount of RMB held offshore (i.e. outside the PRC mainland), CNH cannot be freely remitted into the PRC mainland and is subject to certain restrictions, and vice versa. As such whilst CNH and CNY are both the same currency, certain special restrictions do apply to RMB outside the PRC mainland. The liquidity and trading price of the Sub-Fund may be adversely affected by the limited availability of, and restrictions applicable to, RMB outside the PRC mainland.

Application monies from Participating Dealers to the Sub-Fund will be paid in RMB only. Accordingly a Participating Dealer may require an investor (as its client) to pay RMB to it. Payment details will be set out in the relevant Participating Dealer's documentation such as the application form for its clients. As such, an investor may need to have opened a bank account (for settlement) and a securities dealing account if a Participating Dealer is to subscribe for Shares on behalf of the investor as it will need to have accumulated sufficient RMB to pay at least the aggregate Issue Price and related costs, to the Participating Dealer or if an application to the Participating Dealer is not successful or is successful only in part, the whole or appropriate portion of the monies paid will need to be returned to the investor by the Participating Dealer by crediting such amount into the investor's RMB bank account. Similarly, if an investor wishes to buy and sell Shares in the secondary market on the SEHK, the investor may need to open a securities dealing account with its broker. Each investor will need to check with the relevant Participating Dealer and/or its broker for payment details and account procedures.

If any investors wish to buy or sell Shares on the secondary market, they should contact their brokers and they are advised to check with their brokers regarding arrangements for distributions in RMB. CCASS Investor Participants who receive distributions in RMB should make sure that they have set up an RMB designated bank account with CCASS.

Investors should consult the banks for the account opening procedures as well as terms and

conditions of the RMB bank account. Some banks may impose restrictions on their RMB cheque account and fund transfers to third party accounts. For non-bank financial institutions (e.g. brokers), however, such restriction will not be applicable and investors should consult their brokers as to the currency exchange service arrangement, if required. Investors without RMB accounts should note that distributions are made in RMB only and as such may suffer a foreign exchange loss and incur fees and charges associated with the conversion of distributions from RMB to HKD or any other currency to receive their distributions.

The transaction costs of dealings in the Shares on the SEHK include the SEHK trading fee, SFC transaction levy and AFRC transaction levy. All these secondary trading related fees and charges will be collected in HKD.

Investors should consult their own brokers or custodians as to how and in what currency the trading related fees and charges and brokerage commission should be paid by the investors.

Where payment in RMB is to be made by cheque investors are advised to consult the bank at which their respective RMB bank accounts are opened in advance whether there are any specific requirements in relation to the issue of RMB cheques. In particular, investors should note that some banks have imposed an internal limit (usually RMB80,000) on the balance of RMB cheque account of their clients or the amount of cheques that their clients can issue in a day and such limit may affect an investor's arrangement of funding for an application (through a Participating Dealer) for creation of Shares.

When an individual investor opens an RMB bank account or settle RMB payments, he or she will be subject to a number of restrictions, including the daily maximum remittance amount to the PRC mainland of RMB80,000, and a remittance service is only available to an RMB deposit account-holder who remits from his or her RMB deposit account to the PRC mainland and provided that the account name of the account in the PRC mainland is identical with that of the RMB bank account with the bank in Hong Kong.

Please also refer to "RMB Currency Associated Risks" below for further details.

Renminbi Equity Trading Support Facility ("TSF")

The TSF was launched on 24 October 2011 by the HKEX to provide a facility to enable investors who wish to buy RMB-traded shares (RMB shares) in the secondary market with Hong Kong dollars if they do not have sufficient RMB or have difficulty in obtaining RMB from other channels. The coverage of TSF has been extended to equity-related exchange traded funds and real estate investment trusts traded in RMB with effect from 6 August 2012. As such, the TSF is currently available to investors who wish to invest in the Sub-Fund and trading in RMB on the SEHK. For further details on the TSF, please refer to the website of HKEX at https://www.hkex.com.hk/Global/Exchange/FAQ/Featured/RMB-Readiness-and-Services/RMB-Equity-Trading-Support-Facility?sc_lang=en. Investors should consult their advisers if they have any query on the TSF.

Exchange Listing and Trading (Secondary Market)

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Shares traded in HKD.

Shares are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Shares on one or more other stock exchanges. Investors' attention is drawn to the section entitled "Exchange Listing and Trading (Secondary Market)" in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Shares traded in HKD are expected to begin on 10 February 2021.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Shares on the SEHK until dealings begin on the SEHK.

Distribution Policy

The Manager has discretion as to whether or not the Sub-Fund will make any distribution, the frequency and amount of distribution. Currently, the Manager intends to distribute income to Shareholders annually (in December) having regard to the Sub-Fund's net income after fees and costs.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the Sub-Fund.

The Manager may, at its discretion, pay distributions out of capital. The Manager may also, at its discretion, pay distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital. Investors should note that payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment out of or effectively out of the Sub-Fund's capital may result in an immediate reduction in the Net Asset Value per Share and will reduce any capital appreciation for the Shareholders.

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website http://www.csopasset.com/en/products/co-star50 (this website has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Shareholders.

Distributions (if declared) will be declared in the base currency of the Sub-Fund (i.e. RMB). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in RMB only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website http://www.csopasset.com/en/products/co-star50 and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx. The aforesaid websites have not been reviewed by the SFC.

There can be no assurance that distributions will be paid.

Each Shareholder will receive distributions in RMB. In the event that the relevant Shareholder has no RMB account, the Shareholder may have to bear the fees and charges associated with the conversion of such dividend from RMB to HKD or any other currency. Shareholders are advised to check with their brokers/intermediaries on the arrangements concerning distributions.

Distribution payment rates in respect of Shares will depend on factors beyond the control of the Manager or Custodian including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Fees and Expenses

Management Fee

The Sub-Fund pays a Management Fee as a single flat fee, currently at 0.99% per year of the Net Asset Value of the Sub-Fund. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in RMB in arrears out of the Scheme Property of the Sub-Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Sub-Fund, on one month's notice to Shareholders (or such shorter period as approved by the SFC). In the

event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Instrument), such increase will be subject to the Shareholders' and the SFC's approval.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Concentration risk

Due to the concentration of the Index in the companies focusing on technology innovation, which is characterised by relatively higher volatility in price performance when compared to other economic sectors, the performance of the Index may be more volatile when compared to other broad-based stock indices.

The Index is subject to concentration risk as a result of tracking the performance of companies listed on the STAR Board of the SSE. The Net Asset Value of the Sub-Fund is therefore likely to be more volatile than a more broad-based fund, such as a global or regional fund, as the Index is more susceptible to fluctuations in value resulting from adverse conditions in a single country.

Risks associated with the STAR Board

Higher fluctuation on stock prices and liquidity risk

Listed companies on the STAR Board are usually of emerging nature with smaller operating scale. Such companies are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on the STAR Board are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the main board of the SSE.

Over-valuation risk

Securities listed on the STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Differences in regulation

The rules and regulations regarding companies listed on the STAR Board are less stringent in terms of profitability and share capital than those in the main board of the SSE. Given the emerging nature of companies listed on the STAR Board, there is a risk that the securities traded on the STAR Board may be susceptible to higher market volatility compared to securities traded on the main board of the SSE. Please refer to the section "Overview of the SSE and the STAR Board" above for details on the differences in the listing requirements between the STAR Board and the main board of the SSE.

Delisting risk

It may be more common and faster for companies listed on the STAR Board to delist. The STAR Board has stricter criteria for delisting compared to other boards. This may have an adverse impact on the Sub-Fund if the companies that it invests in are delisted.

Concentration risk

The STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in the STAR Board may be concentrated in a small number of stocks and subject the Sub-Fund to higher concentration risk.

Investments in the STAR Board may result in significant losses for the Sub-Fund and its investors.

Risks of investing in companies focusing on technology innovation

The Sub-Fund's investments are concentrated in companies focusing on technology innovation. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments. Many of these companies have a relatively short operating history. Rapid changes could render obsolete the products and services offered by the companies in which the Sub-Fund invests and cause severe or complete declines in the prices of the securities of those companies. Additionally, companies in these sectors may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel. If the Sub-Fund invests in any of these companies, its investment may be adversely affected.

There may be substantial government intervention in the technology industry, including restrictions on investment in technology companies if such companies are deemed sensitive to relevant national interests. Some governments in the world have sought, and may in the future seek, to censor content available through internet, restrict access to products and services offered by companies that the Sub-Fund invests in from their country entirely or impose other restrictions that may affect the accessibility of such products and services for an extended period of time or indefinitely. In the event that access to the internet products and services is restricted, in whole or in part, in one or more countries, the ability of such companies to retain or increase their user base and user engagement may be adversely affected, and their operating results may be harmed. This may in turn affect the value of investment of the Sub-Fund.

The technology business is subject to complex laws and regulations including privacy, data protection, content regulation, intellectual property, competition, protection of minors, consumer protection and taxation. These laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to the business practices, monetary penalties, increased cost of operations or declines in user growth, user engagement or advertisement engagement, or otherwise harm the technology business. They may also delay or impede the development of new products and services. Compliance with these existing and new laws and regulations can be costly and may require significant time and attention of management and technical personnel. These companies are also subject to the risks of loss or impairment of intellectual property rights or licences, cyber security risks resulting in undesirable legal, financial, operational and reputational consequences. All these may have impact on the business and/or profitability of the technology companies in which the Sub-Fund invests and this may in turn adversely affect the value of investment of the Sub-Fund.

The Sub-Fund may be exposed to risks associated with different technology sectors and themes (including information technology, energy and healthcare, etc). A downturn in the business for companies in these sectors or themes may have adverse effects on the Sub-Fund.

New Index Risk

The Index is a new index. The Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.

A-Shares Associated Risks

A-Share Market Trading Difference Risk

Differences in trading hours between the STAR Board and the SEHK may increase the level of premium/discount of the Share price to its Net Asset Value because if the SSE is closed while the SEHK is open, the Index level may not be available. Shares listed the STAR Board may be subject to trading bands which restrict increases and decreases in the trading price. Shares listed on the SEHK are not. The prices quoted by the SEHK market maker would therefore be adjusted to take into account any accrued market risk that arises from such unavailability of the Index level and as a result, the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher.

A-Shares Market Suspension and Volatility Risk

The Index consists of A-Shares which may only be bought from time to time where the relevant A-Shares may be sold or purchased on the STAR Board. Given that the A-Shares market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), the creation and realisation of Shares may be disrupted. A Participating Dealer is unlikely to realise or create Shares if it considers that A-Shares may not be available. High market volatility and potential settlement difficulties in the A-Shares market may also result in significant fluctuations in the prices of the securities traded on the A-Shares market and thereby may adversely affect the value of the Sub-Fund.

PRC mainland Taxation Risk

In light of the announcement jointly promulgated by the Ministry of Finance, the State Taxation Administration and the CSRC under Caishui [2014] No.79 which stipulate that trading of A-Shares through QFIs and the Stock Connect programmes (without an establishment or place of business in the PRC mainland or having an establishment in the PRC mainland but the income so derived in Chinese Mainland is not effectively connected with such establishment) will be temporarily exempted from corporate income tax on gains derived from the transfer of PRC mainland equity investment assets (including PRC mainland A-Shares) effective from 17 November 2014, the Manager does not intend to make any WIT provision on the gross unrealised and realised capital gains derived from trading of A-Shares which may in turn be charged to the Sub-Fund.

However, dividends will be subject to 10% withholding tax and the company distributing the dividend has the withholding obligation. If the recipient of the dividend is entitled to a lower treaty rate, it can apply to the in-charge tax bureau of the payor for a refund. The Sub-Fund's exposure to investments in PRC mainland may be subject to the risks associated with changes in the PRC mainland tax laws and such changes may have retrospective effect and may adversely affect the Sub-Fund.

Please refer to the sub-section entitled "PRC mainland taxation" under the section headed "Taxation" in Part 1 of this Prospectus for further information in this regard.

Risks associated with the Shanghai-Hong Kong Stock Connect

The Sub-Fund may invest through the Shanghai-Hong Kong Stock Connect which may be subject to the following risks. In the event that the Sub-Fund 's ability to invest in A-Shares through the Shanghai-Hong Kong Stock Connect on a timely basis is adversely affected, the Manager will only be able to rely on QFI investments to achieve the Sub-Fund 's investment objective.

Quota limitations

The Shanghai-Hong Kong Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). The Sub-Fund 's ability to invest in A-Shares through the Shanghai-Hong Kong Stock Connect may be affected.

Front-end Monitoring Risk

PRC mainland regulations require that in order for an investor to sell any A Share on a certain trading day, there must be sufficient A Shares in the investor's account before market opens on that day. If there are insufficient A Shares in the investor's account, the sell order will be rejected by the SSE. The SEHK carries out pre-trade checking on SSE Securities sell orders of its participants (i.e. stock brokers) to ensure that this requirement is satisfied. This means that investors must transfer SSE Securities to the accounts of its brokers before the market opens on the day of selling (the "trading day"). If an investor fails to meet this deadline, it will not be able to sell SSE Securities on the relevant trading day. Because of this requirement, investors may not be able to dispose of holdings of SSE Securities in a timely manner. This also raises concerns as to counterparty risks as securities may need to be kept by brokers overnight.

To facilitate investors whose SSE Securities are maintained with custodians to sell their SSE Securities without having to pre-deliver the SSE Securities from their custodians to their executing

brokers, the HKEX introduced an enhanced pre-trade checking model in March 2015, under which an investor may request its custodian to open a Special Segregated Account (SPSA) in CCASS to maintain its holdings in SSE Securities. Such investors only need to transfer SSE Securities from its SPSA to its designated broker's account after execution and not before placing the sell order. This enhanced model is novel and initial market reaction has been varied. If the Sub-Fund is unable to utilise this model, it would have to deliver SSE Securities to brokers before the trading day and the above risks may still apply.

Suspension risk

Each of the SEHK, the SSE reserves the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the North bound trading is effected, the Sub-Fund's ability to access the A-Share market through the Shanghai-Hong Kong Stock Connect will be adversely affected.

Differences in trading day risk: The Shanghai-Hong Kong Stock Connect only operates on days when both the PRC mainland and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC mainland market but Hong Kong investors (such as the Sub-Fund) cannot carry out any A-Shares trading. Due to the differences in trading days, the Sub-Fund may be subject to a risk of price fluctuations in A-Shares on a day that the PRC mainland stock markets are open for trading but the Hong Kong stock market is closed.

Nominee arrangement risk

The SSE Securities in respect of Sub-Fund will be held by the Custodian/Sub-Custodian in accounts in CCASS, maintained by HKSCC as central securities depositary in Hong Kong. HKSCC in turn holds the SSE Securities, as the nominee holder, through an omnibus securities account in its name registered with CSDCC. HKSCC is only a nominee holder and the Sub-Fund remains the beneficial owner of the SSE Securities. The Sub-Fund's title or interests in, and entitlements to SSE Securities (whether legal, equitable or otherwise) will therefore be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction.

CCASS Rule 824 confirms that all proprietary interests in respect of A-Shares held by HKSCC as nominee holder belong to CCASS participants or their clients (as the case may be). Also as set out in CCASS Rule 824, HKSCC is prepared to provide assistance to the beneficial owners of A-Shares, where necessary, to provide certification to CSDCC for the purpose of providing evidential proof of the CCASS participant's or its client's holding in A-Shares and to assist the CCASS participant or its client bringing the legal action in the PRC mainland in the manner as may be required under PRC mainland law, after having regard to its statutory duties and subject to such conditions as HKSCC may reasonably require (including payment of fees and costs upfront and indemnities to the satisfaction of HKSCC).

Although the relevant CSRC regulations and CSDCC rules generally provide for the concept of a nominee holder and recognise the Hong Kong and overseas investors (including the Sub-Fund) as the ultimate owners who would be recognised under the laws and regulations of the PRC mainland as having beneficial ownership in the A-Shares traded via the Shanghai-Hong Kong Stock Connect, how an investor such as the Sub-Fund, as the beneficial owner of the A-Shares, under the Shanghai-Hong Kong Stock Connect structure, exercises and enforces its rights over the A-Shares in the PRC mainland courts remain to be tested.

Operational risk

The Shanghai-Hong Kong Stock Connect provides a new channel for investors from Hong Kong and overseas to access the Chinese Mainland stock market directly. Market participants are able to participate in this programme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing

house. Market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Shanghai-Hong Kong Stock Connect requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the programme could be disrupted.

Recalling of eligible stocks

If a stock is recalled from the scope of eligible stocks for trading via the Shanghai-Hong Kong Stock Connect, the stock can only be sold and cannot be bought. This may affect the Sub-Fund's tracking of the Underlying Index if, for example, a constituent of the Underlying Index is recalled from the scope of eligible stocks.

Participation in corporate actions and shareholders' meetings

HKSCC will keep CCASS participants informed of corporate actions of SSE Securities. Where the articles of association of a listed company do not prohibit the appointment of proxy/multiple proxies by its shareholder, HKSCC will make arrangements to appoint one or more investors as its proxies or representatives to attend shareholders' meetings when instructed. Further, investors (with holdings reaching the thresholds required under the PRC mainland regulations and the articles of associations of listed companies) may, through their CCASS participants, pass on proposed resolutions to listed companies via HKSCC under the CCASS rules. HKSCC will pass on such resolutions to the companies as shareholder on record if so permitted under the relevant regulations and requirements. Hong Kong and overseas investors (including the Sub-Fund) are holding SSE Securities traded via the Shanghai-Hong Kong Stock Connect through their brokers or custodians, and they need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE Securities may be as short as one business day only. Therefore, the Sub-Fund may not be able to participate in some corporate actions in a timely manner.

Clearing and settlement risk

The HKSCC and CSDCC establish clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. Should the remote event of CSDCC default occur and the CSDCC be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against the CSDCC. HKSCC will in good faith seek recovery of the outstanding stocks and monies from the CSDCC through available legal channels or through the CSDCC's liquidation. In that event, the Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from the CSDCC.

Regulatory risk

The Shanghai-Hong Kong Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC mainland and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Shanghai-Hong Kong Stock Connect. The regulations are untested and there is no certainty as to how they will be applied, and are subject to change. There can be no assurance that the Shanghai-Hong Kong Stock Connect will not be abolished.

No Protection by Investor Compensation Fund risk

Investment through Shanghai-Hong Kong Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers in their obligations. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund also covers investors' losses in relation to securities traded on a stock market operated by the SSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland. Therefore the Sub-Fund is exposed to the risks of default of the broker(s) it engages in its trading in A-Shares through the programme.

QFI Regime Associated Risks

The Sub-Fund may invest in A-Shares listed in PRC mainland through the Manager's QFI status. Investments through QFI will be subject to the following risks:

QFI systems risk

The current QFI Regulations include rules on investment restrictions applicable to the Sub-Fund. Transaction sizes for QFIs are relatively large (with the corresponding heightened risk of exposure to decreased market liquidity and significant price volatility leading to possible adverse effects on the timing and pricing of acquisition or disposal of securities).

Onshore PRC securities are registered in the joint names of the Manager (as the QFI holder) and the Sub-Fund in accordance with the relevant rules and regulations, and maintained in electronic form via a securities account with the CSDCC. The QFI holder selects a PRC mainland broker (the "PRC Broker") to act on its behalf in each of the two onshore PRC securities markets as well as the PRC Custodian to maintain its assets in custody in accordance with the terms of the PRC Custody Agreement.

In the event of any default of either the relevant PRC Broker or the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC mainland, the Sub-Fund may encounter delays in recovering its assets which may in turn adversely impact the Net Asset Value of the Sub-Fund.

The application and interpretation of regulations which regulate investments by QFIs in the PRC mainland are relatively untested and there is no certainty as to how they will be applied as the PRC mainland authorities and regulators have been given wide discretion in such investment regulations and there is no certainty as to how such discretion may be exercised now or in the future.

Changes to the foreign investment regulation in the PRC mainland may be made at any time by the CSRC and the SAFE, and such changes may have a detrimental impact on the ability of the Sub-Fund to achieve its investment objective. For example, any imposition of (or restriction in the amount of) investment quota made available by the CSRC and the SAFE may hinder the ability of the Sub-Fund to invest in the PRC mainland which may in turn affect the Sub-Fund's ability to achieve its investment objective.

PRC Custodian and PRC Broker risk

Onshore PRC assets will be maintained by the PRC Custodian in electronic form via a securities account with the CSDCC and a special deposit account with the PRC Custodian.

The QFI holder also selects the PRC Broker to execute transactions for the Sub-Fund in the PRC mainland markets. When selecting PRC Broker(s), the Manager will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the Manager considers appropriate, it is possible that a single PRC Broker will be appointed for both the SSE. Should, for any reason, the Manager be unable to use the relevant broker in the PRC mainland, the operation of the Sub-Fund would be adversely affected and may cause Shares

to trade at a premium or discount to the Sub-Fund's Net Asset Value or unable to track the relevant Index. A Sub-Fund may also incur losses due to the acts or omissions of either the PRC Broker(s) or the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities. Subject to the applicable laws and regulations in the PRC mainland, the Manager will make arrangements to ensure that the relevant PRC Broker and PRC Custodian have appropriate procedures to properly safe-keep the Sub-Fund's assets.

According to the QFI Regulations and market practice, the securities and special deposit accounts for the Sub-Fund in the PRC mainland are maintained in the joint names of the Manager as the QFI and the Sub-Fund.

Investors should note that cash deposited in the special deposit account of the Sub-Fund with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the Sub-Fund as a depositor. Such cash will be co-mingled with cash belong to other clients of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the Sub-Fund will not have any proprietary rights to the cash deposited in such special deposit account, and the Sub-Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the PRC Custodian. A Sub-Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Sub-Fund will suffer losses.

Repatriation risk

Repatriations by QFIs in respect of an investment fund such as the Sub-Fund conducted in RMB based on the net balance of subscriptions or redemptions each day are permitted daily and are not subject to any lock-up periods or prior approval. The realised cumulative profits generated from investments via the QFI for the account of the Sub-Fund may be repatriated out of the PRC mainland, as and when the Manager instructs the PRC Custodian to do so and after the completion of the audit of such net realised cumulative profits by a PRC mainland registered accountant and the issuance of the tax payment certificate or tax filing certificate (if any). There is no assurance, however, that PRC mainland rules and regulations will not change or that repatriation restrictions/ requirements will not be cancelled or additionally imposed in the future. Any new restrictions on repatriation of the invested capital and net profits may impact on the Sub-Fund's ability to meet redemption requests.

QFI status risk

There can be no assurance that the QFI status of the Manager will not be suspended or revoked. Such event may adversely affect the Sub-Fund's performance as it may not be possible to implement the investment strategy of the Sub-Fund at all, which in the worst case scenario may lead to termination of the Sub-Fund.

Risks Associated with Investing in FDIs

The Manager may invest in FDIs including futures and swaps with no more than 10% of the Sub-Fund's Net Asset Value for investment and hedging purposes. The futures may be invested by the Sub-Fund will be index futures to manage exposure to the constituents of the Index, if available. On the other hand, the swaps which may be invested by the Sub-Fund will be funded total return swap transaction(s) through one or more Swap Counterparty(ies). As such, the Sub-Fund may suffer significant loss if a counterparty to the funded total return swaps fails to perform its obligations, or in case of insolvency or default of the counterparty(ies).

Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Exposure to FDIs may lead to a high risk of significant loss by the Sub-Fund.

Please refer to the risk factor under "Risk Factors" – "Risks Associated with Financial Derivative Instruments and Collateral" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the Sub-Fund will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the Sub-Fund. Please also refer to the sections "Financial Derivative Instruments" and "Collateral" under "Investment Objective, Investment Strategy, Investment Restrictions, Securities Lending and Borrowing" of Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

Synthetic representative sampling risk

The Manager seeks to mitigate the counterparty risks by fully collateralising all counterparty exposures. There is a risk that the value of the collateral may be substantially lower than the amount secured and so the Sub-Fund may suffer significant losses. Any loss would result in a reduction in the Net Asset Value of the Sub-Fund and impair the ability of the Sub-Fund to achieve its investment objective to track the Index.

The Sub-Fund may suffer significant losses if the counterparty fails to perform its obligations under the funded swap. The value of the collateral assets (in the case of funded swaps) may be affected by market events and may diverge substantially from the performance of the Index, which may cause the Sub-Fund's exposure to the Swap Counterparty to be under-collateralised (in the case of funded Swaps) and therefore result in significant losses.

Risks associated with Chinese Depositary Receipts

The Index may consist of Chinese depositary receipts ("CDRs"). Exposure to depositary receipts including CDRs may generate additional risks compared to a direct exposure to the corresponding underlying stocks, in particular, the risk of non-segregation under applicable law of the depositary bank who hold the underlying stock as collateral and its own assets. In case of bankruptcy of the depositary bank, there could be a risk that the underlying shares would not be attributed to holders of depositary receipts, although segregation is an integral part of the depositary agreement regulating the issuance of the CDRs. In such case, the most likely scenario would be the trading suspension and thereafter a freeze of the price of the depositary receipts impacted by such bankruptcy event. Bankruptcy events in respect of the depositary banks issuing the depositary receipts may negatively affect the performance and/or the liquidity of the Sub-Fund. There are fees related to depositary receipts, for example fees charged by banks for the custody of underlying assets of depositary receipts, which may impact the performance of the depositary receipts. Also, holders of depositary receipts are not direct shareholders of the underlying company and generally do not have voting and other shareholder rights as shareholders do. The Sub-Fund may also be subject to liquidity risk as depositary receipts are often less liquid than the corresponding underlying stocks.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of the capital. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Share. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Shareholders.

RMB Currency Associated Risks

RMB is Not Freely Convertible and Subject to Exchange Controls and Restrictions Risk

It should be noted that the RMB is currently not a freely convertible currency as it is subject to

foreign exchange control policies and repatriation restrictions imposed by the PRC mainland government. Since 1994, the conversion of RMB into USD has been based on rates set by the People's Bank of China (the "PBOC"), which are set daily based on the previous day's PRC mainland interbank foreign exchange market rate. On 21 July 2005, the PRC mainland government introduced a managed floating exchange rate system to allow the value of RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. In addition, a market maker system was introduced to the interbank spot foreign exchange market. In July 2008, the PRC mainland announced that its exchange rate regime was further transformed into a managed floating mechanism based on market supply and demand. Given the domestic and overseas economic developments, the PBOC decided to further improve the RMB exchange rate regime in June 2010 to enhance the flexibility of the RMB exchange rate. In April 2012, the PBOC decided to take a further step to increase the flexibility of the RMB exchange rate by expanding the daily trading band from +/-0.5% to +/-1%. Effective 11 August 2015 the RMB central parity is fixed against the USD by reference to the closing rate of the inter-bank foreign exchange market on the previous day (rather than the previous morning's official setting).

However it should be noted that the PRC mainland government's policies on exchange control and repatriation restrictions are subject to change, and any such change may adversely impact the Sub-Fund. There can be no assurance that the RMB exchange rate will not fluctuate widely against the HKD or any other foreign currency in the future.

Foreign exchange transactions under the capital account, including principal payments in respect of foreign currency-denominated obligations, currently continue to be subject to significant foreign exchange controls and require the approval of the SAFE. On the other hand, the existing PRC mainland foreign exchange regulations have significantly reduced government foreign exchange controls for transactions under the current account, including trade and service related foreign exchange transactions and payment of dividends. Nevertheless, the Manager cannot predict whether the PRC mainland government will continue its existing foreign exchange policy or when the PRC mainland government will allow free conversion of the RMB to foreign currency.

The Shares of the Sub-Fund are traded in HKD, but the Net Asset Value of the Sub-Fund and the Index are calculated in RMB. Investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against HKD will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund.

Non-RMB or Late Settlement Redemption or Distributions Risk

Where, in extraordinary circumstances, the remittance or payment of RMB funds on the redemption of Shares in the primary market cannot, in the opinion of the Manager in consultation with the Custodian, be carried out normally due to legal or regulatory circumstances beyond the control of the Custodian and the Manager, redemption proceeds may be delayed or, if necessary in exceptional circumstances, be paid in US dollars or Hong Kong dollars instead of in RMB (at an exchange rate determined by the Manager after consultation with the Custodian). As such, there is a risk that investors may not be able to receive settlement upon a redemption of Shares in RMB (and may receive US dollars or Hong Kong dollars) or may receive settlement in RMB on a delayed basis.

QFI late settlement risk

The Sub-Fund will be required to remit RMB from Hong Kong to the PRC mainland to settle the purchase of A-Shares by the Sub-Fund from time to time. In the event such remittance is disrupted, the Sub-Fund will not be able to fully replicate the Index by investing in the relevant A-Shares and this may increase the tracking error of the Sub-Fund.

Future Movements in RMB Exchange Rates Risk

The exchange rate of RMB ceased to be pegged to US dollar on 21 July 2005, resulting in a more flexible RMB exchange rate system. China Foreign Exchange Trading System, authorised by the PBOC, promulgates the central parity rate of RMB against US dollar, Euro, Yen, British Pound and Hong Kong dollar at 9:15 a.m. on each business day, which will be the daily central parity rate for

transactions on the Inter-bank Spot Foreign Exchange Market and OTC transactions of banks. The exchange rate of RMB against the above-mentioned currencies fluctuates within a range above or below such central parity rate. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies, including US dollar and Hong Kong dollar, are susceptible to movements based on external factors.

There can be no assurance that such exchange rates will not fluctuate widely against US dollar, Hong Kong dollar or any other foreign currency in the future. From 1994 to July 2005, the exchange rate for RMB against US dollar and the Hong Kong dollar was relatively stable. From 1994 to July 2005, the exchange rate for RMB against US dollar and the HK dollar was relatively stable. Since July 2005, the RMB has begun to appreciate until August 2015 when the PBOC introduced a one-off devaluation of RMB. There can be no assurance that RMB will not be subject to further devaluation. The future movements in RMB exchange rates are uncertain and the fluctuations may have a positive or negative impact on investors' investment in the Sub-Fund.

Offshore RMB ("CNH") Market Risk

The onshore RMB ("CNY") is the only official currency of the PRC mainland and is used in all financial transactions between individuals, state and corporations in the PRC mainland. Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC mainland. Since June 2010, the offshore RMB ("CNH") is traded officially, regulated jointly by the Hong Kong Monetary Authority and the PBOC. While both CNY and CNH represent RMB, they are traded in different and separated markets. The two RMB markets operate independently where the flow between them is highly restricted. Though the CNH is a proxy's of the CNY, they do not necessarily have the same exchange rate and their movement may not be in the same direction. This is because these currencies act in separate jurisdictions, which leads to separate supply and demand conditions for each, and therefore separate but related currency markets.

However, the current size of RMB-denominated financial assets outside the PRC mainland is limited. As at 31 March 2020, the total amount of RMB (CNH) deposits held by institutions authorised to engage in RMB banking business in Hong Kong amounted to approximately RMB664.15 billion. In addition, participating authorised institutions are also required by the Hong Kong Monetary Authority to maintain a total amount of RMB (in the form of cash and its settlement account balance with the Renminbi Clearing Bank) of no less than 25% of their RMB deposits, which further limits the availability of RMB that participating authorised institutions can utilise for conversion services for their customers. RMB business participating banks do not have direct RMB liquidity support from PBOC. The Renminbi Clearing Bank only has access to onshore liquidity support from PBOC (subject to annual and quarterly quotas imposed by PBOC) to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers. The Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions. Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC mainland laws and regulations on foreign exchange. There is no assurance that new PRC mainland regulations will not be promulgated or the relevant settlement agreement between Hong Kong banks and the PBOC will not be terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC mainland may affect the liquidity and therefore the trading price of the Shares on the SEHK. To the extent the Manager is required to source RMB in the offshore market, there is no assurance that it will be able to source such RMB on satisfactory terms, if at all.

RMB Distributions Risk

Investors should note that where a Shareholder holds Shares traded in HKD, the relevant Shareholder will only receive distributions in RMB and not HKD. In the event the relevant Shareholder has no RMB account, the Shareholder may have to bear the fees and charges associated with the conversion of such dividend from RMB into HKD or any other currency. Shareholders are advised to check with their brokers concerning arrangements for distributions.

PRC mainland Associated Risks

PRC mainland Laws and Regulations Risk

The regulatory and legal framework for capital markets and joint stock companies in the PRC mainland may not be as well developed as those of developed countries. PRC mainland laws and regulations affecting securities markets are relatively new and evolving, and because of the limited volume of published cases and judicial interpretation and their non-binding nature, interpretation and enforcement of these regulations involve significant uncertainties. In addition, as the PRC mainland legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on their business operations.

Restricted Market Risk

The Sub-Fund may be exposed to Securities in respect of which the PRC mainland imposes limitations or restrictions on foreign ownership or holdings. Such legal and regulatory restrictions or limitations may have adverse effects on the Sub-Fund as compared to the performance of the Index. This may increase the risk of tracking error and, at the worst, the Sub-Fund may not be able to achieve its investment objective.

Accounting and Reporting Standards Risk

Accounting, auditing and financial reporting standards and practices applicable to PRC mainland companies may be different to those standards and practices applicable to countries that have more developed financial markets. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors.

Changes in PRC mainland Taxation Risk

The PRC mainland Government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC mainland companies and foreign investors in such companies. Please refer to the sub-section entitled “PRC mainland taxation” under the section headed “Taxation” in Part 1 of this Prospectus for further information.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Sub-Fund may include proprietary money (or “seed money”) invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Sub-Fund; and (ii) redeem its investment in the Sub-Fund at any time, without notice to Shareholders. Such an interested party is under no obligation to take the interests of other Shareholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Sub-Fund by an interested party for any particular length of time. As many of the expenses of the Sub-Fund are fixed, a higher amount of assets under management may reduce the expenses of the Sub-Fund per Share and a lower amount of assets under management may increase the expenses of the Sub-Fund per Share. As with any other redemption representing a material portion of the Sub-Fund's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Sub-Fund and may, in certain circumstances (i) cause remaining investors’ holdings to represent a higher percentage of the Net Asset Value of the Sub-Fund, (ii) cause other investors in the Sub-Fund to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Custodian, to determine that the Sub-Fund, has become unmanageable and to consider taking exceptional measures, such as terminating the Sub-Fund, in accordance with the Instrument, in which case Shareholders’ investments would be redeemed in their entirety.

Trading Risk

The trading price of the Shares on the SEHK is driven by market factors such as the demand and supply of the Shares. Therefore, the Shares may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Shares on the SEHK, investors may pay more than the Net Asset Value per Share when buying Shares on the SEHK, and may receive less than the Net Asset Value per Share when selling Shares on the SEHK.

In addition, under extreme market conditions, the trading price of the Shares may fall to a very low nominal level. In such circumstances, the bid-ask spreads of the Sub-Fund may widen significantly, trading liquidity may deteriorate, and market makers may face practical difficulties or be unable to fulfil their market making obligations. The trading price may reach the price floor of 0.01 (of any available currency unit). Where this occurs, the secondary market trading price of the Shares may not be able to fully reflect movements in the Net Asset Value or indicative Net Asset Value of the Sub-Fund, and the Shares may trade at prices that deviate materially from their respective Net Asset Value. Investors should exercise caution when trading the Shares in the secondary market and should consider the latest available Net Asset Value, indicative Net Asset Value, trading price, bid-ask spread and liquidity of the Sub-Fund before making any investment decision.

Appendix dated 14 September 2026

APPENDIX 2: CSOP HUATAI-PB CSI PHOTOVOLTAIC INDUSTRY ETF

Key Information

*Set out below is a summary of key information in respect of CSOP Huatai-PB CSI Photovoltaic Industry ETF (the "**Sub-Fund**") which should be read together with the full text of this Appendix and the Prospectus.*

Investment Objective	To provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index
Investment Strategy	The Sub-Fund is a feeder fund which invests at least 90% of its Net Asset Value in the Huatai-PB CSI Photovoltaic Industry ETF (the "**Master ETF**"), via the QFI status granted to the Manager and/or the Stock Connect (including the eligible ETFs for Northbound trading).
Index	CSI Photovoltaic Industry Index (the "**Index**")
Initial Offer Period	9:00 a.m. (Hong Kong time) of 25 May 2021 to 11:00 a.m. (Hong Kong time) of 28 May 2021, or such other date as the Manager may determine
Initial Issue Date	31 May 2021, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	RMB 6.5
Listing Date (SEHK)	Expected to be 1 June 2021
Exchange Listing	SEHK – Main Board
Stock Code	3134
Short Stock Name	CSOP CSI PV
Trading Board Lot Size	100 Shares
Base Currency	RMB
Trading Currency	HKD
Distribution Policy	Subject to the Manager's discretion. Currently the Manager intends to distribute income to Shareholders annually (in December) having regard to the Sub-Fund's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

	All Shares will receive distributions in the base currency (RMB) only*
Creation/Redemption Policy	Cash (RMB) only
Application Share Size (only by or through Participating Dealers)	Minimum 300,000 Shares (or multiples thereof)
Dealing Deadline	2 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Custodian may determine
Management Fee	The Sub-Fund: Currently 0.99% per year of the Net Asset Value of the Sub-Fund Master ETF: Currently 0.50% per year of the net asset value of the Master ETF Aggregate management fee charged in respect of Sub-Fund: Currently 1.49% per year of the Net Asset Value of the Sub-Fund
Financial Year End	31 December[#] (The first annual financial reports and first half-yearly unaudited reports for the Sub-Fund will be for the period from the fund launch to 31 December 2021 and the half year period ending 30 June 2022 respectively.) The annual report will include the investment portfolio of the Master ETF as at the financial year end date of the Master ETF (i.e. 31 December).
Website	http://www.csopasset.com/en/products/hk-ptvt (this website has not been reviewed by the SFC)

** In the event that the relevant Shareholder has no RMB account, the Shareholder may have to bear the fees and charges associated with the conversion of such dividend from RMB into HKD or any other currency. Shareholders are advised to check with their brokers concerning arrangements for distributions and to consider the risk factor entitled "RMB Distributions Risk" below.*

What is the Investment Objective?

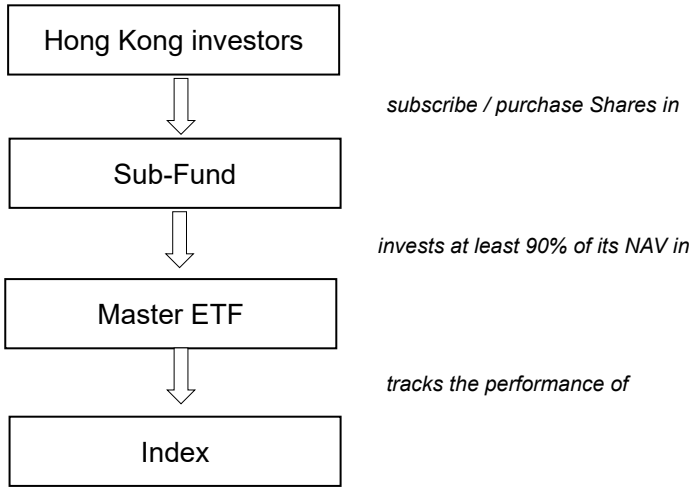
The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index. There is no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

The Sub-Fund is a feeder fund which in seeking to achieve its investment objective, will invest at least 90% of its Net Asset Value in the Huatai-PB CSI Photovoltaic Industry ETF (the "**Master ETF**"), via the QFI status granted to the Manager (as explained in section **"What is the QFI regime?"** in this Appendix) and/or the Stock Connect (including the eligible ETFs for Northbound trading) (as explained in section **"What is the Stock Connect?"** in this Appendix). Investment in units of the Master ETF by the Sub-Fund will be made via the secondary market (i.e. through the Shanghai Stock Exchange ("**SSE**"). The Master ETF is an exchange traded fund listed on the SSE that tracks

the performance of the Index. The Master ETF is authorised by the SFC[1] for the sole purpose of being master fund of the Sub-Fund and will not be directly offered to the public in Hong Kong.

The diagram below shows the investment strategy of the Sub-Fund:



Other investments

No more than 10% of the Net Asset Value of the Sub-Fund may be invested in collective investment scheme(s) other than the Master ETF which may be eligible schemes (as defined by the SFC) or authorised by the SFC, or non-eligible schemes and not authorised by the SFC (including exchange traded funds listed on stock exchanges in Chinese Mainland) in accordance with all the applicable requirements of the Code. The above investments may be made through the Manager's status as an QFI. Any investments in the above exchange traded funds will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11, 7.11A and 7.11B of the Code.

The Sub-Fund may also invest up to 10% of its Net Asset Value on an ancillary basis in money market instruments, unlisted and listed money market funds, cash and cash equivalents for cash management purposes. For the avoidance of doubt, not more than 10% of the Net Asset Value of the Sub-Fund may be invested in non-eligible schemes which are not authorised by the SFC, including the foregoing money market funds.

The Manager does not intend to invest in financial derivative instruments for any purpose, or engage in securities lending, sale and repurchase transactions and reverse repurchase transactions on behalf of the Sub-Fund.

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value.

The Master ETF is a single fund established and managed and operates in accordance with the laws and regulations of Chinese Mainland and its fund contract ("**Fund Contract**") between its manager, Huatai-PB Fund Management Co., Ltd. ("**MF Manager**") and its custodian, Bank of China Limited ("**MF Custodian**") dated 13 November 2020. The Master ETF is a publicly offered securities investment fund registered with the CSRC under the Securities Investment Fund Law of the PRC, and remains, on an ongoing basis, registered with the CSRC for offering to the Chinese Mainland public, and is subject to the ongoing regulation and supervision of the CSRC. The Master ETF is a physical index-tracking exchange traded fund listed on the SSE on 7 December 2020 with stock code 515790 that tracks the performance of the Index.

The base currency of the Master ETF is RMB.

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

Investment objective and strategy of the Master ETF

The Master ETF aims to track the performance of the Index while minimising tracking difference and tracking error.

The Master ETF also aims to maintain the daily tracking difference shall not exceed 0.2%, and the annual tracking error shall not exceed 2%.

1. Stock investment strategy

At least 90% of the net asset value of the Master ETF is invested in accordance with the constituents and their respective weights in the Index, and stocks on the constituent reserve list of the Master ETF, which is regarded as a "full replication" strategy to track the Index in accordance with applicable regulations in Chinese Mainland. The constituent reserve list is established by the China Securities Index Co., Ltd. during each regular index rebalancing to be used for temporary adjustments between periodical adjustments. When the Index has constituent vacancies due to reasons such as delisting or merger, or there is a need to temporarily replace constituents for other reasons, securities that comply with the index methodology of the Index and are ranked at the top of the constituent reserve list are selected as index constituents. Adjustments to the Master ETF's portfolio is made in accordance with those of the Index. For the avoidance of doubt, not more than 10% of the net asset value of the Master ETF will be invested in investments other than the foregoing, including not more than 10% of the net asset value of the Master ETF in non-constituents of the Index.

Under normal market conditions, the absolute value of the daily tracking difference shall not exceed 0.2%, and the annual tracking error shall not exceed 2%. However, under exceptional market circumstances (as elaborated below), such figures may be exceeded and the MF Manager will complement the "full replication" with the use of other reasonable investment methods such as investing in securities which are not in the Index but are highly correlated to the Index constituents, in order to construct the actual investment portfolio of the Master ETF in order to pursue the performance as close as possible to the Index. Use of such other reasonable investment methods will normally not exceed 10% of the net asset value of the Master ETF.

The exceptional market circumstances include (1) restrictions stipulated in the relevant laws and regulations, (2) significantly insufficient liquidity of index constituents, (3) long-term suspension of stocks of listed companies, and (4) other factors that severely affect the MF Manager's ability to achieve the investment objective.

2. Depositary receipt investment strategy

On the basis of comprehensive consideration of expected returns, risks, liquidity and other factors, the Master ETF will invest not more than 10% of its net asset value in depositary receipts which are not index constituents, in accordance with the principle of prudence, so as to better track the Index and minimize tracking difference and tracking error. In respect of depositary receipts which are constituents of the Index, each depositary receipt would be subject to the 10% constituent weighting limit, as set out in the section "***Index Calculation***".

3. Bond investment strategy

The Master ETF may invest up to 10% of its net asset value in bonds whereby the MF Manager constructs a bond portfolio based on in-depth analysis of macroeconomic data, monetary policy and interest rate, to ensure the liquidity of the Master ETF and lower the tracking error.

4. Stock index futures investment strategy

The Master ETF may invest up to 10% of its net asset value in stock index futures related to the Index, as permitted by the CSRC. When the Master ETF invests in stock index futures, it will strictly follow the principles of risk management, with the purpose of hedging systemic risk and liquidity risk under certain exceptional circumstances. Investment in stock index futures is

mainly via adoption of actively traded contracts with good liquidity, and uses the leverage effect of stock index futures to reduce transaction costs and tracking errors caused by frequent adjustments of stock positions, so as to achieve the purpose of effectively tracking the Index. For the avoidance of doubt, the Master ETF uses stock index futures for hedging purpose only.

5. *Asset-backed securities investment strategy*

The Master ETF may invest up to 10% of its net asset value in asset-backed securities as an auxiliary tool to construct the portfolio. In doing so, the Master ETF will conduct an in-depth analysis of relevant fundamentals such as the market interest rate, prepayment risk, market liquidity of asset-backed securities, and tax premium, etc. The Master ETF will use a combination of qualitative and quantitative analysis to select and invest in high quality asset-backed securities.

6. *Securities financing transactions strategy*

The Master ETF may engage not more than 30% of its net asset value in securities lending transactions to better achieve its investment objective, whereby the Master ETF will determine the scope of securities lent, the average remaining maturity of securities lent and the proportion of securities lent in fund assets based on the analysis of market conditions, types of investors, historical subscription and redemption patterns, and liquidity of securities lent.

Not more than 10% of the net asset value of the Master ETF may in aggregate be invested in repurchase transactions and reverse repurchase transactions.

Further information pertaining to the Master ETF, including the offering documents of the M aster ETF, is available at the Master ETF's website at https://www.huatai-pb.com/products/zhishu/515790/summary/index.html (this website has not been reviewed by the SFC). Such i nformation is disclosed according to all applicable Chinese Mainland laws and regulations, and CSRC's requirements as amended from time to time.

Investment restrictions

The Master ETF is subject to the following investment restrictions:

1. Not less than 90% of the Master ETF's net asset value shall be invested in constituents of the Index and stocks on the constituent reserve list of the Master ETF. Not less than 80% of the Master ETF's non-cash assets shall be invested in the foregoing.

2. At the end of each trading day, after deducting the trading margins to be paid in respect of the Master ETF's investments in stock index futures contracts, cash of not less than twice such trading margins shall be held by the Master ETF;

3. Subject to the limitations also set out in the investment strategy of the Master ETF. the Master ETF shall not invest more than 10% of its net asset value in asset-backed securities originated by the same entity;

4. Subject to the limitations also set out in the investment strategy of the Master ETF, the market value of all asset-backed securities held by the Master ETF shall not exceed 20% of its net asset value;

5. The asset-backed securities originated by the same entity invested by all funds managed by the MF Manager shall not exceed 10% of the total asset-backed securities held by the Master ETF;

6. The Master ETF shall invest in asset-backed securities with a credit rating of BBB or above. If the credit rating of an asset-backed security held by the Master ETF falls and no longer meets such investment standard, the Master ETF shall sell all holdings in such security within three months from the date of issuance of the rating report;

7. The amount declared by the Master ETF for participation in equity issuances and subscriptions shall not exceed the total assets of the Master ETF. The number of shares declared by the Master ETF shall not exceed the total number to be issued by the issuer;

8. The Master ETF's investment in bond repurchase transactions in the national interbank market shall not exceed 40% of its net asset value. The maximum term for such bond repurchase transactions shall be one year. Such bond repurchase transactions shall not be extended after maturity;

9. The total market value of the Master ETF's active investment in liquidity-restricted assets shall not exceed 15% of its net asset value; if the Master ETF fails to meet such proportion limit due to factors outside the MF Manager's direct control, such as fluctuations in the securities market, suspension of stocks of listed companies, and change of the fund scale, the MF Manager shall not actively increase the Master ETF's investment in liquidity-restricted assets;

10. Where the Master ETF engages in reverse repurchase transactions with private securities asset management products and other entities identified by the CSRC as counterparties, the qualification requirements for acceptable pledges shall be consistent with the investment scope agreed in the Fund Contract;

11. The total assets of the Master ETF shall not exceed 140% of its net assets;

12. The following restrictions are applicable to the Master ETF's investment in stock index futures:

    i. At the end of each trading day, the value of long stock index futures contracts held by the Master ETF shall not exceed 10% of its net asset value;

    ii. At the end of each trading day, the sum of the value of long stock index futures contracts and the market value of negotiable securities shall not exceed 100% of the net asset value of the Master ETF. "Negotiable securities" refer to stocks, bonds (excluding government bonds with maturity of less than one year), asset-backed securities, financial assets under repurchase agreements (excluding pledged repurchase), etc.;

    iii. At the end of each trading day, the value of short stock index futures contracts held by the Master ETF shall not exceed 20% of the total market value of stocks held by the Master ETF;

    iv. The trading volume of the stock index futures contract traded (excluding closing out) within any trading day shall not exceed 20% of the Master ETF's net asset value on the previous trading day;

    v. The sum (netting calculation) of the market value of the stocks held by the Master ETF and the value of the long and short stock index futures contracts shall conform to the relevant provisions on the proportion of stock investment in the Fund Contract;

13. If the Master ETF participates in financing, the sum of the market value of the purchased stocks and other negotiable securities held by the Master ETF for the financing at the end of each trading day shall not exceed 95% of the Master ETF's net asset value;

14. The securities lending transactions engaged by the Master ETF shall meet the following requirements:

    i. The assets involved in securities lending transactions shall not exceed 30% of the Master ETF's net asset value, of which the securities lent with a lending period of more than 10 trading days shall be included in the scope of liquidity-restricted securities as set out in the *Provisions on the Administration of Liquidity Risk*;

ii. The single security involved in securities lending transactions shall not exceed 30% of the total amount held by the Master ETF;

iii. The Master ETF's average daily net asset value in the last six months shall not be less than RMB200 million;

iv. The average remaining maturity of securities lent shall not exceed 30 days, and the average remaining maturity shall be calculated based on the weighted average of market value;

15. The investment limit of the Master ETF's investment in depository receipts shall be implemented in accordance with the stocks listed and traded in the Chinese Mainland market, and shall be combined with the stocks listed and traded in the Chinese Mainland market;

16. Other proportion restrictions stipulated in the relevant laws, regulations and the Fund Contract:

i. Notwithstanding the requirements stipulated in paragraphs 2, 6, 9, 10 and 14 above, where the investment proportion of the Master ETF does not meet the investment proportion requirement due to factors outside the MF Manager's direct control, such as fluctuation in securities and futures markets, merger of securities issuers, change of the fund scale, adjustment of constituents of the benchmark index or price change, liquidity restrictions of constituents of the Index, the MF Manager shall make adjustments within 10 trading days upon the date of adjustment becoming possible, except for the special circumstances stipulated by the CSRC;

ii. The MF Manager shall, within six months from the effective date of the Fund Contract, make the investment portfolio proportion of the Master ETF conform to the relevant provisions of the Fund Contract. During the above period, the investment scope and investment strategy of the Master ETF shall abide by the provisions of the Fund Contract. The MF Custodian's supervision and inspection of investment in the Master ETF shall commence as of the effective date of the Fund Contract;

iii. If the above investment portfolio proportion restrictions are changed by laws and regulations, the MF Manager may adjust the provisions on investment proportion restrictions accordingly after performing appropriate procedures. If the said restrictions are cancelled by relevant laws, regulations or regulatory authorities, the Master ETF will no longer be subject to the relevant restrictions if it is applicable to the Master ETF after the MF Manager performs the appropriate procedures.

Termination of the Master ETF

The Master ETF shall be terminated upon the occurrence of the circumstances set out in the Fund Contract, including the following:

1. resolution to terminate passed through voting at the meeting of unitholders of the Master ETF ("**MF Unitholders**");

2. after the Fund Contract takes effect, if: (i) the number of MF Unitholders is less than 200, or (ii) the net asset value of the Master ETF is less than RMB50 million for 20 consecutive business days, the MF Manager shall disclose it in the periodic report. If the aforementioned situation occurs for 60 consecutive business days, the MF Manager shall within 10 business days notify and provide a proposed solution to the CSRC (e.g. continuing the operation of the Master ETF, changing the operation method of the Master ETF, merging with another fund, or terminating the Fund Contract, etc.), and shall within 6 months convene a MF Unitholders' meeting to pass a resolution on the matter;

3. the responsibilities of the MF Manager and/or the MF Custodian are/is terminated, and no new fund manager or new fund custodian has taken over the responsibilities within 6 months

of such termination;

4. such other circumstances as stipulated in the Fund Contract;

5. any other circumstances stipulated by the CSRC in the relevant laws and regulations.

Management of the Master ETF

The MF Manager is Huatai-PB Fund Management Co., Ltd, which is a Sino-foreign joint venture fund management company. Its shareholders are Huatai Securities Co.,Ltd., Heron View Partners LLC, and Suzhou New District Hi-Tech Industrial Co., Ltd. The MF Manager was established on November 18, 2004, with a registered capital of RMB 200 million. It is headquartered in Shanghai and has branches in Beijing and Shenzhen. The MF Manager's business scope includes fund management business, initiating the establishment of funds and other businesses approved by the China Securities Regulatory Commission.

Bank of China Limited is the MF Custodian. It was formally established in February 1912 following the approval of Dr. Sun Yat-sen, and was listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange in June and July 2006 respectively, becoming the first Chinese commercial bank to launch an A-Share and H-Share initial public offering and achieve a dual listing in both markets. The MF Custodian has a well-established global service network with institutions set up across the Chinese mainland as well as in 57 countries and regions. It has established an integrated service platform based on the pillars of its corporate banking, personal banking, financial markets and other commercial banking business, which covers investment banking, direct investment, securities, insurance, funds, aircraft leasing and other areas, thus providing its customers with a comprehensive range of financial services.

CSOP Asset Management Limited has been appointed as the Hong Kong representative ("**Hong Kong Representative**") for the Master ETF in accordance with the requirements of the Code.

The auditors of the Master ETF are PricewaterhouseCoopers Zhong Tian LLP.

Valuation of the Master ETF

The net asset value of the Master ETF is calculated on each day which the SSE is open for normal trading, any non-trading day on which the Master ETF is required to disclose the net asset value of the Master ETF in accordance with the relevant Chinese Mainland laws and regulations, or such other day or days as may from time to time be determined by the MF Manager.

Replacement of the Master ETF

The Manager reserves the right, with the prior approval of the SFC and provided that in its opinion the interests of Shareholders would not be adversely affected, to replace the Master ETF with another fund acceptable to the SFC with a substantially similar investment objective if in the Manager's opinion, it is in the interests of Shareholders to replace the Master ETF to meet the Sub-Fund's investment objective.

What is the QFI regime?

Under current regulations in the PRC mainland, foreign investors can invest in the domestic securities market through certain foreign institutional investors that have obtained status as a QFI from the CSRC to remit foreign freely convertible currencies (in the case of a QFII) and RMB (in the case of a RQFII) for the purpose of investing in the domestic securities markets of the PRC mainland.

On 25 September 2020, the CSRC issued the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors (in Chinese《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》and its implementing rules (collectively, the "**New QFI Measures**"), which, with effect from 1 November 2020, consolidated the current QFII and RQFII programmes into one.

The QFI regime was introduced on 16 December 2011 by the "Pilot Scheme for Domestic Securities Investment through Renminbi Qualified Foreign Institutional Investors which are Asset Management Companies or Securities Companies" (基金管理公司證券公司人民幣合格境外機構投資者境內證券投資試點辦法) issued by the CSRC, the PBOC and the SAFE, which was repealed effective 1 March 2013.

As of the date of this Prospectus, the QFI regime is governed by (i) the "Regulations on Capital Management of Domestic Securities and Futures Investments by Foreign Institutional Investors jointly issued by the PBOC and the SAFE and effective from 6 June 2020 (境外機構投資者境內證券期貨投資資金管理規定); (ii) the New QFI Measures; and (iii) any other applicable regulations promulgated by the relevant authorities (collectively, the "**QFI Regulations**").

The Manager, who has obtained QFI status in PRC mainland, may select whether to use foreign convertible currencies or RMB to make investment under the QFI regime.

The Sub-Custodian has been appointed by the Custodian and the Manager to act through its delegate, the PRC Custodian (defined below) and will be responsible for the safe custody of the assets of the Sub-Fund in the PRC mainland invested using the QFI status of the Manager in accordance with the terms of the custody agreement between the Sub-Custodian and PRC Custodian (the "**PRC Custody Agreement**").

As of the date of this Prospectus, the Custodian has appointed CITIBANK (CHINA) CO., LTD. ("**PRC Custodian**") as the PRC Custodian. The PRC Custodian possesses the applicable qualification to provide custody services to QFIs. According to the terms of the PRC Custody Agreement, the Custodian shall remain responsible for any omission or wilful default of the PRC Custodian, as if no such appointment had been made.

All of the Sub-Fund's assets acquired via the QFI status granted to the Manager in the PRC mainland (including onshore PRC cash deposits and its onshore A-Shares portfolio) will be held by the PRC Custodian in accordance with the terms of the PRC Custody Agreement and the "PRC Country Schedule for RQFII Services" entered into between the Manager and the PRC Custodian (the "**PRC RQFII Agreement**"). Securities including A-Shares invested through the QFI status of the Manager will be maintained by the PRC Custodian pursuant to PRC mainland regulations through securities account(s) with the China Securities Depository and Clearing Corporation Limited ("**CSDCC**") in the joint names of the Manager (as the QFI Holder) and the Sub-Fund. A RMB cash account(s) shall be established and maintained with the PRC Custodian in the joint names of the Manager (as the QFI Holder) and the Sub-Fund. The PRC Custodian shall, in turn, have a cash clearing account with CSDCC for trade settlement according to applicable regulations.

Repatriations in RMB conducted by the Manager (as QFI) on behalf of the Sub-Fund are permitted daily and not subject to any repatriation restrictions, lock-up periods or prior approval from the SAFE.

In the context of investment in securities issued within the PRC mainland using the Manager's QFI status, the Manager will assume dual roles as the Manager of the Sub-Fund and the QFI holder for the Sub-Fund. The Manager will be responsible for ensuring that all transactions and dealings will be dealt with in compliance with the Instrument (where applicable) as well as the relevant laws and regulations applicable to the Manager as a QFI.

In connection with the investment in securities issued within the PRC mainland using the Manager's QFI status, the Custodian has put in place proper arrangements to ensure that:

i. the Custodian takes into its custody or under its control the assets of the Sub-Fund, including onshore PRC mainland assets of the Sub-Fund acquired by the Sub-Fund through the Manager's QFI status and such PRC mainland assets will be maintained by the PRC Custodian in electronic form via the securities account(s) with the CSDCC and cash held in the cash account(s) with the PRC Custodian ("**Onshore PRC Assets**"), and holds the same in trust for the Shareholders;

ii. cash and registrable assets of the Sub-Fund, including assets deposited in the securities account(s) with the CSDCC and cash of the Sub-Fund deposited in the cash account with

or otherwise held by the PRC Custodian, are registered or held to the order of the Custodian; and

iii. the Sub-Custodian and the PRC Custodian will look to the Custodian for instructions and solely act in accordance with such instructions as provided under the PRC RQFII Agreement.

The Manager has obtained a legal opinion confirming that, as a matter of PRC mainland law:

(a) where the Manager (as RQFII holder), for and on behalf of the Sub-Fund, appoints multiple PRC custodians, one of which should be designated as principal custodian;

(b) Securities account(s) with the CSDCC and maintained by the PRC Custodian and RMB special deposit account(s) with the PRC Custodian (respectively, the "**Securities Account**" and the "**Cash Account**") have been opened in the joint names of the Manager (as RQFII holder) and the Sub-Fund for the sole benefit and use of the Sub-Fund in accordance with all applicable laws, rules and regulations of the PRC mainland and with approval from all competent authorities in the PRC mainland;

(c) the assets held/credited in the Securities Account(s) (i) belong solely to the Sub-Fund, and (ii) are segregated and independent from the proprietary assets of the Manager (as RQFII holder), the Sub-Custodian, the PRC Custodian and any broker appointed by the Manager to execute transactions for the Sub-Fund in the PRC mainland (a "**PRC Broker**"), and from the assets of other clients of the Manager (as RQFII holder), the Sub-Custodian, the PRC Custodian, and any PRC Broker;

(d) the assets held/credited in the Cash Accounts (i) become an unsecured debt owing from the PRC Custodian to the Sub-Fund, and (ii) are segregated and independent from the proprietary assets of the Manager (as RQFII holder) and any PRC Broker, and from the assets of other clients of the Manager (as RQFII holder) and any PRC Broker;

(e) the Company, for and on behalf of the Sub-Fund, is the only entity which has a valid claim of ownership over the assets in the Securities Account(s) and the debt in the amount deposited in the Cash Accounts of the Sub-Fund;

(f) if the Manager or any PRC Broker(s) is liquidated, the assets contained in the Securities Account(s) and Cash Accounts of the Sub-Fund will not form part of the liquidation assets of the Manager or such PRC Broker in liquidation in the PRC mainland; and

(g) if the PRC Custodian is liquidated, (i) the assets contained in the Securities Account(s) of the Sub-Fund will not form part of the liquidation assets of the PRC Custodian in liquidation in the PRC mainland, and (ii) the assets contained in the Cash Accounts of the Sub-Fund will form part of the liquidation assets of the PRC Custodian in liquidation in the PRC mainland and the Sub-Fund will become an unsecured creditor for the amount deposited in the Cash Accounts.

There are specific risks associated with the QFI regime and investors' attention is drawn to the risk factors under "Risks associated with the QFI regime" in the section on "Risk Factors" in this Appendix.

What is the Stock Connect?

The Stock Connect is a securities trading and clearing linked program developed by the HKEX, the SSE, the SZSE and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**"), with an aim to achieve mutual stock market access between Chinese Mainland and Hong Kong. It comprises of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

Through the Stock Connect, the SSE, the SZSE and the SEHK enable investors to trade eligible securities listed on the other's market through local securities firms or brokers. Each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect comprises a

Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, investors, through their Hong Kong brokers and securities trading service companies (in Shanghai and in Shenzhen respectively) establish by the SEHK and the HKSCC, are able to place orders to trade eligible securities listed on the SSE or the SZSE by routing orders to the SSE or the SZSE (as the case may be). Under the Southbound Trading Link, eligible investors, through PRC mainland securities firms and securities trading service companies established by the SSE and the SZSE, are able to place orders to trade eligible securities listed on the SEHK by routing orders to SEHK.

All Hong Kong and overseas investors (including the Sub-Fund) are allowed to trade SSE Securities and SZSE Securities (as described below) through the Stock Connect (through the Northbound Trading Link), subject to rules and regulations issued from time to time.

The following summary presents some key points about the Northbound Trading Link (which may be utilized by the Sub-Fund to invest in the PRC mainland):

Eligible securities

Among the different types of SSE-or SZSE-listed securities, only China A-Shares and exchange traded funds ("**ETFs**") are currently permitted for Northbound trading under the Stock Connect.

Currently, Hong Kong and overseas investors are allowed to trade certain securities listed on the SSE market (i.e. "**SSE Securities**") and the SZSE market (i.e. "**SZSE Securities**"). SSE Securities include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following:

(a) SSE-listed shares which are not traded in RMB; and

(b) SSE-listed shares which are included in the "risk alert board".

SZSE Securities include all the constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which have a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed China A- Shares which have corresponding H-Shares listed on the SEHK, except the following:

(a) SZSE-listed shares which are not traded in RMB; and

(b) SZSE-listed shares which are included in the "risk alert board"

In addition, Hong Kong and overseas investors are able to trade eligible SSE-listed and SZSE-listed ETFs that satisfy the relevant criteria at a regular review and are accepted as eligible ETFs for Northbound trading in Stock Connect. Regular reviews will be performed to determine the eligible ETFs for Northbound trading every six months.

The list of eligible securities may be subject to review and approval by the relevant Chinese Mainland regulators from time to time.

Trading day

Due to differences in public holidays between Hong Kong and Chinese Mainland, there may be differences in the trading days in the two markets. Even if the Chinese Mainland markets are open on a certain day, the Sub-Fund may not necessarily be able to invest in SSE Securities and/or SZSE Securities through Northbound trading. For example, the Hong Kong market closes on Easter and Christmas every year, but those are trading days in Chinese Mainland.

Likewise, during Lunar New Year and the National Day golden week periods, Chinese Mainland will usually arrange for seven-day consecutive holidays by reshuffling workdays and weekends. Even for days both markets are open for business, there could be differences because of other reasons. Investors (including the Sub-Fund) are only allowed to trade on the other market on days

where both markets are open for trading, and banking services are available in both markets on the corresponding settlement days.

Trading quota

Trading under the Stock Connect is subject to a daily quota ("**Daily Quota**") presently set at RMB52 billion for each of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, which is separate for Northbound and Southbound trading. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day.

The quotas do not belong to the Sub-Fund and are utilized on a first-come- first-serve basis. The SEHK publishes the remaining balance of the Northbound Daily Quota at scheduled times on the HKEX's website. Should there be any change in the Daily Quota, the Manager will not inform the Unitholders.

Settlement and Custody

The Hong Kong Securities Clearing Company Limited ("**HKSCC**"), also a wholly-owned subsidiary of HKEX, is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The SSE Securities and SZSE Securities traded through the Stock Connect are issued in scripless form, so investors will not hold any physical securities. In the operation of the Stock Connect, Hong Kong and overseas investors who have acquired SSE Securities and SZSE Securities through Northbound trading should maintain the SSE Securities and SZSE Securities with their brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

Corporate actions and shareholders' meetings

Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities or SZSE Securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for the SSE Securities and SZSE Securities still treats HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities or SZSE Securities.

HKSCC monitors the corporate actions affecting SSE Securities or SZSE Securities and keep the relevant brokers or custodians participating in CCASS ("CCASS participants") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

SSE- or SZSE-listed companies usually announce their annual general meeting/ extraordinary general meeting information about one month before the meeting date. A poll is called on all resolutions for all votes. HKSCC advises CCASS participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

Foreign shareholding restrictions

The CSRC stipulates that, when holding China A-Shares through the Stock Connect, Hong Kong and overseas investors are subject to the following shareholding restrictions:

- Single foreign investors' shareholding by any Hong Kong or overseas investor in a China A-Share must not exceed 10% of the total issued shares; and
- Aggregate foreign investors' shareholding by all Hong Kong and overseas investors in a China A-Share must not exceed 30% of the total issue shares.
- When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the rules, the shareholding of the strategic investments is not capped by the above-mentioned percentages.

Should the shareholding of a single investor in a China A-Share listed company exceed the above restriction, the investor may be required to unwind his position on the excessive shareholding according to a last-in- first-out basis within a specific period. The SSE, the SZSE and the SEHK will issue warnings or restrict the buy orders for the related China A-Shares if the percentage of total

shareholding is approaching the upper limit.

SSE and SZSE-listed ETFs are not subject to the aforementioned shareholding restrictions.

Currency

Hong Kong and overseas investors will trade and settle SSE Securities and SZSE Securities in RMB only. Hence, the Sub-Fund needs to use its RMB funds to trade and settle SSE Securities and SZSE Securities.

Trading fees

In addition to paying trading fees and stamp duties in connection with SSE Securities and/or SZSE Securities, the Sub-Fund may be subject to new portfolio fees, dividend tax and tax concerned with income arising from transfers of SSE Securities and/or SZSE Securities which are yet to be determined by the relevant authorities.

Coverage of Investor Compensation Fund

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund covers investors' losses in relation to securities traded on a stock market operated by the SSE and the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the Sub-Fund is carrying out northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, such trading is not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland.

Further information about the Stock Connect is available at the website: https://www.hkex.com.hk/mutual-market/stock-connect?sc_lang=en.

The offshore RMB market

What led to RMB internationalisation?

RMB is the lawful currency of the PRC mainland. RMB is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC mainland government. Since July 2005, the PRC mainland government began to implement a controlled floating exchange rate system based on the supply and demand in the market and adjusted with reference to a portfolio of currencies. The exchange rate of RMB is no longer pegged to US dollars, resulting in a more flexible RMB exchange rate system.

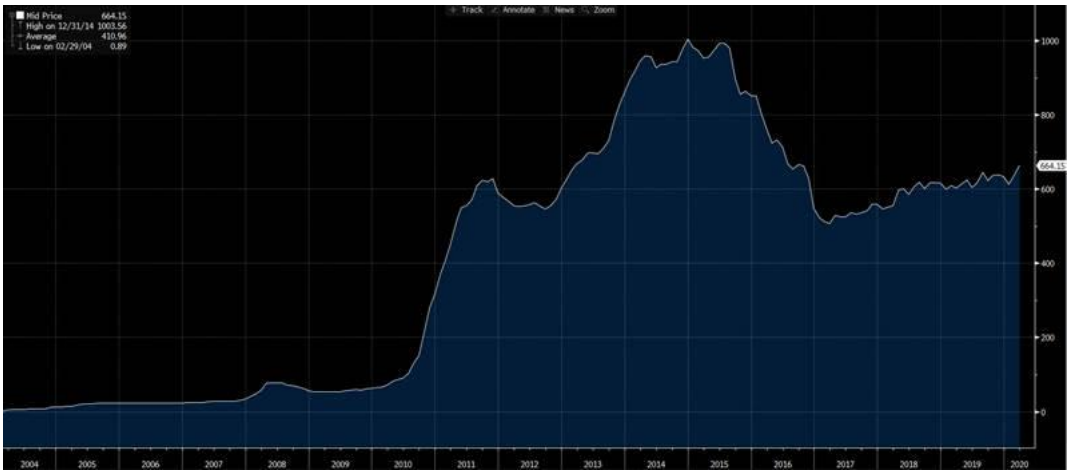
Over the past two decades, the PRC mainland's economy grew rapidly at an average annual rate of 10.5% in real terms. This enables it to overtake Japan to become the second largest economy and trading country in the world. Chinese government did not set a GDP growth goal for 2020 due to the COVID-19 pandemic. However Chinese GDP growth was 2.3% in 2020, which renders the PRC mainland a top contributor to global growth if compared with the estimated -3.75% recession of global economy. As the PRC mainland's economy becomes increasingly integrated with the rest of the world, it is a natural trend for its currency – the RMB, to become more widely used in the trade and investment activities

Acceleration in the pace of the RMB internationalisation

The PRC mainland has been taking gradual steps to increase the use of RMB outside its borders by setting up various pilot programmes in Hong Kong and neighbouring areas in recent years. For instance, banks in Hong Kong were the first permitted to provide RMB deposits, exchange, remittance and credit card services to personal customers in 2004. Further relaxation occurred in 2007 when the authorities allowed PRC mainland financial institutions to issue RMB bonds in Hong

Kong. As of the end of March 2020, there are 137 banks in Hong Kong engaging in RMB business, with RMB deposits amounting to about RMB644.15 billion, as compared to just RMB63 billion in 2009.

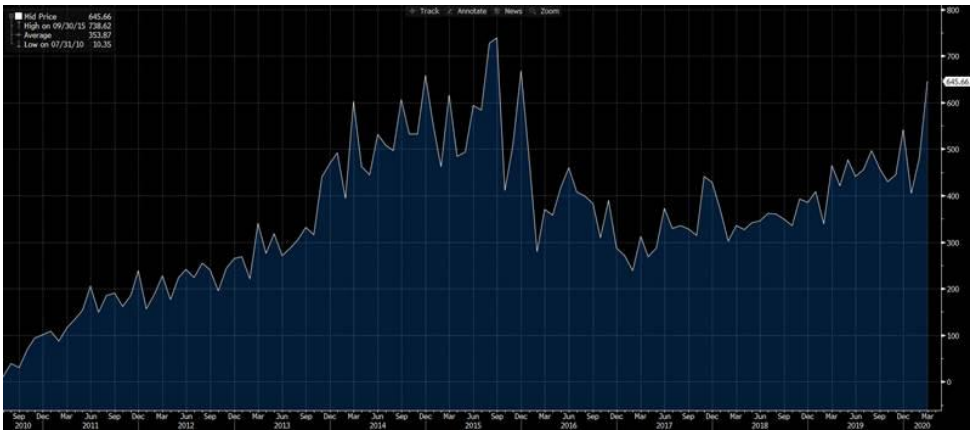
Chart 1. RMB deposits in Hong Kong



Data source: Bloomberg as of 31 March 2020

The pace of RMB internationalisation has accelerated since 2009 when the PRC mainland authorities permitted cross-border trade between Hong Kong/Macau and Shanghai/4 Guangdong cities, and between ASEAN and Yunnan/Guangxi, to be settled in RMB. In December 2017, the arrangement was expanded to 20 provinces/municipalities on the PRC mainland and to all countries/ regions overseas. In March 2020, nearly RMB645.66 billion worth of cross-border trade was settled in Hong Kong with RMB.

Chart 2. Remittances for RMB cross-border trade settlement



Data source: Bloomberg as of 31 March 2020

Onshore versus offshore RMB market

Following a series of policies introduced by the PRC mainland authorities, an RMB market outside the PRC mainland has gradually developed and started to expand rapidly since 2009. RMB traded outside the PRC mainland is often referred as “offshore RMB” with the denotation “CNH”, which distinguishes it from the “onshore RMB” or “CNY”.

Both onshore and offshore RMB are the same currency but are traded in different markets. Since the two RMB markets operate independently where the flow between them is highly restricted, onshore and offshore RMB are traded at different rates and their movement may not be in the same direction. Due to the strong demand for offshore RMB, CNH used to be traded at a premium to onshore RMB, although occasional discount may also be observed. The relative strength of onshore and offshore RMB may change significantly, and such change may occur within a very short period of time.

Notwithstanding that the offshore RMB market showed a meaningful growth during the past two years, it is still at an early stage of the development and is relatively sensitive to negative factors or market uncertainties. For instance, the value of offshore RMB had once dropped by 2% against the US dollars in the last week of September 2011 amidst the heavy selloff of the equities market. In general, the offshore RMB market is more volatile than the onshore one due to its relatively thin liquidity.

There have been talks on the potential convergence of the two RMB markets but that is believed to be driven by political decisions rather than just economics. It is widely expected that the onshore and offshore RMB markets would remain two segregated, but highly related, markets for the next few years.

Recent measures

More measures to relax the conduct of offshore RMB business were announced in 2010. On 19 July 2010, with respect to the lifting of restrictions on interbank transfer of RMB funds and, as well as granting permission for companies in Hong Kong to exchange foreign currencies for RMB without limit. One month later, the PRC mainland authorities announced the partial opening up of the PRC mainland's interbank bond market for foreign central banks, RMB clearing banks in Hong Kong and Macau and other foreign banks participating in the RMB offshore settlement programme.

The National Twelfth Five-Year Plan adopted in March 2011 explicitly supports the development of Hong Kong as an offshore RMB business centre. In August 2011, PRC mainland Vice-Premier Li Keqiang has announced more new initiatives during his visit, such as allowing investments on the PRC mainland equity market through the QFI scheme and the launch of an ETF with Hong Kong stocks as the underlying constituents in the PRC mainland. Also the PRC mainland government has given approval for the first non-financial PRC mainland firm to issue RMB-denominated bonds in Hong Kong.

Chinese bonds and stocks were included in international indexes since 2018. RMB assets are becoming more attractive since then. In 2019, RMB's share of global foreign exchange reserves hit record high, surpassing Australian dollar and Canadian dollar.

RMB internationalisation is a long-term goal

Given the PRC mainland's economic size and growing influence, RMB has the potential to become an international currency in the same ranks as US dollars and euro. But the PRC mainland has to first accelerate the development of its financial markets and gradually make RMB fully convertible on the capital account. Although the internationalisation of RMB will bring benefits such as increasing political influence and reduced exchange rate risks, it also entails risks including rising volatility of RMB exchange rate.

The process of RMB internationalisation is a long and gradual one. It took US dollars many decades to replace the British pound to become a dominant reserve currency. It will also take time for RMB to gain importance in coming years. RMB will not be in a position to challenge the US dollar's main reserve currency status for some time to come.

The A-Share market

Introduction

China's A-Share market commenced in 1990 with two exchanges, Shanghai Stock Exchange and Shenzhen Stock Exchange. Shanghai Stock Exchange was established on 26 November 1990 and stocks are further divided into class A-Shares and class B-Shares, with A-Shares limited to domestic investors as well as QFIs or through the Stock Connect programmes only and B Shares available to both domestic and foreign investors. As of 30 April 2020, there are 1,552 A-Share listed companies in Shanghai Stock Exchange with total market capitalisation of RMB33.32 trillion. Shanghai Stock Exchange's products cover equities, mutual funds and bonds. The product lines include A-Shares, B-Shares, indices, mutual funds (including exchange traded funds and listed open-end funds), fixed income products, and diversified financial derivative products (including

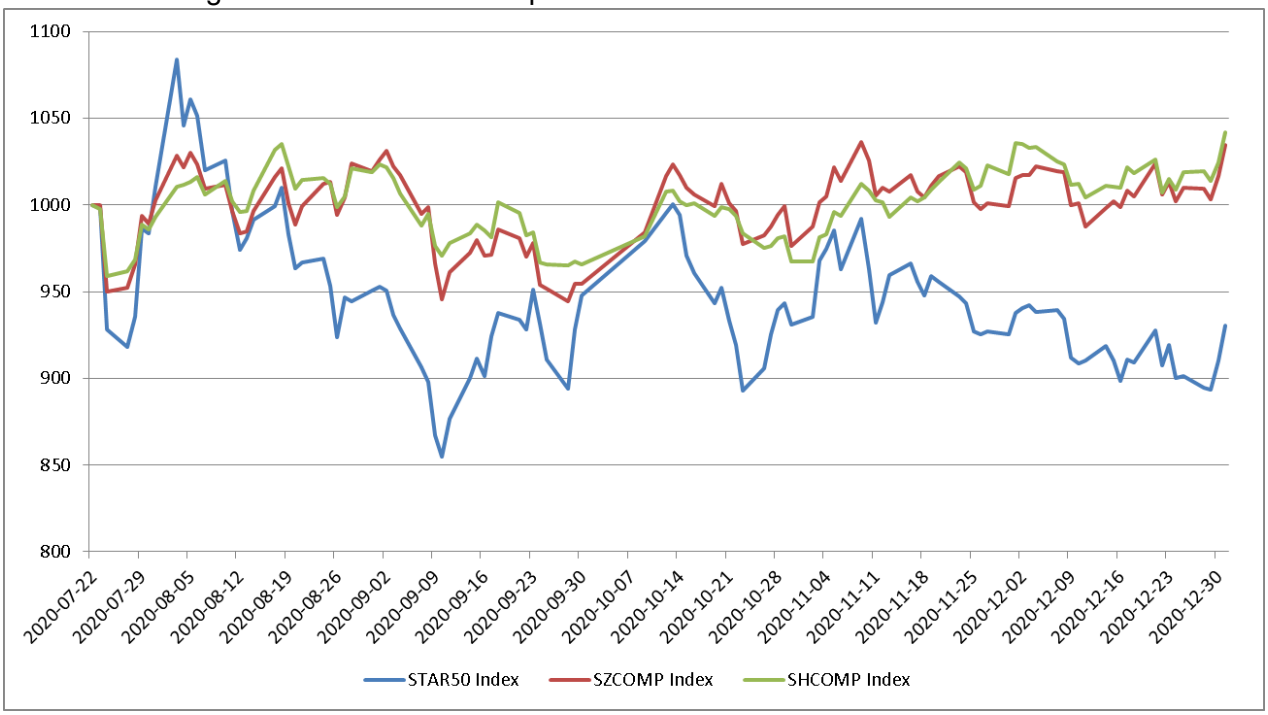
warrants and repurchases).

Shenzhen Stock Exchange was founded on 1 December 1990 and stocks are further divided into class A-Shares and class B-Shares, with A-Shares limited to domestic investors as well as QFIs or through the Stock Connect programmes only and B-Shares available to both domestic and foreign investors. As of 30 April 2020, there are 2,260 A-Share listed companies in Shenzhen Stock Exchange. Shenzhen Stock Exchange's products cover equities, mutual funds and bonds. The product lines include A-Shares, B-Shares, indices, mutual funds (including exchange traded funds and listed open-end funds), fixed income products, and diversified financial derivative products (including warrants and repurchases).

The A-Share market has grown significantly in the past 20 years, with the latest total market capitalisation reaching RMB57.96 trillion comprising 3,812 A-Share listed companies by 30 April 2020.

In terms of investor breakdown, there is an increasing number of institutional investors participating in the A-Shares market since the inception, which include securities investment funds, social pension funds, qualified foreign institutional investors, insurance companies, ordinary investment institutions. However, on a daily basis, retail investors still make up for the majority of the trading volume.

Chart 1. Shanghai and Shenzhen Composite Index Price / STAR 50 Index Price



Data source: BBG; As of 31 December 2020

Differences with Hong Kong's stock market

	PRC mainland		Hong Kong
Key indexes	SHCOMP / SZCOMP	ChiNext / STAR 50	HSI / HSCEI
Trading band limits	10% (5% for ST/S stocks*)	20% after first five trading days of the stock	No Limit
Trading lots	One hundred (100) (no less than two hundred (200) for SSE STAR Board) shares for BUY / one (1) share for SELL**		Each stock has its own individual board lot size (an online broker will

			usually display this along with the stock price when you get a quote); purchases in amounts which are not multiples of the board lot size are done in a separate "odd lot market".
Trading hours	pre-open: 0915-0925 morning session: 0930-1130 afternoon session: 1300-1500 (1457-1500 is closing auction for the SZSE)	pre-open: 0915-0925 morning session: 0930-1130 afternoon session: 1300-1500 after-hours fixed-price trading: 1505-1530 (orders shall be placed between 0915 and 1130 (for morning session) and 1300 and 1530 (for afternoon session)	pre-open order input: 0900-0915 pre-order matching 0915-0920 order matching: 0920-0928 morning session: 0930-1200 afternoon session: 1300-1600
Settlement	T+1		T+2
Earnings reporting requirements	Annual report: • Full annual report must be disclosed within four (4) months after the reporting period. Interim report: • Full report must be disclosed within two (2) months after the reporting period. Quarterly report: • Full report must be disclosed within one (1) month after the reporting period. The first quarterly report cannot be disclosed before last year's annual report.		Annual report: • Earnings must be disclosed within three (3) months after the reporting period; • Full annual report must be disclosed within four (4) months after the reporting period. Interim report: • Earnings must be disclosed within two (2) months after the reporting period; • Full report must be disclosed within three (3) months after the reporting period.

Note:

** 1) ST stocks refer to special treatment stocks, which means special treatment for companies with financial problems (consecutive 2*

fiscal years loss or audited net assets per share less than par value in most recent fiscal year), effective date starting from 22 April 1998. Stocks with ST usually means they have delisting risk.

2) S stocks refer to those stocks has not yet performed the "split share structure reform".

*** Purchasing in odd lot is not allowed while selling in odd lot is allowed in the A-Share market, with no price difference between odd lot and round lot trading.*

Measures adopted by the Manager to address the differences between the Chinese Mainland market and the Hong Kong market

The Manager has adopted the following measures to address the difference between the Chinese Mainland market and the Hong Kong market:

a) Trading hours: As regards the difference in trading hours, the shorter trading hours in the Chinese Mainland market is not considered to present a major risk, as it is expected that there is a sufficient level of liquidity for the Master ETF and the China A-Shares constituting the Master ETF's portfolio.

b) Trading days: There is a difference in trading days between the Chinese Mainland market and the Hong Kong market. It should be noted that Applications are accepted only on a Business Day (normally a day on which both markets are open).

   If the Hong Kong market is open while the Chinese Mainland market is closed, Shares of the Sub-Fund will be traded in the Hong Kong market and the Manager will continue to publish information including prices in the manner set out in this Prospectus. If the Chinese Mainland market is open while Hong Kong market is closed, the Manager will trade the Master ETF when it is necessary, in order to limit the risk to investors. These trades will be properly settled even when the Hong Kong market is closed for holiday by the Custodian's arrangements in place.

c) Trading band limits: The Manager will be prevented from trading the Master ETF when it hits the "trading limit", i.e. 10%, as imposed by the SSE. If this happens on a particular trading day, the Manager will continue to trade the Master ETF on the subsequent two trading days if necessary. However if the Manager is still unable to trade the Master ETF on the second trading day after the original trading day due to the trading band limit, the Manager will settle the Master ETF on the latest closing price and the Sub-Fund will make up the trade whenever the Master ETF resumes trading again. The Manager believes that the average impact to the Sub-Fund in such situations is immaterial.

The Index

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Index

The Index is a free float adjusted, free-float capitalisation-weighted index and composed of no more than 50 A-Share securities which are engaged in the photovoltaic industrial chain, including but not limited to silicon pellet, polysilicon, solar cells, electric cable, photovoltaic glass, inverter and photovoltaic plant. The Index is a price return index, which means that it does not include the reinvestment of dividends from the constituents of the Index, such dividends being net of any withholding tax. The Index is denominated and quoted in RMB.

The Index was launched on 22 April 2019 and had a base level of 1,000 on 31 December 2012.

As of 27 February 2026, the Index had a total market capitalisation of RMB1,349.58 billion and 50 constituents.

Index Universe

The index universe is the same as the universe of CSI All Share Index, and includes all the SSE or SZSE listed securities, which meet the following requirements:

1) For securities listed on the STAR Board, such securities have been listed for more than 1 year; or

2) For securities not listed on the STAR Board, such securities have been listed for more than 1 quarter, unless the security is in the top 30 in terms of average daily market capitalisation since its listing.

Constituents Selection

1. Securities in the universe are ranked by the daily average trading value over the past year in descending order. Securities ranked within the bottom 20% will be excluded;

2. Securities in the index universe which are engaged in photovoltaic industrial chain (as explained above) are selected; and

3. The selected securities are ranked by the daily average total market capitalisation over the past year in descending order. No more than 50 securities will be selected as constituents. For the avoidance of doubt, total market capitalisation is adopted for constituent selection for the Index but free float adjusted market capitalisation will be adopted for weighting.

Index Calculation

The Index is weighted as the following calculation formula:

Current Index = Current Total Adjusted Market-Cap / Divisor (i.e. base period) × Base Value

Where Current Total Adjusted Market-Cap = Σ(Security Price × Number of Free Float Adjusted Shares × Weight Factor)

The value of Weight Factor is between 0 and 1, and is calculated at each rebalancing so as to make each constituent's weight is no more than 10%.

Index Maintenance

The Index is maintained using the "divisor adjustment methodology". In the event of a change in constituent list or a capital change in the index constituents, or constituents' market value fluctuates due to non-trading factors, the divisor is adjusted by means of the divisor adjustment methodology, so as to prevent the discontinuities in the Index. The adjustment formula is as follows:

$$\frac{\text{adjusted market cap before divisor adjustment}}{\text{old divisor}} = \frac{\text{adjusted market cap after divisor adjustment}}{\text{new divisor}}$$

Where: Adjusted Market Cap after Adjustment = Adjusted Market Cap before Adjustment + increase or decrease in Adjusted Market Cap.

The new divisor (i.e. the adjusted divisor, also known as the new base period) derived from this formula shall be used for the future index calculation.

Constituents and Index Weight Adjustment

Periodic review

The Index is adjusted and rebalanced semi-annually, and the adjustment will be effective as of the next trading day after the 2nd Friday of June and December.

A weight factor is assigned to each constituent at each rebalancing. The effective date is the same as that of the constituent adjustment. The weight factor remains the same until next rebalancing day.

For details on other information relating to periodic review, please refer to "Equity Indices Calculation and Maintenance Methodology of China Securities Index Company Limited" available on the website www.csindex.com.cn/en/indices/index-rules (the contents of this website has not been reviewed by the SFC).

Ongoing review

In case the representativeness and investability of the Index is affected due to significant changes beyond periodical reviews, CSI may review the constituent securities immediately. Delisted securities will be removed from the constituents. Necessary adjustment will be made when certain corporate event happens so as to maintain the representativeness and investability of the Index. Such events include, without limitation, bankruptcy of constituents, delisting, restructuring, merger, acquisition, spin-off, etc.

For details relating to ongoing review and other information relating to periodic review, please refer to "Equity Indices Calculation and Maintenance Methodology of China Securities Index Company Limited" available on the website www.csindex.com.cn/en/indices/index-rules (the contents of this website has not been reviewed by the SFC).

Index Advisory Committee

The Index Advisory Committee acts as the consulting agency of the Index Provider, and is responsible for providing professional consultation advice and decision-making suggestions for index construction and maintenance. Issues for consultation include, but are not limited to, rules for index management, plan of index business development and index construction, index methodologies for important indices, significant issues of index maintenance, domestic and foreign trends of index business development, etc.

Members

Committee members are domestic and foreign experts or scholars with extensive representation and influence in the fields of economics, finance, statistics or corporate governance. Members work part time and are not employees of the Index Provider.

Appointment

In principle, each term of the Committee lasts three years and members can serve consecutive terms. The Index Provider may adjust the length of each term and the number of consecutive terms according to needs.

For details, please refer to www.csindex.com.cn/en/about/index-advisory-committee (the contents of this website has not been reviewed by the SFC).

Index Provider

The Index is compiled and managed by China Securities Index Co., Ltd. ("**CSI**" or the "**Index Provider**").

The Manager and the MF Manager (and each of their Connected Persons) are independent of the Index Provider.

Index Constituents

You can obtain the most updated list of the constituents of the Index, their respective weightings, additional information and other important news of the Index from the website of China Securities Index Co., Ltd at http://www.csindex.com.cn (the contents of which has not been reviewed by the SFC).

The Index Provider publishes the real time level and last closing level of the Index via its website at http://www.csindex.com.cn (the contents of this website has not been reviewed by the SFC). The methodology, the latest information and news of the Index, the latest market capitalisation amount and number of constituents of the Index will be available on the website of the Index Provider www.csindex.com.cn/en/indices/index-detail/931151 (the contents of this website has not been reviewed by the SFC).

Index Codes

Wind Code: 931151

Reuters Code: CSI931151

Bloomberg Code: SH931151

Index Licence Agreement

The Manager

The Manager has been granted a non-exclusive, non-assignable and non-transferable licence pursuant to index licence agreement dated 16 April 2021 (the "**CSOP Licence Agreement**") entered into between the Manager and the Index Provider, to use the Index in connection with the creation, issue, offering, marketing, promotion, sale, management, administration and listing of the Sub-Fund.

The CSOP Licence Agreement is subject to an initial fixed term of 3 years from 16 April 2021, and can thereafter be automatically renewed for successive terms of 2 years at a time, unless either party raises an objection for such renewal at least one month prior to the expiry of the term of the CSOP Licence Agreement.

The Manager and the Index Provider may terminate the CSOP Licence Agreement by written notice to the other party given at least one month prior to the end of the then-current term. The CSOP Licence Agreement may also be terminated on the occurrence of any of the circumstances as summarised below.

(a) there is a material breach by the Manager or the Index Provider of any of the terms or

conditions of the CSOP Licence Agreement, and the party in breach fails to take remedial action within 10 days as requested by the other party in written notice;

(b) the Index has been discontinued by the Index Provider;

(c) there is legislation or regulation that materially impairs the Manager to manage and sell the Sub-Fund or there is material litigation or regulatory proceeding regarding the Sub-Fund;

(d) there is legislation or regulation that materially impairs the Index Provider's ability to licence the Index or there is a material litigation or regulatory proceeding;

(e) either party declares bankruptcy, stops operation, dissolves or has its licence revoked; or

(f) the Manager is no longer developing or managing the Sub-Fund.

The MF Manager

The MF Manager has been granted a non-exclusive, non-assignable and non-transferable licence pursuant to the index licence agreement dated 9 March 2020 ("the **Licence Agreement**") entered between the MF Manager and the Index Provider, to use the Index in connection with the creation, issue, offering, marketing, promotion, sale, management, administration and listing of the Master ETF.

The Licence Agreement is subject to an initial fixed term of 3 years from 9 March 2020, and can thereafter be automatically renewed for successive terms of 2 years at a time, unless either party raises an objection for such renewal prior to the expiry of the term of the Licence Agreement.

The MF Manager and the Index Provider may terminate the Licence Agreement by written notice to the other party given at least one month prior to the end of the then-current term. The Licence Agreement may otherwise be terminated on the occurrence of any of the circumstances as summarised below:

(a) there is a material breach by the MF Manager or the Index Provider of any of the terms or conditions of the Licence Agreement, and the party in breach fails to take remedial action within 10 days as requested by the other party in written notice;

(b) the Index has been discontinued by the Index Provider;

(c) there is legislation or regulation that materially impairs the MF Manager to manage and sell the Master ETF or there is a material litigation or regulatory proceeding regarding the Master ETF;

(d) there is legislation or regulation that materially impairs the Index Provider's ability to licence the Index or there is material litigation or regulatory proceeding;

(e) either party declares bankruptcy, stops operation, dissolves or has its licence revoked; or

(f) the MF Manager is no longer developing or managing the Master ETF.

Index Disclaimer

The Index is compiled and calculated by CSI. All copyright in the Index values and constituent list vest in CSI. CSI will apply all necessary means to ensure the accuracy of the Index. However, CSI does not guarantee its instantaneity, completeness or accuracy, nor shall it be liable (whether in negligence or otherwise) to any person for any error in the Index or under any obligation to advise any person of any error therein.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 25 May 2021 and ends at 11:00 a.m. (Hong Kong time) on 28 May 2021, or such other date as the Manager may determine.

The Listing Date is expected to be on 1 June 2021.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Shares either on their own account or for their clients, in accordance with the Instrument and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Shares to be available for trading on the Listing Date by creation. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Shares for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Shares on their behalf.

After Listing

"After Listing" commences on the Listing Date.

Dealings in the Shares on the SEHK will commence on the Listing Date, which is expected to be on 1 June 2021.

All investors may buy and sell Shares in the secondary market on the SEHK and Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Shares in the primary market in Application Share size, from 9:30 a.m. (Hong Kong time) to 2:00 p.m. (Hong Kong time) on each Dealing Day.

Please refer to the section on "The Offering Phases" for details. The following table summarises all key events and the Manager's expected timetable (all references to times are to Hong Kong time):

Initial Offer Period commences • Participating Dealers may apply for creation for themselves or for their clients in Application Share size	• 9:00 a.m. (Hong Kong time) on 25 May 2021
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Shares to be available for trading on the Listing Date	• 11:00 a.m. (Hong Kong time) on 28 May 2021
After listing (period commences on the Listing Date) • All investors may start trading Shares on the SEHK through any designated brokers; and	• Commence at 9:30 a.m. (Hong Kong time) on 1 June 2021

• Participating Dealers may apply for creation and redemption (for themselves or for their clients) in Application Share size	• 9:30 a.m. (Hong Kong time) to 2:00 p.m. (Hong Kong time) on each Dealing Day

RMB payment procedures

Investors may, unless otherwise agreed by the relevant Participating Dealer, apply for Shares through Participating Dealers only if they have sufficient RMB to pay the application monies and the related fees. Investors should note that RMB is the only official currency of the PRC mainland. While both onshore RMB ("**CNY**") and offshore RMB ("**CNH**") are the same currency, they are traded in different and separated markets. Since the two RMB markets operate independently where the flow between them is highly restricted, CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there is a significant amount of RMB held offshore (i.e. outside the PRC mainland), CNH cannot be freely remitted into the PRC mainland and is subject to certain restrictions, and vice versa. As such whilst CNH and CNY are both the same currency, certain special restrictions do apply to RMB outside the PRC mainland. The liquidity and trading price of the Sub-Fund may be adversely affected by the limited availability of, and restrictions applicable to, RMB outside the PRC mainland.

Application monies from Participating Dealers to the Sub-Fund will be paid in RMB only. Accordingly a Participating Dealer may require an investor (as its client) to pay RMB to it. Payment details will be set out in the relevant Participating Dealer's documentation such as the application form for its clients. As such, an investor may need to have opened a bank account (for settlement) and a securities dealing account if a Participating Dealer is to subscribe for Shares on behalf of the investor as it will need to have accumulated sufficient RMB to pay at least the aggregate Issue Price and related costs, to the Participating Dealer or if an application to the Participating Dealer is not successful or is successful only in part, the whole or appropriate portion of the monies paid will need to be returned to the investor by the Participating Dealer by crediting such amount into the investor's RMB bank account. Similarly, if an investor wishes to buy and sell Shares in the secondary market on the SEHK, the investor may need to open a securities dealing account with its broker. Each investor will need to check with the relevant Participating Dealer and/or its broker for payment details and account procedures.

If any investors wish to buy or sell Shares on the secondary market, they should contact their brokers and they are advised to check with their brokers regarding arrangements for distributions in RMB. CCASS Investor Participants who receive distributions in RMB should make sure that they have set up an RMB designated bank account with CCASS.

Investors should consult the banks for the account opening procedures as well as terms and conditions of the RMB bank account. Some banks may impose restrictions on their RMB cheque account and fund transfers to third party accounts. For non-bank financial institutions (e.g. brokers), however, such restriction will not be applicable and investors should consult their brokers as to the currency exchange service arrangement, if required. Investors without RMB accounts should note that distributions are made in RMB only and as such may suffer a foreign exchange loss and incur fees and charges associated with the conversion of distributions from RMB to HKD or any other currency to receive their distributions.

The transaction costs of dealings in the Shares on the SEHK include the SEHK trading fee, SFC transaction levy and AFRC transaction levy. All these secondary trading related fees and charges will be collected in HKD.

Investors should consult their own brokers or custodians as to how and in what currency the trading related fees and charges and brokerage commission should be paid by the investors.

Where payment in RMB is to be made by cheque investors are advised to consult the bank at which their respective RMB bank accounts are opened in advance whether there are any specific requirements in relation to the issue of RMB cheques. In particular, investors should note that

some banks have imposed an internal limit (usually RMB80,000) on the balance of RMB cheque account of their clients or the amount of cheques that their clients can issue in a day and such limit may affect an investor's arrangement of funding for an application (through a Participating Dealer) for creation of Shares.

When an individual investor opens an RMB bank account or settle RMB payments, he or she will be subject to a number of restrictions, including the daily maximum remittance amount to the PRC mainland of RMB80,000, and a remittance service is only available to an RMB deposit account-holder who remits from his or her RMB deposit account to the PRC mainland and provided that the account name of the account in the PRC mainland is identical with that of the RMB bank account with the bank in Hong Kong.

Please also refer to "RMB Currency Associated Risks" below for further details.

Exchange Listing and Trading (Secondary Market)

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Shares traded in HKD.

Shares are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Shares on one or more other stock exchanges. Investors' attention is drawn to the section entitled "Exchange Listing and Trading (Secondary Market)" in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Shares traded in HKD are expected to begin on 1 June 2021.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Shares on the SEHK until dealings begin on the SEHK.

Distribution Policy

The Manager has discretion as to whether or not the Sub-Fund will make any distribution, the frequency and amount of distribution. Currently, the Manager intends to distribute income to Shareholders annually (in December) having regard to the Sub-Fund's net income after fees and costs.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the Sub-Fund.

The Manager may, at its discretion, pay distributions out of capital. The Manager may also, at its discretion, pay distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital. Investors should note that payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment out of or effectively out of the Sub-Fund's capital may result in an immediate reduction in the Net Asset Value per Share and will reduce any capital appreciation for the Shareholders.

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website http://www.csopasset.com/en/products/hk-ptvt (this website has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Shareholders.

Distributions (if declared) will be declared in the base currency of the Sub-Fund (i.e. RMB). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in RMB only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website http://www.csopasset.com/en/products/hk-ptvt and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx. The aforesaid websites have not been reviewed by the SFC.

There can be no assurance that distributions will be paid.

Each Shareholder will receive distributions in RMB. In the event that the relevant Shareholder has no RMB account, the Shareholder may have to bear the fees and charges associated with the conversion of such dividend from RMB to HKD or any other currency. Shareholders are advised to check with their brokers/intermediaries on the arrangements concerning distributions.

Distribution payment rates in respect of Shares will depend on factors beyond the control of the Manager or Custodian including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Dealing Day, Business Day, and Valuation Point

The "**Dealing Day**" of the Sub-Fund means each Business Day during the continuance of the Sub-Fund, and/or such other day or days as the Manager may from time to time determine.

The "**Business Day**" of the Sub-Fund means, unless the Manager otherwise agrees, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant securities market on which the Master ETF are traded is open for normal trading, and (b) the Index is compiled and published, or such other day or days as the Manager may agree from time to time.

The "**Valuation Point**" of the Sub-Fund means the official close of trading on the securities market on which the Master ETF is listed on each Dealing Day or as determined by the Manager from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Shares.

Fees and Expenses

Management Fee

The Sub-Fund pays a Management Fee as a single flat fee, currently at 0.99% per year of the Net Asset Value of the Sub-Fund. Please refer to the section "Fees and Expenses" in Part 1 of this Prospectus as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in RMB in arrears out of the assets of the Sub-Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Sub-Fund, on one month's notice to Shareholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Instrument), such increase will be subject to the Shareholders' and the SFC's approval.

The management fee of the Master ETF is currently 0.50% per year of the net asset value of the Master ETF accrued daily.

Currently, the aggregate management fee charged in respect of the Sub-Fund is 1.49% per year of the Net Asset Value of the Sub-Fund.

Custodian's Fee

The Management Fee is inclusive of the Custodian's Fee (inclusive of the fees payable to both the Custodian and the PRC Custodian), and the Manager will pay the Custodian's Fee out of the Management Fee.

The custodian fee of the Master ETF is currently 0.10% per annum of the net asset value of the Master ETF accrued daily.

Currently, the aggregate custodian fee charged in respect of the Sub-Fund is 0.10% per year of the Net Asset Value of the Sub-Fund.

Establishment Costs

The cost of establishing the Sub-Fund including the preparation of the Prospectus and this Appendix, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all legal and printing costs including, if considered appropriate by the Manager, any additional costs of determining the stock code, is approximately HKD650,000 and will be borne by Sub-Fund and will be amortised over the first five financial years of the Sub-Fund (or such other period as determined by the Manager after consulting the Auditor and the Custodian).

Fees payable by the Master ETF

By investing into the Master ETF, the Sub-Fund will bear indirectly a proportionate share of the fees payable to the MF Manager and MF Custodian and other fees, charges and expenses payable by the Master ETF, which will be reflected in the net asset value per unit of the Master ETF.

The following fees and charges will also be borne by the Master ETF:

a) index licence fees;

b) information disclosure expenses payable after the Fund Contract has taken effect;

c) accountant fees, auditor's fees, legal fees, litigation costs and arbitration fees related to the Master ETF payable after the Fund Contract has taken effect;

d) expenses of MF Unitholders' meetings;

e) settlement expenses arising from securities and futures trading;

f) bank transfer fees of the Master ETF;

g) initial fees and annual fees for Master ETF listing, registration and settlement fees, Indicative Optimized Portfolio Value ("IOPV") calculation and publication fees;

h) opening fees for securities and futures accounts and maintenance fees for bank accounts;

i) other expenses that may be disbursed from the fund property in accordance with relevant laws, regulations and the provisions of the Fund Contract.

Expenses incurred during the course of the termination or liquidation of the Master ETF shall also be deducted from the fund property according to the actual expenditures.

Eligibility requirements and authorisation conditions

The Sub-Fund is a feeder ETF authorised by the SFC under Chapters 7 and 8.6 of the Code. In particular, for the purpose of complying with the investment restrictions, the Sub-Fund and the Master ETF will be deemed a single entity.

The Master ETF is subject to the following requirements:

(a) the Master ETF is established and managed and operates in accordance with Chinese Mainland laws and regulations and its constitutive documents, i.e. its Fund Contract;

(b) the Master ETF is publicly offered securities investment fund registered with the CSRC under the Securities Investment Fund Law of the People's Republic of China;

(c) the Master ETF will, on an ongoing basis, remain as approved / registered with the CSRC for offering to the Chinese Mainland public, and be subject to the ongoing regulation and supervision of the CSRC;

(d) the Master ETF will remain a physical index-tracking exchange traded fund and maintain a primary listing on a principal Chinese Mainland stock exchange, including the SSE;

(e) the MF Manager and the Hong Kong Representative shall ensure that the Master ETF is not offered to the public in Hong Kong;

(f) (i) change of the Hong Kong Representative; and (ii) any material change to the purpose or extent of use of financial derivative instruments, securities financing transactions and/or similar transactions and leverage of the Master ETF as disclosed in the Hong Kong offering documents of the Sub-Fund shall be subject to the SFC's prior approval;

(g) the MF Manager and the MF Custodian or such other entities acceptable to the SFC shall remain as the manager and the custodian of the Master ETF respectively; and

(h) the Index or such other index acceptable to the SFC shall remain as the underlying index of the Master ETF.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Risks of investing in the Master ETF

The Sub-Fund invests substantially in the Master ETF, and may therefore be subject to the risks associated with the Master ETF. The performance of the Sub-Fund depends on the price of the Master ETF. The ability of the Sub-Fund to meet its investment objective is also largely dependent on the Master ETF.

The performance of the Sub-Fund may deviate from the performance of the Master ETF due to the Sub-Fund's holdings in investments other than the Master ETF, as well as the Sub-Fund's fees and expenses. While the Sub-Fund seeks to minimise the tracking difference / tracking error arising from the Master ETF, there is no guarantee that the Sub-Fund may achieve such objective via investments other than investment in the Master ETF, due to various factors (e.g. timing differences / delays in adjusting the Sub-Fund's investments).

Past performance of the Master ETF is not necessarily a guide to future performance of the Master ETF or the Sub-Fund.

The Sub-Fund does not have control of the investments of the Master ETF and there is no assurance that the investment objective and strategy of the Master ETF will be successfully achieved which may have a negative impact to the Net Asset Value of the Sub-Fund. Shareholders also do not have any direct interest in the units of the Master ETF and will not be able to exercise any voting right in respect of the Master ETF.

There may be additional costs involved when investing into the Master ETF. By investing in the Master ETF, the Sub-Fund will bear a proportion of the fees and charges of the Master ETF. Such fees and charges of the Master ETF will be deducted from the Net Asset Value of the Master ETF and reflected in the Net Asset Value per unit of the Master ETF.

There is also no guarantee that the Master ETF will always have high trading volume and sufficient liquidity and the Sub-Fund may not be able to realise or liquidate its investment in the Master ETF at such time as it wants to.

There is no assurance that the liquidity of the Master ETF will always be sufficient to meet realisation requests. Further, there could be trading suspension of the Master ETF in the secondary market in Chinese Mainland and these factors may have an adverse impact on the Sub-Fund and its Shareholders.

RMB Currency Associated Risks

RMB is Not Freely Convertible and Subject to Exchange Controls and Restrictions Risk

It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC mainland government. Since 1994, the conversion of RMB into USD has been based on rates set by the People's Bank of China (the "**PBOC**"), which are set daily based on the previous day's PRC mainland interbank foreign exchange market rate. On 21 July 2005, the PRC mainland government introduced a managed floating exchange rate system to allow the value of RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. In addition, a market maker system was introduced to the interbank spot foreign exchange market. In July 2008, the PRC mainland announced that its exchange rate regime was further transformed into a managed floating mechanism based on market supply and demand. Given the domestic and overseas economic developments, the PBOC decided to further improve the RMB exchange rate regime in June 2010 to enhance the flexibility of the RMB exchange rate. In April 2012, the PBOC decided to take a further step to increase the flexibility of the RMB exchange rate by expanding the daily trading band from +/-0.5% to +/-1%. Effective 11 August 2015 the RMB central parity is fixed against the USD by reference to the closing rate of the inter-bank foreign exchange market on the previous day (rather than the previous morning's official setting).

However it should be noted that the PRC mainland government's policies on exchange control and repatriation restrictions are subject to change, and any such change may adversely impact the Sub-Fund. There can be no assurance that the RMB exchange rate will not fluctuate widely against the HKD or any other foreign currency in the future.

Foreign exchange transactions under the capital account, including principal payments in respect of foreign currency-denominated obligations, currently continue to be subject to significant foreign exchange controls and require the approval of the SAFE. On the other hand, the existing PRC mainland foreign exchange regulations have significantly reduced government foreign exchange controls for transactions under the current account, including trade and service related foreign exchange transactions and payment of dividends. Nevertheless, the Manager cannot predict whether the PRC mainland government will continue its existing foreign exchange policy or when the PRC mainland government will allow free conversion of the RMB to foreign currency.

The Shares of the Sub-Fund are traded in HKD, but the Net Asset Value of the Sub-Fund and the Index are calculated in RMB. Investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against HKD will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund.

Non-RMB or Late Settlement Redemption or Distributions Risk

Where, in extraordinary circumstances, the remittance or payment of RMB funds on the redemption of Shares in the primary market cannot, in the opinion of the Manager in consultation with the Custodian, be carried out normally due to legal or regulatory circumstances beyond the control of the Custodian and the Manager, redemption proceeds may be delayed or, if necessary in exceptional circumstances, be paid in US dollars or Hong Kong dollars instead of in RMB (at an exchange rate determined by the Manager after consultation with the Custodian). As such, there is a risk that investors may not be able to receive settlement upon a redemption of Shares in RMB (and may receive US dollars or Hong Kong dollars) or may receive settlement in RMB on a delayed basis.

QFI late settlement risk

The Sub-Fund will be required to remit RMB from Hong Kong to the PRC mainland to settle the purchase of securities listed in the PRC mainland (including units of the Master ETF) by the Sub-Fund from time to time. In the event such remittance is disrupted, the Sub-Fund will not be able to fully replicate the Index by investing in the above securities and this may increase the tracking error of the Sub-Fund.

Future Movements in RMB Exchange Rates Risk

The exchange rate of RMB ceased to be pegged to US dollar on 21 July 2005, resulting in a more flexible RMB exchange rate system. China Foreign Exchange Trading System, authorised by the PBOC, promulgates the central parity rate of RMB against US dollar, Euro, Yen, British Pound and Hong Kong dollar at 9:15 a.m. on each business day, which will be the daily central parity rate for transactions on the Inter-bank Spot Foreign Exchange Market and OTC transactions of banks. The exchange rate of RMB against the above-mentioned currencies fluctuates within a range above or below such central parity rate. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies, including US dollar and Hong Kong dollar, are susceptible to movements based on external factors.

There can be no assurance that such exchange rates will not fluctuate widely against US dollar, Hong Kong dollar or any other foreign currency in the future. From 1994 to July 2005, the exchange rate for RMB against US dollar and the Hong Kong dollar was relatively stable. From 1994 to July 2005, the exchange rate for RMB against US dollar and the HK dollar was relatively stable. Since July 2005, the RMB has begun to appreciate until August 2015 when the PBOC introduced a one-off devaluation of RMB. There can be no assurance that RMB will not be subject to further devaluation. The future movements in RMB exchange rates are uncertain and the fluctuations may have a positive or negative impact on investors' investment in the Sub-Fund.

Offshore RMB (i.e. CNH) Market Risk

The onshore RMB (i.e. CNY) is the only official currency of the PRC mainland and is used in all financial transactions between individuals, state and corporations in the PRC mainland. Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC mainland. Since June 2010, the offshore RMB is traded officially, regulated jointly by the Hong Kong Monetary Authority and the PBOC. While both CNY and CNH represent RMB, they are traded in different and separated markets. The two RMB markets operate independently where the flow between them is highly restricted. Though the CNH is a proxy's of the CNY, they do not necessarily have the same exchange rate and their movement may not be in the same direction. This is because these currencies act in separate jurisdictions, which leads to separate supply and demand conditions for each, and therefore separate but related currency markets.

However, the current size of RMB-denominated financial assets outside the PRC mainland is limited. As at 31 March 2021, the total amount of RMB (CNH) deposits held by institutions authorised to engage in RMB banking business in Hong Kong amounted to approximately RMB772.48 billion. In addition, participating authorised institutions are also required by the Hong Kong Monetary Authority to maintain a total amount of RMB (in the form of cash and its settlement account balance with the Renminbi Clearing Bank) of no less than 25% of their RMB deposits, which further limits the availability of RMB that participating authorised institutions can utilise for conversion services for their customers. RMB business participating banks do not have direct RMB liquidity support from PBOC. The Renminbi Clearing Bank only has access to onshore liquidity support from PBOC (subject to annual and quarterly quotas imposed by PBOC) to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers. The Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions. Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC mainland laws and regulations on foreign exchange. There is no assurance that new PRC mainland regulations will not be

promulgated or the relevant settlement agreement between Hong Kong banks and the PBOC will not be terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC mainland may affect the liquidity and therefore the trading price of the Shares on the SEHK. To the extent the Manager is required to source RMB in the offshore market, there is no assurance that it will be able to source such RMB on satisfactory terms, if at all.

RMB Distributions Risk

Investors should note that where a Shareholder holds Shares traded in HKD, the relevant Shareholder will only receive distributions in RMB and not HKD. In the event the relevant Shareholder has no RMB account, the Shareholder may have to bear the fees and charges associated with the conversion of such dividend from RMB into HKD or any other currency. Shareholders are advised to check with their brokers concerning arrangements for distributions.

QFI Regime Associated Risks

The Sub-Fund invests in securities listed in PRC mainland (including units of the Master ETF) through the Manager's QFI status. Investments through QFI will be subject to the following risks:

QFI systems risk

The current QFI Regulations include rules on investment restrictions applicable to the Sub-Fund. Transaction sizes for QFIs are relatively large (with the corresponding heightened risk of exposure to decreased market liquidity and significant price volatility leading to possible adverse effects on the timing and pricing of acquisition or disposal of securities).

Onshore PRC securities are registered in the joint names of the Manager (as the QFI holder) and the Sub-Fund in accordance with the relevant rules and regulations, and maintained in electronic form via a securities account with the CSDCC. The QFI holder selects a PRC mainland broker (the "**PRC Broker**") to act on its behalf in each of the two onshore PRC securities markets as well as the PRC Custodian to maintain its assets in custody in accordance with the terms of the PRC Custody Agreement.

In the event of any default of either the relevant PRC Broker or the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC mainland, the Sub-Fund may encounter delays in recovering its assets which may in turn adversely impact the Net Asset Value of the Sub-Fund.

The application and interpretation of regulations which regulate investments by QFIs in the PRC mainland are relatively untested and there is no certainty as to how they will be applied as the PRC mainland authorities and regulators have been given wide discretion in such investment regulations and there is no certainty as to how such discretion may be exercised now or in the future.

Changes to the foreign investment regulation in the PRC mainland may be made at any time by the CSRC and the SAFE, and such changes may have a detrimental impact on the ability of the Sub-Fund to achieve its investment objective. For example, any imposition of (or restriction in the amount of) investment quota made available by the CSRC and the SAFE may hinder the ability of the Sub-Fund to invest in the PRC mainland which may in turn affect the Sub-Fund's ability to achieve its investment objective.

PRC Custodian and PRC Broker risk

Onshore PRC assets will be maintained by the PRC Custodian in electronic form via a securities account with the CSDCC and a special deposit account with the PRC Custodian.

The QFI holder also selects the PRC Broker to execute transactions for the Sub-Fund in the PRC mainland markets. When selecting PRC Broker(s), the Manager will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the Manager considers appropriate, it is possible that a single PRC Broker will be appointed for

both the SSE. Should, for any reason, the Manager be unable to use the relevant broker in the PRC mainland, the operation of the Sub-Fund would be adversely affected and may cause Shares to trade at a premium or discount to the Sub-Fund's Net Asset Value or unable to track the relevant Index. A Sub-Fund may also incur losses due to the acts or omissions of either the PRC Broker(s) or the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities. Subject to the applicable laws and regulations in the PRC mainland, the Manager will make arrangements to ensure that the relevant PRC Broker and PRC Custodian have appropriate procedures to properly safe-keep the Sub-Fund's assets.

According to the QFI Regulations and market practice, the securities and special deposit accounts for the Sub-Fund in the PRC mainland are maintained in the joint names of the Manager as the QFI and the Sub-Fund.

Investors should note that cash deposited in the special deposit account of the Sub-Fund with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the Sub-Fund as a depositor. Such cash will be co-mingled with cash belong to other clients of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the Sub-Fund will not have any proprietary rights to the cash deposited in such special deposit account, and the Sub-Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the PRC Custodian. A Sub-Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Sub-Fund will suffer losses.

Repatriation risk

Repatriations by QFIs in respect of an investment fund such as the Sub-Fund conducted in RMB based on the net balance of subscriptions or redemptions each day are permitted daily and are not subject to any lock-up periods or prior approval. The realised cumulative profits generated from investments via the QFI for the account of the Sub-Fund may be repatriated out of the PRC mainland, as and when the Manager instructs the PRC Custodian to do so. There is no assurance, however, that PRC mainland rules and regulations will not change or that repatriation restrictions/ requirements will not be cancelled or additionally imposed in the future. Any new restrictions on repatriation of the invested capital and net profits may impact on the Sub-Fund's ability to meet redemption requests.

QFI status risk

There can be no assurance that the QFI status of the Manager will not be suspended or revoked. Such event may adversely affect the Sub-Fund's performance as it may not be possible to implement the investment strategy of the Sub-Fund at all, which in the worst case scenario may lead to termination of the Sub-Fund.

Risks associated with Stock Connect

The Sub-Fund may invest through the Stock Connect and is subject to the following additional risks:

Quota limitations risk. The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Sub-Fund's ability to invest in the eligible securities through the Stock Connect on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategies.

Suspension risk. It is contemplated that each of the SEHK, the SSE and the SZSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the Stock Connect is effected, the Sub-Fund's ability to access the PRC mainland market will be adversely affected.

Differences in trading day. The Stock Connect only operates on days when both the PRC mainland (SSE and SZSE) and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC mainland market but Hong Kong investors (such as the Sub-Fund) cannot carry out any trading via the Stock Connect. The Sub-Fund may be subject to a risk of price fluctuations in the relevant securities during the time when the Stock Connect is not trading as a result.

Operational risk. The Stock Connect provides a channel for investors from Hong Kong and overseas to access the Chinese Mainland stock market directly.

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("**China Stock Connect System**") was set up by the SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Sub-Fund's ability to access the Chinese Mainland market (and hence to pursue its investment strategy) will be adversely affected.

Restrictions on selling imposed by front-end monitoring risk. PRC mainland regulations require that before an investor sells any SSE Securities and/or SZSE Securities, there should be sufficient SSE Securities or SZSE Securities (as the case may be) in the account; otherwise the SSE or the SZSE will reject the sell order concerned. The SEHK will carry out pre-trade checking on SSE Securities and SZSE Securities sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If the Sub-Fund desires to sell certain SSE Securities and/or SZSE Securities it holds, it must transfer such SSE Securities or SZSE Securities (as the case may be) to the respective accounts of its brokers before the market opens on the day of selling ("**trading day**"). If it fails to meet this deadline, it will not be able to sell SSE Securities or SZSE Securities on the trading day. Because of this requirement, the Sub-Fund may not be able to dispose of holdings of SSE Securities or SZSE Securities in a timely manner.

Recalling of eligible securities risk. When a security is recalled from the scope of eligible securities for trading via the Stock Connect, the security can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Sub-Fund, for example, when the Manager wishes to purchase a security which is recalled from the scope of eligible securities.

Clearing and settlement risk. The HKSCC and ChinaClear have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market would on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC mainland's securities market, ChinaClear operates a comprehensive network of clearing, settlement and security holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding securities and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Nominee arrangements in holding SSE Securities and SZSE Securities risk. HKSCC is the "nominee holder" of the SSE Securities and the SZSE Securities acquired by Hong Kong and overseas investors through the Stock Connect.

The CSRC Stock Connect Rules expressly provide that investors enjoy the rights and benefits of SSE Securities and SZSE Securities acquired through the Stock Connect in accordance with applicable laws.

The CSRC Stock Connect Rules are departmental regulations having legal effect in the PRC mainland. However, the application of such rules is untested, and there is no assurance that PRC mainland courts will recognise such rules, e.g. in liquidation proceedings of PRC mainland companies.

It should be noted that, under the CCASS Rules, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE Securities and the SZSE Securities in the PRC mainland or elsewhere. Therefore, although the Sub-Fund's ownership may be ultimately recognised, the Sub-Fund may suffer difficulties or delays in enforcing its rights in SSE Securities and SZSE Securities.

Participation in corporate actions and shareholders' meetings risk. HKSCC will keep CCASS participants informed of corporate actions of SSE Securities and SZSE Securities. Hong Kong and overseas investors (including the Sub-Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE Securities and SZSE Securities may be as short as one business day only. Therefore, the Sub-Fund may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the Sub-Fund) are holding SSE Securities and SZSE Securities traded via the Stock Connect program through their brokers or custodians. According to existing mainland practice, multiple proxies are not available. Therefore, the Sub-Fund may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE Securities and the SZSE Securities.

No Protection by Investor Compensation Fund. Investment through Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers in their obligations. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund also covers investors' losses in relation to securities traded on a stock market operated by the SSE and the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland. Therefore the Sub-Fund is exposed to the risks of default of the broker(s) it engages in its trading in SSE Securities and SZSE Securities through the programme.

Regulatory risk. The Stock Connect is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC mainland and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The Sub-Fund, which may invest in the PRC mainland markets through the Stock Connect, may be adversely affected as a result of such changes.

Taxation risk. On 14 November 2014, the Ministry of Finance and the State of Administration of Taxation have jointly promulgated Caishui [2014] No.81 ("**Notice No.81**") in relation to the taxation rule on the Stock Connect. Under Notice No.81, with effect from 17 November 2014, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the Sub-Fund) on the trading of China A-Shares through the Stock Connect. However, dividends will be subject to 10% withholding tax and the company distributing the dividend has the withholding obligation. If the recipient of the dividend is entitled to a lower treaty rate, it can apply to the in-charge tax bureau of the payor for a refund. Investments in the Sub-Fund may be subject to the risks associated with changes in the PRC mainland tax laws and such changes may have retrospective effect and may adversely affect the Sub-Fund.

PRC mainland Associated Risks

Chinese Mainland market / Single country investment

Insofar as the Sub-Fund invests substantially in the units of the Master ETF, which are securities issued in Chinese Mainland, it will be subject to risks inherent in the Chinese Mainland market and additional concentration risks. Investing in the Chinese Mainland market is subject to the risks of investing in emerging markets generally and the risks specifically to the Chinese Mainland market which involves a greater risk of loss than investment in more developed countries due to higher economic, political, social and regulatory uncertainty and risks linked to volatility and market liquidity. Please refer to the section headed "***PRC mainland Associated Risks***" below for more details.

Risks relating to dependence upon trading on the China A-Share and China A-Share ETF market

The existence of a liquid trading market for China A-Shares and ETFs listed in Chinese Mainland (such as the Master ETF) may depend on whether there is supply of, and demand for, such China A-Shares and ETFs. The price at which China A-Shares may be purchased or sold by the Master ETF may be adversely affected if trading markets for China A-Shares are limited or absent. This may have impact on the price at which units of the Master ETF may be purchased or sold by the Sub-Fund. Further, the price at which units of the Master ETF may be purchased or sold by the Master ETF and the Net Asset Value of the Sub-Fund may be adversely affected if trading markets for the Master ETF are limited or absent. Investors should note that the SZSE and the SSE on which China A-Shares and the Master ETF are traded are undergoing development and the market capitalisation of those stock exchanges are lower than those in more developed markets. The China A-Share and China A-Share ETF market may be more volatile and unstable (for examples due to the risk of suspension of a particular stock or government intervention) than those in more developed markets. A Participating Dealer may not be able to create and redeem Shares if the units of the Master ETF is not available. Market volatility and settlement difficulties in the China A-Share and ETF markets may also result in significant fluctuations in the prices of the China A-Shares and ETFs traded on such markets and thereby may affect the value of the Sub-Fund.

Risks relating to suspension of China A-Shares and China A-Share ETFs

Securities exchanges in Chinese Mainland typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible for the Manager to liquidate positions and can thereby expose the Sub-Fund to losses. Under such circumstances, while creation/ redemption of the Sub-Fund's Shares may be suspended, subject to the Manager's discretion, the trading of the Sub-Fund on the SEHK may or may not be suspended. If trading of the Master ETF on the SSE is suspended, it may be difficult for the Manager to determine the Net Asset Value of the Sub-Fund. Where trading of the Master ETF on the SSE is suspended, the Manager may determine to suspend the creation and redemption of Shares of the Sub-Fund, and/or

delay the payment of any monies in respect of any Redemption Application. If the trading of the Sub-Fund on the SEHK continues when the trading of the Master ETF is suspended, the trading price of the Sub-Fund may deviate away from its Net Asset Value.

As a result of the trading band limits imposed by the stock exchanges in Chinese Mainland on China A-Shares and China A-Share ETFs (including the Master ETF), it may not be possible for Participating Dealers to create and/or redeem Shares of the Sub-Fund on a Dealing Day, because the Master ETF may not be available if the trading band limit has been exceeded or it is impossible to liquidate positions. This may lead to higher tracking error and may expose the Sub-Fund to losses. Further, the price of the Shares of the Sub-Fund may be traded at a premium or discount to its Net Asset Value. The Manager has put in place measures to tackle the trading band limit as disclosed under under the section headed "Measures adopted by the Manager to address the differences between the Chinese Mainland market and the Hong Kong market" in this Appendix.

Risks relating to liquidity of China A-shares and China A-Share ETFs

Due to the potential liquidity constraint of the Master ETF, the Manager may not be able to efficiently process the transactions for the Creation and Redemption Applications without adverse impact on the fund value of the Sub-Fund, and therefore the existing investors' interest. Accordingly, the Manager may impose a limit on the total number of Shares to be created or redeemed each day.

PRC mainland Economic, Political and Social Risks

The economy of the PRC mainland, which has been in a state of transition from a planned economy to a more market oriented economy, differs from the economies of most developed countries in many respects, including the level of government involvement, its state of development, its growth rate, control of foreign exchange, and allocation of resources.

Although the majority of productive assets in the PRC mainland are still owned by the PRC mainland government at various levels, in recent years, the PRC mainland government has implemented economic reform measures emphasising utilisation of market forces in the development of the economy of the PRC mainland and a high level of management autonomy. The economy of the PRC mainland has experienced significant growth in the past 25 years, but growth has been uneven both geographically and among various sectors of the economy. Economic growth has also been accompanied by periods of high inflation. The PRC mainland government has implemented various measures from time to time to control inflation and restrain the rate of economic growth.

For more than 25 years, the PRC mainland government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of the PRC mainland. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the PRC mainland government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on the securities market in the PRC mainland as well as the underlying Securities of the Sub-Fund. Further, the PRC mainland government may from time to time adopt corrective measures to control the growth of the PRC mainland economy which may also have an adverse impact on the capital growth and performance of the Sub-Fund.

Political changes, social instability and adverse diplomatic developments in the PRC mainland could result in the imposition of additional government restrictions including expropriation of assets, confiscatory taxes or nationalisation of some or all of the property held by the constituent companies of the Index, which could have an impact on the performance of the Index.

PRC mainland Laws and Regulations Risk

The regulatory and legal framework for capital markets and joint stock companies in the PRC mainland may not be as well developed as those of developed countries. PRC mainland laws and regulations affecting securities markets are relatively new and evolving, and because of the limited volume of published cases and judicial interpretation and their non-binding nature, interpretation

and enforcement of these regulations involve significant uncertainties. In addition, as the PRC mainland legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on their business operations.

Accounting and Reporting Standards Risk

Accounting, auditing and financial reporting standards and practices applicable to PRC mainland companies may be different to those standards and practices applicable to countries that have more developed financial markets. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors.

Changes in PRC mainland Taxation Risk

The PRC mainland Government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC mainland companies and foreign investors in such companies. Please refer to the sub-section entitled "PRC mainland taxation" under the section headed "Taxation" in Part 1 of this Prospectus for further information.

Risks in light of the cross-border nature of the Sub-Fund

The Sub-Fund is an RMB-denominated physical exchange traded fund which invests substantially in the SSE-listed Master ETF, which in turn directly invests in China A-Share market (which is a market with restricted access). In light of the cross-border nature of the Sub-Fund, it is more risky than traditional exchange traded funds which invest directly in markets other than the China A-Share market and therefore, is subject to operational and settlement risks. Operational risks may arise from technical failures of communication and trading systems, and any breaches of the relevant operational policies or guidelines by the relevant staff of the Manager. Whilst the Manager has in place internal control systems, operational guidelines and contingency procedures to reduce the chances of such operational risks, there is no guarantee that events beyond the control of the Manager (e.g. trading errors or system errors) will not occur. The occurrence of such events may adversely affect the value of the Sub-Fund.

The Sub-Fund may also be exposed to risks associated with settlement procedures. Any significant delays in the settlement of transactions or the registration of a transfer may affect the ability to ascertain the value of the Sub-Fund's portfolio and adversely affect the Sub-Fund.

Risks relating to the Index

The Sub-Fund may be subject to the following risks in relation to the Index:

1. If the Index is discontinued or the Manager's license from the Index Provider under the relevant licence agreement is terminated or the MF Manager's license from the Index Provider under the relevant licence agreement is terminated, the Manager may seek the SFC's prior approval to replace the Master ETF with another underlying fund that tracks the Index or an index that is tradable and has similar objectives to the Index. The Master ETF may also replace the Index with an index that is tradable, acceptable to the SFC, and has similar objectives to the Index. Please refer to the section "***Replacement of the Master ETF***" for above on the circumstances in which the Master ETF may be replaced by the Manager. For the avoidance of doubt, index-tracking will remain the Sub-Fund's investment objective.

   The Manager has been granted a licence by the Index Provider in connection with the creation, issue, offering, marketing, promotion, sale, management, administration and listing of the Sub-Fund. Under the CSOP Licence Agreement, the Index Provider shall use its reasonable endeavours to provide the data services as set out in the CSOP Licence Agreement. Please refer to section "***Index Licence Agreement***" in this Appendix on the circumstances in which the CSOP Licence Agreement may be terminated. There is no guarantee that the CSOP Licence Agreement shall not be terminated. In addition, there is no guarantee or assurance of

exact or identical replication at any time of the performance of the Index.

The MF Manager has been granted a licence by the Index Provider to use the Index as a basis for determining the composition of the Master ETF and to use certain trade marks in the Index. Under the Licence Agreement, the Index Provider shall use its reasonable endeavours to provide the data services as set out in the Licence Agreement. The licence granted commenced on 9 March 2020 and shall continue in full force and effect unless terminated earlier. Please refer to section "***Index Licence Agreement***" in this Appendix on the circumstances in which the Licence Agreement may be terminated. There is no guarantee that the Licence Agreement shall not be terminated. In addition, there is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Index.

The Master ETF, and thus the Sub-Fund, may be terminated if the Index is discontinued and/or the Licence Agreement is terminated and/or the CSOP Licence Agreement is terminated and the Manager is unable to identify or agree with any index provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Index and which meets the acceptability criteria as specified under the applicable rules and regulations, or another master fund tracking the performance of such an index that may be invested by the Sub-Fund. Any such replacement index or replacement master fund shall be acceptable to the SFC, and will be subject to the prior approval of the relevant regulatory authorities, and Shareholders will be duly notified of the same. Accordingly, investors should note that the ability of the Master ETF, and thus the Sub-Fund, to track the Index and the viability of the Master ETF, and thus the Sub-Fund, may depend on the continuation in force of the Licence Agreement and the CSOP Licence Agreement in respect of the Index or a suitable replacement.

2. There may be changes in the constituent securities of the Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Index. In such circumstances, in order to achieve the investment objective of the Master ETF, the MF Manager may rebalance the composition of the portfolio of the Master ETF. The price of the units in the Master ETF, and thus Shares in the Sub-Fund, may rise or fall as a result of these changes. Thus, an investment in Shares of the Sub-Fund will generally reflect the Master ETF which in turn generally reflects the Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Shares. Please refer to section "***The Index***" in this Appendix for more information on how the Index is compiled.

3. The process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may also be changed or altered by the Index Provider at any time without notice. There is also no warranty, representation or guarantee given to the investors as to the accuracy or completeness of the Index, its computation or any information related thereto.

Risks of investing in other funds

The Sub-Fund may invest in funds other than the Master ETF, and may therefore be subject to the risks associated with such underlying funds. The Sub-Fund does not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved which may have a negative impact to the Net Asset Value of the Sub-Fund.

The underlying funds in which the Sub-Fund may invest may not be authorised by the SFC. There may be additional costs involved when investing into these underlying funds. There is also no guarantee that the underlying funds will always have high trading volume and sufficient liquidity and the Sub-Fund may not be able to realise or liquidate its investment in such underlying funds at such time as it wants to.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a

Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of the capital. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Share. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Shareholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Sub-Fund may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Sub-Fund; and (ii) redeem its investment in the Sub-Fund at any time, without notice to Shareholders. Such an interested party is under no obligation to take the interests of other Shareholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Sub-Fund by an interested party for any particular length of time. As many of the expenses of the Sub-Fund are fixed, a higher amount of assets under management may reduce the expenses of the Sub-Fund per Share and a lower amount of assets under management may increase the expenses of the Sub-Fund per Share. As with any other redemption representing a material portion of the Sub-Fund's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Sub-Fund and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Sub-Fund, (ii) cause other investors in the Sub-Fund to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Custodian, to determine that the Sub-Fund, has become unmanageable and to consider taking exceptional measures, such as terminating the Sub-Fund, in accordance with the Instrument, in which case Shareholders' investments would be redeemed in their entirety.

Risks associated with the Master ETF's investments

Given the Sub-Fund invests substantially in the Master ETF as a feeder fund, the Sub-Fund may also be subject to the following risks associated with the Master ETF's investments.

Risks of investing in companies related to the photovoltaic industry or photovoltaic industrial chain

The Index is comprised of China A-shares of companies related to the photovoltaic industry or photovoltaic industrial chain, including but not limited to silicon pellet, polysilicon, solar cells, electric cable, photovoltaic glass, inverter and photovoltaic plant. Such sub-industries may be subject to significant volatility in growth rates due to rapidly changing market conditions and/or participants, more advanced or new technologies, new competing products and/or enhancements in existing products. The photovoltaic industry is heavily dependent on patents and intellectual property rights and/or licences. The profitability of companies related to the photovoltaic industry may be adversely impacted by the loss or impairment of these intellectual property assets.

Such companies may also be subject to unpredictable changes in competition. There is no assurance that products or services offered by the issuers of the constituents of the Index will not be rendered obsolete or be adversely affected by competing products, or that such companies will not be adversely affected by other challenges, such as instability, fluctuation, or an overall decline within the photovoltaic industry.

Companies related to the photovoltaic industry may also be affected by regulatory risks, government intervention and political risks.

Concentration risk

Due to the concentration of the Index in the companies focusing on the photovoltaic sector, the performance of the Index may be more volatile when compared to other broad-based stock indices. The value of the Master ETF (and thus the Sub-Fund) may therefore be more volatile than a fund having a more diverse portfolio of investments.

The Index is subject to concentration risk as a result of tracking the performance of companies listed on the SSE and SZSE. The net asset value of the Master ETF (and thus the Sub-Fund) is therefore likely to be more volatile than a more broad-based fund, such as a global or regional fund, as the Index is more susceptible to fluctuations in value resulting from adverse conditions in a single country.

The Master ETF and the Sub-Fund's investments are concentrated in a single geographical region (i.e. Chinese Mainland). As such, it may be subject to greater volatility than broad-based funds.

Small to medium capitalisation companies risk

The Index may substantially consist of China A-shares outside the largest 100 China A-shares ranked by market capitalisation, which may be considered small/medium-capitalisation companies (including companies of which securities are listed on the STAR Board and/or the ChiNext market). The shares of small/medium-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general, and securities listed on the STAR Board and/or the ChiNext market may be subject to additional risks associated with such listings (as set out below).

Risks associated with the STAR Board and ChiNext market

The Index may consist of securities listed on the STAR Board and/or the ChiNext market, and the Master ETF and the Sub-Fund may as such be subject to risks associated with such listings:

- *Higher fluctuation on stock prices and liquidity risk* – Listed companies on the ChiNext market and/or STAR Board are usually of emerging nature with smaller operating scale. In particular, listed companies on ChiNext market and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the main board.

- *Over-valuation risk* – Stocks (including small and medium-sized enterprises) listed on ChiNext and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

- *Differences in regulation* – The rules and regulations regarding companies listed on the ChiNext market and STAR Board are less stringent in terms of profitability and share capital than those on the main board.

- *Delisting risk* – It may be more common and faster for companies listed on the ChiNext market and/or STAR Board to delist. The ChiNext market and the STAR Board have stricter criteria for delisting compared to other boards. This may have an adverse impact on the Master ETF (and thus the Sub-Fund) if the companies that it invests in are delisted.

- *Concentration risk* – STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the fund to higher concentration risk.

Investments in the ChiNext market and/or STAR Board may result in significant losses for the Master ETF, the Sub-Fund and the Sub-Fund's investors.

Risk of early termination

The Master ETF may be terminated under the circumstances set out in the section headed "***Termination of the Master ETF***" in this Appendix. In the event of the termination of the Master ETF, if the Manager is unable to identify or agree with another master fund that tracks the Index or a suitable replacement index that is acceptable to the SFC, the Sub-Fund may be terminated, and investors may not be able to recover their investments and suffer loss during such early termination.

Risks relating to the differences between the Hong Kong and Chinese Mainland securities markets

As the SSE may be open when Shares in the Sub-Fund are not priced, the value of the Master ETF may change on days when investors will not be able to purchase or sell the Sub-Fund's Shares. Furthermore, the market prices of the Master ETF may not be available during part of or all of the SEHK trading sessions due to trading hour differences which may result in Shares of the Sub-Fund being traded at a premium or discount to its Net Asset Value.

In addition, differences in trading hours between the SSE and the SEHK may increase the level of premium/discount of the price of Shares of the Sub-Fund to its Net Asset Value because if the SSE is closed while the SEHK is open, net asset value of the Master ETF may not be available. The prices quoted by the market maker would therefore be adjusted to take into account any accrued market risk that arises from such unavailability of the net asset value of the Master ETF and as a result, the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher.

There are no trading band limits in Hong Kong. However, trading band limits are imposed by the stock exchanges in Chinese Mainland on China A-Shares and China A-Share ETFs, where trading in any China A-Share and China A-Share ETF on the relevant stock exchange may be suspended if the trading price of the China A-Share or China A-Share ETF has hit the trading band limit during the day. Any dealing suspension of the Master ETF will render it impossible for the Sub-Fund to acquire units of the Master ETF or liquidate positions to reflect creation/redemption of the Shares of the Sub-Fund. This may result in higher tracking error and may expose the Sub-Fund to losses. Shares of the Sub-Fund may also be traded at a significant premium or discount to its Net Asset Value.

Tracking error risk

There can be no assurance of exact or identical replication at any time of the performance of the Index by the Master ETF. Factors such as the fees and expenses of the Master ETF, imperfect correlation between the Master ETF's assets and the underlying securities constituting the Index (the "**Index Securities**"), inability to hold the exact constituents of the Index by the Master ETF or rebalance the Master ETF's holdings of Index Securities in response to changes in the constituents of the Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the ability of the MF Manager to achieve close correlation with the Index. These factors may cause the Master ETF, and thus the returns of the Sub-Fund, to deviate from the Index. The Manager and the MF Manager will monitor and seek to manage such risk in order to minimise tracking error.

Delisting risk

Delisting risk refers to the risk that the units in the Master ETF cannot continue to be traded in the secondary market due to the early termination of listing by the resolution of the unitholders of the Master ETF.

Management risk

The knowledge, experience, judgment, decision-making and skill of the MF Manager during the management and operation of the Master ETF will affect his/her analysis and judgment on the economic and market conditions and the trend of securities prices, thus influencing the return of

the Master ETF. In addition, the professional ethics and ethical standards of the MF Manager may also have impact on the return of the Master ETF.

Operational or technical risk

Losses to the Master ETF's assets may occur due to operational errors or violation of operating procedures resulting from deficiencies in internal control or human factors during the operation of various links of the business, for example, unauthorized illegal transactions, fraud by the accounting department and trading errors.

The failure or error of the MF Manager or Master ETF's technology system may affect the normal progress of a transaction or impact the interests of the investors. This technical risk may come from the MF Manager, registries, sales agencies, interbank bond markets, securities/futures exchanges, securities registries and China Central Depository & Clearing Co., Ltd.

Technological risk

Abnormality occurring in computer or communication systems, transaction network and other technical support systems or information network support may lead to the risks that the application, subscription and redemption of the Master ETF may not be completed according to the normal time limit, the registration system paralysed, the clearing system may not display the net asset value according to the normal time limit, and the investment trading instruction of the Master ETF may not be transmitted in time.

Risks associated with debt securities

- *Credit / Counterparty risk* – The Master ETF is exposed to the credit/default risk of issuers of the debt securities that the Master ETF may invest in.

- *Interest rate risk* – Investment in the Master ETF is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

- *Volatility and liquidity risk* – The debt securities in the Chinese Mainland markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid offer spreads of the price of such securities may be large and the Master ETF may incur significant trading costs.

- *Downgrading risk* – The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Master ETF may be adversely affected. The MF Manager may or may not be able to dispose of the debt instruments that are being downgraded.

- *Risk associated with bonds rated below investment grade or unrated* – The Master ETF may invest in bonds rated below investment grade by an internationally recognised credit agency or a Chinese Mainland credit rating agency, or unrated. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated bonds.

- *Sovereign debt risk* – The Master ETF may invest in securities issued or guaranteed by governments and such investment may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Master ETF to participate in restructuring such debts. The Master ETF may suffer significant losses when there is a default of sovereign debt issuers.

- *Valuation risk* – Valuation of the Master ETF's investments in debt securities may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Master ETF.

- *Credit rating risk* – Credit ratings assigned by rating agencies are subject to limitations and do

not guarantee the creditworthiness of the security and/or issuer at all times.

- *Credit rating agency risk* – In respect of bonds issued within Chinese Mainland, the credit appraisal system in Chinese Mainland and the rating methodologies employed in Chinese Mainland may be different from those employed in other markets. Credit ratings given by Chinese Mainland rating agencies may therefore not be directly comparable with those given by other international rating agencies.

Risk of investing in asset-backed securities

The Master ETF may invest in asset-backed securities which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater price fluctuation risk, liquidity risk, credit risk, interest rate risk, extension and prepayment risk, and other risks. Asset-backed securities may also be exposed to risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

Risk of investing in stock index futures

In the process of using stock index futures to hedge the market risk, the Master ETF's assets may suffer from basis risk (i.e. the risk that the futures price might not move in normal, steady correlation with the price of the underlying assets) because the stock index futures contract may not be fully consistent with the Index in its price fluctuation.

If sufficient cash is not reserved, the futures position may be subject to the risk of mandatory liquidation due to insufficient margin in case of extreme conditions in the market.

When the delivery date of the spot contract held by the Master ETF is approaching, the contract needs to be replaced for extension of the Master ETF's position. The contract extension is subject to the risk that the basis of the contract changes in an unfavorable direction or the liquidity is insufficient.

Risks associated with securities lending transactions

The Master ETF may engage in securities lending transactions, and the risks include but are not limited to:

- *Liquidity risk* – In case of large redemption, there may be a risk that the redemption amount cannot be realised and paid due to securities lending;

- *Credit risk* – There is a risk that the securities lending counterparty may not be able to return the securities in a timely manner and cannot pay the corresponding equity compensation and borrowing fee. The value of any collateral received may fall below the value of the securities lent out;

- *Market risk* – After the securities are lent, they may face market risk that the securities cannot be disposed of in a timely manner during the lending period.

Risks associated with repurchase transactions

In the event of the failure of the counterparty with which collateral has been placed, the Master ETF may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Risks associated with reverse repurchase transactions

In the event of the failure of the counterparty with which cash has been placed, the Master ETF may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Risks associated with depositary receipts

Exposure to depositary receipts may generate additional risks compared to a direct exposure to the underlying stocks, including the risk of non-segregation of the underlying stocks from the depositary banks' own assets and liquidity risk (as depositary receipts are often less liquid than the underlying stock). These may negatively affect the performance and/or liquidity of the Master ETF (and thus the Sub-Fund). Also, depositary receipts holders generally do not have the same right as the direct shareholders of the underlying stocks. The performance of depositary receipts may also be impacted by the related fees. Depositary receipts listed on stock exchange(s), like listed equity securities, are also subject to delisting risk. In particular, depositary receipts listed on stock exchange(s) may be delisted as a result of regulatory actions by local government(s) and/or the relevant stock exchange(s). Certain investors would not be allowed to invest in such depositary receipt(s), which would also become difficult to trade and value. This may in turn have an adverse impact on the Master ETF (and thus the Sub-Fund).

Other risks

These include risks arising due to force majeure, such as war and natural disaster, and financial market crisis, industrial competition, agency default, MF Custodian default and other risks beyond the direct control of the MF Manager.

Trading Risk

The trading price of the Shares on the SEHK is driven by market factors such as the demand and supply of the Shares. Therefore, the Shares may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Shares on the SEHK, investors may pay more than the Net Asset Value per Share when buying Shares on the SEHK, and may receive less than the Net Asset Value per Share when selling Shares on the SEHK.

In addition, under extreme market conditions, the trading price of the Shares may fall to a very low nominal level. In such circumstances, the bid-ask spreads of the Sub-Fund may widen significantly, trading liquidity may deteriorate, and market makers may face practical difficulties or be unable to fulfil their market making obligations. The trading price may reach the price floor of 0.01 (of any available currency unit). Where this occurs, the secondary market trading price of the Shares may not be able to fully reflect movements in the Net Asset Value or indicative Net Asset Value of the Sub-Fund, and the Shares may trade at prices that deviate materially from their respective Net Asset Value. Investors should exercise caution when trading the Shares in the secondary market and should consider the latest available Net Asset Value, indicative Net Asset Value, trading price, bid-ask spread and liquidity of the Sub-Fund before making any investment decision.

Appendix dated 14 September 2026

APPENDIX 3: CSOP Hang Seng Biotech ETF

Key Information

Set out below is a summary of key information in respect of CSOP Hang Seng Biotech ETF (the "Sub-Fund") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the performance of the Index
Index	Hang Seng Biotech Index (the "Index")
Listing Date (SEHK)	21 July 2021
Exchange Listing	SEHK – Main Board
Stock Code	3174
Short Stock Name	CSOP HSBIOTECH
Trading Board Lot Size	100 Shares
Base Currency	HKD
Trading Currency	HKD
Distribution Policy	Subject to the Manager's discretion. Currently the Manager intends to distribute income to Shareholders annually (in December) having regard to the Sub-Fund's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. However, there is no guarantee of regular distribution nor the amount being distributed (if any). All Shares will receive distributions in the base currency (HKD) only.
Creation/Redemption Policy	Cash (in HKD only) or in-kind creation and redemption
Application Share Size (only by or through Participating Dealers)	Minimum 300,000 Shares (or multiples thereof)
Dealing Deadline	3:30 p.m. (Hong Kong time) (for In-Cash Application) or 4:30 p.m. (Hong Kong time) (for In-Kind Application) on the relevant Dealing Day, or such other time as the Manager in consultation with the Custodian may determine.
Management Fee	Currently 0.99% per year of the Net Asset Value

Financial Year End	31 December (The first half-yearly unaudited reports and the first annual financial reports for the Sub-Fund will be for the period from the fund launch to the half year ending 30 June 2022 and the year ending 31 December 2021 respectively.)
Website	http://www.csopasset.com/en/products/hk-health (this website has not been reviewed by the SFC)

What is the Investment Objective?

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There is no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

In order to achieve the investment objective of the Sub-Fund, the Manager intends to adopt a physical representative sampling strategy through investing up to 100% of its Net Asset Value in a representative sample of Securities that collectively has a high correlation with the Index, but whose constituents may or may not themselves be constituents of the Index ("Index Securities").

In pursuing a representative sampling strategy, the Sub-Fund may or may not hold all Index Securities, and may hold securities which are not Index Securities. The full holdings of the Sub-Fund are available on the Manager's website and will be updated on a daily basis. The Manager may cause the Sub-Fund to deviate from the index weighting on condition that the maximum deviation from the index weighting of any constituent will not exceed 3% or such other percentage as determined by the Manager after consultation with the SFC.

The Manager may also use a full replication strategy through directly investing all, or substantially all, of the assets of the Sub-Fund in Index Securities in substantially the same weightings (i.e. proportions) as the Index Securities have in the Index where the Manager considers appropriate in its absolute discretion. Prior notice will not be given to investors if the Manager switches from a physical representative sampling strategy to a full replication strategy, or vice versa.

The Manager may invest in FDIs including Futures Contracts and Swaps with no more than 10% of the Sub-Fund's Net Asset Value for investment and hedging purposes, where the Manager believes such investments will help the Sub-Fund achieve its investment objective and are beneficial to the Sub-Fund. The Futures Contracts may be invested by the Sub-Fund will be index futures to manage exposure to the constituents of the Index, if available. The Swaps which may be invested by the Sub-Fund will be funded total return Swap transaction(s) whereby the Sub-Fund will pass on the relevant portion of cash to the Swap Counterparty(ies) and in return the Swap Counterparty(ies) will provide the Sub-Fund with an exposure to the economic gain/loss in the performance of the relevant Securities (net of indirect costs).

Securities Lending

The Manager may, on behalf of the Sub-Fund, enter into Securities Lending Transactions, with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value, and is able to recall the securities lent out at any time. All Securities Lending Transactions will only be carried out in the best interest of the Sub-Fund and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "Securities Financing Transactions" under "Investment Objective, Investment Strategy, Investment Restrictions, Securities Lending and Borrowing" of Part 1 of the Prospectus regarding details of the arrangements.

As part of the Securities Lending Transactions, the Sub-Fund must receive cash and/or non-cash collateral (fulfilling the requirements under section "Collateral" under "Investment Objective,

Investment Strategy, Investment Restrictions, Securities Lending and Borrowing" of Part 1 of the Prospectus) of at least 100% of the value of the Securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis. The collateral will be safekept by the Custodian or an agent appointed by the Custodian. Please refer to the section "The Custodian" under "Management of the Company and Sub-Funds" in Part 1 of the Prospectus in regard to the extent of the Custodian's responsibility for the safekeeping of the assets of the Company and the appointment of agents.

Non-cash collateral received may not be sold, reinvested or pledged. Any re-investment of cash collateral received shall be subject to the requirements as set out in the Code. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent the Sub-Fund undertakes Securities Lending Transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the Sub-Fund. The cost relating to Securities Lending Transactions will be borne by the borrower.

Other investments

The Sub-Fund may also invest not more than 5% of its Net Asset Value in cash and money market funds for cash management purpose.

The Manager does not currently enter into Sale and Repurchase Transactions, Reverse Repurchase Transactions and other similar over-the-counter transactions. Prior approval of the SFC (to the extent required under applicable regulatory requirements) will be sought and not less than one month's prior notice (or such shorter notice period as may be permitted under applicable regulatory requirements) will be given to Shareholders in the event the Manager wishes to invest in Sale and Repurchase Transactions, Reverse Repurchase Transactions and other similar over-the-counter transactions.

Prior approval of the SFC will be sought (to the extent required under applicable regulatory requirements) and not less than one month's prior notice will be given to the Shareholders in the event the Manager wishes to adopt an investment strategy other than a representative sampling strategy.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

The Index

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information

The Index is Hang Seng Biotech Index, which is a net total return, free float adjusted market capitalisation weighted index with a 10% cap on individual stocks. It reflects the overall performance of the 30 largest biotech companies which are constituents of the Hang Seng Composite Index that are eligible for trading under the Stock Connect Scheme, that are classified as "Pharmaceuticals", "Biotechnology", "Medicine Distribution", "Pharma & Biotech Contract Services" and "Medical Devices & Supplies" in the Hang Seng Industry Classification System. The free float adjusted market capitalisation of individual stocks mainly engaged in "Medicine Distribution" will be discounted by 50% in the weighting calculation. A net total return index reflects the reinvestment of dividends or distributions, after deduction of any withholding tax. The Index is denominated in HKD.

The Index was launched on 16 December 2019, and had a base level of 10,000 on 31 December 2013.

As at 31 December 2025, the Index comprised 30 constituents with total market capitalisation of approximately HKD 985.89 billion.

Index Provider

The Index is compiled and managed by Hang Seng Indexes Company Limited ("Index Provider"), and the Index Provider determines the securities that are eligible for inclusion in the Index Universe.

The Manager (and each of its Connected Persons) are independent of the Index Provider.

Index Universe

The universe of securities of the Index ("Index Universe") includes securities of companies which are constituents of the Hang Seng Composite Index that are eligible for Southbound trading under the Stock Connect Scheme ("Southbound Stock Connect").

Eligibility Criteria

A security is eligible for constituent selection if it fulfils the following requirements:

1. Sector Requirements: Classified in one of the following industries in the Hang Seng Industry Classification System: "Pharmaceuticals", "Biotechnology", "Medicine Distribution", "Pharma & Biotech Contract Services" and "Medical Devices & Supplies".

2. Turnover Requirements: To pass the monthly turnover test if it attains a minimum velocity of 0.1% in that month (details of the velocity test as described in the Index Methodology General Guide published by the Index Provider).

   For each security, its turnover velocity in each of the past 12 months is calculated using the following formula:

$$\text{Velocity} = \frac{\text{Median of Daily Traded Shares in Specific Calendar Month}}{\text{Freefloat-adjusted Issued Shares at Month-end}}$$

   For the denominator used in velocity calculation, free float-adjusted issued shares at the end of each month is used.

   (1) For new constituents, a security should fulfil the following criteria:

      (a) velocity is a minimum of 0.1% for at least 10 out of the past 12 months, and

      (b) velocity is a minimum of 0.1% in for the latest three months.

   (2) For existing constituents, a security should fulfil the following criteria:

      (a) velocity is a minimum of 0.1% for at least 10 out of the past 12 months

      (b) if a constituent fails to meet the turnover requirement as mentioned in (a), a supplementary turnover test will be applied for those months in which its velocity was less than 0.1%:

         i. calculate the monthly aggregate turnover of the constituent;

         ii. if the monthly aggregate turnover is among the top 90th percentile of the total market*, the constituent passes the monthly turnover test for that month.

      (c) the constituent will be regarded as meeting the turnover requirement if (a) is fulfilled

after applying (b) as a supplementary test.

* Total market includes securities in the universe of the Hang Seng Composite Index.

(3) For a security with a trading history of less than 12 months, or a security which has been suspended for any complete month(s), or a security that has transferred from the Growth Enterprise Market of the SEHK to the Main Board of the SEHK in the past 12 months before the review data cut-off date, the following requirements replace those in sections (1) and (2)

Trading Record	Measurements^
< 6 months	attain a minimum velocity of 0.1% for all trading months
≥ 6 months	(1) no more than one month in which security has failed to attain a velocity of at least 0.1% AND 2) attained 0.1% for the latest three months if it is not an existing constituent

^ For existing constituents, the supplementary turnover test as described in section (2) (b) also applies.

3. Volatility Screening: Non-constituent biotech companies with stock names ending with marker "B" are subject to the volatility screening:

   The 12-month historical volatility[#] (i.e. standard deviation of the daily logarithmic return for the past 12 months to the data cut-off date) of eligible non-constituents should not be greater than three times the 12-month historical volatility of the Index.

   [#] For securities with less than 1-month of listing history, historical volatility between its listing date and the last trading day of the month following the data cut-off date will be compared with the 12-month historical volatility of the Index as of the data cut-off date.

Constituent Selection

Selection Criteria

The top 30 securities with the highest MV Rank (as described below) will be selected as constituents.

The market value ("MV") of eligible securities will be used for ranking. It does not include other listed share classes of the same company. For example, MV of an H-shares security is calculated only based on the H-shares.

The MV of a security refers to the average daily market value of the past 12 months of any review period excluding suspended trading day(s). For securities with a listing history of less than 12 months, the MV refers to the average of the past trading days since the securities listed.

The MV will be sorted in descending order to get the MV Rank.

Buffer Zone

Existing constituents ranked lower than 36th will be removed from the Index, while non-constituents ranked 24th or above will be included.

Securities will be added or excluded according to their MV Rank to maintain the number of constituents at 30.

Southbound Stock Connect Eligibility

Constituent eligibility under Southbound Stock Connect will be reviewed on a quarterly basis. Existing constituent(s) that are ineligible for Southbound Stock Connect (outside regular index review) will be removed without any replacement unless otherwise stated.

Calculation of Index

$$Current\ Index = \frac{\sum(P_t \times IS \times FAF \times CF \times AF)}{\sum(P_{t-1} \times IS \times FAF \times CF \times AF)} \times Yesterday's\ Closing\ Index$$

P_t	:	Current Price at Day t
P_{t-1}	:	Closing Price at Day (t-1)
IS	:	Issued Shares
FAF	:	Freefloat Adjusted Factor, which is between 0 and 1
CF	:	Capping Factor, which is between 0 and 1
AF	:	Adjustment Factor

Index Reviews

The Index Provider undertakes regular quarterly reviews of the index constituents with data cut-off dates of end of March, June, September and December each year.

Quarterly reviews are normally completed within eight weeks after the data cut-off dates. Constituent changes, after the quarterly reviews, will be effective on the next trading day after the first Friday of June, September, December and March for the quarterly reviews conducted with the data cut-off dates at the end of March, June, September and December respectively. If the Friday falls on a public holiday, the effective date will be postponed to the next Friday (subject to the Index Provider's final decision). Under normal circumstances, five trading days' notice will be given for any constituent changes before the effective date.

The outgoing constituent will be replaced by the highest ranked candidate from the last regular review.

Index Securities of the Index

The list of the constituents of the Index, their respective weightings, additional information and other important news of the Index can be obtained from the website of the Index Provider at https://www.hsi.com.hk/eng/indexes/all-indexes/hsbio (this website has not been reviewed by the SFC).

Index Codes

Bloomberg Code: HSBION

Refinitiv Code: .HSBION

Index Licence Agreement

According to the licence agreement entered into between the Manager, Hang Seng Data Services Limited and the Index Provider (the "Licence Agreement"), the term of the licence of the Underlying

Index shall remain in full force and effect from 31 August 2025 unless either the Manager or the Index Provider to the Licence Agreement serves a prior written notice of the termination of at least three months to the other party. The Licence Agreement may otherwise be terminated in accordance with the provisions of the Licence Agreement.

Index Disclaimer

The Hang Seng Biotech Index is published and compiled by HSIL pursuant to a licence from Hang Seng Data Services Limited ("HSDS"). The mark and name "Hang Seng Biotech Index" is proprietary to HSDS. HSIL and HSDS have agreed to the use of, and reference to, the Hang Seng Biotech Index by the Manager and its duly appointed agents in connection with CSOP Hang Seng Biotech ETF, BUT NEITHER HSIL NOR HSDS WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE CSOP HANG SENG BIOTECH ETF OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF THE HANG SENG BIOTECH INDEX AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF THE HANG SENG BIOTECH INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE HANG SENG BIOTECH INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING TO THE HANG SENG BIOTECH INDEX IS GIVEN OR MAY BE IMPLIED. The process and basis of computation and compilation of the Hang Seng Biotech Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice. TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY HSIL OR HSDS (i) IN RESPECT OF THE USE OF AND/OR REFERENCE TO THE HANG SENG BIOTECH INDEX BY THE MANAGER IN CONNECTION WITH CSOP HANG SENG BIOTECH ETF; OR (ii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OF HSIL IN THE COMPUTATION OF THE HANG SENG BIOTECH INDEX; OR (iii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, ERRORS OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF THE HANG SENG BIOTECH INDEX WHICH IS SUPPLIED BY ANY OTHER PERSON; OR (iv) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE DIRECTLY OR INDIRECTLY SUSTAINED BY ANY BROKER OR HOLDER OF THE CSOP HANG SENG BIOTECH ETF OR ANY OTHER PERSON DEALING WITH CSOP HANG SENG BIOTECH ETF AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS, ACTIONS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST HSIL AND/OR HSDS in connection with CSOP Hang Seng Biotech ETF in any manner whatsoever by any broker, holder or any other person dealing with CSOP Hang Seng Biotech ETF. Any broker, holder or other person dealing with CSOP Hang Seng Biotech ETF does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on HSIL and HSDS. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and HSIL and/or HSDS and must not be construed to have created such relationship.

The Offering Phases

The Initial Offer Period has ended.

Dealings in the Shares on the SEHK commenced on the Listing Date.

All investors may buy and sell Shares in the secondary market on the SEHK and Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Shares in the primary market in Application Share size, from 9:00 a.m. (Hong Kong time) to 3:30 p.m. (Hong Kong time) on the each Dealing Day (in case of In-Cash Application); or from 9:00 a.m. (Hong Kong time) to 4:30 p.m. (Hong Kong time) on the each Dealing Day (for In-Kind Application).

Applications for creation of Shares may be made by way of (i) a cash Creation Application (in HKD only) or (ii) an in-kind Creation Application. Settlement for subscribing Shares is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

Please refer to the section on “The Offering Phases” for details.

Exchange Listing and Trading (Secondary Market)

Shares are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Shares on one or more other stock exchanges. Investors’ attention is drawn to the section entitled “Exchange Listing and Trading (Secondary Market)” in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Shares traded in HKD began on 21 July 2021.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Shares on the SEHK until dealings begin on the SEHK.

Redemptions

Shares can be redeemed directly (through a Participating Dealer). Redemption proceeds may be paid in (i) cash (in HKD only) or (ii) in-kind. Any accepted Redemption Application will be effected by the payment of cash and/or transfer of Securities (as the case may be) in accordance with the Operating Guidelines and the Instrument.

Distribution Policy

The Manager has discretion as to whether or not the Sub-Fund will make any distribution, the frequency and amount of distribution. Currently, the Manager intends to distribute income to Shareholders annually (in December) having regard to the Sub-Fund’s net income after fees and costs.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the Sub-Fund.

The Manager may, at its discretion, pay distributions out of capital. The Manager may also, at its discretion, pay distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital. Investors should note that payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment. Any distributions involving payment out of or effectively out of the Sub-Fund’s capital may result in an immediate reduction in the Net Asset Value per Share and will reduce any capital appreciation for the Shareholders.

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager’s website http://www.csopasset.com/en/products/hk-health (this website has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC’s prior approval and upon giving not less than one month’s prior notice to Shareholders.

Distributions (if declared) will be declared in the base currency of the Sub-Fund (i.e. HKD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager’s website http://www.csopasset.com/en/products/hk-health and on HKEX’s website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx. The aforesaid websites have not been reviewed by the SFC.

There can be no assurance that distributions will be paid.

Shareholders are advised to check with their brokers/intermediaries on the arrangements concerning distributions.

Distribution payment rates in respect of Shares will depend on factors beyond the control of the Manager or Custodian including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Fees and Expenses

Management Fee

The Sub-Fund pays a Management Fee as a single flat fee, currently at 0.99% per year of the Net Asset Value of the Sub-Fund. Please refer to the section "Fees and Expenses" as to the fees and charges included in the Management Fee. The Management Fee is calculated as at each Dealing Day and payable monthly in HKD in arrears out of the Scheme Property of the Sub-Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Sub-Fund, on one month's notice to Shareholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Instrument), such increase will be subject to the Shareholders' and the SFC's approval.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Equity market risk

The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

Concentration risk

The Index is subject to concentration risk as a result of tracking the performance of companies listed on the SEHK in a particular sector (i.e. "Pharmaceuticals", "Biotechnology", "Medicine Distribution" , "Pharma & Biotech Contract Services" and "Medical Devices & Supplies"). Although the Index does not have a particular geographical concentration by virtue of its methodology and constituents selection criteria, the Index constituents may from time to time be concentrated in Hong Kong and PRC companies. The Net Asset Value of the Sub-Fund is therefore likely to be more volatile than a more broad-based fund, such as a global or regional fund tracking other broad-based stock indices, as the Index is more susceptible to fluctuations in value resulting from adverse conditions in a single market and sector.

New Index Risk

The Index is a new index. The Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.

Risks associated with biotech companies

The investments of the Sub-Fund include biotech companies and hence subject to the risks associated with biotech companies. Biotech companies invest heavily in research and development which may not necessarily lead to commercially successful products. The costs associated with and time needed for developing new products can be significant, and the results are unpredictable. Any failure in research and development may have a material adverse impact on a biotech company's ongoing prospect. Biotech companies can be significantly affected by technological change and newly developed products may be susceptible to product obsolescence due to intense

competition from new products and less costly generic products.

Moreover, the process for obtaining regulatory approval (for example, product approval) is long, time consuming and costly and there can be no assurance that the necessary approvals will be obtained or maintained. These companies are also subject to increased governmental regulations which may delay or inhibit the release of new products. A biotech company's valuation can also be greatly affected if one of its products is proven or alleged to be unsafe, ineffective or unprofitable. Many biotech companies are dependent upon their ability to use and enforce intellectual property rights and patents. Any impairment of such rights may have adverse financial consequences.

A biotech company may incur net current liabilities. A net current liabilities position may expose a biotech company to the risk of shortfalls in liquidity. Prices may therefore be more volatile than the overall market. This in turn would require a biotech company to seek adequate financing such as external debt, which may not be available on favourable or commercially reasonable terms. Any difficulty or failure of a biotech company to meet its liquidity needs as and when needed may have a material adverse effect on its business, financial condition, results of operations and prospects. The stocks of a biotech company especially those of smaller, less-seasoned companies, tend to be less liquid and their price may be more volatile than the overall market.

The biotech companies invested by the Sub-Fund may be pre-revenue companies with limited track record or operating history, unlike other listed companies with longer track record or operating history. Pre-revenue companies refer to companies which have yet to generate any sales revenue typically because they do not have any products on the market yet. Pre-revenue companies are subject to a higher degree of risk generally and they have a higher risk of failure when compared to other companies. Valuations of pre-revenue companies are also subject to a high risk of being inaccurate. The Sub-Fund's investments in these companies will accordingly be subject to higher investment risks. A biotech company may not be able to generate any profits during the development stage of its products or at all. The ability of a biotech company to become and remain profitable depends on its ability to generate revenue. Even if a biotech company is able to generate revenue in a short run, it may not become profitable on a sustainable basis or at all. All these may have an impact on the business and/or profitability of the biotech companies in which the Sub-Fund invests and therefore may adversely affect the Net Asset Value of the Sub-Fund.

Risks associated with pharmaceutical and medical devices & supplies companies

The investments of the Sub-Fund include pharmaceutical and medical devices & supplies companies. Pharmaceutical and medical devices & supplies companies are heavily dependent on patent protection. The expiration of patents may adversely affect the profitability of the companies. Many new products are subject to regulatory approval, the process of which can be long and costly and approved products are susceptible to obsolescence. Certain pharmaceutical and medical devices & supplies companies may allocate greater than usual financial resources to research and product development and experience above-average price movements associated with the perceived prospects of success of the research and development programs. Pharmaceutical and medical devices & supplies companies are also subject to heavy competitive forces that may make it difficult to raise prices. All these may have an impact on the business and/or profitability of pharmaceutical and medical devices & supplies companies in which the Sub-Fund invests and therefore may adversely affect the Net Asset Value of the Sub-Fund.

Risks associated with medicine distribution companies

The investments of the Sub-Fund include medicine distribution companies. Prices of products of medicine distribution companies may be subject to pricing regulation and competition. Medicine distribution companies depend on goodwill and reputation which may be impacted by factors including counterfeit products and efficacy or side effects of products. Medicine distribution companies are also subject to risks of rapid changes in product life cycles and inventory risk, as well as supply chain risk and disruption to storage facilities as a result of various factors including weather conditions, natural disasters or other unanticipated catastrophic events. All these may have impact on the business and/or profitability of medicine distribution companies in which the Sub-Fund invests and therefore may adversely affect the NAV of the Sub-Fund.

Securities Lending Transactions Risk

The Sub-Fund may be exposed to the following risks as a result of entering into securities lending transactions:

Counterparty risk

The borrower may fail to return the securities in a timely manner or at all. The Sub-Fund may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests.

Collateral risk

As part of the securities lending transactions, the Sub-Fund must receive at least 100% of the valuation of the securities lent as collateral marked-to-market on a daily basis. However, there is a risk of shortfall of collateral value due to inaccurate pricing of the collateral, adverse market movements in the collateral value, change of value of securities lent. This may cause significant losses to the Sub-Fund if the borrower fails to return the securities lent out. The Sub-Fund may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.

Operational risk

By undertaking securities lending transactions, the Sub-Fund is exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests.

Risks Associated with Investing in FDIs

The Manager may invest in FDIs including Futures Contracts and Swaps with no more than 10% of the Sub-Fund's Net Asset Value for investment and hedging purposes. The Futures Contracts may be invested by the Sub-Fund will be index futures to manage exposure to the constituents of the Index, if available. On the other hand, the Swaps which may be invested by the Sub-Fund will be funded total return Swap transaction(s) through one or more Swap Counterparty(ies). As such, the Sub-Fund may suffer significant loss if a counterparty to the funded total return Swaps fails to perform its obligations, or in case of insolvency or default of the counterparty(ies).

Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Exposure to FDIs may lead to a high risk of significant loss by the Sub-Fund.

Please refer to the risk factor under "Risk Factors" – "Risks Associated with Financial Derivative Instruments and Collateral" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the Sub-Fund will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the Sub-Fund. Please also refer to the sections "Financial Derivative Instruments" and "Collateral" under "Investment Objective, Investment Strategy, Investment Restrictions, Securities Lending and Borrowing" of Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

Distributions Out Of or Effectively Out Of Capital Risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in

distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of the capital. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Share. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Shareholders.

Proprietary Investment / Seed Money Risk

The assets under management at any time during the life of the Sub-Fund may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Sub-Fund; and (ii) redeem its investment in the Sub-Fund at any time, without notice to Shareholders. Such an interested party is under no obligation to take the interests of other Shareholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Sub-Fund by an interested party for any particular length of time. As many of the expenses of the Sub-Fund are fixed, a higher amount of assets under management may reduce the expenses of the Sub-Fund per Share and a lower amount of assets under management may increase the expenses of the Sub-Fund per Share. As with any other redemption representing a material portion of the Sub-Fund's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Sub-Fund and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Sub-Fund, (ii) cause other investors in the Sub-Fund to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Custodian, to determine that the Sub-Fund, has become unmanageable and to consider taking exceptional measures, such as terminating the Sub-Fund, in accordance with the Instrument, in which case Shareholders' investments would be redeemed in their entirety.

Trading Risk

The trading price of the Shares on the SEHK is driven by market factors such as the demand and supply of the Shares. Therefore, the Shares may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Shares on the SEHK, investors may pay more than the Net Asset Value per Share when buying Shares on the SEHK, and may receive less than the Net Asset Value per Share when selling Shares on the SEHK.

In addition, under extreme market conditions, the trading price of the Shares may fall to a very low nominal level. In such circumstances, the bid-ask spreads of the Sub-Fund may widen significantly, trading liquidity may deteriorate, and market makers may face practical difficulties or be unable to fulfil their market making obligations. The trading price may reach the price floor of 0.01 (of any available currency unit). Where this occurs, the secondary market trading price of the Shares may not be able to fully reflect movements in the Net Asset Value or indicative Net Asset Value of the Sub-Fund, and the Shares may trade at prices that deviate materially from their respective Net Asset Value. Investors should exercise caution when trading the Shares in the secondary market and should consider the latest available Net Asset Value, indicative Net Asset Value, trading price, bid-ask spread and liquidity of the Sub-Fund before making any investment decision.

Appendix dated 14 September 2026

APPENDIX 4: CSOP MSCI China A 50 Connect ETF

Key Information

Set out below is a summary of key information in respect of CSOP MSCI China A 50 Connect ETF (the "Sub-Fund") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the performance of the Index
Investment Strategy	The Sub-Fund is a feeder fund which invests at least 90% of its NAV in China Southern MSCI China A 50 Connect ETF* (the "**Master ETF**") via the Manager's QFI status and/or the Stock Connect. ** The Master ETF is not authorised by the SFC and is not directly offered to the public in Hong Kong.*
Index	MSCI China A 50 Connect Index (the "Index")
Initial Issue Date	10 December 2021
Listing Date (SEHK)	13 December 2021
Exchange Listing	SEHK – Main Board
Stock Code	3003
Short Stock Name	CSOP MSCI A 50
Trading Board Lot Size	100 Shares
Base Currency	RMB
Trading Currency	HKD
Distribution Policy	Subject to the Manager's discretion. Currently the Manager intends to distribute income to Shareholders annually (in December) having regard to the Sub-Fund's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. However, there is no guarantee of regular distribution nor the amount being distributed (if any). **Distributions on any Shares will be in RMB only*.**
Creation/Redemption Policy	Cash (RMB) only
Application Share Size (only by or through Participating Dealers)	Minimum 500,000 Shares (or multiples thereof)

Dealing Deadline	2:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Custodian may determine
Management Fee	The Sub-Fund: Currently no Management Fee is charged in respect of the Sub-Fund Master ETF: Currently 0.15% per year of the net asset value of the Master ETF Aggregate management fee charged in respect of the Sub-Fund: Currently 0.15% per year of the Net Asset Value of the Sub-Fund
Financial Year End	31 December (The first half-yearly unaudited reports and the first annual financial reports for the Sub-Fund will be for the period from the fund launch to the half year ending 30 June 2022 and the year ending 31 December 2022 respectively.)
Website	http://www.csopasset.com/en/products/hk-mscia50 (this website has not been reviewed by the SFC)

** In the event the relevant Shareholder has no RMB account, the Shareholder may have to bear the fees and charges associated with the conversion of such dividend from RMB into HKD or any other currency. Shareholders are advised to check with their brokers concerning arrangements for distributions and to consider the risk factor entitled "RMB Distributions Risk" below.*

What is the Investment Objective?

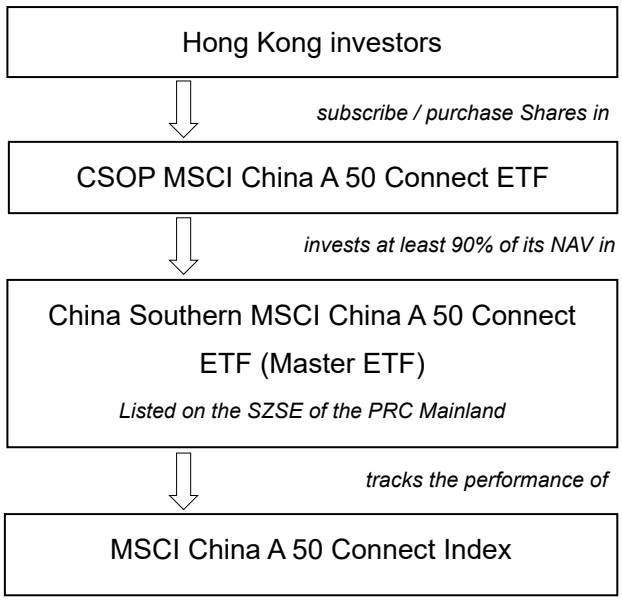
The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index. There is no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

The Sub-Fund is a feeder fund which, in seeking to achieve its investment objective, invests at least 90% of its NAV in China Southern MSCI China A 50 Connect ETF* (the "**Master ETF**") via the Manager's QFI status and/or the Stock Connect. Investment in units of the Master ETF by the Sub-Fund will be made via the secondary market (i.e. through the SZSE). The Master ETF is an exchange traded fund listed on the SZSE that tracks the performance of the Index. If the Manager considers the liquidity of the units of the Master ETF on the secondary market to be insufficient for the Sub-Fund, the Sub-Fund may subscribe/redeem units in the Master ETF on the primary market.

** The Master ETF is not authorised by the SFC and is not be directly offered to the public in Hong Kong.*

The diagram below shows the investment strategy of the Sub-Fund:



Other investments

No more than 10% of the Net Asset Value of the Sub-Fund may be invested in collective investment scheme(s) other than the Master ETF which may be eligible schemes (as defined by the SFC) or authorised by the SFC, or non-eligible schemes and not authorised by the SFC (including exchange traded funds listed on stock exchanges in Chinese Mainland) in accordance with all the applicable requirements of the Code. The above investments may be made through the Manager's QFI status and/or the Stock Connect. Any investments in the above exchange traded funds will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11, 7.11A and 7.11B of the Code.

The Sub-Fund may also invest not more than 10% of its Net Asset Value in cash and money market funds for cash management purpose. For the avoidance of doubt, not more than 10% of the Net Asset Value of the Sub-Fund may be invested in non-eligible schemes which are not authorised by the SFC, including the foregoing money market funds.

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value. The Manager does not intend to invest in financial derivative instruments for any purpose, or engage in securities lending, sale and repurchase transactions and reverse repurchase transactions on behalf of the Sub-Fund.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus except as varied pursuant to "**Investment restriction waiver**" below.

Master ETF

The Master ETF is a single fund established and managed and operates in accordance with the laws and regulations of Chinese Mainland and its fund contract ("**Fund Contract**") between its manager, China Southern Asset Management Co., Ltd. (the "**MF Manager**") and its custodian, China Merchants Bank Co., Ltd. ("**MF Custodian**"). The MF Manager is the controlling shareholder of the Manager. The Master ETF is a publicly offered securities investment fund registered with the China Securities Regulatory Commission (the "**CSRC**") under the Securities Investment Fund Law of the People's Republic of China, and remains, on an ongoing basis, registered with the CSRC for offering to the Chinese Mainland public, and is subject to the ongoing regulation and supervision of the CSRC. The Master ETF is a physical index-tracking exchange traded fund listed on the SZSE on 8 November 2021 with stock code 159602 that tracks the performance of the Index. The base currency of the Master ETF is RMB.

Investment objective and strategy of the Master ETF

The Master ETF aims to track the performance of the Index through a full replication strategy while minimising tracking difference and tracking error.

At least 90% of the net asset value of the Master ETF is invested in accordance with the constituents and their respective weights in the Index, and alternative constituents of the Master ETF, which is regarded as a "full replication" strategy to track the Index in accordance with applicable regulations in Chinese Mainland. "**Alternative constituents**" are securities that will be officially included in the Index on the next Index rebalancing day. Adjustments to the Master ETF's portfolio is made in accordance with those of the Index.

For the avoidance of doubt, not more than 10% of the net asset value of the Master ETF will be invested in investments other than the foregoing, including not more than 10% of the net asset value of the Master ETF in non-constituents of the Index. Under normal market conditions, the Master ETF also aims to maintain the daily tracking difference shall not exceed 0.2%, and the annual tracking error shall not exceed 2%. However, under exceptional market circumstances (as elaborated below), such figures may be exceeded and the MF Manager may also use other reasonable investment methods such as a representative sampling strategy by investing in securities which are not in the Index but are highly correlated to the Index constituents in order to pursue performance as close as possible to the Index. The exceptional market circumstances include (1) restrictions stipulated in the relevant laws and regulations, (2) significantly insufficient liquidity of index constituents, (3) long-term suspension of stocks of listed companies, and (4) other factors that severely affect the achievement of the investment objective.

The Master ETF may invest not more than 10% of its net asset value in aggregate in (i) depositary receipts which are not constituents of the Index, (ii) bonds and convertible bonds, (iii) stock index futures related to the Index, as permitted by the CSRC, and (iv) asset-backed securities. The Master ETF uses stock index futures which are actively traded with high liquidity for hedging purpose only, to reduce transaction costs and tracking errors, and to more closely track the Index.

The Master ETF may engage not more than 30% of its net asset value in securities lending transactions to better achieve its investment objective. Not more than 10% of the net asset value of the Master ETF may in aggregate be invested in repurchase transactions and reverse repurchase transactions.

Investment restrictions

The Master ETF is subject to the following investment restrictions:

1. Not less than 90% of the Master ETF's net asset value shall be invested in constituents of the Index and alternative constituents of the Master ETF. Not less than 80% of the Master ETF's non-cash assets shall be invested in the foregoing.

2. The Master ETF shall not invest more than 10% of its net asset value in asset-backed securities originated by the same entity.

3. The market value of all asset-backed securities held by the Master ETF shall not exceed 20% of its net asset value.

4. The proportion of the Master ETF's holdings of the same (meaning the same credit rating) asset-backed security shall not exceed 10% of the size of such asset-backed security.

5. The asset-backed securities originated by the same entity invested by all funds managed by the MF Manager shall not exceed 10% of the total asset-backed securities held by the Master ETF.

6. The Master ETF shall invest in asset-backed securities with a credit rating of BBB or above. If the credit rating of an asset-backed security held by the Master ETF falls and no longer

meets such investment standard, the Master ETF shall sell all holdings in such security within three months from the date of issuance of the rating report.

7. The amount declared by the Master ETF for participation in equity issuances and subscriptions shall not exceed the total assets of the Master ETF. The number of shares declared by the Master ETF shall not exceed the total number to be issued by the issuer;

8. The maximum term for the Master ETF's bond repurchase transactions in the national interbank market shall be one year. Such bond repurchase transactions shall not be extended after maturity.

9. The total market value of the Master ETF's active investment in liquidity-restricted assets shall not exceed 15% of its net asset value; if the Master ETF fails to meet such proportion limit due to factors outside the MF Manager's direct control, such as fluctuations in the securities market, suspension of stocks of listed companies, and change of the fund scale, the MF Manager shall not actively increase the Master ETF's investment in liquidity-restricted assets.

10. Where the Master ETF engages in reverse repurchase transactions with private securities asset management products and other entities identified by the CSRC as counterparties, the qualification requirements for acceptable pledges shall be consistent with the investment scope agreed in the Fund Contract.

11. The total assets of the Master ETF shall not exceed 140% of its net asset value.

12. At the end of each trading day, after deducting the trading margins to be paid in respect of the Master ETF's investments in stock index futures contracts, cash of not less than twice such trading margins shall be held by the Master ETF.

13. The following restrictions are applicable to the Master ETF's investment in stock index futures:

    i. At the end of each trading day, the value of long stock index futures contracts held by the Master ETF shall not exceed 10% of its net asset value.

    ii. At the end of each trading day, the sum of the value of long stock index futures contracts and the market value of negotiable securities shall not exceed 100% of the net asset value of the Master ETF. "Negotiable securities" refer to stocks, bonds (excluding government bonds with maturity of less than one year), asset-backed securities, financial assets under repurchase agreements (excluding pledged repurchase), etc.

    iii. At the end of each trading day, the value of short stock index futures contracts held by the Master ETF shall not exceed 20% of the total market value of stocks held by the Master ETF.

    iv. The market value of the stocks held by the Master ETF and the value of the stock index futures contracts bought and sold, in aggregate (calculated after netting), shall be in compliance with the relevant provisions of the Fund Contract in respect of the proportion of investment in stocks.

    v. The turnover amount of stock index futures contracts traded (excluding the closing of positions) by the Master ETF in any trading day shall not exceed 20% of the net asset value of the Master ETF on the previous trading day.

14. The Master ETF's participation in stock options trading shall be subject to the following investment restrictions:

i. The total amount of premiums paid and received by the Master ETF for open options contracts shall not exceed 10% of the net asset value of the Master ETF.

ii. For opening a position to sell a call option, the Master Trust shall hold the full amount of the underlying securities; for opening a position to sell a put option, the Master ETF shall hold the full amount of cash required for the exercise of rights under the contract or cash equivalents as recognised by the rules of an exchange that can be set off against the margin of the options.

iii. The nominal value of the open option contracts shall not exceed 20% of the net asset value of the Master ETF. The nominal value of the contract shall be calculated by multiplying the strike price by the contract multiplier.

15. The securities lending transactions engaged by the Master ETF shall meet the following requirements:

i. At the end of each trading day, the assets involved in securities lending transactions shall not exceed 30% of the Master ETF's net asset value, of which the securities lent with a lending period of more than 10 trading days shall be included in the scope of liquidity-restricted securities as set out in the *Provisions on the Administration of Liquidity Risk*.

ii. At the end of each trading day, the single security involved in securities lending transactions shall not exceed 30% of the total amount held by the Master ETF.

iii. The average remaining maturity of securities lent shall not exceed 30 days, and the average remaining maturity shall be calculated based on the weighted average of market value.

iv. The Master ETF's average daily net asset value in the last six months shall not be less than RMB200 million.

16. The investment limit of the Master ETF's investment in depository receipts shall be implemented in accordance with the stocks listed and traded in the Chinese Mainland market.

17. Other proportion restrictions stipulated in the relevant laws, regulations and the Fund Contract:

i. Notwithstanding the requirements stipulated in paragraphs 6, 9, 10 and 15 above, where the investment proportion of the Master ETF does not meet the investment proportion requirement due to factors outside the MF Manager's direct control, such as fluctuation in securities and futures markets, merger of securities issuers, change of the fund scale, adjustment of constituents of the benchmark index or price change, liquidity restrictions of constituents of the Index, the MF Manager shall make adjustments within 10 trading days upon the date of adjustment becoming possible, except for the special circumstances stipulated by the CSRC.

ii. In case of the Master ETF's participation in the securities re-lending for refinancing business, where the Fund's investment does not comply with the provisions of item (15) above due to factors other than those of the MF Manager, such as fluctuations in the securities market, mergers of listed companies, changes in the size of the Master ETF, the MF Manager shall not increase the lending business.

iii. The MF Manager shall, within six months from the effective date of the Fund Contract, make the investment portfolio proportion of the Master ETF conform to the relevant provisions of the Fund Contract. During the above period, the investment scope and investment strategy of the Master ETF shall abide by the

provisions of the Fund Contract. The MF Custodian's supervision and inspection of investment in the Master ETF shall commence as of the effective date of the Fund Contract.

iv. If the above investment portfolio proportion restrictions are changed by laws and regulations, the MF Manager may adjust the provisions on investment proportion restrictions accordingly after performing appropriate procedures. If the said restrictions are cancelled by relevant laws, regulations or regulatory authorities, the Master ETF will no longer be subject to the relevant restrictions if it is applicable to the Master ETF after the MF Manager performs the appropriate procedures.

Termination of the Master ETF

The Master ETF shall be terminated upon the occurrence of the circumstances set out in the Fund Contract, including the following:

1. resolution to terminate passed through voting at the meeting of unitholders of the Master ETF ("**MF Unitholders**");

2. the responsibilities of the MF Manager and/or the MF Custodian are/is terminated, and no new fund manager or new fund custodian has taken over the responsibilities within 6 months of such termination;

3. after the Fund Contract takes effect, if: (i) the number of MF Unitholders is less than 200, or (ii) the net asset value of the Master ETF is less than RMB50 million for 20 consecutive business days, the MF Manager shall disclose it in the periodic report. If the aforementioned situation occurs for 60 consecutive business days, the MF Manager shall within 10 business days notify and provide a proposed solution to the CSRC (e.g. continuing the operation of the Master ETF, changing the operation method of the Master ETF, merging with another fund, or terminating the Fund Contract, etc.), and shall within 6 months convene a MF Unitholders' meeting to pass a resolution on the matter;

4. such other circumstances as stipulated in the Fund Contract; and

5. any other circumstances stipulated by the CSRC in the relevant laws and regulations.

Further information relating to the Master ETF

Further information pertaining to the Master ETF, including the offering documents of the Master ETF (in simplified Chinese only), is available at the Master ETF's website at https://www.nffund.com/ (this website has not been reviewed by the SFC and may contain information on funds which are not authorised by the SFC and may not be offered to the retail public in Hong Kong). Such information is disclosed according to all applicable PRC mainland laws and regulations, and the CSRC's requirements as amended from time to time.

Management of the Master ETF

The Manager of the Master ETF is China Southern Asset Management Co., Ltd. ("**CSAM**"). Established on March 6, 1998, with the approval of the China Securities Regulatory Commission, CSAM emerged as a pioneer among regulated asset management companies in China, heralding the dawn of a new era in asset management. Today, CSAM stands tall as a prominent leader in the industry, offering a wide range of products and comprehensive business solutions, accompanied by exceptional operational achievements and a significant scale of assets under management ("**AUM**"). As of March 31, 2024, the AUM of CSAM and its subsidiaries totalled an impressive USD 306.8 billion. The parent company alone accounted for USD 289.5 billion, securing a prominent position within the industry. Additionally, CSAM's mutual funds amassed USD 166.6 billion in AUM, while distributing a cumulative dividend of USD 28.8 billion. CSAM manages a diverse portfolio of

360 mutual funds, encompassing equity, hybrid, bond, monetary, index, QDII, FOF, and other categories, maintaining a leading position within the industry.

The custodian of the Master ETF is China Merchants Bank Co., Ltd ("**China Merchants Bank**"). The Asset Custody Department of China Merchants Bank has been a pioneer in the industry since its establishment in 2002. With a focus on adapting to change and anticipating customer needs, the bank has developed a comprehensive range of custody services, making it the commercial bank with the most comprehensive custody qualifications in the industry. The bank's custody services cover a wide range of areas including securities investment fund custody, entrusted investment management custody, qualified foreign institutional investor (QFII) custody, qualified domestic institutional investor (QDII) custody, national social security fund custody, insurance fund custody. Currently, the bank's asset custody business continues to grow steadily, with increasing social influence. The bank has been awarded the "Best Custody Specialist, China" by "The Asset" four times, and has also won the "Best Custody Bank" award from authoritative financial media such as "The Asian Banker", "China Fund News", and "The Chinese Banker". This recognition and praise in the domestic and international financial fields is a testament to the bank's commitment to excellence and innovation.

The auditor of the Master ETF is PricewaterhouseCoopers.

Valuation of the Master ETF

The net asset value of the Master ETF is calculated on each day which the SZSE is open for normal trading, any non-trading day on which the Master ETF is required to disclose the net asset value of the Master ETF in accordance with the relevant Chinese Mainland laws and regulations, or such other day or days as may from time to time be determined by the MF Manager.

Replacement of the Master ETF

The Manager reserves the right, with the prior approval of the SFC and provided that in its opinion the interests of Shareholders would not be adversely affected, to replace the Master ETF with another fund acceptable to the SFC with a substantially similar investment objective if in the Manager's opinion, it is in the interests of Shareholders to replace the Master ETF to meet the Sub-Fund's investment objective.

Eligibility requirements and authorisation conditions

The Sub-Fund is required to comply with the applicable requirements in the Code and the "Overarching Principles" of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products and all other applicable regulatory requirements and guidelines as may be issued by the SFC from time to time. To be eligible and authorised as a feeder ETF, the Sub-Fund must also be a Hong Kong domiciled ETF authorised by the SFC and managed by a management company which is licensed or registered for Type 9 regulated activity and has a good compliance record.

To be eligible as a master fund and for the Sub-Fund to invest substantially all of its assets in the Master ETF, the Master ETF shall meet the following key requirements as set out in the SFC's Circular on streamlined requirements for eligible exchange-traded funds adopting a master-feeder structure dated 16 May 2024, as amended from time to time (the "**Circular**") (and/or such other requirements as imposed by the SFC from time to time):

(a) the Master ETF must be a scheme with satisfactory safeguards and measures in place to provide substantially comparable investor protection as an ETF authorised under the Code, taking into account its underlying assets, investment strategy, applicable rules and regulations in home jurisdiction;

(b) the Master ETF, together with its management company and trustee/custodian, must have a good compliance record with the rules and regulations of its home jurisdiction and (in the case of Master ETF) the listing venue; and

(c) the Master ETF must have sizeable assets under management with a good track record.

The Manager shall report to the SFC as soon as practicable if the Master ETF ceases to comply with the requirements set out in the Circular and take appropriate remedial action to promptly rectify the situation. The Manager will also inform Shareholders of any material changes to, or events that have significant adverse impact on, the Master ETF in a timely manner.

The Sub-Fund is authorised on the following conditions, unless otherwise approved by the SFC:

(a) the Master ETF remains approved by/registered with the CSRC and maintains a primary listing on a principal Chinese Mainland stock exchange, including the SZSE;

(b) the MF Manager, the MF Custodian and the Index, or such other entities or indices (as the case may be) acceptable to the SFC, shall remain as the manager, the custodian and the underlying index of the Master ETF respectively; and

(c) the Sub-fund and the Master ETF shall meet the requirements in the Circular.

Investment restriction waiver

The Manager has requested of the SFC, and the SFC has granted, a waiver in respect of the Sub-Fund from:

(a) the requirement under Chapter 7.12(a) of the Code that the Master ETF must be authorised by the SFC; and

(b) the requirement under Chapter 7.12(b)(ii) of the Code that, for the purposes of complying with the investment restrictions, the Sub-Fund and the Master ETF will be deemed as a single entity.

The purpose of the waivers is to enable the Sub-Fund to invest into the Master ETF (which is not authorised by the SFC) as a feeder fund.

What is the Stock Connect?

The Stock Connect is a securities trading and clearing linked programme developed by the HKEX, the SSE, the SZSE and the CSDCC, with an aim to achieve mutual stock market access between the PRC mainland and Hong Kong. It comprises the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

Each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the Sub-Fund), through their Hong Kong brokers and securities trading service companies (in Shanghai and Qianhai Shenzhen respectively) established by the SEHK and the HKSCC, are able to trade eligible shares listed on the SSE by routing orders to the SSE or the SZSE (as the case may be). Under the Southbound Trading Link, eligible investors, through PRC mainland securities firms and securities trading service companies established by the SSE and the SZSE, are able to trade eligible shares listed on the SEHK by routing orders to the SEHK.

Eligible securities

Initially, Hong Kong and overseas investors are only able to trade certain stocks listed on the SSE market (the "SSE Securities") and the SZSE market (the "SZSE Securities"). SSE Securities include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H Shares listed on the SEHK, except the following:

a) SSE-listed shares which are not traded in RMB; and

b) SSE-listed shares which are included in the “risk alert board”.

SZSE Securities will include all the constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which have a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed A-Shares which have corresponding H shares listed on the SEHK, except the following:

a) SZSE-listed shares which are not traded in RMB; and

b) SZSE-listed shares which are included in the "risk alert board".

At the initial stage of Shenzhen-Hong Kong Stock Connect, shares listed on the ChiNext Board of SZSE under Northbound Trading Link will be limited to institutional professional investors. Subject to resolution of related regulatory issues, other investors may subsequently be allowed to trade such shares.

It is expected that the list of eligible securities will be subject to review.

Trading day

Investors (including the Sub-Fund) are only allowed to trade on the other market on days where the PRC mainland and Hong Kong stock markets are open for trading, and banking services are available in both markets on the corresponding settlement days.

Trading quota

Trading under the Stock Connect will be subject to a daily quota (“Daily Quota”), which will be separate for Northbound and Southbound trading, for each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day. The quotas do not belong to the Sub-Fund and are utilised on a first-come-first-serve basis. The SEHK monitors the quota and publishes the remaining balance of the Northbound Daily Quota at scheduled times on the HKEX’s website. The Daily Quota may change in future. The Manager will not notify investors in case of a change of quota.

Settlement and Custody

The HKSCC is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors. Accordingly investors do not hold SSE Securities or SZSE Securities directly – these are held through their brokers’ or custodians’ accounts with CCASS.

Corporate actions and shareholders’ meetings

Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities or SZSE Securities held in its omnibus stock account in the CSDCC, the CSDCC as the share registrar for SSE or SZSE listed companies still treats the HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities or SZSE Securities. The HKSCC will monitor the corporate actions affecting SSE Securities or SZSE Securities and keep the relevant CCASS participants informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

Currency

Hong Kong and overseas investors (including the Sub-Fund) will trade and settle SSE Securities and SZSE Securities in RMB only.

Trading fees and taxes

In addition to paying trading fees and stamp duties in connection with A-Share trading, the Sub-Fund may be subject to other fees and taxes concerned with income arising from stock transfers which are determined by the relevant authorities.

Coverage of Investor Compensation Fund

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

For defaults occurring on or after 1 January 2020, the Investor Compensation Fund also covers investors' losses in relation to securities traded on a stock market operated by the SSE or the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the Northbound link of a Stock Connect arrangement.

On the other hand, since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, such trading is not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland.

Foreign shareholding restrictions

Under current PRC mainland rules, a single foreign investor's shareholding in a listed company (regardless of the channels through which shares in such listed company are held, including through QFI and the Stock Connect) is not allowed to exceed 10% of the company's total issued shares, while all foreign investors' shareholding in the A-shares of a listed company is not allowed to exceed 30% of its total issued shares. If the aggregate foreign shareholding exceeds the 30% threshold, the foreign investors concerned will be requested to sell the shares on a last-in-first-out basis within five trading days. SSE Securities purchased through the Shanghai-Hong Kong Stock Connect and SZSE Securities purchased through the Shenzhen-Hong Kong Stock Connect will be considered in totality with those purchased by QFI, and subject to the same foreign shareholding restriction.

Further information about the Stock Connect is available at the website: http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm.

What is the QFI regime?

Under current regulations in the PRC mainland, foreign investors can invest in the domestic securities market through certain foreign institutional investors that have obtained status as a QFI from the CSRC to remit foreign freely convertible currencies and RMB for the purpose of investing in the domestic securities markets of the PRC mainland.

On 25 September 2020, the CSRC issued the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors (in Chinese《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》and its implementing rules (collectively, the "New QFI Measures"), which, with effect from 1 November 2020, consolidated the previous QFII and RQFII programmes into one.

As of the date of this Prospectus, the QFI regime is governed by (i) the "Regulations on Capital Management of Domestic Securities and Futures Investments by Foreign Institutional Investors jointly issued by the PBOC and the SAFE and effective from 6 June 2020 (境外機構投資者境內證券期貨投資資金管理規定); (ii) the New QFI Measures; and (iii) any other applicable regulations promulgated by the relevant authorities (collectively, the "QFI Regulations").

The Manager, who has obtained QFI status in PRC mainland, may select whether to use foreign convertible currencies or RMB to make investment under the QFI regime.

The Sub-Custodian has been appointed by the Custodian and the Manager to act through its delegate, the PRC Custodian (defined below) and will be responsible for the safe custody of the assets of the Sub-Fund in the PRC mainland invested using the QFI status of the Manager in accordance with the terms of the custody agreement between the Sub-Custodian and PRC Custodian (the "PRC Custody Agreement").

As of the date of this Prospectus, the Custodian has appointed CITIBANK (CHINA) CO., LTD. (the "PRC Custodian") as the PRC Custodian. The PRC Custodian possesses the applicable qualification to provide custody services to QFIs. According to the terms of the PRC Custody Agreement, the Custodian shall remain responsible for any omission or wilful default of the PRC Custodian, as if no such appointment had been made.

All of the Sub-Fund's assets acquired via the QFI status granted to the Manager in the PRC mainland (including onshore PRC cash deposits and its onshore A-Shares portfolio) will be held by the PRC Custodian in accordance with the terms of the PRC Custody Agreement and the "PRC Country Schedule for RQFII Services" entered into between the Manager and the PRC Custodian (the "PRC RQFII Agreement"). Securities including A-Shares invested through the QFI status of the Manager will be maintained by the PRC Custodian pursuant to PRC mainland regulations through securities account(s) with the CSDCC in the joint names of the Manager (as the QFI Holder) and the Sub-Fund. A RMB cash account(s) shall be established and maintained with the PRC Custodian in the joint names of the Manager (as the QFI Holder) and the Sub-Fund. The PRC Custodian shall, in turn, have a cash clearing account with CSDCC for trade settlement according to applicable regulations.

Repatriations in RMB conducted by the Manager (as QFI) on behalf of the Sub-Fund are permitted daily and not subject to any repatriation restrictions, lock-up periods or prior approval from the SAFE.

There are specific risks associated with the QFI regime and investors' attention is drawn to the risk factors under "Risks associated with the QFI regime" in "Risk Factors" in this Appendix.

The offshore RMB market

What led to RMB internationalisation?

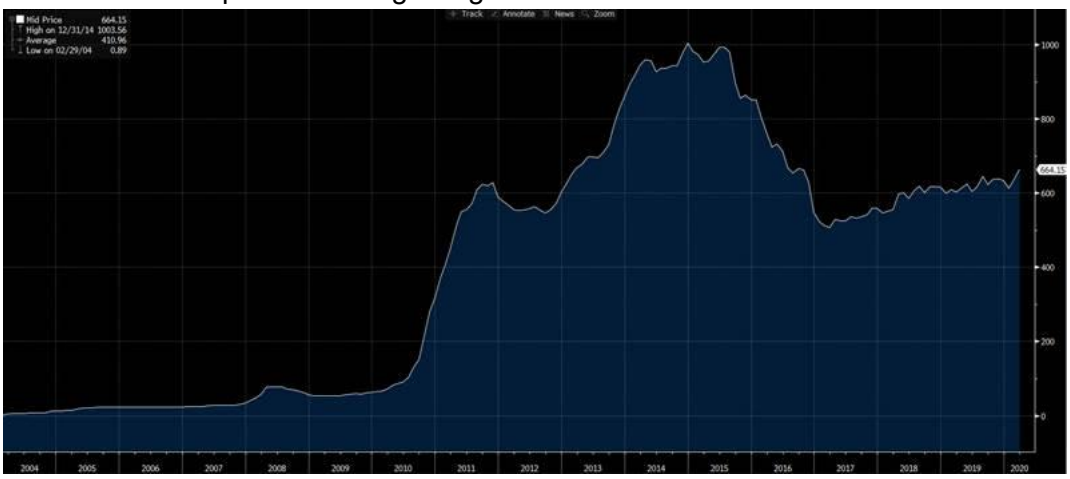
RMB is the lawful currency of the PRC mainland. RMB is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC mainland government. Since July 2005, the PRC mainland government began to implement a controlled floating exchange rate system based on the supply and demand in the market and adjusted with reference to a portfolio of currencies. The exchange rate of RMB is no longer pegged to US dollars, resulting in a more flexible RMB exchange rate system.

Over the past two decades, the PRC mainland's economy grew rapidly at an average annual rate of 10.5% in real terms. This enables it to overtake Japan to become the second largest economy and trading country in the world. As the PRC mainland's economy becomes increasingly integrated with the rest of the world, it is a natural trend for its currency – the RMB, to become more widely used in the trade and investment activities

Acceleration in the pace of the RMB internationalisation

The PRC mainland has been taking gradual steps to increase the use of RMB outside its borders by setting up various pilot programmes in Hong Kong and neighbouring areas in recent years. For instance, banks in Hong Kong were the first permitted to provide RMB deposits, exchange, remittance and credit card services to personal customers in 2004. Further relaxation occurred in 2007 when the authorities allowed PRC mainland financial institutions to issue RMB bonds in Hong Kong. As of 30 September 2021, there were 144 banks in Hong Kong engaging in RMB business, with RMB deposits amounting to about RMB855.93 billion, as compared to just RMB63 billion in 2009.

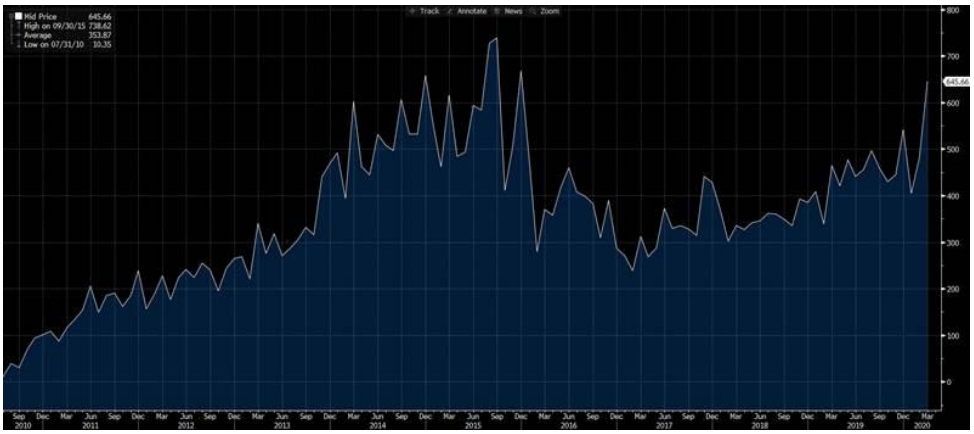
Chart 1. RMB deposits in Hong Kong



Data source: Bloomberg as of March 2021

The pace of RMB internationalisation has accelerated since 2009 when the PRC mainland authorities permitted cross-border trade between Hong Kong/Macau and Shanghai/4 Guangdong cities, and between ASEAN and Yunnan/Guangxi, to be settled in RMB. In December 2017, the arrangement was expanded to 20 provinces/municipalities on the PRC mainland and to all countries/ regions overseas. In September 2021, nearly RMB623.63 billion worth of cross-border trade was settled in Hong Kong with RMB.

Chart 2. Remittances for RMB cross-border trade settlement



Data source: Bloomberg as of March 2021

Onshore versus offshore RMB market

Following a series of policies introduced by the PRC mainland authorities, an RMB market outside the PRC mainland has gradually developed and started to expand rapidly since 2009. RMB traded outside the PRC mainland is often referred as “offshore RMB” with the denotation “CNH”, which distinguishes it from the “onshore RMB” or “CNY”.

Both onshore and offshore RMB are the same currency but are traded in different markets. Since the two RMB markets operate independently where the flow between them is highly restricted, onshore and offshore RMB are traded at different rates and their movement may not be in the same direction. Due to the strong demand for offshore RMB, CNH used to be traded at a premium to onshore RMB, although occasional discount may also be observed. The relative strength of onshore and offshore RMB may change significantly, and such change may occur within a very short period of time.

Notwithstanding that the offshore RMB market showed a meaningful growth during the past two years, it is still at an early stage of the development and is relatively sensitive to negative factors or market uncertainties. For instance, the value of offshore RMB had once dropped by 2% against the US dollars in the last week of September 2011 amidst the heavy selloff of the equities market. In

general, the offshore RMB market is more volatile than the onshore one due to its relatively thin liquidity.

There have been talks on the potential convergence of the two RMB markets but that is believed to be driven by political decisions rather than just economics. It is widely expected that the onshore and offshore RMB markets would remain two segregated, but highly related, markets for the next few years.

Recent measures

More measures to relax the conduct of offshore RMB business were announced in 2010. On 19 July 2010, restrictions on interbank transfer of RMB funds were lifted, and permission was granted for companies in Hong Kong to exchange foreign currencies for RMB without limit. One month later, the PRC mainland authorities announced the partial opening up of the PRC mainland's interbank bond market for foreign central banks, RMB clearing banks in Hong Kong and Macau and other foreign banks participating in the RMB offshore settlement programme.

The National Twelfth Five-Year Plan adopted in March 2011 explicitly supports the development of Hong Kong as an offshore RMB business centre. In August 2011, PRC mainland Vice-Premier Li Keqiang has announced more new initiatives during his visit, such as allowing investments on the PRC mainland equity market through the QFI scheme and the launch of an ETF with Hong Kong stocks as the underlying constituents in the PRC mainland. The PRC mainland government has also given approval for the first non-financial PRC mainland firm to issue RMB-denominated bonds in Hong Kong.

Chinese bonds and stocks were included in international indexes since 2018. RMB assets are becoming more attractive since then. In 2019, RMB's share of global foreign exchange reserves hit record high, surpassing Australian dollar and Canadian dollar.

RMB internationalisation is a long-term goal

Given the PRC mainland's economic size and growing influence, RMB has the potential to become an international currency in the same ranks as US dollars and Euro. But the PRC mainland has to first accelerate the development of its financial markets and gradually make RMB fully convertible on the capital account. Although the internationalisation of RMB will bring benefits such as increasing political influence and reduced exchange rate risks, it also entails risks including rising volatility of RMB exchange rate.

The process of RMB internationalisation is a long and gradual one. It took US dollars many decades to replace the British pound to become a dominant reserve currency. It will also take time for RMB to gain importance in coming years. RMB will not be in a position to challenge the US dollar's main reserve currency status for some time to come.

The A-Share market

Introduction

The PRC mainland's A-Share market commenced in 1990 with two exchanges, namely, the SSE and the SZSE.

The SSE was established on 26 November 1990 and stocks are further divided into class A-Shares and class B-Shares, with access to A-Shares limited to domestic investors as well as QFIs or through the Stock Connect programmes only and B Shares available to both domestic and foreign investors. As of 29 October 2021, there were 1,646 A-Share listed companies on the SSE with a total market capitalisation of RMB44.77 trillion. The SSE's products cover equities, mutual funds and bonds. The product lines include A-Shares, B-Shares, indices, mutual funds (including exchange traded funds and listed open-end funds), fixed income products, and diversified financial derivative products (including warrants and repurchases).

The SZSE was founded on 1 December 1990 and stocks are further divided into class A-Shares

and class B-Shares, with access to A-Shares limited to domestic investors as well as QFIs or through the Stock Connect programmes only and B-Shares available to both domestic and foreign investors. As of 29 October 2021, there were 2,527 A-Share listed companies on the SZSE with a total market capitalisation of RMB36.87 trillion. The SZSE's products cover equities, mutual funds and bonds. The product lines include A-Shares, B-Shares, indices, mutual funds (including exchange traded funds and listed open-end funds), fixed income products, and diversified financial derivative products (including warrants and repurchases).

The A-Share market has grown significantly in the past 20 years, with the latest total market capitalisation reaching RMB81.64 trillion comprising 4,173 A-Share listed companies as of 29 October 2021.

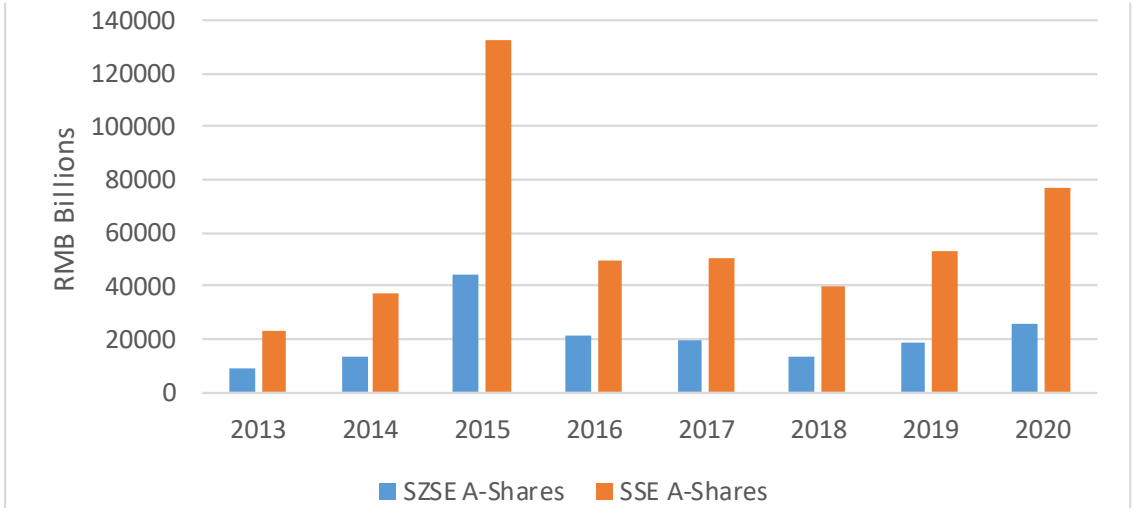
In terms of investor breakdown, there is an increasing number of institutional investors participating in the A-Shares market since the inception, which include securities investment funds, social pension funds, qualified foreign institutional investors, insurance companies, ordinary investment institutions. However, on a daily basis, retail investors still make up for the majority of the trading volume.

The A-Share market's development is illustrated in the following charts:

Chart 1. Total market capitalisation of A-Shares of both the SSE and the SZSE main board

Data source: Bloomberg, as of 17 August 2021.

Chart 2. Annual trading volumes of A-Shares of the SSE and the SZSE main board



Data source: SSE and SZSE, as of 2020.

Differences with the Hong Kong stock market

	PRC mainland	Hong Kong
Key indexes	SSE Composite Index (SHCOMP) / CSI 300 Index (CSI 300) / SZSE Component Index (SZCOMP)	Hang Seng Index (HSI) / Hang Seng China enterprises Index (HSCEI)
Trading band limits	10% (5% for ST/S stocks*)	No limit
Trading lots	One hundred (100) shares for BUY / one (1) share for SELL**	Each stock has its own individual board lot size (an online broker will usually display this along with the stock price when you get a quote); purchases in amounts which are not multiples of the board lot size are done in a separate "odd lot market".
Trading hours	pre-open: 0915-0925 morning session: 0930-1130 afternoon session: 1300-1500 (1457-1500 is closing auction for the SZSE)	pre-open order input: 0900-0915 pre-order matching 0915-0920 order matching: 0920-0928 morning session: 0930-1200 afternoon session: 1300-1600 closing auction session: 1600 to a random closing between 1608 and 1610
Settlement	T+1	T+2
Earnings reporting requirements	Annual report: • Full annual report must be disclosed within four (4) months after the reporting period. Interim report: • Full report must be disclosed within two (2) months after the reporting period. Quarterly report: • Full report must be disclosed within one (1) month after the reporting period. The first quarterly report cannot be disclosed before last year's annual report.	Annual report: • Earnings must be disclosed within three (3) months after the reporting period; • Full annual report must be disclosed within four (4) months after the reporting period. Interim report: • Earnings must be disclosed within two (2) months after the reporting period; • Full report must be disclosed within three (3) months after the reporting period.

Notes:

** 1) ST stocks refer to special treatment stocks, which means special treatment for companies with financial problems (consecutive 2 fiscal years loss or audited net assets per share less than par value in most recent fiscal year), effective date starting from 22 April 1998. Stocks with ST usually means they have a delisting risk.*

2) S stocks refer to those stocks has not yet performed the "split share structure reform".

*** Purchasing in odd lot is not allowed while selling in odd lot is allowed in the A-Share market, with no price difference between odd lot and round lot trading.*

Measures adopted by the Manager to address the differences between the A-Share market and the Hong Kong market

The Manager has adopted the following measures to address the difference between the A-Share market and the Hong Kong market:

(a) Trading hours: As regards the difference in trading hours, the shorter trading hours in the A-Share market is not considered to present a major risk, as it is expected that there is a sufficient level of liquidity for the A-Shares constituting the Sub-Fund's portfolio.

(b) Trading days: There is a difference in trading days between the A-Share market and the Hong Kong market. It should be noted that Applications are accepted only on a Business Day (normally a day on which both markets are open).

If the Hong Kong market is open while the A-Share market is closed, Shares of the Sub-Fund will be traded in the Hong Kong market and the Manager will continue to publish information including prices in the manner set out in this Prospectus. If the A-Share market is open while Hong Kong market is closed, the Manager will trade the A-Shares when it is necessary, in order to limit the risk to investors. These trades will be properly settled even when the Hong Kong market is closed for holiday by the Custodian's arrangements in place.

The Index

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As of the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Index

The Index is constructed from the MSCI China A Index (the "Parent Index"), which is a broad-based benchmark index that captures large and mid-cap A-Shares listed on the Shanghai and Shenzhen exchanges and accessible through the Northbound Stock Connect channel. The Index aims to reflect the performance of the 50 largest securities representing each Global Industry Classification Standard (GICS®) sector (including energy, materials, industrials, consumer discretionary, consumer staples, health care, financials, information technology, communication services, utilities and real estate) and reflecting the sector weight allocation of the Parent Index. The Index is calculated and disseminated in RMB and is maintained by MSCI Inc. The Index is quoted in RMB.

The Index is a price return index. A price return index calculates the performance of the Index constituents on the basis that any dividends or distributions are not reinvested.

The Index was launched on 20 August 2021 and had a base level of 1,000 on 30 November 2012. As of 27 February 2026, the Index had a total free-float market capitalisation of RMB5,976.12 billion and 50 constituents.

Index Provider

The Index is compiled and managed by MSCI Inc. ("MSCI" or the "Index Provider").

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index Methodology

Index Universe

The applicable universe of the Index includes all the constituents of the Parent Index.

Selection Criteria

The Index is constructed by applying the following steps:

- Step 1: The Index aims to include the two largest securities from each GICS® sector (the "sectors") of the MSCI China A Large Cap Index (the "Large Cap Parent Index"), which is the large cap segment of the Parent Index, based on their free float-adjusted market capitalisation.

  If any of the sectors from the Parent Index are not represented in the above selection, then the largest security based on the free float-adjusted market capitalisation from each of these sectors from the applicable universe is included.

- Step 2: After selecting securities as described in Step 1 above, the Index includes the largest securities from the Large Cap Parent Index based on their free float-adjusted market capitalisation until the number of securities reaches target number of constituents (i.e. 50).

The selected Index constituents are assigned weights in the proportion of their free float-adjusted market capitalisation. These weights are then adjusted to implement sector neutrality, i.e. the weight of each sector in the Index is equated with the weight of that sector in the Parent Index at the rebalancing. This is done by re-normalising the weights of the constituents within each sector to reflect the Parent Index sector weight.

Index Maintenance

The Index is rebalanced on a quarterly basis, usually as of the close of the last business day of February, May, August and November.

To reduce index turnover and enhance index stability in the Index, buffer rules are applied for 15 securities while selecting remaining securities after the selection from each sector.

For example, 22 securities are selected based on the sector representation then for the remaining 28 securities, a buffer applies for the securities ranked between 14 and 43. The range of 14 and 43 is based on the buffer rules as determined by the Index Provider. The securities in the Large Cap Parent Index, which are not the 22 securities selected from the sector representation, with a rank based on their free float-adjusted market capitalisation at or above 13 will be added to the Index on a priority basis. The existing constituents of the Index (i.e. constituents that are already in the Index at the time of rebalancing) that have a rank between 14 and 43 in the Large Cap Parent Index are then successively added until the total number of securities in the Index reaches 50. If the total number of securities is below 50 after this step, the remaining securities in the Large Cap Parent Index with the highest rank are added until the number of securities in the Index reaches 50.

Index Adjustments

Necessary adjustments are made by MSCI when some corporate events happen. Such events include without limitation the spin-off, merger and acquisition. No new securities will be added (except due to certain specific corporate events) to the Index between Index Reviews. For cases where additions are allowed, securities will be added to the Index only if added to the Parent Index. Parent Index deletions will be reflected simultaneously in the Index.

Index Constituents

You can obtain the most updated list of the constituents of the Index and their respective weightings from the website of MSCI at https://www.msci.com/constituents (the contents of which has not been reviewed by the SFC) and additional information and other important news of the Index at

https://www.msci.com/our-solutions/index-profiles/market-cap-weighted/china-a-50-connect (the contents of which has not been reviewed by the SFC).

Index Codes

Bloomberg Code: MXCNA50C

Index Licence Agreement

The Manager has entered into a supplemental licence agreement with MSCI. The term of the supplemental licence agreement commenced on 10 November 2021 and renews automatically for one-year terms, subject to the terms of the licence agreement.

Index Provider Disclaimer

The CSOP MSCI China A 50 Connect ETF is not sponsored, endorsed, sold or promoted by MSCI Inc. ("MSCI"), any of its affiliates, any of its information providers or any other third party involved in, or related to, compiling, computing or creating any MSCI index (collectively, the "MSCI parties"). The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by the Manager. None of the MSCI parties makes any representation or warranty, express or implied, to the issuer or owners of the CSOP MSCI China A 50 Connect ETF or any other person or entity regarding the advisability of investing in funds generally or in the CSOP MSCI China A 50 Connect ETF particularly or the ability of any MSCI index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks, service marks and trade names and of the MSCI indexes which are determined, composed and calculated by MSCI without regard to the CSOP MSCI China A 50 Connect ETF or the issuer or owners of the CSOP MSCI China A 50 Connect ETF or any other person or entity. None of the MSCI parties has any obligation to take the needs of the issuer or owners of the CSOP MSCI China A 50 Connect ETF or any other person or entity into consideration in determining, composing or calculating the MSCI indexes. None of the MSCI parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of the CSOP MSCI China A 50 Connect ETF to be issued or in the determination or calculation of the equation by or the consideration into which the CSOP MSCI China A 50 Connect ETF is redeemable. Further, none of the MSCI parties has any obligation or liability to the issuer or owners of the CSOP MSCI China A 50 Connect ETF or any other person or entity in connection with the administration, marketing or offering of the CSOP MSCI China A 50 Connect ETF.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI indexes from sources that MSCI considers reliable, none of the MSCI parties warrants or guarantees the originality, accuracy and/or the completeness of any MSCI index or any data included therein. None of the MSCI parties makes any warranty, express or implied, as to results to be obtained by the issuer of the CSOP MSCI China A 50 Connect ETF, owners of the CSOP MSCI China A 50 Connect ETF, or any other person or entity, from the use of any MSCI index or any data included therein. None of the MSCI parties shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI index or any data included therein. Further, none of the MSCI parties makes any express or implied warranties of any kind, and the MSCI parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to each MSCI index and any data included therein. Without limiting any of the foregoing, in no event shall any of the MSCI parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

No purchaser, seller or holder of this security, product or the CSOP MSCI China A 50 Connect ETF, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this security without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

The Offering Phases

Initial Offer Period

The Initial Offer Period commenced at 9:00 a.m. (Hong Kong time) on 9 December 2021 and ended at 12:00 p.m. (Hong Kong time) on 10 December 2021.

The Listing Date was on 13 December 2021.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Shares either on their own account or for their clients, in accordance with the Instrument and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Shares to be available for trading on the Listing Date by creation. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Shares for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Shares on their behalf.

After Listing

"After Listing" commenced on the Listing Date.

Dealings in the Shares on the SEHK commenced on the Listing Date.

All investors may buy and sell Shares in the secondary market on the SEHK and Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Shares in the primary market in Application Share size, from 9:30 a.m. (Hong Kong time) to 2:00 p.m. (Hong Kong time) on each Dealing Day.

Please refer to "The Offering Phases" in Part 1 of this Prospectus for details. The following table summarises all key events and the Manager's expected timetable (all references to times are to Hong Kong time):

Initial Offer Period commences • Participating Dealers may apply for creation for themselves or for their clients in Application Share size	• 9:00 a.m. (Hong Kong time) on 9 December 2021
The date that is one Business Day prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Shares to be available for trading on the Listing Date	• 12:00 p.m. (Hong Kong time) on 10 December 2021
After listing (period commences on the Listing Date)	

• All investors may start trading Shares on the SEHK through any designated brokers; and • Participating Dealers may apply for creation and redemption (for themselves or for their clients) in Application Share size	• Commenced at 9:30 a.m. (Hong Kong time) on 13 December 2021 • From 9:30 a.m. (Hong Kong time) to 2:00 p.m. (Hong Kong time) on each Dealing Day

RMB Payment Procedures

Investors may, unless otherwise agreed by the relevant Participating Dealer, apply for Shares through Participating Dealers only if they have sufficient RMB to pay the application monies and the related fees. Investors should note that RMB is the only official currency of the PRC mainland. While both onshore RMB ("CNY") and offshore RMB ("CNH") are the same currency, they are traded in different and separated markets. Since the two RMB markets operate independently where the flow between them is highly restricted, CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there is a significant amount of RMB held offshore (i.e. outside the PRC mainland), CNH cannot be freely remitted into the PRC mainland and is subject to certain restrictions, and vice versa. As such whilst CNH and CNY are both the same currency, certain special restrictions do apply to RMB outside the PRC mainland. The liquidity and trading price of the Sub-Fund may be adversely affected by the limited availability of, and restrictions applicable to, RMB outside the PRC mainland.

Application monies from Participating Dealers to the Sub-Fund will be paid in RMB only. Accordingly a Participating Dealer may require an investor (as its client) to pay RMB to it. Payment details will be set out in the relevant Participating Dealer's documentation such as the application form for its clients. As such, an investor may need to have opened a bank account (for settlement) and a securities dealing account if a Participating Dealer is to subscribe for Shares on behalf of the investor as it will need to have accumulated sufficient RMB to pay at least the aggregate Issue Price and related costs, to the Participating Dealer or if an application to the Participating Dealer is not successful or is successful only in part, the whole or appropriate portion of the monies paid will need to be returned to the investor by the Participating Dealer by crediting such amount into the investor's RMB bank account. Similarly, if an investor wishes to buy and sell Shares in the secondary market on the SEHK, the investor may need to open a securities dealing account with its broker. Each investor will need to check with the relevant Participating Dealer and/or its broker for payment details and account procedures.

If any investors wish to buy or sell Shares on the secondary market, they should contact their brokers and they are advised to check with their brokers regarding arrangements for distributions in RMB. CCASS Investor Participants who receive distributions in RMB should make sure that they have set up an RMB designated bank account with CCASS.

Investors should consult the banks as to the account opening procedures as well as terms and conditions of the RMB bank account. Some banks may impose restrictions on their RMB cheque account and fund transfers to third party accounts. For non-bank financial institutions (e.g. brokers), however, such restriction will not be applicable and investors should consult their brokers as to the currency exchange service arrangement, if required. Investors without RMB accounts should note that distributions are made in RMB only and as such may suffer a foreign exchange loss and incur fees and charges associated with the conversion of distributions from RMB to HKD or any other currency to receive their distributions.

The transaction costs of dealings in the Shares on the SEHK include the SEHK trading fee, SFC transaction levy and AFRC transaction levy. All these secondary trading related fees and charges will be collected in HKD.

Investors should consult their own brokers or custodians as to how and in what currency the trading related fees and charges and brokerage commission should be paid by the investors.

Where payment in RMB is to be made by cheque, investors are advised to consult the bank at which their respective RMB bank accounts are opened in advance whether there are any specific requirements in relation to the issue of RMB cheques. In particular, investors should note that some banks have imposed an internal limit (usually RMB80,000) on the balance of RMB cheque account of their clients or the amount of cheques that their clients can issue in a day and such limit may affect an investor's arrangement of funding for an application (through a Participating Dealer) for creation of Shares.

When an individual investor opens an RMB bank account or settle RMB payments, he or she will be subject to a number of restrictions, including the daily maximum remittance amount to the PRC mainland of RMB80,000, and a remittance service is only available to an RMB deposit account-holder who remits from his or her RMB deposit account to the PRC mainland and provided that the account name of the account in the PRC mainland is identical with that of the RMB bank account with the bank in Hong Kong.

Please also refer to "RMB currency associated risks" below for further details.

Exchange Listing and Trading (Secondary Market)

The Shares are listed and traded on the SEHK. Shares are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as of the date of this Prospectus. Application may be made in the future for a listing of Shares on one or more other stock exchanges. Investors' attention is drawn to "Exchange Listing and Trading (Secondary Market)" in Part 1 of this Prospectus for further information.

Distribution Policy

The Manager has discretion as to whether or not the Sub-Fund will make any distribution, the frequency and amount of distribution. Currently, the Manager intends to distribute income to Shareholders annually (in December) having regard to the Sub-Fund's net income after fees and costs.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the Sub-Fund.

The Manager may, at its discretion, pay distributions out of capital. The Manager may also, at its discretion, pay distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital. Investors should note that payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment out of or effectively out of the Sub-Fund's capital may result in an immediate reduction in the Net Asset Value per Share and will reduce any capital appreciation for the Shareholders.

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website http://www.csopasset.com/en/products/hk-mscia50 (this website has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Shareholders.

Distributions (if declared) will be declared in the base currency of the Sub-Fund (i.e. RMB). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in RMB only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website http://www.csopasset.com/en/products/hk-mscia50 and on HKEX's website http://www.hkexnews.hk/lis

tedco/listconews/advancedsearch/search_active_main.aspx. The aforesaid websites have not been reviewed by the SFC.

There can be no assurance that distributions will be paid.

Each Shareholder will receive distributions in RMB. In the event that the relevant Shareholder has no RMB account, the Shareholder may have to bear the fees and charges associated with the conversion of such dividend from RMB to HKD or any other currency. Shareholders are advised to check with their brokers/intermediaries on the arrangements concerning distributions.

Distribution payment rates in respect of Shares will depend on factors beyond the control of the Manager or the Custodian including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Dealing Day, Business Day, and Valuation Point

The "**Dealing Day**" of the Sub-Fund means each Business Day during the continuance of the Sub-Fund, and/or such other day or days as the Manager may from time to time determine.

The "**Business Day**" of the Sub-Fund means, unless the Manager otherwise agrees, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant securities market on which the Master ETF are traded is open for normal trading, and (b) the Index is compiled and published, or such other day or days as the Manager may agree from time to time.

The "**Valuation Point**" of the Sub-Fund means the official close of trading on the securities market on which the Master ETF is listed on each Dealing Day (i.e. approximately 3:00 p.m. Hong Kong time) or as determined by the Manager from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Shares.

Fees and Expenses

Management Fee

Currently, the Manager does not charge any Management Fee in respect of the Sub-Fund as the Sub-Fund is a feeder fund of the Master ETF, which is managed by the MF Manager, the controlling shareholder of the Manager.

The management fee of the Master ETF is currently 0.15% per year of the net asset value of the Master ETF accrued daily.

Currently, the aggregate management fee charged in respect of the Sub-Fund is 0.15% per year of the Net Asset Value of the Sub-Fund.

Custodian's Fee

The Custodian's Fee (inclusive of the fees payable to both the Custodian and the PRC Custodian) is currently up to 0.10% per year of the Net Asset Value of the Sub-Fund.

The Custodian's Fee may be increased up to 2% per year of the Net Asset Value of the Sub-Fund, on one month's notice to Shareholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Instrument), such increase will be subject to the Shareholders' and the SFC's approval.

The custodian fee of the Master ETF is currently 0.07% per annum of the net asset value of the Master ETF accrued daily.

Currently, the aggregate custodian fee charged in respect of the Sub-Fund is up to 0.17% per year of the Net Asset Value of the Sub-Fund.

Other Expense payable by the Sub-Fund

Other fees and expenses that may be payable by the Sub-Fund include Administrator's fee and the Registrar's fee. Currently, such other fees and expenses, in aggregate with the Custodian's Fee as set out above, is up to 0.10% per year of the Net Asset Value of the Sub-Fund.

Please refer to "Fees and Expenses" in Part 1 of this Prospectus for further details.

Fees payable by the Master ETF

By investing into the Master ETF, the Sub-Fund will bear indirectly a proportionate share of the fees payable to the MF Manager and MF Custodian and other fees, charges and expenses payable by the Master ETF, which will be reflected in the net asset value per unit of the Master ETF.

The following fees and charges will also be borne by the Master ETF:

a) index licence fees;

b) information disclosure expenses payable after the Fund Contract has taken effect;

c) accountant fees, auditor's fees, legal fees, litigation costs and arbitration fees related to the Master ETF payable after the Fund Contract has taken effect;

d) expenses of MF Unitholders' meetings;

e) settlement expenses arising from securities and futures trading;

f) bank transfer fees of the Master ETF;

g) initial fees and annual fees for Master ETF listing, registration and settlement fees, Indicative Optimized Portfolio Value ("IOPV") calculation and publication fees;

h) opening fees for securities and futures accounts and maintenance fees for bank accounts;

i) other expenses that may be disbursed from the fund property in accordance with relevant laws, regulations and the provisions of the Fund Contract.

Expenses incurred during the course of the termination or liquidation of the Master ETF shall also be deducted from the fund property according to the actual expenditures.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Risks of investing in the Master ETF

The Sub-Fund invests substantially in the Master ETF, and may therefore be subject to the risks associated with the Master ETF. The performance of the Sub-Fund depends on the price of the Master ETF. The ability of the Sub-Fund to meet its investment objective is also largely dependent on the Master ETF. The performance of the Sub-Fund may deviate from the performance of the Master ETF due to the Sub-Fund's holdings in investments other than the Master ETF, as well as the Sub-Fund's fees and expenses. While the Sub-Fund seeks to minimise the tracking difference / tracking error arising from the Master ETF, there is no guarantee that the Sub-Fund may achieve

such objective via investments other than investment in the Master ETF, due to various factors (e.g. timing differences / delays in adjusting the Sub-Fund's investments).

Past performance of the Master ETF is not necessarily a guide to future performance of the Master ETF or the Sub-Fund.

The Sub-Fund does not have control of the investments of the Master ETF and there is no assurance that the investment objective and strategy of the Master ETF will be successfully achieved which may have a negative impact to the Net Asset Value of the Sub-Fund. Shareholders also do not have any direct interest in the units of the Master ETF and will not be able to exercise any voting right in respect of the Master ETF.

There may be additional costs involved when investing into the Master ETF. By investing in the Master ETF, the Sub-Fund will bear a proportion of the fees and charges of the Master ETF. Such fees and charges of the Master ETF will be deducted from the net asset value of the Master ETF and reflected in the net asset value per unit of the Master ETF.

There is also no guarantee that the Master ETF will always have high trading volume and sufficient liquidity and the Sub-Fund may not be able to realise or liquidate its investment in the Master ETF at such time as it wants to.

The trading price of the units of the Master ETF on the SZSE is driven by market factors such as the demand and supply of the units. Therefore, the units of the Master ETF may trade at a substantial premium or discount to the net asset value of the Master ETF.

There is no assurance that the liquidity of the Master ETF will always be sufficient to meet realisation requests. Further, there could be trading suspension of the Master ETF in the secondary market in Chinese Mainland and these factors may have an adverse impact on the Sub-Fund and its Shareholders.

The Master ETF is not authorised by the SFC and is structured as an open-ended contract-type investment fund (which is different to the structure of the Sub-Fund). The Master ETF is regulated by the CSRC and is subject to the applicable PRC mainland laws and regulations. Future changes in the applicable PRC mainland laws and regulations may have an impact on the Master ETF. The management and operation of the Master ETF is also dependent on the MF Manager and its service providers.

As the Sub-Fund invests substantially in the Master ETF which is managed by an affiliate of the Manager (i.e. the MF Manager, which is the controlling shareholder of the Manager), potential conflicts of interest may arise. The Manager will rigorously manage any such conflicts in the best interest of Shareholders.

Risks in light of the cross-border nature of the Sub-Fund

The Sub-Fund is an RMB-denominated physical exchange traded fund which invests substantially in the SZSE-listed Master ETF, which in turn directly invests in China A-Share market (which is a market with restricted access). In light of the cross-border nature of the Sub-Fund, it is more risky than traditional exchange traded funds which invest directly in markets other than the China A-Share market and therefore, is subject to operational and settlement risks. Operational risks may arise from technical failures of communication and trading systems, and any breaches of the relevant operational policies or guidelines by the relevant staff of the Manager. Whilst the Manager has in place internal control systems, operational guidelines and contingency procedures to reduce the chances of such operational risks, there is no guarantee that events beyond the control of the Manager (e.g. trading errors or system errors) will not occur. The occurrence of such events may adversely affect the value of the Sub-Fund.

The Sub-Fund may also be exposed to risks associated with settlement procedures. Any significant delays in the settlement of transactions or the registration of a transfer may affect the ability to ascertain the value of the Sub-Fund's portfolio and adversely affect the Sub-Fund.

PRC mainland taxation risk

In light of the announcement jointly promulgated by the Ministry of Finance, the State Taxation Administration and the CSRC under Caishui 2014 No.79 which stipulate that trading of A-Shares through QFIs and the Stock Connect programmes (without an establishment or place of business in the PRC mainland or having an establishment in the PRC mainland but the income so derived in Chinese Mainland is not effectively connected with such establishment) will be temporarily exempted from corporate income tax on gains derived from the transfer of PRC mainland equity investment assets (including PRC mainland A-Shares) effective from 17 November 2014, the Manager does not intend to make any WIT provision on the gross unrealised and realised capital gains derived from trading of the Master ETF and exchange traded funds listed on stock changes in Chinese Mainland which may in turn be charged to the Sub-Fund.

However, dividends will be subject to 10% withholding tax and the company distributing the dividend has the withholding obligation. If the recipient of the dividend is entitled to a lower treaty rate, it can apply to the in-charge tax bureau of the payor for a refund. The Sub-Fund's exposure to investments in PRC mainland may be subject to the risks associated with changes in the PRC mainland tax laws and such changes may have retrospective effect and may adversely affect the Sub-Fund.

Please refer to "PRC mainland taxation" under "Taxation" in Part 1 of this Prospectus for further information in this regard.

Risks associated with the Stock Connect

The Sub-Fund's investments through the Stock Connect may be subject to the following risks. In the event that the Sub-Fund's ability to invest in A-Shares through the Stock Connect on a timely basis is adversely affected, the Manager will only be able to rely on QFI investments to achieve the Sub-Fund's investment objective.

Quota limitations

The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). The Sub-Fund's ability to invest in A-Shares through the Kong Stock Connect may be affected.

Front-end monitoring risk

PRC mainland regulations require that in order for an investor to sell any A Share on a certain trading day, there must be sufficient A Shares in the investor's account before market opens on that day. If there are insufficient A Shares in the investor's account, the sell order will be rejected by the SSE or the SZSE. The SEHK carries out pre-trade checking on SSE Securities and SZSE Securities sell orders of its participants (i.e. stock brokers) to ensure that this requirement is satisfied. This means that investors must transfer SSE Securities or SZSE Securities (as the case may be) to the accounts of its brokers before the market opens on the day of selling (the "trading day"). If an investor fails to meet this deadline, it will not be able to sell SSE Securities or SZSE Securities (as the case may be) on the relevant trading day. Because of this requirement, investors may not be able to dispose of holdings of SSE Securities or SZSE Securities (as the case may be) in a timely manner. This also raises concerns as to counterparty risks as securities may need to be kept by brokers overnight.

To facilitate investors whose SSE Securities and/or SZSE Securities are maintained with custodians to sell their SSE Securities and/or SZSE Securities without having to pre-deliver the SSE Securities and/or SZSE Securities from their custodians to their executing brokers, the HKEX introduced an enhanced pre-trade checking model in March 2015, under which an investor may request its custodian to open a Special Segregated Account ("SPSA") in CCASS to maintain its holdings in SSE Securities and/or SZSE Securities. Such investors only need to transfer SSE Securities and/or SZSE Securities from its SPSA to its designated broker's account after execution and not before placing the sell order. This enhanced model is novel and initial market reaction has

been varied. If the Sub-Fund is unable to utilise this model, it would have to deliver SSE Securities and/or SZSE Securities to brokers before the trading day and the above risks may still apply.

Suspension risk

Each of the SEHK, the SSE and the SZSE reserves the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading is effected, the Sub-Fund's ability to access the A-Share market through the Hong Kong Stock Connect will be adversely affected.

Differences in trading day risk

The Stock Connect only operates on days when both the PRC mainland and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC mainland market but Hong Kong investors (such as the Sub-Fund) cannot carry out any A-Shares trading. Due to the differences in trading days, the Sub-Fund may be subject to a risk of price fluctuations in A-Shares on a day that the PRC mainland stock markets are open for trading but the Hong Kong stock market is closed.

Nominee arrangement risk

The SSE Securities and the SZSE Securities in respect of Sub-Fund will be held by the Custodian/Sub-Custodian in accounts in CCASS, maintained by HKSCC as central securities depositary in Hong Kong. HKSCC in turn holds the SSE Securities and the SZSE Securities, as the nominee holder, through an omnibus securities account in its name registered with CSDCC. HKSCC is only a nominee holder and the Sub-Fund remains the beneficial owner of the SSE Securities. The Sub-Fund's title or interests in, and entitlements to the SSE Securities and the SZSE Securities (whether legal, equitable or otherwise) will therefore be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction.

CCASS Rule 824 confirms that all proprietary interests in respect of A-Shares held by HKSCC as nominee holder belong to CCASS participants or their clients (as the case may be). Also as set out in CCASS Rule 824, HKSCC is prepared to provide assistance to the beneficial owners of A-Shares, where necessary, to provide certification to CSDCC for the purpose of providing evidential proof of the CCASS participant's or its client's holding in A-Shares and to assist the CCASS participant or its client bringing the legal action in the PRC mainland in the manner as may be required under PRC mainland law, after having regard to its statutory duties and subject to such conditions as HKSCC may reasonably require (including payment of fees and costs upfront and indemnities to the satisfaction of HKSCC).

Although the relevant CSRC regulations and CSDCC rules generally provide for the concept of a nominee holder and recognise the Hong Kong and overseas investors (including the Sub-Fund) as the ultimate owners who would be recognised under the laws and regulations of the PRC mainland as having beneficial ownership in the A-Shares traded via the Stock Connect, how an investor such as the Sub-Fund, as the beneficial owner of the A-Shares, under the Stock Connect structure, exercises and enforces its rights over the A-Shares in the PRC mainland courts remain to be tested.

Operational risk

The Stock Connect provides a new channel for investors from Hong Kong and overseas to access the PRC mainland stock market directly. Market participants are able to participate in this programme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. Market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and

exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the programme could be disrupted.

Recalling of eligible stocks

If a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold and cannot be bought. This may affect the Sub-Fund's tracking of the Index if, for example, a constituent of the Index is recalled from the scope of eligible stocks.

Participation in corporate actions and shareholders' meetings

HKSCC will keep CCASS participants informed of corporate actions of the SSE Securities and the SZSE Securities. Where the articles of association of a listed company do not prohibit the appointment of proxy/multiple proxies by its shareholder, HKSCC will make arrangements to appoint one or more investors as its proxies or representatives to attend shareholders' meetings when instructed. Further, investors (with holdings reaching the thresholds required under the PRC mainland regulations and the articles of associations of listed companies) may, through their CCASS participants, pass on proposed resolutions to listed companies via HKSCC under the CCASS rules. HKSCC will pass on such resolutions to the companies as shareholder on record if so permitted under the relevant regulations and requirements. Hong Kong and overseas investors (including the Sub-Fund) are holding the SSE Securities and the SZSE Securities traded via the Stock Connect through their brokers or custodians, and they need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of the SSE Securities and the SZSE Securities may be as short as one business day only. Therefore, the Sub-Fund may not be able to participate in some corporate actions in a timely manner.

Clearing and settlement risk

The HKSCC and CSDCC establish clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. Should the remote event of CSDCC default occur and the CSDCC be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against the CSDCC. HKSCC will in good faith seek recovery of the outstanding stocks and monies from the CSDCC through available legal channels or through the CSDCC's liquidation. In that event, the Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from the CSDCC.

Regulatory risk

The Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC mainland and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect. The regulations are untested and there is no certainty as to how they will be applied, and are subject to change. There can be no assurance that the Stock Connect will not be abolished.

Limited protection by Investor Compensation Fund risk

Investment through the Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers in their obligations. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor

Compensation Fund also covers investors' losses in relation to securities traded on a stock market operated by the SSE or the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the Northbound link of a Stock Connect arrangement. On the other hand, since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland. Therefore the Sub-Fund is exposed to the risks of default of the broker(s) it engages in its trading in A-Shares through the programme.

Risks associated with the QFI regime

The Sub-Fund may invest in A-Shares listed in PRC mainland through the Manager's QFI status. Investments through QFI will be subject to the following risks:

QFI systems risk

The current QFI Regulations include rules on investment restrictions applicable to the Sub-Fund. Transaction sizes for QFIs are relatively large (with the corresponding heightened risk of exposure to decreased market liquidity and significant price volatility leading to possible adverse effects on the timing and pricing of acquisition or disposal of securities).

Onshore PRC securities are registered in the joint names of the Manager (as the QFI holder) and the Sub-Fund in accordance with the relevant rules and regulations, and maintained in electronic form via a securities account with the CSDCC. The QFI holder selects a PRC mainland broker (the "PRC Broker") to act on its behalf in each of the two onshore PRC securities markets as well as the PRC Custodian to maintain its assets in custody in accordance with the terms of the PRC Custody Agreement.

In the event of any default of either the relevant PRC Broker or the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC mainland, the Sub-Fund may encounter delays in recovering its assets which may in turn adversely impact the Net Asset Value of the Sub-Fund.

In extreme circumstances, the Sub-Fund may incur significant loss due to limited investment capabilities, or may not be able fully to implement or pursue its investment objectives or strategies, due to QFI investment restrictions, illiquidity of the PRC's securities markets, and delay or disruption in execution of trades or in settlement of trades.

The regulations which regulate investments by QFIs in the PRC and the repatriation of capital from QFI investments are relatively new. The application and interpretation of regulations which regulate investments by QFIs in the PRC mainland are relatively untested and there is no certainty as to how they will be applied as the PRC mainland authorities and regulators have been given wide discretion in such investment regulations and there is no certainty as to how such discretion may be exercised now or in the future.

Changes to the foreign investment regulation in the PRC mainland may be made at any time by the CSRC and the SAFE, and such changes may have a detrimental impact on the ability of the Sub-Fund to achieve its investment objective. For example, any imposition of (or restriction in the amount of) investment quota made available by the CSRC and the SAFE may hinder the ability of the Sub-Fund to invest in the PRC mainland which may in turn affect the Sub-Fund's ability to achieve its investment objective.

PRC Custodian and PRC Broker risk

Onshore PRC assets will be maintained by the PRC Custodian in electronic form via a securities account with the CSDCC and a special deposit account with the PRC Custodian.

The QFI holder also selects the PRC Broker to execute transactions for the Sub-Fund in the PRC mainland markets. When selecting PRC Broker(s), the Manager will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the Manager considers appropriate, it is possible that a single PRC Broker will be appointed for

both the SSE and the SZSE. Should, for any reason, the Manager be unable to use the relevant broker in the PRC mainland, the operation of the Sub-Fund would be adversely affected and may cause Shares to trade at a premium or discount to the Sub-Fund's Net Asset Value or unable to track the Index. The Sub-Fund may also incur losses due to the acts or omissions of either the PRC Broker(s) or the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities. Subject to the applicable laws and regulations in the PRC mainland, the Manager will make arrangements to ensure that the relevant PRC Broker and PRC Custodian have appropriate procedures to properly safe-keep the Sub-Fund's assets.

According to the QFI Regulations and market practice, the securities and special deposit accounts for the Sub-Fund in the PRC mainland are maintained in the joint names of the Manager as the QFI and the Sub-Fund.

Investors should note that cash deposited in the special deposit account of the Sub-Fund with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the Sub-Fund as a depositor. Such cash will be co-mingled with cash belong to other clients of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the Sub-Fund will not have any proprietary rights to the cash deposited in such special deposit account, and the Sub-Fund will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the PRC Custodian. A Sub-Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Sub-Fund will suffer losses.

Repatriation risk

Repatriations by QFIs in respect of an investment fund such as the Sub-Fund conducted in RMB based on the net balance of subscriptions or redemptions each day are permitted daily and are not subject to any lock-up periods or prior approval. The realised cumulative profits generated from investments via the QFI for the account of the Sub-Fund may be repatriated out of the PRC mainland, as and when the Manager instructs the PRC Custodian to do so and after the completion of the audit of such net realised cumulative profits by a PRC mainland registered accountant and the issuance of the tax payment certificate or tax filing certificate (if any). There is no assurance, however, that PRC mainland rules and regulations will not change or that repatriation restrictions/ requirements will not be cancelled or additionally imposed in the future. Any new restrictions on repatriation of the invested capital and net profits may impact on the Sub-Fund's ability to meet redemption requests.

QFI status risk

There can be no assurance that the QFI status of the Manager will not be suspended or revoked. Such event may adversely affect the Sub-Fund's performance as it may not be possible to implement the investment strategy of the Sub-Fund at all, which in the worst case scenario may lead to termination of the Sub-Fund.

Distributions out of or effectively out of capital risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of the capital. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Share. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Shareholders.

RMB currency associated risks

RMB is not freely convertible and subject to exchange controls and restrictions risk

It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC mainland government. Since 1994, the conversion of RMB into USD has been based on rates set by the People's Bank of China (the "PBOC"), which are set daily based on the previous day's PRC mainland interbank foreign exchange market rate. On 21 July 2005, the PRC mainland government introduced a managed floating exchange rate system to allow the value of RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. In addition, a market maker system was introduced to the interbank spot foreign exchange market. In July 2008, the PRC mainland announced that its exchange rate regime was further transformed into a managed floating mechanism based on market supply and demand. Given the domestic and overseas economic developments, the PBOC decided to further improve the RMB exchange rate regime in June 2010 to enhance the flexibility of the RMB exchange rate . In April 2012, the PBOC decided to take a further step to increase the flexibility of the RMB exchange rate by expanding the daily trading band from +/-0.5% to +/-1%. Effective 11 August 2015 the RMB central parity is fixed against the USD by reference to the closing rate of the inter-bank foreign exchange market on the previous day (rather than the previous morning's official setting).

However it should be noted that the PRC mainland government's policies on exchange control and repatriation restrictions are subject to change, and any such change may adversely impact the Sub-Fund. There can be no assurance that the RMB exchange rate will not fluctuate widely against the HKD or any other foreign currency in the future.

Foreign exchange transactions under the capital account, including principal payments in respect of foreign currency-denominated obligations, currently continue to be subject to significant foreign exchange controls and require the approval of the SAFE. On the other hand, the existing PRC mainland foreign exchange regulations have significantly reduced government foreign exchange controls for transactions under the current account, including trade and service related foreign exchange transactions and payment of dividends. Nevertheless, the Manager cannot predict whether the PRC mainland government will continue its existing foreign exchange policy or when the PRC mainland government will allow free conversion of the RMB to foreign currency.

The Shares of the Sub-Fund are traded in HKD, but the Net Asset Value of the Sub-Fund and the Index are calculated in RMB. Investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against HKD will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund.

Non-RMB or late settlement redemption or distributions risk

Where, in extraordinary circumstances, the remittance or payment of RMB funds on the redemption of Shares in the primary market cannot, in the opinion of the Manager in consultation with the Custodian, be carried out normally due to legal or regulatory circumstances beyond the control of the Custodian and the Manager, redemption proceeds may be delayed or, if necessary in exceptional circumstances, be paid in US dollars or HKD instead of in RMB (at an exchange rate determined by the Manager after consultation with the Custodian). As such, there is a risk that investors may not be able to receive settlement upon a redemption of Shares in RMB (and may receive US dollars or HKD) or may receive settlement in RMB on a delayed basis.

QFI late settlement risk

The Sub-Fund will be required to remit RMB from Hong Kong to the PRC mainland to settle the purchase of A-Shares by the Sub-Fund from time to time. In the event such remittance is disrupted, the Sub-Fund will not be able to fully replicate the Index by investing in the relevant A-Shares and this may increase the tracking error of the Sub-Fund.

Future movements in RMB exchange rates risk

The exchange rate of RMB ceased to be pegged to US dollar on 21 July 2005, resulting in a more flexible RMB exchange rate system. China Foreign Exchange Trading System, authorised by the PBOC, promulgates the central parity rate of RMB against US dollar, Euro, Yen, British Pound and HKD at 9:15 a.m. on each business day, which will be the daily central parity rate for transactions

on the Inter-bank Spot Foreign Exchange Market and OTC transactions of banks. The exchange rate of RMB against the above-mentioned currencies fluctuates within a range above or below such central parity rate. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies, including US dollar and HKD, are susceptible to movements based on external factors.

There can be no assurance that such exchange rates will not fluctuate widely against US dollar, HKD or any other foreign currency in the future. From 1994 to July 2005, the exchange rate for RMB against US dollar and HKD was relatively stable. From 1994 to July 2005, the exchange rate for RMB against US dollar and HKD was relatively stable. Since July 2005, the RMB has begun to appreciate until August 2015 when the PBOC introduced a one-off devaluation of RMB. There can be no assurance that RMB will not be subject to further devaluation. The future movements in RMB exchange rates are uncertain and the fluctuations may have a positive or negative impact on investors' investment in the Sub-Fund.

Offshore RMB ("CNH") Market Risk

The onshore RMB ("CNY") is the only official currency of the PRC mainland and is used in all financial transactions between individuals, state and corporations in the PRC mainland. Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC mainland. Since June 2010, the offshore RMB ("CNH") is traded officially, regulated jointly by the Hong Kong Monetary Authority and the PBOC. While both CNY and CNH represent RMB, they are traded in different and separated markets. The two RMB markets operate independently where the flow between them is highly restricted. Though the CNH is a proxy's of the CNY, they do not necessarily have the same exchange rate and their movement may not be in the same direction. This is because these currencies act in separate jurisdictions, which leads to separate supply and demand conditions for each, and therefore separate but related currency markets.

However, the current size of RMB-denominated financial assets outside the PRC mainland is limited. As of 30 September 2021, the total amount of RMB (CNH) deposits held by institutions authorised to engage in RMB banking business in Hong Kong amounted to approximately RMB855.93 billion. In addition, participating authorised institutions are also required by the Hong Kong Monetary Authority to maintain a total amount of RMB (in the form of cash and its settlement account balance with the Renminbi Clearing Bank) of no less than 25% of their RMB deposits, which further limits the availability of RMB that participating authorised institutions can utilise for conversion services for their customers. RMB business participating banks do not have direct RMB liquidity support from PBOC. The Renminbi Clearing Bank only has access to onshore liquidity support from PBOC (subject to annual and quarterly quotas imposed by PBOC) to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers. The Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions. Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC mainland laws and regulations on foreign exchange. There is no assurance that new PRC mainland regulations will not be promulgated or the relevant settlement agreement between Hong Kong banks and the PBOC will not be terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC mainland may affect the liquidity and therefore the trading price of the Shares on the SEHK. To the extent the Manager is required to source RMB in the offshore market, there is no assurance that it will be able to source such RMB on satisfactory terms, if at all.

RMB distributions risk

Investors should note that where a Shareholder holds Shares traded in HKD, the relevant Shareholder will only receive distributions in RMB and not HKD. In the event the relevant Shareholder has no RMB account, the Shareholder may have to bear the fees and charges associated with the conversion of such dividend from RMB into HKD or any other currency. Shareholders are advised to check with their brokers concerning arrangements for distributions.

PRC mainland associated risks

PRC mainland laws and regulations risk

The regulatory and legal framework for capital markets and joint stock companies in the PRC mainland may not be as well developed as those of developed countries. PRC mainland laws and regulations affecting securities markets are relatively new and evolving, and because of the limited volume of published cases and judicial interpretation and their non-binding nature, interpretation and enforcement of these regulations involve significant uncertainties. In addition, as the PRC mainland legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on their business operations.

Restricted market risk

The Sub-Fund may be exposed to Securities in respect of which the PRC mainland imposes limitations or restrictions on foreign ownership or holdings. Such legal and regulatory restrictions or limitations may have adverse effects on the Sub-Fund as compared to the performance of the Index. This may increase the risk of tracking error and, at the worst, the Sub-Fund may not be able to achieve its investment objective.

Accounting and reporting standards risk

Accounting, auditing and financial reporting standards and practices applicable to PRC mainland companies may be different to those standards and practices applicable to countries that have more developed financial markets. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors.

Changes in PRC mainland taxation risk

The PRC mainland Government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC mainland companies and foreign investors in such companies. Please refer to “PRC mainland taxation” under “Taxation” in Part 1 of this Prospectus for further information.

Proprietary investment / seed money risk

The assets under management at any time during the life of the Sub-Fund may include proprietary money (or “seed money”) invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Sub-Fund; and (ii) redeem its investment in the Sub-Fund at any time, without notice to Shareholders. Such an interested party is under no obligation to take the interests of other Shareholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Sub-Fund by an interested party for any particular length of time. As many of the expenses of the Sub-Fund are fixed, a higher amount of assets under management may reduce the expenses of the Sub-Fund per Share and a lower amount of assets under management may increase the expenses of the Sub-Fund per Share. As with any other redemption representing a material portion of the Sub-Fund's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Sub-Fund and may, in certain circumstances (i) cause remaining investors’ holdings to represent a higher percentage of the Net Asset Value of the Sub-Fund, (ii) cause other investors in the Sub-Fund to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Custodian, to determine that the Sub-Fund, has become unmanageable and to consider taking exceptional measures, such as terminating the Sub-Fund, in accordance with the Instrument, in which case Shareholders’ investments would be redeemed in their entirety.

Risks of investing in other funds

The Sub-Fund may invest in funds other than the Master ETF, and may therefore be subject to the risks associated with such underlying funds. The Sub-Fund does not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved which may have a negative impact to the Net Asset Value of the Sub-Fund.

The underlying funds in which the Sub-Fund may invest may not be authorised by the SFC. There may be additional costs involved when investing into these underlying funds. There is also no guarantee that the underlying funds will always have high trading volume and sufficient liquidity and the Sub-Fund may not be able to realise or liquidate its investment in such underlying funds at such time as it wishes to.

Risks associated with the Master ETF's investment

Given the Sub-Fund invests substantially in the Master ETF as a feeder fund, the Sub-Fund may also be subject to the following risks associated with the Master ETF's investments.

Concentration risk

Due to the concentration of the Index in a single country (i.e. the PRC mainland), the Index is subject to concentration risk and the performance of the Index may be more volatile when compared to other broad-based stock indices. The net asset value of the Master ETF is therefore likely to be more volatile than a more broad-based fund, such as a global or regional fund, as the Index is more susceptible to fluctuations in value resulting from adverse conditions in a single country.

A-Shares associated risks

A-Share market trading difference risk

Differences in trading hours between PRC mainland stock exchanges (e.g. SSE and SZSE) and the SEHK may increase the level of premium/discount of the Share price to its Net Asset Value because if a PRC stock exchange is closed while the SEHK is open, the Index level may not be available. The prices quoted by the SEHK market maker would therefore be adjusted to take into account any accrued market risk that arises from such unavailability of the Index level and as a result, the level of premium or discount of the Share price of the Master ETF to its net asset value may be higher.

A-Shares market suspension and volatility risk

The Index consists of A-Shares which may only be bought from time to time where the relevant A-Shares may be sold or purchased on the SSE or the SZSE, as appropriate. Given that the A-Shares market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), the creation and realisation of Shares may be disrupted. A Participating Dealer is unlikely to realise or create Shares if it considers that A-Shares may not be available. High market volatility and potential settlement difficulties in the A-Shares market may also result in significant fluctuations in the prices of the securities traded on the A-Shares market and thereby may adversely affect the value of the Master ETF.

Risks associated with debt securities

- *Credit / Counterparty risk* – The Master ETF is exposed to the credit/default risk of issuers of the debt securities that the Master ETF may invest in.

- *Interest rate risk* – Investment in the Master ETF is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

- *Volatility and liquidity risk* – The debt securities in the Chinese Mainland markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid offer spreads of the price of such securities may be large and the Master ETF may incur significant trading costs.

- *Downgrading risk* – The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Master ETF may be adversely affected. The MF Manager may or may not be able to dispose of the debt instruments that are being downgraded.

- *Risk associated with bonds rated below investment grade or unrated* – The Master ETF may invest in bonds rated below investment grade by an internationally recognised credit agency or a Chinese Mainland credit rating agency, or unrated. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated bonds.

- *Sovereign debt risk* – The Master ETF may invest in securities issued or guaranteed by governments and such investment may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Master ETF to participate in restructuring such debts. The Master ETF may suffer significant losses when there is a default of sovereign debt issuers.

- *Valuation risk* – Valuation of the Master ETF's investments in debt securities may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Master ETF.

- *Credit rating risk* – Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

- *Credit rating agency risk* – In respect of bonds issued within Chinese Mainland, the credit appraisal system in Chinese Mainland and the rating methodologies employed in Chinese Mainland may be different from those employed in other markets. Credit ratings given by Chinese Mainland rating agencies may therefore not be directly comparable with those given by other international rating agencies.

Risk of investing in asset-backed securities

The Master ETF may invest in asset-backed securities which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater price fluctuation risk, liquidity risk, credit risk, interest rate risk, extension and prepayment risk, and other risks. Asset-backed securities may also be exposed to risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

Risk of investing in stock index futures

In the process of using stock index futures to hedge the market risk, the Master ETF's assets may suffer from basis risk (i.e. the risk that the futures price might not move in normal, steady correlation with the price of the underlying assets) because the stock index futures contract may not be fully consistent with the Index in its price fluctuation.

If sufficient cash is not reserved, the futures position may be subject to the risk of mandatory liquidation due to insufficient margin in case of extreme conditions in the market.

When the delivery date of the spot contract held by the Master ETF is approaching, the contract needs to be replaced for extension of the Master ETF's position. The contract extension is subject

to the risk that the basis of the contract changes in an unfavorable direction or the liquidity is insufficient.

Risk of investing in convertible bonds

Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

Risks associated with Investing in FDIs

The Master ETF may invest in FDIs. Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Exposure to FDIs may lead to a high risk of significant loss by the Sub-Fund.

Risks associated with securities lending transactions

The Master ETF may engage in securities lending transactions, and the risks include but are not limited to:

- Liquidity risk – In case of large redemption, there may be a risk that the redemption amount cannot be realised and paid due to securities lending;

- Credit risk – There is a risk that the securities lending counterparty may not be able to return the securities in a timely manner and cannot pay the corresponding equity compensation and borrowing fee. The value of any collateral received may fall below the value of the securities lent out;

- Market risk – After the securities are lent, they may face market risk that the securities cannot be disposed of in a timely manner during the lending period.

Risks associated with repurchase transactions

In the event of the failure of the counterparty with which collateral has been placed, the Master ETF may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Risks associated with reverse repurchase transactions

In the event of the failure of the counterparty with which cash has been placed, the Master ETF may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Risk of early termination

The Master ETF may be terminated under the circumstances set out in the section headed "***Termination of the Master ETF***" in this Appendix. In the event of the termination of the Master ETF, or the Master ETF no longer complies with the relevant requirements applicable to the Master ETF as prescribed by the SFC, if the Manager is unable to identify or agree with another master fund that tracks the Index or a suitable replacement index that is acceptable to the SFC, the Sub-Fund may be terminated, and investors may not be able to recover their investments and

suffer loss during such early termination.

Risks relating to the differences between the Hong Kong and Chinese Mainland securities markets

As the SZSE may be open when Shares in the Sub-Fund are not priced, the value of the Master ETF may change on days when investors will not be able to purchase or sell the Sub-Fund's Shares. Furthermore, the market prices of the Master ETF may not be available during part of or all of the SEHK trading sessions due to trading hour differences which may result in Shares of the Sub-Fund being traded at a premium or discount to its Net Asset Value.

In addition, differences in trading hours between the SZSE and the SEHK may increase the level of premium/discount of the price of Shares of the Sub-Fund to its Net Asset Value because if the SZSE is closed while the SEHK is open, net asset value of the Master ETF may not be available. The prices quoted by the market maker would therefore be adjusted to take into account any accrued market risk that arises from such unavailability of the net asset value of the Master ETF and as a result, the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher.

There are no trading band limits in Hong Kong. However, trading band limits are imposed by the stock exchanges in Chinese Mainland on China A-Shares and China A-Share ETFs, where trading in any China A-Share and China A-Share ETF on the relevant stock exchange may be suspended if the trading price of the China A-Share or China A-Share ETF has hit the trading band limit during the day. Any dealing suspension of the Master ETF will render it impossible for the Sub-Fund to acquire units of the Master ETF or liquidate positions to reflect creation/redemption of the Shares of the Sub-Fund. This may result in higher tracking error and may expose the Sub-Fund to losses. Shares of the Sub-Fund may also be traded at a significant premium or discount to its Net Asset Value.

Tracking error risk

There can be no assurance of exact or identical replication at any time of the performance of the Index by the Master ETF. Factors such as the fees and expenses of the Master ETF, imperfect correlation between the Master ETF's assets and the underlying securities constituting the Index (the "**Index Securities**"), inability to hold the exact constituents of the Index by the Master ETF or rebalance the Master ETF's holdings of Index Securities in response to changes in the constituents of the Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the ability of the MF Manager to achieve close correlation with the Index. These factors may cause the Master ETF, and thus the returns of the Sub-Fund, to deviate from the Index. The Manager and the MF Manager will monitor and seek to manage such risk in order to minimise tracking error.

Delisting risk

Delisting risk refers to the risk that the units in the Master ETF cannot continue to be traded in the secondary market due to the early termination of listing by the resolution of the unitholders of the Master ETF.

Management risk

The knowledge, experience, judgment, decision-making and skill of the MF Manager during the management and operation of the Master ETF will affect his/her analysis and judgment on the economic and market conditions and the trend of securities prices, thus influencing the return of the Master ETF. In addition, the professional ethics and ethical standards of the MF Manager may also have impact on the return of the Master ETF.

Operational or technical risk

Losses to the Master ETF's assets may occur due to operational errors or violation of operating procedures resulting from deficiencies in internal control or human factors during the operation of various links of the business, for example, unauthorized illegal transactions, fraud by the accounting department and trading errors.

The failure or error of the MF Manager or Master ETF's technology system may affect the normal progress of a transaction or impact the interests of the investors. This technical risk may come from the MF Manager, registries, sales agencies, interbank bond markets, securities/futures exchanges, securities registries and China Central Depository & Clearing Co., Ltd.

Technological risk

Abnormality occurring in computer or communication systems, transaction network and other technical support systems or information network support may lead to the risks that the application, subscription and redemption of the Master ETF may not be completed according to the normal time limit, the registration system paralysed, the clearing system may not display the net asset value according to the normal time limit, and the investment trading instruction of the Master ETF may not be transmitted in time.

Other risks

These include risks arising due to force majeure, such as war and natural disaster, and financial market crisis, industrial competition, agency default, MF Custodian default and other risks beyond the direct control of the MF Manager.

Trading Risk

The trading price of the Shares on the SEHK is driven by market factors such as the demand and supply of the Shares. Therefore, the Shares may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Shares on the SEHK, investors may pay more than the Net Asset Value per Share when buying Shares on the SEHK, and may receive less than the Net Asset Value per Share when selling Shares on the SEHK.

In addition, under extreme market conditions, the trading price of the Shares may fall to a very low nominal level. In such circumstances, the bid-ask spreads of the Sub-Fund may widen significantly, trading liquidity may deteriorate, and market makers may face practical difficulties or be unable to fulfil their market making obligations. The trading price may reach the price floor of 0.01 (of any available currency unit). Where this occurs, the secondary market trading price of the Shares may not be able to fully reflect movements in the Net Asset Value or indicative Net Asset Value of the Sub-Fund, and the Shares may trade at prices that deviate materially from their respective Net Asset Value. Investors should exercise caution when trading the Shares in the secondary market and should consider the latest available Net Asset Value, indicative Net Asset Value, trading price, bid-ask spread and liquidity of the Sub-Fund before making any investment decision.

Appendix dated 14 September 2026

APPENDIX 5: CSOP NASDAQ 100 ETF

Investors should note that this Sub-Fund has both Listed Class of Shares and Unlisted Class of Shares. Please refer to the sections relevant to your intended holding of Shares.

Key Information

*Set out below is a summary of key information in respect of CSOP NASDAQ 100 ETF (the "Sub-Fund") which should be read together with the full text of this Appendix and the Pro*spectus.

Key information applicable to both Listed Class of Shares and Unlisted Class of Shares

Investment Objective	To provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index (as defined below)
Index	NASDAQ-100 Index
Base Currency	USD
Distribution Policy	Subject to the Manager's discretion. Currently the Manager intends to distribute income to Shareholders annually (in December) having regard to the Sub-Fund's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. However, there is no guarantee of regular distribution nor the amount being distributed (if any). **Distributions will be in USD only (in respect of the Listed Class of Shares) or in the Class Currency of the relevant Unlisted Class of Shares only (in respect of any Unlisted Class of Shares)*.**
Financial Year End	31 December (The first half-yearly unaudited reports and the first annual financial reports for the Sub-Fund will be for the period from the fund launch to the half year ending 30 June 2022 and the year ending 31 December 2022 respectively.)
Website	http://www.csopasset.com/en/products/hk-metav (this website has not been reviewed by the SFC)

** In the event the relevant Shareholder has no account denominated in the relevant distribution currency (i.e. USD in respect of the Listed Class of Shares, or such Class Currency (other than HKD) in respect of any Unlisted Class of Shares), the Shareholder may have to bear the fees and charges associated with the conversion of such dividend from the relevant distribution currency into HKD or any other currency. Shareholders are advised to check with their brokers concerning arrangements for distributions and to consider the risk factor entitled "Distributions in other currency risk" below.*

Key information applicable to Listed Class of Shares only

Listing Date (SEHK)	21 February 2022
Exchange Listing	SEHK – Main Board

Stock Code	3034
Short Stock Name	CSOP NASDAQ100
Trading Board Lot Size	100 Shares
Trading Currency	HKD
Creation/Redemption Policy	Cash (USD) only
Application Share Size (only by or through Participating Dealers)	Minimum 300,000 Shares (or multiples thereof)
Management Fee	Currently 0.99% per year of the Net Asset Value of the Listed Class of Shares

Key information applicable to Unlisted Class of Shares only

Unlisted Class of Shares Offered	Class A Shares
Initial Offer Period	9:00 a.m. (Hong Kong time) on 28 June 2024 and ends at 3:30 p.m. (Hong Kong time) on 28 June 2024, or such other date or time as the Manager may determine for a particular class
Subscription Price during the Initial Offer Period	USD10
Minimum Initial Investment Amount	USD10
Minimum Subsequent Investment Amount	USD0.01
Management Fee	Currently 0.99% per year of the Net Asset Value of the Unlisted Class of Shares
Subscription / Redemption Policy	Cash (USD) only

Key similarities and differences between Listed Class of Shares and Unlisted Class of Shares

Investment Objective	Same for both Listed Class of Shares and Unlisted Class of Shares. Please refer to the "What is the Investment Objective?" and "What is the Investment Strategy?".
Investment Strategy	
Valuation Policy	Same for both Listed Class of Shares and Unlisted Class of Shares. Please refer to the "Determination of Net Asset Value" section in Part 1 of the Prospectus.
Dealing Frequency	Same for both Listed Class of Shares and Unlisted Class of Shares – each Business Day.

Dealing Deadline	Same for both Listed Class of Shares and Unlisted Class of Shares – 4:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Custodian may determine
Dealing Arrangements	Different in respect of each of the Listed Class of Shares and Unlisted Class of Shares. Investors should note that the minimum amounts for creation (in the case of Listed Class of Shares) / subscription (in the case of Unlisted Class of Shares) and redemption in respect of Listed and Unlisted Class of Shares are different. Investors should also note that while the dealing frequency, the definition of "Dealing Day" and the Dealing Deadlines for creation/subscription and redemption in respect of Listed Class of Shares and Unlisted Class of Shares are the same, the applicable dealing procedures and timing with the relevant Participating Dealer (in the case of Listed Class of Shares) and the distributor (if applicable, in the case of Unlisted Class of Shares) may be different. Investors should check with the relevant Participating Dealer or distributor for the applicable dealing procedures and timing. The Valuation Point for the Listed Class of Shares and Unlisted Class of Shares is the same for the relevant Dealing Day, which is approximately at 4:00 p.m. (Eastern Standard Time) on each applicable Dealing Day (i.e. 4:00 a.m. (Hong Kong time with daylight saving time) or 5:00 a.m. (Hong Kong time without daylight saving time) on the calendar day immediately following the applicable Dealing Day), or such other time or times as determined by the Manager. In respect of the Listed Class of Shares: - the dealing deadline for a Creation Application or Redemption Application is 4:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Custodian may determine; - the Creation Application or Redemption Application for Listed Class of Shares received after 4:00 p.m. (Hong Kong time) on a Dealing Day will be deemed to have been received on the next Dealing Day; and - a secondary market investor can buy and sell the Listed Class of Shares on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Shares at market price.

	In respect of the Unlisted Class of Shares: - the Dealing Deadline for a subscription application or redemption request is 4:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Custodian may determine. Investors can buy or sell the Unlisted Class of Shares at the Net Asset Value of the relevant Unlisted Class of Shares. Applicants may apply for Unlisted Class of Shares through a distributor appointed by the Manager. Distributors may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for Unlisted Class of Shares through a distributor should therefore consult the distributor for details of the relevant dealing procedures; - the subscription application or redemption request for Unlisted Class of Shares submitted after 4:00 p.m. (Hong Kong time) on a Dealing Day will be deemed to have been received on the next Dealing Day. Please refer to Schedule 1 and Schedule 2 to Part 1 of this Prospectus for details of the dealing arrangements of Listed Class of Shares and Unlisted Class of Shares respectively.
Fee Structure	Different in respect of each of the Listed Class of Shares and Unlisted Class of Shares. Both the Listed Class of Shares and Unlisted Class of Shares are subject to a Management Fee as a single flat fee. An investment in the Listed Class of Shares in the secondary market is subject to fees involved in relation to the trading of such Shares on the SEHK (such as the Service Agent's fee, transaction costs, brokerage fee, transaction levies, trading fee etc.). An investment in the Unlisted Class of Shares may be subject to the payment of subscription fee, redemption fee and/or switching fee (if applicable). Please refer to the "Fees and Expenses" section in Part 1 of this Prospectus and this Appendix respectively.
Investment return / Net Asset Value	Different in respect of each of the Listed Class of Shares and Unlisted Class of Shares due to various factors, including but not limited to the different fee structures applicable to each class of Shares, different dealing arrangements (i.e. Listed Class of Shares can be bought and sold at market price

	whereas Unlisted Class of Shares are bought and sold at Net Asset Value) and costs (such as Transaction Fee and Duties and Charges in respect of creation and redemption of Listed Class of Shares in the primary market and fees payable in respect of trading of Listed Class of Shares in the secondary market). Accordingly, the performance of the different classes of Shares will be different. There is a separate Net Asset Value for each class of Shares. The Custodian does allow each class of Shares to have its own Net Asset Value (i.e. one Net Asset Value for one class of Shares). Please refer to the "Risk associated with differences in trading, fee and cost arrangements between Listed Class and Unlisted Class(es) of Shares" risk factor of Part 1 of this Prospectus.
Termination	Due to the nature of the listing of the Listed Class of Shares, the termination procedures applicable to the Listed Class of Shares and Unlisted Class of Shares may differ. Please refer to the sub-section headed "Termination (otherwise than by winding up)" under the section headed "Statutory and General Information" of Part 1 of this Prospectus for further details.

What is the Investment Objective?

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index. There is no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

The Sub-Fund is a physical ETF and invests primarily in securities of non-financial companies (which may include listed depositary receipts such as American Depositary Receipts ("**ADRs**")) which are listed on the Nasdaq.

In order to achieve its investment objective, the Sub-Fund primarily uses a physical representative sampling strategy through investing up to 100% of its Net Asset Value in a representative portfolio of securities that collectively has a high correlation with the Index, but whose constituents may or may not themselves be constituents of the Index ("**Index Securities**").

In pursuing a representative sampling strategy, the Sub-Fund may or may not hold all Index Securities, and may hold securities which are not Index Securities. The full holdings of the Sub-Fund are available on the Manager's website and will be updated on a daily basis. The Manager may cause the Sub-Fund to deviate from the index weighting on condition that the maximum deviation from the index weighting of any constituent will not exceed 3% or such other percentage as determined by the Manager after consultation with the SFC.

The Sub-Fund is denominated in USD.

Securities Lending

The Manager may, on behalf of the Sub-Fund, enter into Securities Lending Transactions, with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value, and is able to recall the securities lent out at any time. All Securities Lending Transactions will only be carried out in the best interest of the Sub-Fund and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section headed "Securities Financing Transactions" under "Investment Objective, Strategy and Restrictions, Securities Lending and Borrowing" of Part 1 of the Prospectus regarding details of the arrangements.

As part of the Securities Lending Transactions, the Sub-Fund must receive cash and/or non-cash collateral (fulfilling the requirements under the section headed "Collateral" under "Investment Objective, Strategy and Restrictions, Securities Lending and Borrowing" of Part 1 of the Prospectus) of at least 100% of the value of the Securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis. The collateral will be safekept by the Custodian or an agent appointed by the Custodian. Please refer to the section headed "The Custodian" under "Management of the Company and Sub-Funds" in Part 1 of the Prospectus in regard to the extent of the Custodian's responsibility for the safekeeping of the assets of the Company and the appointment of agents.

Non-cash collateral received may not be sold, reinvested or pledged. Any re-investment of cash collateral received shall be subject to the requirements as set out in the Code. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent the Sub-Fund undertakes Securities Lending Transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the Sub-Fund. The cost relating to Securities Lending Transactions will be borne by the borrower.

Other investments

The Sub-Fund may also invest not more than 5% of its Net Asset Value in cash and money market funds for cash management purpose.

The Manager may invest in financial derivative instruments ("FDIs") which exhibit high correlation with the Index, including futures and swaps, with no more than 10% of the Sub-Fund's Net Asset Value for investment and hedging purposes, where the Manager believes such investments will help the Sub-Fund achieve its investment objective and are beneficial to the Sub-Fund. The futures which may be invested by the Sub-Fund will be index futures, such as NASDAQ 100 E-mini futures. On the other hand, the swaps which may be invested by the Sub-Fund will be funded total return swap transaction(s) whereby the Sub-Fund will pass on the relevant portion of cash to the Swap Counterparty(ies) and in return the Swap Counterparty(ies) will provide the Sub-Fund with an exposure to the economic gain/loss in the performance of the relevant Securities (net of indirect costs). The expected proportion of the Sub-Fund's Net Asset Value subject to investments in futures and swaps will not exceed 10% and 10% of its Net Asset Value, respectively.

The Manager does not currently intend to enter into Sale and Repurchase Transactions, Reverse Repurchase Transactions and other similar over-the-counter transactions. Prior approval of the SFC will be sought (to the extent required under applicable regulatory requirements) and not less than one month's prior notice will be given to the Shareholders in the event the Manager wishes to invest in Sale and Repurchase Transactions, Reverse Repurchase Transactions and other similar over-the-counter transactions.

Use of derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

The Index

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As of the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears on the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Index

The Index is a modified market capitalisation weighted index, whereby the weights of Index Securities are based on their market capitalisations, but with certain rules capping the weights of the Index Securities as described further below in the section headed "Index Methodology". It includes 100 of the largest US and international non-financial companies listed on the Nasdaq based on market capitalisation, and reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology, and does not contain securities of financial companies. The Index is calculated and disseminated in USD.

The Index is a net total return index, which means that it reflects the reinvestment of dividends or distributions, after deduction of any withholding tax.

The Index was launched on 31 January 1985 and had a base level of 125 on the same date. As at 27 February 2026, the Index had a net market capitalisation of USD 33,127.18 billion and 101 constituents.

Index Provider

The Index is calculated and maintained by NASDAQ, Inc.. or its affiliates (the "**Index Provider**"). The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index Methodology

Security Eligibility Criteria

To be eligible for initial inclusion in Index, a security must meet the following criteria:

1) the issuer of the security must be primarily listed on a U.S. Nasdaq-affiliated exchange, excluding the Nasdaq Capital Market;

2) the security must be issued by a non-financial company according to the Industry Classification Benchmark (ICB), a product of FTSE International Limited that is used under license;

3) the security may not be issued by an issuer that has filed for bankruptcy or equivalent protection from creditor;

4) the security must have a three-month average daily traded value of at least $5 million (USD);

5) the issuer of the security may not have entered into a definitive agreement or other arrangement which would likely result in the security no longer being Index eligible; and

6) the security generally must have been listed and available for trading on any U.S. Nasdaq-affiliated exchange, NYSE, NYSE American and CBOE BZX for at least three full calendar

months, excluding the month of initial listing (A security that was added to the Index as the result of a spin-off event will be exempt from this requirement).

If an issuer has listed multiple security classes, all such security classes are eligible, subject to meeting all of the above eligibility criteria.

There is no market capitalisation criteria.

Market Capitalisation Determination

For the purpose of constituent selection, each company's full market capitalisation is considered, and is determined as follows:

(i) For direct (non-American Depositary Receipt ("ADR")) listings and companies represented by Primary ADRs (defined below), full market capitalisation includes both listed and unlisted shares.

(ii) For companies represented by Non-Primary ADRs (defined below), full market capitalisation is the total value of the depositary shares listed, as reported by the depositary banks. Foreign-listed underlying shares and unlisted shares are not included.

For any company represented by more than one security, the company's full market capitalisation is the combined full market capitalisation of those securities.

"Primary ADR" is defined as an ADR that serves as a company's primary global listing (i.e., the underlying shares are not listed or available for trading elsewhere).

"Non-Primary ADR" is defined as a more traditional ADR (i.e., the underlying shares, rather than the ADR, serve as the primary global listing and are listed on a foreign market).

Modified Market Capitalisation Determination

For the purpose of weight calculations, modified market capitalisation will be utilised. Only the market capitalisation of eligible listed share classes will be considered. Foreign-listed and unlisted shares are disregarded. In addition, in order to preserve investability for low-float securities, each low-float security's Total Shares Outstanding ("TSO") will be capped at three times the number of its free-floating shares. Modified market capitalisation is therefore determined as follows:

(i) For direct (non-ADR) listings, modified market capitalisation is determined using the security's price along with the lesser of the reported TSO, or three times the number of free-floating shares.

(ii) For Primary or Non-Primary ADRs, modified market capitalisation is determined using the security's price along with the lesser of the listed ADR shares reported by the depositary banks, or three times the number of free-floating ADR shares.

For any company represented by more than one security, the company's modified market capitalisation is the combined modified market capitalisation of those securities.

Fast Entry

A security that is not already an index constituent may be added to the Index on an expedited basis ("Fast Entry") if its full market capitalisation ranks within the top 40 current Index constituents. A Fast Entry inclusion will not require the removal of another security, and may temporarily increase the constituent count to more than 100.

Annual Reconstitution and Rebalance

The Index Securities are reviewed annually in December. The above eligibility criteria are applied and all eligible securities are ranked (based on full market capitalisation) using market data and

total shares outstanding as of the last trading day of November (the "Reconstitution Reference Date"). During the annual review process, those issuers that are ranked within the top 75 of all eligible issuers at the annual review are retained in the Index, and the remaining issuers ranked within the top 100 which are currently Index constituents are also retained in the Index. In the event that fewer than 100 issuers pass the foregoing criteria, the Index will be filled by those, in order, ranked between 101 and 125 which were in the top 100 at the previous annual review or were added subsequent to the previous annual review. Thereafter, if fewer than 100 issuers have been included in the Index, the index will be filled by those, in order, ranked within the top 100 which are not currently Index constituents.

Annual index reconstitutions become effective after the close of trading on the third Friday in December.

Once the constituent selection is complete, initial weights for each security are determined based on the modified market capitalization, as of the Reconstitution Reference Date. If any company's initial weight exceeds 24%:

Company-Level Weighting Constraints

Stage 1: The weights are adjusted such that no company's weight exceeds 20%.

Stage 2: Any resulting company weights that exceed 4.5% are added together. If the sum of those weights is 48% or greater, then that group of companies will have its aggregate weight adjusted down to 40%. In order to preserve the rank order of the initial company weights, companies whose initial weights were below 4.5% may also experience a downward adjustment.

If either company-level constraint remains breached after application of this two-stage process, then the process is repeated until the weights satisfy both constraints.

Security-Level Weighting Constraints

Weights resulting from the application of company-level constraints are further adjusted to satisfy the following security-level constraints:

Stage 1: If any security's initial weight exceeds 15%, then the weights are adjusted such that no security's weight exceeds 14%.

Stage 2: The five largest resulting security weights are added together. If their sum is 40% or greater, then that group of securities will have its aggregate weight adjusted down to 38.5%. In order to preserve the rank order of the security weights, the final index weight of any security outside the five largest will be capped at the lesser of 4.4% or the weight of the fifth-largest security.

If either security-level constraint remains breached after application of this two-stage process, then the process is repeated until the weights satisfy both constraints.

March, June, and September Rebalance

A Rebalance is conducted in March, June, and September. Index constituents ranked by the full market capitalization outside the top 125 will be removed from the Index based on:

1. The lowest ranked company outside the top 125 is removed first.

2. If the resulting number of constituents is less than 100, the removed company will be replaced by the company with the largest full market capitalization that meets all the eligibility criteria.

After all index constituents ranked outside of the top 125 have been removed from the Index and replaced, any additional remaining companies ranked within the top 40 of the full market

capitalization of current index constituents, that were not added in Step 2 above, will be added to the Index without requiring additional removals. This may temporarily increase the constituent count to more than 100.

Once these adjustments are completed, initial weights are calculated based on the modified market capitalization, and the following company-level weighting constraints are applied:

Company-Level Weighting Constraints

> **Stage 1**: If any company's initial weight exceeds 24%, then the weights are adjusted such that no company's weight exceeds 20%.
>
> **Stage 2**: Any resulting weights exceeding 4.5% are added together. If their sum is 48% or greater, then that cohort of companies will have its aggregate weight adjusted down to 40%. In order to preserve the rank order of the initial company weights, companies whose initial weights were below 4.5% may also experience a downward adjustment.

If either company-level constraint remains breached after application of this two-stage process, then the process is repeated until the weights satisfy both constraints.

Index Security Removal and Replacement

If at any time other than during the above rebalancing process, the Index Provider determines that a security is ineligible for inclusion in the Index, such security will be removed from the Index as soon as possible. Circumstances under which such removal may occur include: (1) the security is listed on an ineligible exchange; (2) the security is classified as a financial company.

Where there is such removal, securities may also be added to the Index. Where an issuer is removed in its entirety from the Index, its securities are replaced as soon as practicable with the issuer with the largest full market capitalisation and that meets all eligibility criteria as of the prior month end which is not in the Index.

Index Constituents

The list of the constituents of the Index and their respective weightings may be accessed at https://www.nasdaq.com/solutions/nasdaq-global-index-policies, whereas additional information and other important news of the Index can be obtained from the website of the Index Provider at https://indexes.nasdaq.com/Index/Overview/NDX. (The contents of the foregoing websites have not been reviewed by the SFC.)

Index Codes

Reuters: .XNDXNNR

Bloomberg: NNDX

Index Licence Agreement

The licence of the Index took effect on 1 December 2023 and will continue for 1 year. After the expiration of the initial term, the licence will be automatically renewed for successive terms of one year unless either party gives at least 90 days' notice of termination prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Index Provider Disclaimer

The Sub-Fund is not sponsored, endorsed, sold or promoted by Nasdaq, Inc. or its affiliates (Nasdaq, with its affiliates, are referred to as the "**Corporations**"). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the Sub-Fund. The Corporations make no representation or warranty, express or implied

to the owners of the Sub-Fund or any member of the public regarding the advisability of investing in securities generally or in the Sub-Fund particularly, or the ability of the Index to track general stock market performance. The Corporations' only relationship to Manager and the Company is in the licensing of the Nasdaq® and certain trademarks and trade names of the Corporations and the use of the Index which is determined, composed and calculated by Nasdaq without regard to Licensee or the Sub-Fund. Nasdaq has no obligation to take the needs of the Manager or the shareholders of the Sub-Fund into consideration in determining, composing or calculating the Index. The Corporations are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Sub-Fund to be issued or in the determination or calculation of the equation by which the Sub-Fund is to be converted into cash. The Corporations have no liability in connection with the administration, marketing or trading of the Sub-Fund.

THE CORPORATIONS DO NOT GUARANTEE THE ACCURACY AND/OR UNINTERRUPTED CALCULATION OF THE INDEX OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, OWNERS OF THE SUB-FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE CORPORATIONS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Dealing of Listed Class of Shares

The information below is applicable to the Listed Class of Shares only.

The Offering Phases of Listed Class of Shares

The Initial Offer Period in respect of the Listed Class of Shares has ended. Dealings in the Listed Class of Shares on the SEHK commenced on the Listing Date.

All investors may buy and sell Listed Class of Shares in the secondary market on the SEHK and Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Listed Class of Shares in the primary market in Application Share size, from 9:30 a.m. (Hong Kong time) to 4:00 p.m. (Hong Kong time) on each Dealing Day.

Please refer to the section headed "The Offering Phases" in Schedule 1 to Part 1 of this Prospectus for details.

Exchange Listing and Trading (Secondary Market) of Listed Class of Shares

The Listed Class of Shares is neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as of the date of this Prospectus. Application may be made in the future for a listing of Listed Class of Shares on one or more other stock exchanges. Investors' attention is drawn to the section headed "Exchange Listing and Trading (Secondary Market)" in Schedule 1 to Part 1 of this Prospectus for further information.

The Listed Class of Shares has been accepted as eligible securities by HKSCC for deposit, clearing and settlement in the CCASS. Dealings on the SEHK in Listed Class of Shares traded in HKD began on 21 February 2022.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Listed Class of Shares on the SEHK until dealings begin on the SEHK.

Switching

Investors should note that switching between Listed Class of Shares and Unlisted Class of Shares on the secondary market is not available. Participating Dealers who wish to switch between Listed

Class of Shares and Unlisted Class of Shares should do so in accordance with the procedures as agreed with the Manager and the Custodian.

Dealing of Unlisted Class of Shares

The information below is applicable to the Unlisted Class of Shares only.

Subscription and Redemption of Unlisted Class of Shares

Available Unlisted Class of Shares

The Sub-Fund currently offers the following Unlisted Class of Shares to investors:

Unlisted Class of Shares	**Class Currency**
Class A Shares	USD

The Company may in future determine to issue additional Unlisted Class(es) of Shares.

Initial Offer Period

The Initial Offer Period of Class A Shares will commence at 9:00 a.m. (Hong Kong time) on 28 June 2024 and end at 3:30 p.m. (Hong Kong time) on 28 June 2024 (or such other dates or times as the Manager may determine).

The initial Subscription Price for Class A Shares is USD10 per Share.

The Manager may at any time decide to close a class to further subscriptions before the end of the Initial Offer Period without any prior or further notice.

Dealing procedures

For details of dealing procedures, please refer to the information below and in Schedule 2 to this Prospectus. The following apply to the Unlisted Class of Shares:

Dealing Day	each Business Day
Dealing Deadline	4:00 p.m. (Hong Kong time) on the relevant Dealing Day

Investors should note that subscription monies in respect of the Sub-Fund must be paid in the Class Currency of the relevant Unlisted Class of Shares. Redemption proceeds will be paid to redeeming Shareholders in the Class Currency of the relevant Unlisted Class of Shares.

Subscription Price and Redemption Price

The Subscription Price and Redemption Price of the Unlisted Class of Shares on any Dealing Day will be the price per Share of the relevant class ascertained by dividing the Net Asset Value of the relevant class as at the Valuation Point in respect of the relevant Dealing Day by the number of Shares of such class then in issue and rounded to 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down). Any rounding adjustment will be retained by the relevant class.

Payment of redemption proceeds

Save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds will normally be paid at the risk and expense of the redeeming Shareholder in the Class Currency of the relevant Unlisted Class of Shares by telegraphic transfer within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless the market(s) in which a substantial portion of the Sub-Fund's investments is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of redemption proceeds within the aforesaid time period not practicable, but in such a case, subject to all applicable legal or regulatory requirements, the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant market(s).

Investment minima

The following investment minima apply to the Unlisted Class of Shares:

	Class A Shares
Minimum initial investment amount	USD10
Minimum subsequent investment amount	USD0.01
Minimum holding amount	USD0.01
Minimum redemption amount	USD0.01

The Manager reserves the right to waive or agree to lower the minimum initial investment, minimum subsequent investment, minimum holding and minimum redemption amount requirements for any class of Shares.

Switching

Shareholders may switch some or all of their Shares in an Unlisted Class of Shares of the Sub-Fund into Shares in another Unlisted Class of Shares of the Sub-Fund (where available). Please refer to the section "Switching of Unlisted Class(es) of Shares" in Schedule 2 to this Prospectus for further details.

Switching of Unlisted Class of Shares of the Sub-Fund to unlisted class of shares, units or interests in any collective investment schemes other than the Sub-Fund (including any other sub-funds of the Company) is currently not permitted.

Investors should note that switching between Unlisted Class of Shares and Listed Class of Shares on the secondary market is not available. Distributors who wish to switch between Unlisted Class of Shares and Listed Class of Shares should do so in accordance with the procedures as agreed with the Manager and the Custodian.

Distribution Policy

The Manager has discretion as to whether or not the Sub-Fund will make any distribution, the frequency and amount of distribution. Currently, the Manager intends to distribute income to Shareholders annually (in December) having regard to the Sub-Fund's net income after fees and costs.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the Sub-Fund.

The Manager may, at its discretion, pay distributions out of capital. The Manager may also, at its discretion, pay distributions out of gross income while all or part of the fees and expenses of the

Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital. Investors should note that payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment out of or effectively out of the Sub-Fund's capital may result in an immediate reduction in the Net Asset Value per Share and will reduce any capital appreciation for the Shareholders.

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website http://www.csopasset.com/en/products/hk-metav (this website has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Shareholders.

Distributions (if declared) will be declared in USD only (in respect of the Listed Class of Shares) or in the Class Currency of the relevant Unlisted Class of Shares only (in respect of the Unlisted Class of Shares). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD only (in respect of the Listed Class of Shares) or in the Class Currency of the relevant Unlisted Class of Shares only (in respect of the Unlisted Class of Shares). The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website http://www.csopasset.com/en/products/hk-metav and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx. The aforesaid websites have not been reviewed by the SFC.

There can be no assurance that distributions will be paid.

Shareholders will receive distributions in USD only (in respect of the Listed Class of Shares) or in the Class Currency of the relevant Unlisted Class of Shares only (in respect of the Unlisted Class of Shares). In the event that the relevant Shareholder has no account denominated in the relevant distribution currency, the Shareholder may have to bear the fees and charges associated with the conversion of such dividend from the relevant distribution currency to HKD or any other currency. Shareholders are advised to check with their brokers/intermediaries on the arrangements concerning distributions.

Distribution payment rates in respect of Shares will depend on factors beyond the control of the Manager or the Custodian including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Fees and Expenses

General

The information below is applicable to both the Listed Class of Shares and the Unlisted Class of Shares.

Management Fee

In respect of each of Listed Class of Shares and Unlisted Class of Shares, the Sub-Fund pays a Management Fee as a single flat fee, currently at 0.99% per year of the Net Asset Value of the Sub-Fund attributable to the Listed Class of Shares and the Unlisted Class of Shares respectively.

Please refer to the section headed "Fees and Expenses" in Part 1 of this Prospectus as to the fees and charges included in the Management Fee. The Management Fee is calculated as of each Dealing Day and payable monthly in USD in arrears out of the Scheme Property of the Sub-Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Sub-Fund, on one month's notice to Shareholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Instrument), such increase will be subject to the Shareholders' and the SFC's approval.

Other fees and expenses

Please refer to "Fees and Expenses Payable by a Sub-Fund (applicable to both Listed Class of Shares and Unlisted Class(es) of Shares)" and "Establishment Costs" under the "Fees and Expenses" section in Part 1 of this Prospectus for details.

Listed Class of Shares

Please refer to "Fees and Expenses Payable in respect of a Listed Class of Shares Only" under the "Fees and Expenses" section in Part 1 of this Prospectus for details.

Unlisted Class of Shares

The following fees apply to investors of the Unlisted Class of Shares only.

	Class A Shares
Subscription fee	Up to 5% of the subscription amount
Redemption fee	Up to 3% of the redemption proceeds
Switching fee	N/A

Please refer to "Fees and Expenses Payable in respect of Unlisted Class of Shares Only" under the "Fees and Expenses" section in Part 1 of this Prospectus for further details.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Equity market risk

The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

Sector concentration risk

The Sub-Fund's investments are concentrated in companies in the technology sector, which may experience relatively higher volatility in price performance when compared to other economic sectors. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant sector.

Technology companies are characterised by periodic new product introductions, innovations and evolving industry standards, and intense competition, which may have an adverse effect on profit margins. Companies in the technology sector may become less competitive or obsolete due to technological developments and frequent new product innovation in the industry, unpredictable changes in growth rates and competition for qualified and skilled personnel. Certain technology companies may be reliant on limited product lines, markets, financial resources and/or certain key personnel. Other risk factors may include substantial capital investment requirements, increased

government regulations and imposition of taxes. Price movements of company stocks within the technology sector may be more volatile than other sectors.

Geographical concentration risk

The Sub-Fund is subject to geographical concentration risks as it primarily invests in companies which are US listed companies having business operations related to the technology sector and which may be headquartered, incorporated and/or operating in the US. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the US.

Risks associated with depositary receipts

Exposure to depositary receipts may generate additional risks compared to a direct exposure to the underlying stocks, including the risk of non-segregation of the underlying stocks held by the depositary bank from the bank's own assets and liquidity risks (as depositary receipts are often less liquid than the underlying stocks). Bankruptcy events in respect of the depositary banks may lead to trading suspension and thereafter a freeze of the price of depositary receipts affected, which may negatively affect the performance and/or liquidity of the Sub-Fund. Also, holders of depositary receipts generally do not have the same right as the direct shareholders of the underlying stocks. The performance of depositary receipts may also be impacted by the related fees, for example fees charged by banks for the custody of underlying assets of depositary receipts.

Securities lending transactions risks

The Sub-Fund may be exposed to the following risks as a result of entering into securities lending transactions:

Counterparty risk. The borrower may fail to return the securities in a timely manner or at all. The Sub-Fund may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests.

Collateral risk. As part of the securities lending transactions, the Sub-Fund must receive at least 100% of the valuation of the securities lent as collateral marked-to-market on a daily basis. However, there is a risk of shortfall of collateral value due to inaccurate pricing of the collateral, adverse market movements in the collateral value, change of value of securities lent. This may cause significant losses to the Sub-Fund if the borrower fails to return the securities lent out. The Sub-Fund may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.

Operational risk. By undertaking securities lending transactions, the Sub-Fund is exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests.

Trading difference risk (in respect of Listed Class of Shares only)

As the NASDAQ may be open when the Listed Class of Shares in the Sub-Fund is not priced, the value of the securities in the Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell the Sub-Fund's Listed Class of Shares. Differences in trading hours between the NASDAQ and the SEHK may also increase the level of premium or discount of the price of Listed Class of Shares to its Net Asset Value.

Risks associated with investing in FDIs

The Manager may invest in financial derivative instruments ("FDIs") including futures and swaps with no more than 10% of the Sub-Fund's Net Asset Value for investment and hedging purposes. The futures may be invested by the Sub-Fund will be index futures, such as NASDAQ 100 E-mini futures. On the other hand, the swaps which may be invested by the Sub-Fund will be funded total return swap transaction(s) through one or more Swap Counterparty(ies). As such, the Sub-Fund

may suffer significant loss if a counterparty to the funded total return swaps fails to perform its obligations, or in case of insolvency or default of the counterparty(ies).

Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Exposure to FDIs may lead to a high risk of significant loss by the Sub-Fund.

Please refer to the risk factor "General Investment Risks – Collateral and FDI Risks" under the section headed "Risk Factors" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the Sub-Fund will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the Sub-Fund. Please also refer to the sections headed "Financial Derivative Instruments" and "Collateral" under "Investment Objective, Strategy and Restrictions, Securities Lending and Borrowing" of Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

Foreign exchange risk

The Sub-Fund's Base Currency is in USD but the Sub-Fund has the Listed Class of Shares traded in HKD and the Unlisted Class of Shares denominated in the Class Currency of the relevant Unlisted Class of Shares. Accordingly secondary market investors in respect of the Listed Class of Shares and investors in respect of the Unlisted Class of Shares which is denominated in a Class Currency other than USD may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and HKD or the relevant Class Currency other than USD (as the case may be).

Distributions in other currency risk

Investors should note that Shareholders will only receive distributions in USD only (in respect of the Listed Class of Shares) or in the Class Currency of the relevant Unlisted Class of Shares only (in respect of the Unlisted Class of Shares). In the event the relevant Shareholder has no account denominated in the relevant distribution currency, the Shareholder may have to bear the fees and charges associated with the conversion of such dividend from the relevant distribution currency into HKD or any other currency. The Shareholders may also have to bear bank or financial institution fees and charges associated with the handling of the distribution payment. Shareholders are advised to check with their brokers concerning arrangements for distributions.

Distributions out of or effectively out of capital risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of the capital. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Share. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Shareholders.

Proprietary investment / seed money risk

The assets under management at any time during the life of the Sub-Fund may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers,

and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Sub-Fund; and (ii) redeem its investment in the Sub-Fund at any time, without notice to Shareholders. Such an interested party is under no obligation to take the interests of other Shareholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Sub-Fund by an interested party for any particular length of time. As many of the expenses of the Sub-Fund are fixed, a higher amount of assets under management may reduce the expenses of the Sub-Fund per Share and a lower amount of assets under management may increase the expenses of the Sub-Fund per Share. As with any other redemption representing a material portion of the Sub-Fund's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Sub-Fund and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Sub-Fund, (ii) cause other investors in the Sub-Fund to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Custodian, to determine that the Sub-Fund, has become unmanageable and to consider taking exceptional measures, such as terminating the Sub-Fund, in accordance with the Instrument, in which case Shareholders' investments would be redeemed in their entirety.

Trading Risk

The trading price of the Shares on the SEHK is driven by market factors such as the demand and supply of the Shares. Therefore, the Shares may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Shares on the SEHK, investors may pay more than the Net Asset Value per Share when buying Shares on the SEHK, and may receive less than the Net Asset Value per Share when selling Shares on the SEHK.

In addition, under extreme market conditions, the trading price of the Shares may fall to a very low nominal level. In such circumstances, the bid-ask spreads of the Sub-Fund may widen significantly, trading liquidity may deteriorate, and market makers may face practical difficulties or be unable to fulfil their market making obligations. The trading price may reach the price floor of 0.01 (of any available currency unit). Where this occurs, the secondary market trading price of the Shares may not be able to fully reflect movements in the Net Asset Value or indicative Net Asset Value of the Sub-Fund, and the Shares may trade at prices that deviate materially from their respective Net Asset Value. Investors should exercise caution when trading the Shares in the secondary market and should consider the latest available Net Asset Value, indicative Net Asset Value, trading price, bid-ask spread and liquidity of the Sub-Fund before making any investment decision.

Appendix dated 14 September 2026

APPENDIX 6: CSOP FTSE VIETNAM 30 ETF

Key Information

Set out below is a summary of key information in respect of CSOP FTSE Vietnam 30 ETF (the "Sub-Fund") which should be read together with the full text of this Appendix and the Prospectus.

Investment Objective	To provide investment results that, before fees and expenses, closely correspond to the performance of the Index
Index	FTSE Vietnam 30 Index (net total return version) (the "Index")
Initial Offer Period	9:00 a.m. (Hong Kong time) of 13 September 2022 to 12:00 p.m. (Hong Kong time) of 16 September 2022, or such other date as the Manager may determine
Initial Issue Date	19 September 2022, or such other date as the Manager may determine
Issue Price during the Initial Offer Period	USD 1
Listing Date (SEHK)	Expected to be 20 September 2022
Exchange Listing	SEHK – Main Board
Stock Code	3004
Short Stock Name	CSOP VIETNAM30
Trading Board Lot Size	100 Shares
Base Currency	Vietnamese Dong (VND)
Trading Currency	HKD
Distribution Policy	Subject to the Manager's discretion. Currently the Manager intends to distribute income to Shareholders annually (in December) having regard to the Sub-Fund's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

	Distributions on any Shares will be in USD only*.
Creation/Redemption Policy	Cash (USD) only
Application Share Size (only by or through Participating Dealers)	Minimum 300,000 Shares (or multiples thereof)
Dealing Deadline	2:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager in consultation with the Custodian may determine
Management Fee	Currently 0.99% per year of the Net Asset Value
Financial Year End	31 December (The first half-yearly unaudited reports and the first annual financial reports for the Sub-Fund will be for the period from the fund launch to the half year ending 30 June 2023 and the year ending 31 December 2023 respectively.)
Website	https://www.csopasset.com/en/products/hk-vn30 (this website has not been reviewed by the SFC)

* In the event that the relevant Shareholder has no USD account, the Shareholder may have to bear the fees and charges associated with the conversion of such distribution from USD to HKD or any other currency. Shareholders are advised to check with their brokers concerning arrangements for distributions and to consider the risk factor entitled "Risks associated with VND, foreign exchange and other currency distributions" below.

What is the Investment Objective?

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index. There is no assurance that the Sub-Fund will achieve its investment objective.

What is the Investment Strategy?

The Manager intends to adopt a combination of physical and synthetic representative sampling strategy to achieve the investment objective of the Sub-Fund. The Sub-Fund will (i) primarily use a physical representative sampling strategy through investing up to 100% of its Net Asset Value in a representative portfolio of securities that collectively has a high correlation with the Index; and (ii) where the Manager believes such investments will help the Sub-Fund achieve its investment objective and are beneficial to the Sub-Fund, use a synthetic representative sampling strategy as an ancillary strategy by investing no more than 50% of its Net Asset Value in financial derivative instruments ("FDIs"), including futures and swaps.

Physical representative sampling sub-strategy

The Sub-Fund primarily uses a physical representative sampling strategy through investing up to 100% of its Net Asset Value in a representative portfolio of securities that collectively has a high correlation with the Index, but whose constituents may or may not themselves be constituents of

the Index ("Index Securities"). In pursuing a physical representative sampling strategy, the Sub-Fund may or may not hold all Index Securities, and may hold securities which are not Index Securities.

The Sub-Fund may invest up to 100% of its Net Asset Value directly in equity securities listed on the Ho Chi Minh Stock Exchange in Vietnam.

Synthetic representative sampling sub-strategy

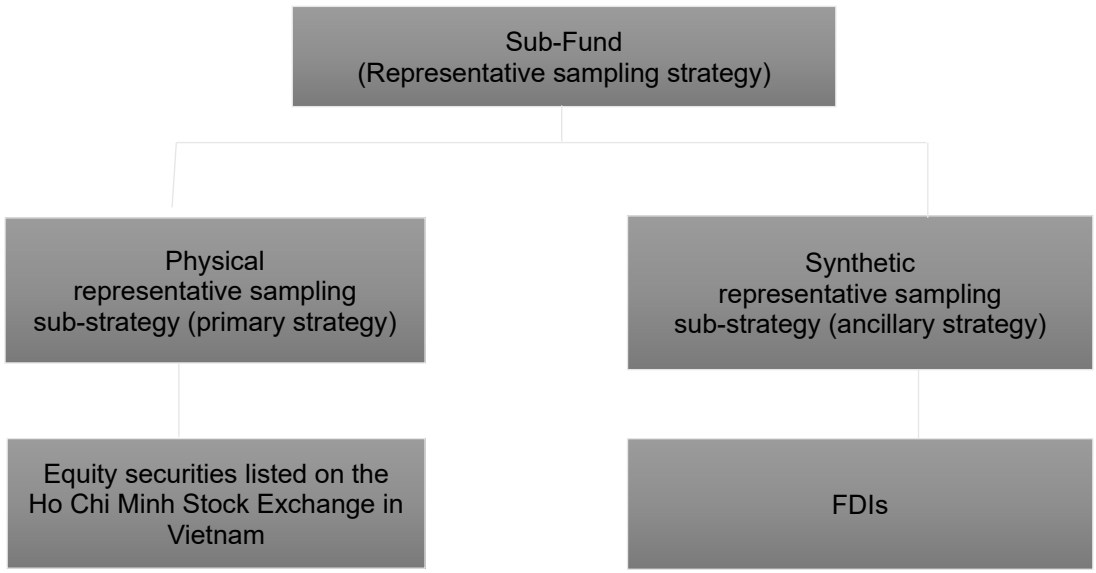
The Sub-Fund's synthetic representative sampling strategy will involve investing in FDIs, including futures and swaps, with no more than 50% of the Sub-Fund's Net Asset Value. The Manager will only use a synthetic representative sampling strategy where it considers that such investments will help the Sub-Fund achieve its investment objective and are beneficial to the Sub-Fund. The futures which may be invested by the Sub-Fund will be index futures to manage exposure to the constituents of the Index, such as SGX FTSE Vietnam 30 Index Futures. On the other hand, the swaps which may be invested by the Sub-Fund will be funded total return swap transaction(s) whereby the Sub-Fund will pass on the relevant portion of cash to the Swap Counterparty(ies) and in return the Swap Counterparty(ies) will provide the Sub-Fund with an exposure to the economic gain/loss in the performance of the relevant Securities (net of indirect costs). The expected proportion of the Sub-Fund's Net Asset Value subject to investments in futures and swaps will not exceed 20% and 30% of its Net Asset Value, respectively.

The Sub-Fund will bear the swap fees, which includes all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis (including the brokerage commission and any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swaps). Swap fees are accrued daily and spread out over the month. No fees are payable for the unwinding or early termination of swaps. The swap fees will be disclosed in the interim and annual financial reports of the Sub-Fund. The swap fees will be borne by the Sub-Fund and hence may have an adverse impact on the Net Asset Value and the performance of the Sub-Fund, and may result in higher tracking error.

Exposure of the Sub-Fund to the Index Securities (either through direct investment or FDIs) will be in substantially the same weightings (i.e. proportions) as these Index Securities have in the Index. The Manager may cause the Sub-Fund to deviate from the index weighting on condition that the maximum deviation from the index weighting of any constituent will not exceed 3% or such other percentage as determined by the Manager after consultation with the SFC.

The full holdings of the Sub-Fund is available on the Manager's website and will be updated on a daily basis.

The diagram below shows the investment strategies of the Sub-Fund:



Securities Lending

The Manager may, on behalf of the Sub-Fund, enter into Securities Lending Transactions, with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value, and is able to recall the Securities lent out at any time. All Securities Lending Transactions will only be carried out in the best interests of the Sub-Fund and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section headed "Securities Financing Transactions" under "Investment Objective, Strategy and Restrictions, Securities Lending and Borrowing" of Part 1 of the Prospectus regarding details of the arrangements.

As part of the Securities Lending Transactions, the Sub-Fund must receive cash and/or non-cash collateral (fulfilling the requirements under "Collateral" under "Investment Objective, Strategy and Restrictions, Securities Lending and Borrowing" of Part 1 of the Prospectus) of at least 100% of the value of the Securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis. The collateral will be safekept by the Custodian or an agent appointed by the Custodian. Please refer to "The Custodian" under "Management of the Company and Sub-Funds" in Part 1 of the Prospectus in regard to the extent of the Custodian's responsibility for the safekeeping of the assets of the Company and the appointment of agents.

Non-cash collateral received may not be sold, reinvested or pledged. Any re-investment of cash collateral received shall be subject to the requirements as set out in the Code. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent the Sub-Fund undertakes Securities Lending Transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the Sub-Fund. The cost relating to Securities Lending Transactions will be borne by the borrower.

Other investments

No more than 10% of the Net Asset Value of the Sub-Fund will be invested in collective investment scheme(s) which may be an exchange traded fund or an unlisted index tracking fund that tracks an index that has a high correlation with the Index. Such collective investment scheme(s) may be eligible schemes or authorised by the SFC, or non-eligible schemes and not authorised by the SFC in accordance with all the applicable requirements of the Code, including those which are managed by the Manager or its Connected Persons or other third parties. Any investments in exchange traded funds will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11, 7.11A and 7.11B of the Code. The Sub-Fund will not hold more than 10% of any units, shares or interests in any single collective investment scheme.

The Sub-Fund may also invest not more than 5% of its Net Asset Value in cash and money market funds for cash management purpose.

Other than as set out above, the Sub-Fund may also invest in FDIs for hedging purposes. The Manager does not currently enter into Sale and Repurchase Transactions, Reverse Repurchase Transactions and other similar over-the-counter transactions. Prior approval of the SFC (to the extent required under applicable regulatory requirements) will be sought and not less than one month's prior notice (or such shorter notice period as may be permitted under applicable regulatory requirements) will be given to Shareholders in the event the Manager wishes to enter into Sale and Repurchase Transactions, Reverse Repurchase Transactions and other similar over-the-counter transactions.

Prior approval of the SFC (to the extent required under applicable regulatory requirements) will be sought and not less than one month's prior notice (or such shorter notice period as may be permitted under applicable regulatory requirements) will be given to Shareholders in the event the Manager

wishes to adopt an investment strategy other than a combination of physical and synthetic representative sampling strategy.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

The Index

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As of the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears on the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Index

The Index comprises the largest 30 Vietnam companies by full market capitalisation that are constituents of the FTSE Frontier Vietnam Index and trade on the Ho Chi Minh Stock Exchange. The Index is calculated and disseminated in VND and is maintained by FTSE International Limited.

The Index is a net total return index, which means that it reflects the reinvestment of dividends or distributions, after deduction of any withholding tax.

The Index was launched on 22 November 2019 and had a base level of 1,000 on 19 March 2010. As at 27 February 2026, the Index had a net market capitalisation of VND1,022.88 trillion and 30 constituents.

Index Provider

The Index is compiled and managed by FTSE International Limited ("FTSE" or the "Index Provider").

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index Methodology

Ground Rules

FTSE is the benchmark administrator responsible for the daily calculation, production and operation of the FTSE Frontier Index Series (the "Series"), which includes the Index. FTSE will maintain records of the index weightings of all constituents, and will make changes to the constituents and their weightings in accordance with specified rules (the "Ground Rules"). The Ground Rules for the Series may be viewed on FTSE's website at https://www.ftserussell.com/products/indices/fivnm30 (the contents of which has not been reviewed by the SFC).

Eligible Securities

The Vietnam constituents of the FTSE Frontier Index that are traded in Ho Chi Minh Stock Exchange are eligible for inclusion in the Index.

Screens Applicable to Eligible Securities

Eligible securities are required to pass the following screens before being added to the Series.

Investability Weightings Screen

Constituents of the Series are adjusted for free float and foreign ownership limits.

(A) Initial weighting – free float restrictions will be calculated using available published

information rounded to 12 decimal places. Securities with a free float of 5% or below are excluded from the Index.

(B) Foreign ownership restrictions – restrictions placed on the equity holdings of foreign investors in a company where these have been imposed by a government, regulatory authority or the company's constitution will be taken into account. Where the presence of a foreign ownership restriction creates a limit on foreign ownership (the "Foreign Ownership Limit" or "FOL") that is more restrictive than the calculated free float for a company, the precise Foreign Ownership Limit is used in place of the free float for the purposes of calculating the company's investability weight. If the foreign ownership restriction is less restrictive or equal to the free float restriction, the free float restriction is applied, subject to (A) above.

(C) Minimum foreign headroom requirement: FTSE defines "foreign headroom" as the percentage of shares available to foreign investors as a proportion of the company's Foreign Ownership Limit, i.e. (FOL – foreign holdings)/FOL. For a non-constituent that is subject to foreign ownership limit, a minimum headroom of 20% must be available in order to be added to the Index. For an existing constituent that is subject to foreign ownership limit, a minimum headroom of 10% must be available. The investability weight will be reduced at the next quarterly review when the headroom of an existing constituent falls below 10%.

Please refer to the Ground Rules for details of foreign ownership restrictions and minimum foreign headroom requirement.

Liquidity Screen

Each security will be tested for liquidity annually in September by calculation of its velocity trading per month. Liquidity will be calculated from the first business day of July of the previous year to the last business day of June of the current year. Security volume data will be taken on trading days from Sunday to Friday (where applicable) when markets are open. When calculating the velocity trading of any security for a particular month, a minimum of 5 trading days in that month must exist, otherwise the month will be excluded from the test. Each month the ratio of the security's daily trading volume divided by its free float adjusted shares are summed. Any period of suspension will not be included in the test. For newly eligible securities where the testing period is less than 12 months, the liquidity test will be applied on a pro-rata basis. When testing liquidity the free float weight as at the last date in the testing period will be used for the calculation for the whole of that period. Shares in issued used for the calculation is that as of the date of volume traded.

In terms of liquidity thresholds:

(1) an existing constituent of the Series which, based on its velocity trading per month, does not trade at least 0.4% of their shares in issue (after adjusting for investability weight) for at least eight of the twelve months prior to the review in September will be removed from the Series;

(2) a non-constituent of the Series which, based on its velocity volume per month, does not trade at least 0.5% of their shares in issue (after adjusting for investability weight) in ten of the twelve months prior to the review in September, will continue to be excluded from the Series;

(3) new issues which do not have a twelve-month trading record must have a minimum three-month trading record when reviewed. They must turnover at least 0.5% of their shares in issue (after adjusting for investability weight) based on their velocity trade per month since listing;

(4) a security that is excluded because it fails the liquidity requirement will be excluded from the Series for the period until the next annual review in September.

The above percentage thresholds may be reduced in exceptional market conditions if trading

volumes are very low to avoid a large number of constituents being removed from the Series. This discretion may not be applied to individual securities.

Surveillance Stocks Screen

Securities which are subject to surveillance by the stock exchange and have been assigned to the "Subject to Warning", "Under Control" or "Under Special Control" segments of the Ho Chi Minh Stock Exchange will not be eligible for inclusion in the Index. Where an existing constituent is assigned to an ineligible segment, it will normally be deleted from the Index at the next periodic review and it will only be re-considered for index inclusion after a period of 12 months from its deletion subject to it no longer being under surveillance. For the purposes of the index eligibility, it will be treated as a new issue.

Periodic Review of Constituents

The semi-annual review of the Index constituents takes place in March and September. The constituents will be reviewed using data from the third Friday in February and August. The reviews will be implemented on the next working day following the third Friday of March and September.

A security will be inserted at the periodic review if it rises to 20th or above when ranked by full market capitalisation. A security will be deleted at the periodic review if it falls to 41st or below when ranked by full market capitalisation.

A constant number of constituents will be maintained for the Index. Where a greater number of companies qualify to be inserted in the Index than those qualifying to be deleted, the lowest ranking constituents presently included in the Index will be deleted to ensure that an equal number of companies are inserted and deleted at the periodic review. Likewise, where a greater number of companies qualify to be deleted than those qualifying to be inserted, the securities of the highest ranking companies which are presently not included in the Index will be inserted to match the number of companies being deleted at the periodic review.

At review, the maximum weight of constituents of the Index is capped at 10% using prices adjusted for corporate actions as at the close of business on the second Friday in review month. The capping is implemented after close of business on the third Friday in March and September based on the constituents shares in issue and free float on the next trading day following the third Friday of the review month.

Where an Index constituent is deleted after the periodic review changes have been announced but before they have been implemented, the company will not be replaced.

The Index will not have intra-review additions. New issues which satisfy the relevant requirement as set out in the Ground Rules will be reviewed for inclusion in the Index at the next semi-annual review.

Acquisitions, mergers and demergers

The treatment of acquisitions, mergers and demergers can be found within the FTSE Corporate Actions and Events Guide:

http://www.ftse.com/products/downloads/Corporate_Actions_and_Events_Guide.pdf.

Where a constituent of the Index is involved in a takeover, merger or demerger and is removed from the index, the vacancy will not be filled until the next semi-annual review.

Suspension of Dealing

Suspension of dealing rules can be found within the FTSE Corporate Actions and Events Guide:

http://www.ftse.com/products/downloads/Corporate_Actions_and_Events_Guide.pdf.

Where a suspended constituent of the Index is removed, the vacancy will not be filled until the next semi-annual review.

Index Constituents

The most updated list of the constituents of the Index and their respective weightings and additional information and other important news of the Index can be obtained from the website of the Index Provider at https://www.ftserussell.com/products/indices/fivnm30 (the contents of which has not been reviewed by the SFC).

Index Code

Bloomberg Code: FIVNM3NV

Index Licence Agreement

The initial term of the licence of the Index commenced on 1 July 2022 and should continue until 1 July 2023 on which date the licence should be renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least 90 days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Index Provider Disclaimer

The Sub-Fund has been developed solely by the Manager. The Sub-Fund is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the FTSE Vietnam 30 Index (the "Index") vest in the relevant LSE Group company which owns the Index. FTSE® is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under licence. The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Sub-Fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Sub-Fund or the suitability of the Index for the purpose to which it is being put by the Manager.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 13 September 2022 and ends at 12:00 p.m. (Hong Kong time) on 16 September 2022, or such other date as the Manager may determine.

The Listing Date is expected to be on 20 September 2022.

The purpose of the Initial Offer Period is to enable Participating Dealers to subscribe for Shares either on their own account or for their clients, in accordance with the Instrument and the Operating Guidelines. During this period, Participating Dealers (acting for themselves or for their clients) may apply for Shares to be available for trading on the Listing Date by creation. No redemptions are permitted during the Initial Offer Period.

Upon receipt of a Creation Application from a Participating Dealer (acting for itself or its clients) during the Initial Offer Period, the Manager shall procure the creation of Shares for settlement on the Initial Issue Date.

Participating Dealers may have their own application procedures for their respective clients and may set application and payment cut-off times for their respective clients which are earlier than those set out in this Prospectus. Investors are therefore advised to consult with the relevant Participating Dealer on its requirements if they want a Participating Dealer to subscribe for Shares

on their behalf.

After Listing

"After Listing" commences on the Listing Date.

Dealings in the Shares on the SEHK will commence on the Listing Date, which is expected to be on 20 September 2022.

All investors may buy and sell Shares in the secondary market on the SEHK and Participating Dealers (for themselves or for their clients) may apply for creation and redemption of Shares in the primary market in Application Share size, from 9:30 a.m. (Hong Kong time) to 2:00 p.m. (Hong Kong time) on each Dealing Day.

Please refer to "The Offering Phases" for details. The following table summarises all key events and the Manager's expected timetable (all references to times are to Hong Kong time):

Initial Offer Period commences • Participating Dealers may apply for creation for themselves or for their clients in Application Share size	• 9:00 a.m. (Hong Kong time) on 13 September 2022
The date that is two Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Shares to be available for trading on the Listing Date	• 12:00 p.m. (Hong Kong time) on 16 September 2022
After listing (period commences on the Listing Date) • All investors may start trading Shares on the SEHK through any designated brokers; and • Participating Dealers may apply for creation and redemption (for themselves or for their clients) in Application Share size	• Commence at 9:30 a.m. (Hong Kong time) on 20 September 2022 • From 9:30 a.m. (Hong Kong time) to 2:00 p.m. (Hong Kong time) on each Dealing Day

Exchange Listing and Trading (Secondary Market)

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Shares traded in HKD.

Shares are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as of the date of this Prospectus. Application may be made in the future for a listing of Shares on one or more other stock exchanges. Investors' attention is drawn to "Exchange Listing and Trading (Secondary Market)" in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Shares traded in HKD are expected to begin on 20 September 2022.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Shares on the SEHK until dealings begin on the SEHK.

Distribution Policy

The Manager has discretion as to whether or not the Sub-Fund will make any distribution, the frequency and amount of distribution. Currently, the Manager intends to distribute income to Shareholders annually (in December) having regard to the Sub-Fund's net income after fees and costs.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the Sub-Fund.

The Manager may, at its discretion, pay distributions out of capital. The Manager may also, at its discretion, pay distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital. Investors should note that payments of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment out of or effectively out of the Sub-Fund's capital may result in an immediate reduction in the Net Asset Value per Share and will reduce any capital appreciation for the Shareholders. Please also refer to "Distributions out of or effectively out of capital risk" under the section headed "Risk Factors Specific to the Sub-Fund" below.

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-vn30 (this website has not been reviewed by the SFC).

The distribution policy may be amended subject to the SFC's prior approval and upon giving not less than one month's prior notice to Shareholders.

Distributions (if declared) will be declared in USD. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-vn30 and on HKEX's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx. The aforesaid websites have not been reviewed by the SFC.

There can be no assurance that distributions will be paid.

Each Shareholder will receive distributions in USD. In the event that the relevant Shareholder has no USD account, the Shareholder may have to bear the fees and charges associated with the conversion of such dividend from USD to HKD or any other currency. Shareholders are advised to check with their brokers/intermediaries on the arrangements concerning distributions.

Distribution payment rates in respect of Shares will depend on factors beyond the control of the Manager or the Custodian including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Fees and Expenses

Management Fee

The Sub-Fund pays a Management Fee as a single flat fee, currently at 0.99% per year of the Net Asset Value of the Sub-Fund. Please refer to "Fees and Expenses" in Part 1 of this Prospectus as to the fees and charges included in the Management Fee. The Management Fee is calculated as

of each Dealing Day in VND and payable monthly in USD in arrears out of the Scheme Property of the Sub-Fund.

The Management Fee may be increased up to 3% per year of the Net Asset Value of the Sub-Fund, on one month's notice to Shareholders (or such shorter period as approved by the SFC). In the event that such fee is to be increased beyond this rate (which is the maximum rate set out in the Instrument), such increase will be subject to the Shareholders' and the SFC's approval.

Investment Advisor's Fee

The Management Fee is inclusive of the Investment Advisor's fee and the Manager will pay the fees of the Investment Advisor out of the Management Fee.

Risk Factors Specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Equity market risk

The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

Vietnam concentration and emerging market risk

Vietnam stock exchange risks

The Ho Chi Minh Stock Exchange may have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Sub-Fund.

Vietnam concentration risk

The Sub-Fund's investment are concentrated in Vietnam. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event in Vietnam, and may therefore be more volatile than that of a fund having a more diverse portfolio of investments.

The performance of the Sub-Fund may be affected by political developments in Vietnam, changes in government policies and changes in regulatory requirements (such as the imposition of restrictions on foreign exchange or transfer of capital, and limitations on inward investments and securities trading). In addition, the regulatory framework and legal system in Vietnam may not provide the same degree of investor information or protection as would generally apply to more developed markets.

Investments in Vietnam may be less liquid and experience greater volatility than investments in more developed markets due to generally lower trading volumes, smaller market capitalisations of companies and potential settlement difficulties in Vietnam, which may adversely affect the value of the Sub-Fund.

Emerging market risk

Vietnam is an emerging market and may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

The Index may have only a limited number of index constituents. The Index would be more easily affected by the price movements of any one index constituent than an index which has a larger number of index constituents, and the performance of the Sub-Fund is more dependent on and affected by the share prices of a limited number of issuers.

Risk associated with small-capitalisation / mid-capitalisation companies

The stock of small-capitalisation/ mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

Trading differences risks

As the Ho Chi Minh Stock Exchange may be open when Shares in the Sub-Fund are not priced, the value of the securities in the Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell the Sub-Fund's Shares. Differences in trading hours between the Ho Chi Minh Stock Exchange and the SEHK may also increase the level of premium or discount of the Share price to its Net Asset Value.

While shares listed on certain stock exchanges are subject to trading bands which restrict increases and decreases in the trading price, Shares of the Sub-Fund listed on the SEHK are not. This difference may also increase the level of premium or discount of the Share price to its Net Asset Value.

Reliance on the Investment Advisor Risk

The Investment Advisor shall provide investment advice to the Manager in respect of the Sub-Fund in accordance with the investment strategies of the Sub-Fund in Vietnam securities market as set out in the offering documents, including but not limited to research expertise and liquidity considerations of the securities in which the Sub-Fund invests in Vietnam. Any disruption in the communication with or assistance from the Investment Advisor or a loss of service of the Investment Advisor or any of its key personnel might adversely affect the operations of the Sub-Fund.

Risks associated with VND, foreign exchange and other currency distributions

The Sub-Fund's Base Currency is VND and the underlying investments of the Sub-Fund are primarily denominated in VND, but the Shares of the Sub-Fund are traded in HKD and cash creations and redemptions in the primary market and any dividend distributions will be in USD. The Net Asset Value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between USD and VND and by changes in exchange rate controls as VND is currently not freely convertible. Secondary market investors may also be subject to additional costs or losses associated with fluctuations in the exchange rates between HKD and the Base Currency when trading Shares in the secondary market.

Investors should note that all Shares will receive distributions in the USD only. In the event that the relevant Shareholder has no USD account, the Shareholder may have to bear the fees and charges and/or foreign exchange losses associated with the conversion of such distribution from USD to HKD or any other currency. The Shareholder may also have to bear bank or financial institution fees and charges associated with the handling of the distribution payment. Shareholders are advised to check with their brokers regarding arrangements for distributions.

Risks associated with investment in FDIs

The Sub-Fund's synthetic representative sampling strategy will involve investing up to 50% of its Net Asset Value in FDIs, including swaps and futures. The futures which may be invested by the Sub-Fund will be index futures to manage exposure to the constituents of the Index, such as SGX FTSE Vietnam 30 Index Futures. On the other hand, the swaps which may be invested by the Sub-Fund will be funded total return swap transaction(s) through one or more Swap Counterparty(ies). As such, the Sub-Fund may suffer significant loss if a counterparty to the funded total return swaps fails to perform its obligations, or in case of insolvency or default of the counterparty(ies). The Sub-

Fund may also invest in FDIs for hedging purposes.

Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Exposure to FDIs may lead to a high risk of significant loss by the Sub-Fund.

Please refer to the risk factor "General Investment Risks – Collateral and FDI Risks" under "Risk Factors" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the Sub-Fund will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the Sub-Fund. Please also refer to "Financial Derivative Instruments" and "Collateral" under "Investment Objective, Strategy and Restrictions, Securities Lending and Borrowing" of Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

Synthetic representative sampling risk

The Manager seeks to mitigate the counterparty risks by fully collateralising all counterparty exposures. There is a risk that the value of the collateral may be substantially lower than the amount secured and so the Sub-Fund may suffer significant losses. Any loss would result in a reduction in the Net Asset Value of the Sub-Fund and impair the ability of the Sub-Fund to achieve its investment objective to track the Index.

In the case of funded swaps, the Sub-Fund may suffer significant losses if the counterparty fails to perform its obligations under the funded swap. The value of the collateral assets may be affected by market events and may diverge substantially from the performance of the Index, which may cause the Sub-Fund's exposure to the Swap Counterparty to be under-collateralised and therefore result in significant losses.

Securities Lending Transactions risk

The Sub-Fund may be exposed to the following risks as a result of entering into Securities Lending Transactions:

Counterparty risk

The borrower may fail to return the securities in a timely manner or at all. The Sub-Fund may as a result suffer from a loss or delay when recovering the Securities lent out. This may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests.

Collateral risk

As part of the Securities Lending Transactions, the Sub-Fund must receive at least 100% of the valuation of the Securities lent as collateral marked-to-market on a daily basis. However, there is a risk of shortfall of collateral value due to inaccurate pricing of the collateral, adverse market movements in the collateral value, change of value of Securities lent. This may cause significant losses to the Sub-Fund if the borrower fails to return the Securities lent out. The Sub-Fund may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.

Operational risk

By undertaking Securities Lending Transactions, the Sub-Fund is exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests.

Risks of investing in other collective investment schemes

The Sub-Fund may invest in other collective investment schemes, and may therefore be subject to the risks associated with such underlying schemes. The Sub-Fund does not have control of the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which may have a negative impact to the Net Asset Value of the Sub-Fund.

The underlying schemes in which the Sub-Fund may invest may not be authorised by the SFC. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the Sub-Fund's redemption requests as and when made.

Distributions out of or effectively out of capital risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of a Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of the capital. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Share. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Shareholders.

Proprietary investment / seed money risk

The assets under management at any time during the life of the Sub-Fund may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the Sub-Fund; and (ii) redeem its investment in the Sub-Fund at any time, without notice to Shareholders. Such an interested party is under no obligation to take the interests of other Shareholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the Sub-Fund by an interested party for any particular length of time. As many of the expenses of the Sub-Fund are fixed, a higher amount of assets under management may reduce the expenses of the Sub-Fund per Share and a lower amount of assets under management may increase the expenses of the Sub-Fund per Share. As with any other redemption representing a material portion of the Sub-Fund's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the Sub-Fund and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the Sub-Fund, (ii) cause other investors in the Sub-Fund to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Custodian, to determine that the Sub-Fund, has become unmanageable and to consider taking exceptional measures, such as terminating the Sub-Fund, in accordance with the Instrument, in which case Shareholders' investments would be redeemed in their entirety.

Trading Risk

The trading price of the Shares on the SEHK is driven by market factors such as the demand and supply of the Shares. Therefore, the Shares may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Shares on the SEHK, investors may pay more than the Net Asset Value per Share when buying Shares on the SEHK, and may receive less than the Net Asset Value per Share when selling Shares on the SEHK.

In addition, under extreme market conditions, the trading price of the Shares may fall to a very low nominal level. In such circumstances, the bid-ask spreads of the Sub-Fund may widen significantly, trading liquidity may deteriorate, and market makers may face practical difficulties or be unable to fulfil their market making obligations. The trading price may reach the price floor of 0.01 (of any available currency unit). Where this occurs, the secondary market trading price of the Shares may not be able to fully reflect movements in the Net Asset Value or indicative Net Asset Value of the Sub-Fund, and the Shares may trade at prices that deviate materially from their respective Net Asset Value. Investors should exercise caution when trading the Shares in the secondary market and should consider the latest available Net Asset Value, indicative Net Asset Value, trading price, bid-ask spread and liquidity of the Sub-Fund before making any investment decision.

Vietnam Taxation

It is the intention of the Sub-Fund that its business activities will not be carried out in Vietnam through a Permanent Establishment, defined as either (i) a fixed place of business through which a foreign enterprise carries out part or the whole of its business or production activities in Vietnam; or (ii) conducting business activities in some specific cases i.e., providing services through its staffs on a period or periods exceeding 183 days in each 12-month period, having an agent devote wholly or most of the agency activities, authorising or granting right to a person to represent the company or negotiating contracts. Rather a securities investment account will be opened in Vietnam. Consequently, as a foreign investment fund established under the laws of a foreign country, the Sub-Fund should not be considered to be a resident of Vietnam for corporate income tax purpose and, therefore, the Sub-Fund should not be liable to Vietnamese corporate tax on income and gains derived from non-Vietnamese investments. However, when investing in Vietnam securities listed on the stock market or over the counter market through a Vietnam securities investment account, the Sub-Fund will be subject to Corporate Income Tax ("CIT") on a "deemed taxation" basis as follows.

Dividends

No withholding tax on dividends or any other levy on the remittance of dividends overseas to foreign investors being organisations. A 5% withholding tax rate applies to dividends paid to non-resident individual investors.

Capital gains

CIT is imposed on the gross value of securities sold/transferred on each transaction. This is a "deemed profits" tax, equivalent to 0.1% of the value of the sale transaction. No relief is allowed for transaction costs and no allowance is taken for the cost of investments (i.e. the earning of actual profits is irrelevant).

In case where taxes are applicable, CIT is withheld by the relevant securities company or commercial bank which remits the legal remaining income, to foreign investors for remittance offshore. The Agreement between the Government of the Hong Kong Special Administrative Region of the People's Republic of China and the Government of the Socialist Republic of Vietnam for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "DTA") mentioned the criteria for application of the DTA on gains from alienation of property. The organisation is required to self-determine if all criteria are met before submitting the dossiers for DTA application. After receiving all necessary documents, the tax authority will inform in written letters on whether the organization is eligible to apply DTA.

Interest paid to the Sub-Fund over any deposit at accounts opened in Vietnam (if any) may also be subject to a 5% withholding tax under the Foreign Contractor Tax regulations. The Sub-Fund is not required to declare and pay Value Added Tax for securities dealing activities in Vietnam.

Appendix dated 14 September 2026

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