

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 financial advice.

E Fund ETFs Trust II

(a Hong Kong umbrella unit trust authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)

PROSPECTUS

E Fund (HK) FTSE MPF Hong Kong Equity ETF

Stock Code: 03579

E Fund (HK) FTSE MPF China A ETF

Stock Code: 03509

E Fund (HK) HKEX Tech 100 Index ETF

Stock Code: 03456

Manager

E Fund Management (Hong Kong) Co., Limited

Listing Agent

Ample Capital Limited

16 July 2026

The Stock Exchange of Hong Kong Limited, Hong Kong Exchanges and Clearing 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 E Fund ETFs Trust II (the "Trust") and the sub-funds of the Trust have each been authorised as collective investment schemes by the SFC. Authorisation by the SFC is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It 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.

IMPORTANT INFORMATION

This Prospectus relates to the offer in Hong Kong of units (the “Units”) in the E Fund ETFs Trust II (the “Trust”), an umbrella unit trust established under Hong Kong law by a trust deed dated 18 May 2026 between E Fund Management (Hong Kong) Co., Limited (the “Manager”) and Cititrust Limited (the “Trustee”), as amended and restated from time to time (the “Trust Deed”). The Trust will have a number of sub-funds (the “Sub-Funds” or individually a “Sub-Fund”). Each Sub-Fund is a physical exchange traded fund.

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-Funds. It contains important facts about the Sub-Funds whose Units are offered in accordance with this Prospectus. A product key facts statement which contains the key features and risks of each of the Sub-Funds 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.

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus and confirms having made all reasonable enquiries that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading. The Manager also confirms that this Prospectus includes particulars given in compliance with The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Code on Unit Trusts and Mutual Funds (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 for the purposes of giving information with regard to the Units of the Sub-Funds. The Trustee is not responsible for the preparation of this Prospectus and shall not be held liable to any person for any information disclosed in this Prospectus, except for the information regarding the Trustee itself under the paragraph headed “The Trustee” in the section on “Management of the Trust”.

Each Sub-Fund is a collective investment scheme falling within Chapter 8.6 of the Code. The Trust and each Sub-Fund are authorised by the SFC in Hong Kong under Section 104 of the Securities and Futures Ordinance. The SFC takes no responsibility for the financial soundness of the Trust, the Sub-Funds or for the correctness of any statements made or opinions expressed in this Prospectus. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It 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.

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 Units 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.

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Units of E Fund (HK) FTSE MPF Hong Kong Equity ETF, E Fund (HK) FTSE MPF China A ETF, and E Fund (HK) HKEX Tech 100 Index ETF. Subject to compliance with the admission requirements of HKSCC, the Units of E Fund (HK) FTSE MPF Hong Kong Equity ETF, E Fund (HK) FTSE MPF China A ETF, and E Fund (HK) HKEX Tech 100 Index ETF will be accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from the date of commencement of dealings in the Units on the SEHK or such other date as may be determined by HKSCC. Settlement of transactions between participants on the SEHK is required to take place in CCASS on the second CCASS settlement day after the Trading Day. 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 Units 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 Units have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any other United States Federal or State law and, except in a transaction which does not violate the U.S. 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 U.S. Securities Act). The Trust and the Sub-Funds have not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended. Units 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 U.S. 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 units 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(s)) shall not be permitted unless it is accompanied by a copy of the latest annual financial report of the Sub-Funds (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 Manager's website (<http://www.efunds.com.hk>) 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(s)) 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 Trust (including the Sub-Funds) by contacting the Manager at its address as set out in the Directory of this Prospectus, or by phone at its telephone number: (852) 3929 0988 during normal office hours.

DIRECTORY

Manager

E Fund Management (Hong Kong) Co., Limited

Suites 3501-02, 35/F
Two International Finance Centre
8 Finance Street, Central
Hong Kong

Trustee

Cititrust Limited

50/F, Champion Tower
Three Garden Road
Central
Hong Kong

Administrator and Custodian

Citibank, N.A., Hong Kong Branch

50/F, Champion Tower
Three Garden Road
Central
Hong Kong

Registrar

Citicorp Financial Services Limited

50/F, Champion Tower
Three Garden Road
Central
Hong Kong

Participating Dealers

Please refer to the Manager's website for the latest list in respect of each of the Sub-Funds.

Market Makers

Please refer to the Manager's website for the latest lists of HKD Counter Market Makers, RMB Counter Market Makers, USD Counter Market Makers (as the case may be) in respect of each of the Sub-Funds.

Legal Counsel to the Manager

Simmons & Simmons

30/F, One Taikoo Place
979 King's Road
Hong Kong

Auditor

Ernst & Young

27/F, One Tai Koo Place
979 King's Road
Quarry Bay
Hong Kong

Service Agent or Conversion Agent

HK Conversion Agency Services Limited

1/F, One & Two Exchange Square
8 Connaught Place
Central
Hong Kong

Listing Agent

Ample Capital Limited

Room 903
Far East Consortium Building
121 Des Voeux Road Central
Central
Hong Kong

CONTENTS

PART 1 – GENERAL INFORMATION RELATING TO THE TRUST AND SUB-FUNDS	1
DEFINITIONS	2
INTRODUCTION	9
THE OFFERING PHASES	10
INVESTMENT OBJECTIVE, INVESTMENT STRATEGY, INVESTMENT RESTRICTIONS, SECURITIES LENDING AND BORROWING	15
CREATIONS AND REDEMPTIONS (PRIMARY MARKET)	34
EXCHANGE LISTING AND TRADING (SECONDARY MARKET)	46
DETERMINATION OF NET ASSET VALUE	47
FEES AND EXPENSES	50
RISK FACTORS	54
MANAGEMENT OF THE TRUST	67
STATUTORY AND GENERAL INFORMATION	74
TAXATION	81
PART 2 – SPECIFIC INFORMATION RELATING TO EACH SUB-FUND	84
APPENDIX 1 – E Fund (HK) FTSE MPF Hong Kong Equity ETF	85
APPENDIX 2 – E Fund (HK) FTSE MPF China A ETF	103
APPENDIX 3 – E Fund (HK) HKEX Tech 100 Index ETF	130

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

Part 1 of this Prospectus includes information relevant to the Trust and the Sub-Funds established under the Trust and listed on the SEHK.

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. Other capitalised terms used, but not defined, have the meaning given to those terms in the Trust Deed.

“After Listing” means the period which commences on the Listing Date and continues until the relevant Sub-Fund is terminated.

“Administrator” means Citibank, N.A. , Hong Kong Branch.

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

“Application” means an application by a Participating Dealer for the creation or redemption of Units, in accordance with the procedures for creation and redemption of Units set out in the Operating Guidelines, the relevant Participation Agreement and the terms of the Trust Deed.

“Application Unit” means, in relation to each Sub-Fund, such number of Units or whole multiples thereof (if any) as specified in this Prospectus for the relevant Sub-Fund or such other number of Units from time to time determined by the Manager, approved by the Trustee and notified to the Participating Dealers.

“Business Day” in respect of a Sub-Fund, means, unless the Manager and the Trustee otherwise agree or otherwise specified in the relevant Prospectus of a Sub-Fund, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant market on which Index Securities and/or Futures Contracts, as the case may be, are traded is open for normal trading; or (iii) if there are more than one such market, the market designated by the Manager is open for normal trading, and (b) the Index is compiled and published, or such other day or days as the Manager may determine and notify the Trustee from time to time.

“Cancellation Compensation” means an amount payable for the account of a Sub-Fund by a Participating Dealer in respect of a Default, as set out in the Trust Deed and in 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.

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

“Connected Person” has the meaning as set out in the Code which at the date of this 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).

“Creation Application” means an application by a Participating Dealer for the creation and issue of Units in an Application Unit size in accordance with the Operating Guidelines and the Trust Deed.

“CSRC” means China Securities Regulatory Commission.

“Custodian” means Citibank, N.A., Hong Kong Branch, or such other entity duly appointed by the Trustee as the custodian of each Sub-Fund or any particular Sub-Fund.

“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 in consultation with the Trustee.

“Dealing Deadline” in relation to any Dealing Day, means such time or times as the Manager may from time to time in consultation with the Trustee determine generally or in relation to any particular place for submission of Application(s) by a Participating Dealer.

“Default” means a failure by a Participating Dealer in respect of:

- (a) a Creation Application to deliver the requisite Securities, Futures Contracts and/or any relevant cash amount; or
- (b) a Redemption Application to deliver the Units the subject of the Redemption Application and/or any relevant cash amount.

“Deposited Property” means, in respect of each Sub-Fund, all the assets (including Income Property), received or receivable by the Trustee, for the time being held or deemed to be held upon the trusts and subject to the terms of the Trust Deed 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.

“Duties and Charges” means, in relation to any particular transaction or dealing, 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 Units or the acquisition or disposal of Securities and/or Futures Contracts (as the case may be) or the entering into or termination of any Swaps (including any costs associated with the entering into, or unwind or maintenance of, any hedging arrangements in respect of such Swaps, 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 Units or redemption of Units, a charge (if any) of such amount or at such rate as is determined by the Manager or the Trustee to be made for the purpose of compensating or reimbursing the Trust for the difference between (a) the prices used when valuing the Securities and/or Futures Contracts (as the case may be) in the Trust Fund for the purpose of such issue or redemption of Units and (b) (in the case of an issue of Units) the prices which would be used when acquiring the same Securities and/or Futures Contracts (as the case may be) if they were acquired by the Trust with the amount of cash received by the Trust upon such issue of Units and (in the case of a redemption of Units) the prices which would be used when selling the same Securities and/or Futures Contracts (as the case may be) if they were sold by the Trust in order to realise the amount of cash required to be paid out of the Trust Fund upon such redemption of Units.

“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 Trust Deed or any agreement between the Manager, the Trustee 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 the fee payable to the Trustee on each occasion the Manager, upon a Participating Dealer’s request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application in accordance with the Operating Guidelines.

“FDI” means financial derivative instrument.

“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 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 of Hong Kong.

“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 each 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 Trustee 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 Trustee in respect of (a), (c) or (d) of this definition; (c) all cash payments received or receivable by the Trustee for the account of the relevant Sub-Fund in respect of an Application; (d) all Cancellation Compensation received by the Trustee for the account of the relevant Sub-Fund; and (e) any payments to be received or are receivable by the Trustee 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 Unitholders; (iii) gains for the account of the relevant Sub-Fund arising from the realisation of Securities and/or Futures Contracts (as the case may be); and (iv) any sums applied towards payment of the fees, costs and expenses payable by the Trust from the Income Property of the relevant Sub-Fund.

“Index” means, in respect of a Sub-Fund, the index against which the relevant Sub-Fund is benchmarked as set out in the relevant Appendix.

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

“Index Securities” means the constituent securities of the Index.

“Initial Issue Date” means, in respect of a Sub-Fund, the date of the first issue of Units.

“Initial Offer Period” means, in respect of each Sub-Fund, 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.

“Issue Price” means, in respect of a Sub-Fund, the price at which Units may be issued, determined in accordance with the Trust Deed.

“Listing Date” means, in respect of a Sub-Fund, the date on which the Units 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.

“Manager” means E Fund Management (Hong Kong) Co., Limited or such other person or persons for the time being duly appointed pursuant to the Trust Deed as manager of the Trust in succession thereto being approved by the SFC under the 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 in consultation with the Trustee.

“Market Maker” means a broker or dealer permitted by the SEHK to act as such by making a market for the Units in the secondary market on the SEHK.

“Multi-Counter” means the facility by which the Units of a Sub-Fund traded in more than one currency (HKD, RMB and/or USD) are each assigned separate stock codes on the SEHK. Where the Unit 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 Unit calculated under the Trust Deed.

“Operating Guidelines” means, in respect of a Sub-Fund, the guidelines for the creation and redemption of Units as set out in the schedule to each Participation Agreement as amended from time to time by the Manager with the approval of the Trustee and following consultation, to the extent reasonably practicable, with the relevant Participating Dealers, including without limitation, the procedures for creation and redemption of Units 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 Participating Dealer. Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the Sub-Funds applicable at the time of the relevant Application.

“Participant” means a person admitted for the time being by HKSCC as a participant of CCASS.

“Participating Dealer” means a broker or dealer who is (or who has appointed an agent or delegate who is) a Participant and who has entered into a Participation Agreement in form and substance acceptable to the Manager and Trustee, 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 Trustee, the Manager and a Participating Dealer, setting out, amongst other things, the arrangements in respect of the Applications. References to the Participation Agreement shall, where appropriate, mean the Participation Agreement, read together with the Operating Guidelines.

“PRC” means the People’s Republic of China, excluding for the purposes of interpretation of this Deed only, Hong Kong, Macau and Taiwan.

“QFI” means qualified foreign investor approved pursuant to the relevant PRC regulations (as amended from time to time) to invest in PRC domestic securities and futures with funds overseas.

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

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

“Redemption Application” means an application by a Participating Dealer for the redemption of Units in Application Unit size in accordance with the Operating Guidelines and the Trust Deed.

“Redemption Value” means, in respect of a Unit, the price per Unit at which such Unit is redeemed, calculated in accordance with the Trust Deed.

“Registrar” means Citicorp Financial Services Limited or such person as may from time to time be appointed as registrar of in respect of each Sub-Fund to keep the register of the Unitholders of the Sub-Funds.

“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.

“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.

“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 (as defined in the Trust Deed);
- (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 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” or “Conversion Agent” means HK Conversion Agency Services Limited or such other person as may from time to time be appointed to act as service agent or conversion agent in relation to the Sub-Funds.

“Service Agent’s Fee” or “Conversion Agent’s Fee” means the fee which may be charged for the benefit of the Service Agent or the Conversion Agent (as the case may be) to each Participating Dealer on each Creation Application or Redemption Application made by the relevant Participating Dealer, the maximum level of which shall be determined by the Service Agent or the Conversion Agent (as the case may be) and set out in this Prospectus.

“Service Agreement” or “Conversion Agency Agreement” means each agreement by which the Service Agent provides its services in respect of a Sub-Fund in accordance with the HKSCC Rules and HKSCC Operational Procedures, entered amongst the Trustee, the Registrar, the Manager, the Participating Dealer, the Service Agent or the Conversion Agent (as the case may be) and the Hong Kong Securities Clearing Company Limited.

“Settlement Day” means 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 Trustee from time to time and notified to the relevant Participating Dealers 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 the Laws of Hong Kong).

“Stock Connect” means the securities trading and clearing linked programme with an aim to achieve mutual stock market access between Mainland China 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 Trust Fund is divided, established under the Trust Deed and the relevant supplemental deed as a separate trust as described in the relevant Appendix.

“Substantial Financial Institution” has the meaning as set out in the Code.

“Swap” means a swap agreement to be entered by the Trustee on behalf of a Sub-Fund which may, subject to the terms of the Trust Deed, 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.

“Trading Day” means, in respect of the Units, a day on which trading is conducted on the SEHK as specified in the relevant rules of the SEHK.

“Transaction Fee” means the fee, in respect of a Sub-Fund, which may be charged for the benefit of the Trustee, the Registrar and the Service Agent or the Conversion 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.

“Trust” means the umbrella unit trust constituted by the Trust Deed and called “E Fund ETFs Trust II” or such other name as the Manager may from time to time determine upon prior notice to the Trustee.

“Trust Deed” means the trust deed dated 18 May 2026 between the Manager and the Trustee, as amended and restated from time to time.

“Trust Fund” means with respect to each Sub-Fund, all the property for the time being held or

deemed to be held by the Trustee upon the trusts hereof, including the Deposited Property and Income Property attributable to that Sub-Fund and subject to the terms and provisions of the Trust Deed, except for amounts to be distributed, and where such term is used generically, "Trust Fund" means the Trust Fund attributable to all Sub-Fund taken together.

"Trustee" means Cititrust Limited or such other person or persons for the time being duly appointed as trustee or trustees hereof in succession thereto in accordance with the Trust Deed.

"Unit" means a unit representing an undivided share in a Sub-Fund.

"Unitholder" means a person for the time being entered on the register of holders as the holder of Units including, where the context so admits, persons jointly registered.

"US" or "United States" means the United States of America.

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

"Valuation Point" means, in respect of a Sub-Fund, the official close of trading on the Market on which the Securities or Futures Contracts constituting the Index 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 in consultation with the Trustee from time to time provided that (i) there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Units and (ii) on each financial year-end date and end date of the half-yearly financial reports (i.e. 31 December and 30 June respectively), there shall be a Valuation Point even if such day is not a Dealing Day.

INTRODUCTION

The Trust

The Trust is an umbrella unit trust created by the Trust Deed between the Manager and the Trustee made under Hong Kong law. The Trust 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 Code. SFC authorisation is not a recommendation or endorsement of a Sub-Fund nor does it guarantee the commercial merits of a Sub-Fund or its performance. It does not mean that 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 Trust may issue different classes of Units and the Trustee shall establish a separate pool of assets under the Trust Deed as separate trusts (each such separate pool of assets a “Sub-Fund”) to which one or more class of Units shall be attributable. The assets of a Sub-Fund will be invested and administered separately from the other assets of the Trust. All Sub-Funds will be exchange traded funds listed on the SEHK.

The Manager and the Trustee reserve the right to establish other Sub-Funds and/or issue further classes of Units relating to a Sub-Fund or Sub-Funds in the future in accordance with the provisions of the Trust Deed. Where indicated in the relevant Appendix, Units in a Sub-Fund may be available for trading on the SEHK using a Dual Counter or a Multi-Counter. Each Sub-Fund will have its own Appendix.

THE OFFERING PHASES

Initial Offer Period

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

Unless otherwise stated in the relevant Appendix, the latest date for making a Creation Application for Units is 5:00 p.m. (Hong Kong time) two Business Days prior to the Listing Date or such other time as the Manager (in consultation with the Trustee) 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 Registrar (with a copy to the Manager) before the above deadline.

If a Creation Application is received by the Registrar after two Business Days prior to the Listing Date, that Creation Application shall be carried forward and deemed to be received at the opening of business on the next following Dealing Day, which shall be the Dealing Day for the purposes of that Creation Application.

Creation Applications must be made in Application Unit size, which is the number of Units specified in the relevant Appendix. Participating Dealers (acting for themselves or for their clients) can apply for Units 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 a Sub-Fund is terminated.

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

- (a) buy and sell Units on the SEHK; or
- (b) apply for creation and redemption of Units through Participating Dealers.

Buying and Selling of Units on the SEHK

After Listing, all investors can buy and sell Units in Trading Board Lot Size (as described 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 Unit due to market demand and supply, liquidity and scale of trading spread for the Units in the secondary market. As a result, the market price of the Units in the secondary market may be higher or lower than Net Asset Value per Unit.

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

Creations and Redemptions through Participating Dealers

Units will continue to be created and redeemed at the Issue Price and Redemption Value respectively through Participating Dealers in Application Unit size. The Application Unit 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 Creation Applications or Redemption Applications to the Registrar (with a copy to the Manager) before the Dealing Deadline on the relevant Dealing Day. If a Creation Application or 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 Creation Application or 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 Creation Application or Redemption Application.

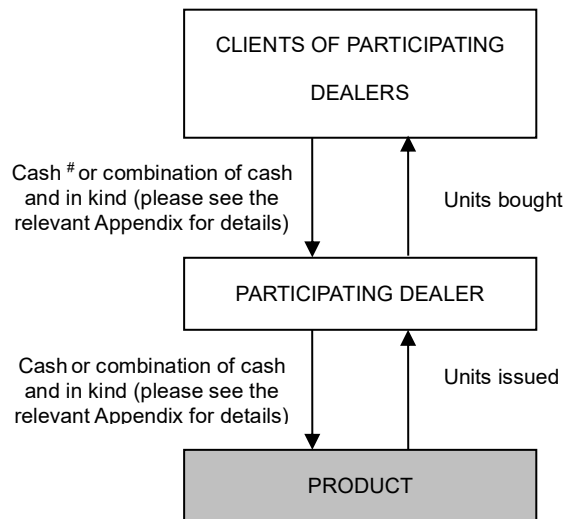
Settlement for subscribing Units is due by such time as agreed in the Operating Guidelines on the relevant Dealing Day or for redeeming Units is due by the Settlement Day, being the Business Day which is two Business Days (unless as otherwise stated in the relevant Appendix) after the Dealing Day, unless the Manager and Trustee agree with the relevant Participating Dealer to accept later settlement generally or in any particular case. Notwithstanding a Multi-Counter being adopted for a Sub-Fund, any cash payable by a Participating Dealer in a cash Creation Application can be in such currency as stated in the relevant Appendix. Units created will be deposited in the designated domain settlement counter in CCASS.

After Listing, all Units will be registered in the name of HKSCC Nominees Limited on the register of the Trust. The register of the Trust is the evidence of ownership of Units. The beneficial interests in Units of any client of the Participating Dealers shall be established through such client's account with the relevant Participating Dealer or with any other HKSCC participants if the client is buying from the secondary market.

Diagrammatic Illustration of Investment in a Sub-Fund

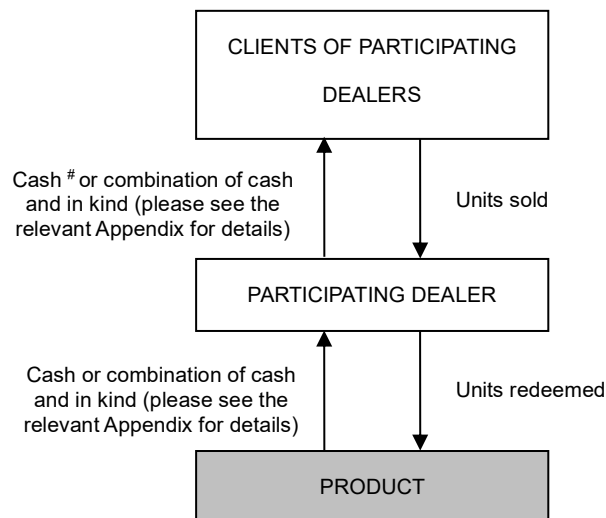
The diagrams below illustrate the creation or redemption and the buying or selling of Units:

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



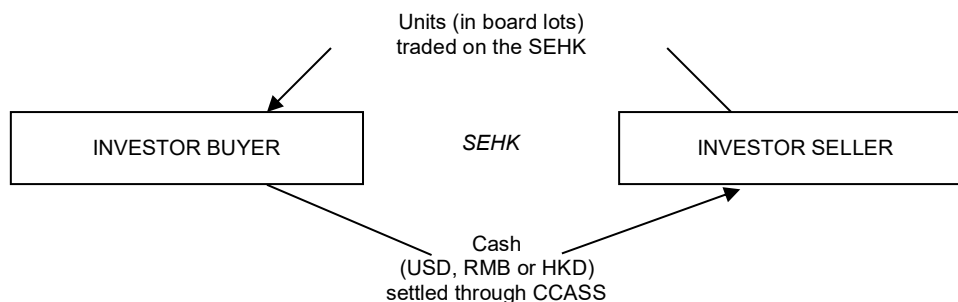
Clients of the Participating Dealers may agree with the Participating Dealers settlement in another currency.

(b) Redemption and sale of Units in the primary market – After Listing



Clients of the Participating Dealers may agree with the Participating Dealers settlement in another currency.

(c) Buying or selling of Units 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 Units (or multiple thereof)	Channel	Available to	Consideration, Fees and Charges [#]
Cash creation (in the currency as specified in the relevant Appendix), in-kind creation or a combination of cash and in-kind creation	Application Unit size (see the relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash based on the initial Issue Price and the number of Units applied Portfolio of Securities and cash component 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) Transaction Fee payable to the Trustee (payable in the currency as specified in the section “Fees and Expenses”) Transaction Fee payable to the Service Agent or Conversion Agent (payable in HKD) Duties and Charges (payable in USD unless otherwise specified in the relevant Appendix)

After Listing

Method of Acquisition or Disposal of Units	Minimum Number of Units (or multiple thereof)	Channel	Available to	Consideration, Fees and Charges [#]
Purchase and sale in cash through brokers on the SEHK (secondary market) in HKD or in each trading currency in case of Multi-Counter	Board lot size (see the relevant Appendix)	On the SEHK	Any investor	Market price of Units on SEHK (in HKD or in each trading currency in case of Multi-Counter) Brokerage fees (in such currency as determined by individual brokers) Transaction Levy and Trading Fee (in HKD only unless otherwise specified in the relevant Appendix)
Cash creation and redemption, in-kind or a combination of cash and in-kind cash redemption (see the relevant Appendix)	Application Unit size (see the 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) Portfolio of Securities and cash component (in the currency as specified in the relevant Appendix) Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Transaction Fee payable to the Trustee (payable in the currency as specified in the section "Fees and Expenses") Transaction Fee payable to the Service Agent or Conversion Agent (payable in HKD) Duties and Charges (payable in USD unless otherwise specified in the relevant Appendix)

[#] Please refer to "Fees and Expenses" for further details

INVESTMENT OBJECTIVE, INVESTMENT STRATEGY, INVESTMENT RESTRICTIONS, SECURITIES LENDING AND BORROWING

Investment Objective

The investment objective of each Sub-Fund is stated in the relevant Appendix.

Investment Strategy

The investment strategy of each Sub-Fund is stated in the relevant Appendix.

Investment Restrictions

If any of the restrictions or limitations set out below 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 to remedy such breach, taking into account the interests of the Unitholders of that Sub-Fund.

The Trustee will take reasonable care to ensure compliance with the investment and borrowing limitations set out in the constitutive documents and the conditions under which a Sub-Fund was authorised.

The investment restrictions applicable to each Sub-Fund (that are included in the Trust Deed) 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 the Sub-Fund, save as permitted by Chapter 8.6(h) and as varied by Chapter 8.6(h)(a) of the Code:
 - (1) investments in Securities issued by such entity;
 - (2) exposure to such entity through underlying assets of financial derivative instrument ("FDI"); 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 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 the 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 (3), cash deposits generally refer to those that are repayable on demand or have the right to be withdrawn by the 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 ordinary shares of the same entity held for the account of all other Sub-Funds under the Trust 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 Code;
 - (2) any increase in the overall fees and charges directly or indirectly borne by the Unitholders or the Sub-Fund as a result must be clearly disclosed in the Prospectus; and
 - (3) the Sub-Fund must produce the reports required by the 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 a Sub-Fund which has been authorised by the SFC as an index fund, this 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, a 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 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 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 Code,

may either be considered and treated as (x) listed Securities for the purposes of and subject to the requirements in paragraphs (a), (b) and (d) above; or (y) 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 the 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 the 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) the 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 Code, and where that underlying scheme's objective is to invest primarily in investments restricted by Chapter 7 of the Code, such investments may not be in contravention of the relevant limitation prescribed by Chapter 7 of the Code. For the avoidance of doubt, the Sub-Fund may invest in scheme(s) authorised by the SFC under Chapter 8 of the Code (except for hedge funds under Chapter 8.7 of the Code), eligible scheme(s) (as determined by the SFC) of which the net derivative exposure (as defined in the 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 Prospectus 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, Manager's annual fee, or any other costs and charges payable to the Manager or any of its Connected Persons borne by the Unitholders or by a 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 total 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.

The Manager shall not on behalf of a Sub-Fund:

- (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)). In the case of investments in such shares and REITs, they shall comply with the relevant investment restrictions and limitations set out in Chapter 7.1, 7.1A, 7.2, 7.3 and 7.11 of the Code, where applicable. For the avoidance of doubt, where investments are made in listed REITs, 7.1, 7.1A and 7.2 apply and where investments are made in unlisted REITs, which are either companies or collective investment schemes, then 7.3 and 7.11 apply respectively;
- (C) make short sales if as a result the Sub-Fund would be required to deliver Securities exceeding 10% of the total Net Asset Value of the Sub-Fund (and for this purpose Securities sold short must be actively traded on a market where short selling is permitted). For the avoidance of doubt, the 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 (e), 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 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; or
- (G) apply any part of the 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 the 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 Code.

Note: The investment restrictions set out above apply to each Sub-Fund, subject to the following: A collective investment scheme authorised by the SFC under the Code is usually restricted under Chapter 7.1 of the Code 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. For a Sub-Fund authorised under Chapter 8.6 of the Code as an index tracking ETF, given the investment objective of the Sub-Funds and nature of the Index, the Sub-Funds are allowed under Chapter 8.6(h) of the Code to, notwithstanding Chapter 7.1 of the Code, hold investments in constituent Securities of any single entity exceeding 10% of the relevant Sub-Fund's total Net Asset Value if such constituent Securities account for more than 10% of the weighting of the Index and the relevant 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 if:

- (a) the relevant 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 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 Sub-Fund's holdings over the weightings in the Index must be subject to a maximum limit reasonably determined by the relevant Sub-Fund after consultation with the SFC. In determining this limit, the relevant 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 Sub-Fund pursuant to the point above must be disclosed in the relevant Appendix;
- (f) disclosure must be made in the relevant Sub-Fund's interim and annual reports as to whether the limits imposed by such 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 ("Securities Financing Transactions"), provided that they are in the best interests of the Unitholders,

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:

- 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;
- 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;
- 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 investment grade (i.e., BBB- or above by Moody's or S&P, or any other equivalent ratings by recognised credit rating agencies) or which are SFC-licensed corporations or such institution as accepted by the SFC. There are no requirements imposed by the Manager on country of origin;
- (b) the Trustee, 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 lending transaction has been arranged through the Trustee or a Connected Person of the Trustee 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.

There is no current intention for any Sub-Fund to engage in securities financing transactions, but this may change in light of market circumstances and where a Sub-Fund is to engage in these types of transactions, prior approval shall be obtained from the SFC (if required) and no less than one month's prior notice will be given to the Unitholders.

Financial Derivative Instruments

Subject always to the provisions of the Trust Deed and the Code, the Manager may on behalf of a Sub-Fund enter into any transactions in relation to Swaps or other FDIs.

Where indicated in the relevant Appendix, a Sub-Fund may acquire FDIs for hedging purpose. The FDIs shall meet all of the following criteria to be considered as being acquired for hedging purposes:

- (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.

Unless otherwise stated in the relevant Appendix, each 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 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 the above, 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 corresponding investment restrictions or limitations applicable to such underlying assets and investments as set out in the relevant provisions of Chapter 7 of the 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 or 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 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 total 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 or the Trustee 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.

For the purposes herein, assets that are used to cover a Sub-Fund's payment and delivery obligations incurred under transactions in FDIs should be free from any liens and encumbrances, exclude any cash or near cash for the purpose of meeting a call on any sum unpaid on 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. In the case of holding alternative assets as cover, such 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 in order 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 marketplace 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 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 it would undermine the effectiveness of the collateral. As such, securities issued by the counterparty or the issuer of the FDIs, or the counterparty of securities financing transactions or any of their related entities should not be used as collateral;
- Management of operational and legal risks – the Manager must have appropriate systems, operational capabilities and legal expertise for proper collateral management;
- Independent custody – collateral must be held by the Trustee (including any custodian or sub-custodian duly appointed by the Trustee in accordance with the Trust Deed);
- Enforceability – collateral must be readily accessible/enforceable by the Trustee without further recourse to the issuer of the FDIs, or the counterparty of the securities financing transactions;
- Cash collateral - 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 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 Code. Non-cash collateral received may not be sold, re-invested or pledged;
- For the purpose herein, “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. Any re-investment of cash collateral shall be subject to the following further restrictions and limitations:
 - i. the portfolio of assets from re-investment of cash collateral shall comply with the requirements as set out in Chapter 8.2(f) and Chapter 8.2(n) of the Code;
 - ii. cash collateral received is not allowed to be further engaged in any securities financing transactions; and
 - iii. 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.
- Encumbrances - collateral should be free of prior encumbrances; and
- Collateral generally should 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, stocks, funds and money market instruments. For money market funds, collateral received may only be cash, high quality money market instruments and may also include, in the case of reverse repurchase transactions, government securities receiving a favourable assessment on credit quality. For a debt security which itself does not have a credit rating, the Manager will assess the debt security by reference to the credit rating of the issuer, the guarantor or the keepwell provider;

- the issuer of collateral must be of high quality and 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;
- 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 Trustee and may be subject to netting or set-off;
- 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 reports for the relevant period as required under Appendix E of the Code.

Borrowing Policy

Borrowing against the assets of a Sub-Fund is allowed up to a maximum of 10% of its total Net Asset Value. Where the Manager so determines, a Sub-Fund's permitted borrowing level may be a lower percentage or more restricted as set out in the relevant Appendix. Securities Lending Transactions and Sale and Repurchase Transactions in compliance with the requirements as set under the section entitled "Securities Financing Transactions" above are also not borrowings for the purpose of, and are not subject to the borrowing restrictions under this section.

Subject to the relevant Appendix, the Trustee may on instruction of the Manager borrow for the account of a Sub-Fund any currency, and charge or pledge assets of the Sub-Fund, for the following purposes:

- (a) facilitating the creation or redemption of Units or defraying operating expenses;
- (b) enabling the Manager to acquire Securities for the account of the Sub-Fund; or
- (c) for any other proper purpose as may be agreed by the Manager and the Trustee, except to enhance the performance of any Sub-Fund.

Stock Connect

The Stock Connect is a securities trading and clearing links programme developed by the Hong Kong Exchanges and Clearing Limited (the “**HKEx**”), the Shanghai Stock Exchange (“**SSE**”), the Shenzhen Stock Exchange (“**SZSE**”) and the CSDCC, which provides mutual stock market access between mainland China 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 Shenzhen-Hong Kong Stock Connect comprises a northbound trading link for investment in mainland China shares (“**Northbound Trading**”) and a southbound trading link for investment in Hong Kong shares (“**Southbound Trading**”). 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 in Qianhai Shenzhen respectively) established by the SEHK, may trade eligible shares listed on the SSE or the SZSE by routing orders to the SSE or SZSE (as the case may be).

Eligible securities

Under the Shanghai-Hong Kong Stock Connect, Hong Kong and overseas investors may trade certain A-Shares and exchange traded funds listed on the SSE (“**SSE Securities**”) through Shanghai Connect. Eligible A-Shares include:

- Constituent stocks of the SSE A-Share Index that meet all of the following criteria at the relevant review:
 - Daily average market capitalisation in the last six months of RMB 5 billion or above;
 - Daily average turnover in the last six months of RMB 30 million or above;
 - Not suspended for trading on 50% or more of the total number of trading days in the last six months;
 - For Differentiated Voting Rights (DVR) stocks, additional criteria apply¹.
- SSE-listed A-Shares that are not constituent stocks of the SSE A-Share Index but have corresponding H shares accepted for listing and trading on SEHK, provided they are not traded in currencies other than RMB and are not under risk alert.

Investors eligible to trade shares listed on the STAR Market of SSE under Northbound Trading are limited to institutional professional investors.

Eligible SSE-listed ETFs must meet specific criteria regarding assets under management, index composition, and other requirements. The list of eligible SSE Securities and ETFs is reviewed and updated regularly.

Under the Shenzhen-Hong Kong Stock Connect, Hong Kong and overseas investors may trade certain A shares and ETFs listed on the Shenzhen Stock Exchange (SZSE) (“**SZSE Securities**”) through Shenzhen Connect. Eligible A shares include:

¹ Please refer to the Information Book for Investors for more information on DVR stocks which can be accessed on the SEHK’s website: https://www.hkex.com.hk/-/media/HKEX-Market/Mutual-Market/Stock-Connect/Getting-Started/Information-Booklet-and-FAQ/Information-Book-for-Investors/Investor_Book_En.pdf (this website has not been reviewed by the SFC).

- Constituent stocks of the SZSE Composite Index that meet all of the following criteria at the relevant review:
 - Daily average market capitalisation in the last six months of RMB 5 billion or above;
 - Daily average turnover in the last six months of RMB 30 million or above;
 - Not suspended for trading on 50% or more of the total number of trading days in the last six months;
 - For DVR stocks, additional criteria apply.
- SZSE-listed A shares that are not constituent stocks of the SZSE Composite Index but have corresponding H shares accepted for listing and trading on SEHK, provided they are not traded in currencies other than RMB and are not under risk alert or delisting arrangement.

Investors eligible to trade shares listed on the ChiNext Board of SZSE under Northbound Trading are limited to institutional professional investors.

Eligible SZSE-listed ETFs must meet specific criteria regarding assets under management, index composition, and other requirements. The list of eligible SZSE Securities and ETFs is reviewed and updated regularly.

Trading day

Under the current Northbound arrangements for Stock Connect, investors are allowed to trade SSE and SZSE Securities on a Hong Kong business day when both the markets in Hong Kong and mainland China are open for trading. If a Northbound trading day is a half trading day in the Hong Kong market, Northbound Trading will continue until the respective Connect Market is closed.

Trading quota

Trading under Stock Connect will be subject to rules and regulations issued from time to time.

Trading under Stock Connect is subject to a daily quota (“**Daily Quota**”). Northbound Shanghai Trading Link, Northbound Shenzhen Trading Link, Southbound Shanghai Trading Link and Southbound Shenzhen Trading Link will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under Stock Connect each day. The quotas do not belong to any of the Sub-Funds and are utilized on a first-come first-served basis.

Settlement and Custody

The Hong Kong Securities Clearing Company Limited (“**HKSCC**”), also a wholly-owned subsidiary of HKEx, and CSDCC will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors.

The SSE Securities and SZSE Securities traded through Stock Connect are issued in scripless form, so investors will not hold any SSE Securities and SZSE Securities in physical form.

Hong Kong and overseas investors can only hold SSE Securities and SZSE Securities through their brokers/custodians. Their ownership of such is reflected in their brokers/custodians’ own records such as client statements.

Corporate actions and shareholders’ meetings

Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities and SZSE Securities held in its omnibus stock account in CSDCC, CSDCC as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities and SZSE Securities.

HKSCC will monitor the corporate actions affecting SSE Securities and SZSE Securities and keep the relevant brokers or custodians participating in CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK) ("CCASS participants") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

SSE-/SZSE-listed companies usually announce their annual general meeting / extraordinary general meeting information about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise CCASS participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

Foreign shareholding restrictions

Pursuant to relevant rules and regulations, when holding A-Shares through 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 listed company must not exceed 10% of the total issued shares; and
- Aggregate foreign investors' shareholding by all Hong Kong and overseas investors in the China A-Share of a listed company must not exceed 30% of the total issued shares.

When aggregate foreign shareholding of an individual A-Share exceeds the 30% threshold, the foreign investors concerned will be requested to sell the relevant A-Shares on a last-in-first-out basis within 5 trading days. If the 30% threshold is exceeded due to trading via Stock Connect, SEHK will identify the exchange participant(s) concerned and require a force-sell. As a result, it is possible that the Sub-Fund may be required to unwind his position where it has invested in a A-Share listed company in respect of which the aggregate foreign shareholding threshold has been exceeded.

The SSE, SZSE and the SEHK will issue notices or warnings as the aggregate foreign shareholding of an SSE Security or SZSE Security approaches 30%. Northbound Trading buying orders will be suspended once the aggregate foreign shareholding reaches 28% and will only resume when it drops to less than 26%. Northbound Trading sell orders will not be affected.

Currency

Hong Kong and overseas investors will trade and settle SSE Securities and SZSE Securities in RMB only. Hence, the Sub-Fund will need 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 China A-Share trading, the relevant Sub-Fund(s) may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

Under Stock Connect, Hong Kong and overseas investors will be subject to the fees and levies imposed by SSE, SZSE, CSDCC, HKSCC or the relevant mainland Chinese authority when they trade and settle SSE Securities and SZSE Securities. Further information about the trading fees and levies is available online at the website: http://www.hkex.com.hk/mutual-market/stock-connect?sc_lang=en. (this website has not been reviewed by the SFC).

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 trading link of a Stock Connect arrangement.

On the other hand, according to the Measures for the Administration of Securities Investor Protection Fund 《證券投資者保護基金管理辦法》, the functions of China Securities Investor Protection Fund (“CSIPF”, 中國投資者保護基金) include “indemnifying creditors as required by mainland China’s relevant policies in case a securities company is subjected to compulsory regulatory measures including dissolution, closure, bankruptcy and administrative takeover by the CSRC and custodian operation” or “other functions approved by the State Council”. As far as the relevant Sub-Fund(s) are concerned, since they are carrying out Northbound trading through securities brokers in Hong Kong and these brokers are not brokers in mainland China, therefore they are not protected by CSIPF in mainland China.

Further information about Stock Connect is available online at the website:

https://www.hkex.com.hk/Mutual-Market/Stock-Connect?sc_lang=en (this website has not been reviewed by the SFC).

The Offshore RMB Market

What led to RMB internationalisation?

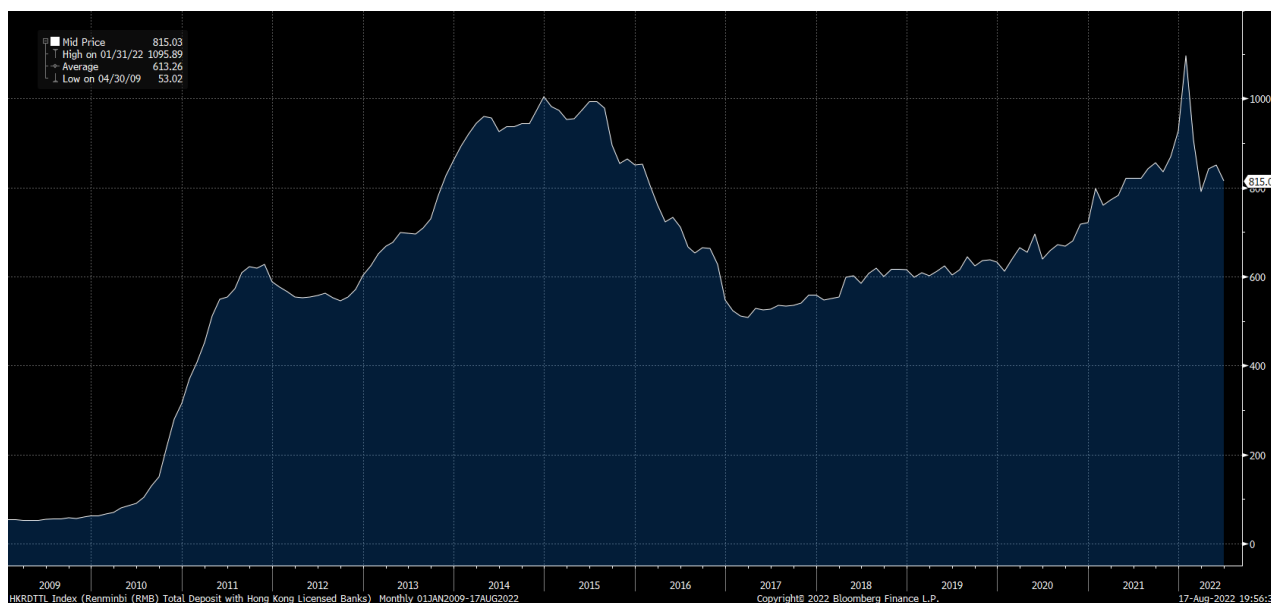
RMB is the lawful currency of the PRC. RMB is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC government. Since July 2005, the PRC government began to implement a controlled floating exchange rate system based 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’s economy has been growing rapidly. This enables it to overtake Japan to become the second largest economy and trading country in the world. As the PRC’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.

Accelerating the pace of the RMB internationalisation

The PRC 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 financial institutions to issue RMB bonds in Hong Kong. As of the end of September 2021, there are 144 authorised institutions in Hong Kong engaging in RMB business, with RMB deposits amounting to about RMB855.93 billion, as compared to just RMB63 billion in 2009.

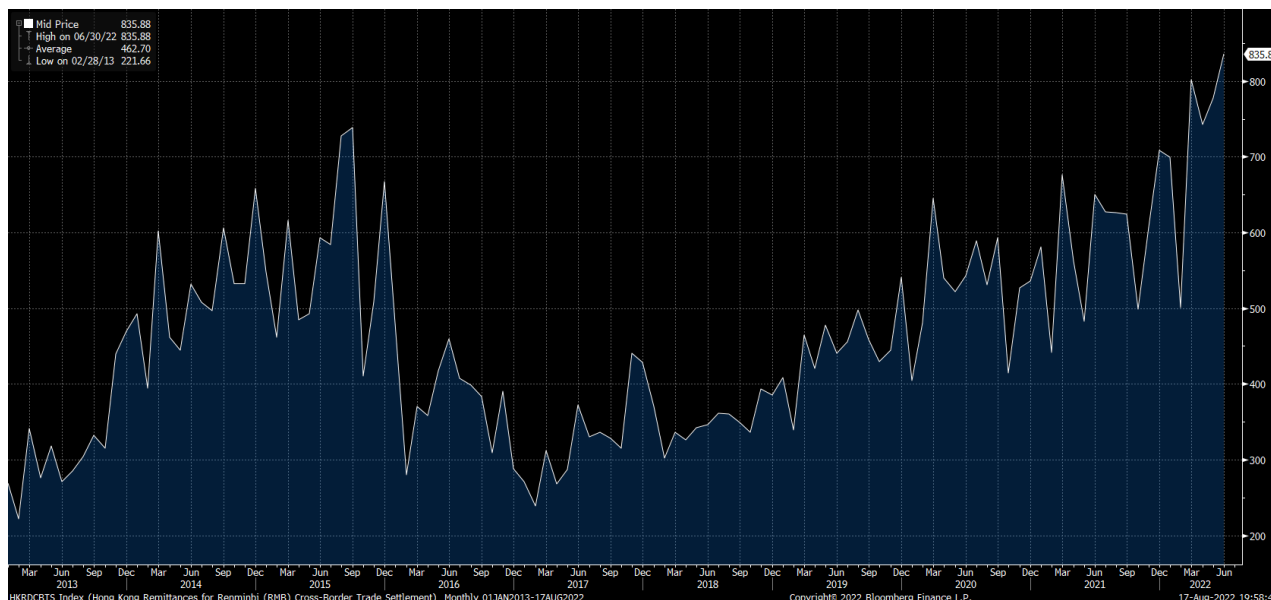
Chart 1. RMB deposits in Hong Kong



Data source: Bloomberg as of 17 Aug 2022.

The pace of RMB internationalisation has accelerated since 2009 when the PRC authorities permitted cross-border trade between Hong Kong / Macau and Shanghai/four Guangdong cities, and between ASEAN and Yunnan/Guangxi, to be settled in RMB. In June 2010, the arrangement was expanded to 20 provinces / municipalities on the PRC and to all countries / regions overseas. In 2020, RMB6,324 billion worth of cross-border trade was settled in Hong Kong using RMB.

Chart 2. Remittances for RMB cross-border trade settlement



Data source: Bloomberg as of 17 Aug 2022.

Onshore versus offshore RMB market

Following a series of policies introduced by the PRC authorities, an RMB market outside the PRC has gradually developed and started to expand rapidly since 2009. RMB traded outside the PRC 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 movements may not be in the same direction. 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 recent years, it is still relatively sensitive to negative factors or market uncertainties and is in general 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.

Market development

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 authorities announced the partial opening up of PRC'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. The PRC Government has also given approval for the first non-financial PRC firm to issue RMB-denominated bonds in Hong Kong.

The Shanghai-Hong Kong Stock Connect was launched in November 2014. It is a mutual market access programme that allows investment in eligible Shanghai-listed shares through the SEHK and eligible Hong Kong-listed shares through the SSE. The Shenzhen-Hong Kong Stock Connect (which was launched in December 2016) is also a mutual market access programme that allows investment in eligible Shenzhen-listed shares through the SEHK and eligible Hong Kong-listed shares through the SZSE.

RMB internationalisation is a long-term goal

Given the PRC'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 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 sterling 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's A-Share market commenced in 1990 with 2 exchanges, namely the SSE and the SZSE.

The SSE was established on 26 November 1990 and stocks were further divided into class A-Shares and class B-Shares, with access to A-Shares limited to domestic investors as well as qualified foreign institutional investors or through the Stock Connect only and B-Shares available to both domestic and foreign investors. Bonds traded on the SSE include treasury bonds (T-bonds), local

government bonds, corporate bonds (including those approved by the State Development and Reform Commission), corporate bonds with detachable warrants, and convertible corporate bonds. In addition, securities investment funds (including exchange traded funds) and warrants are available for trading on the SSE. As of 17 August 2022, there are 2,151 companies listed on the SSE, 1,701 of which are listed on the SSE main board with total market capitalisation of RMB42.447 trillion, and 450 of which are listed on the STAR market with total market capitalisation of RMB6.158 trillion.

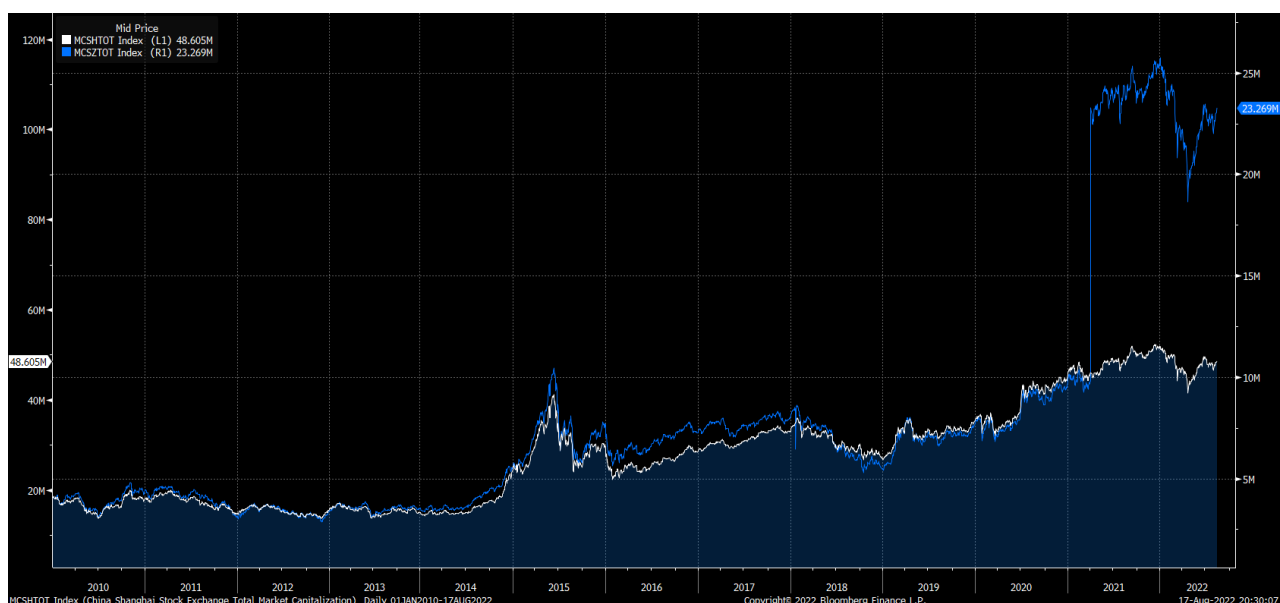
The SZSE was founded on 1 December 1990 and stocks were further divided into class A-Shares and class B-Shares, with access to A-Shares limited to domestic investors as well as qualified foreign institutional investors or through the Stock Connect only and B-Shares available to both domestic and foreign investors. As of 17 August 2022, there are 2,699 companies listed on the SZSE, 1,527 of which are listed on the SZSE main board with total market capitalisation of RMB23.270 trillion and 1,172 of which are listed on the ChiNext (the board mainly for “hi-tech” companies) with total market capitalisation of RMB12.871 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 ended funds), fixed income products (including SME collective bonds and asset-backed securities), and diversified derivative financial products (including warrants and repurchases).

The A-Shares market has grown significantly in the past 20 years, with the latest total market capitalisation reaching RMB83.123 trillion comprising 4,850 A-Shares listed companies by 17 August 2022.

In terms of investor breakdown, there is an increasing number of institutional investors participating in the A-Share market since the inception, which include securities investment funds, social pension funds, qualified foreign institutional investors, insurance companies and ordinary investment institutions. However, on a daily basis, retail investors still make up for the majority of the trading volume.

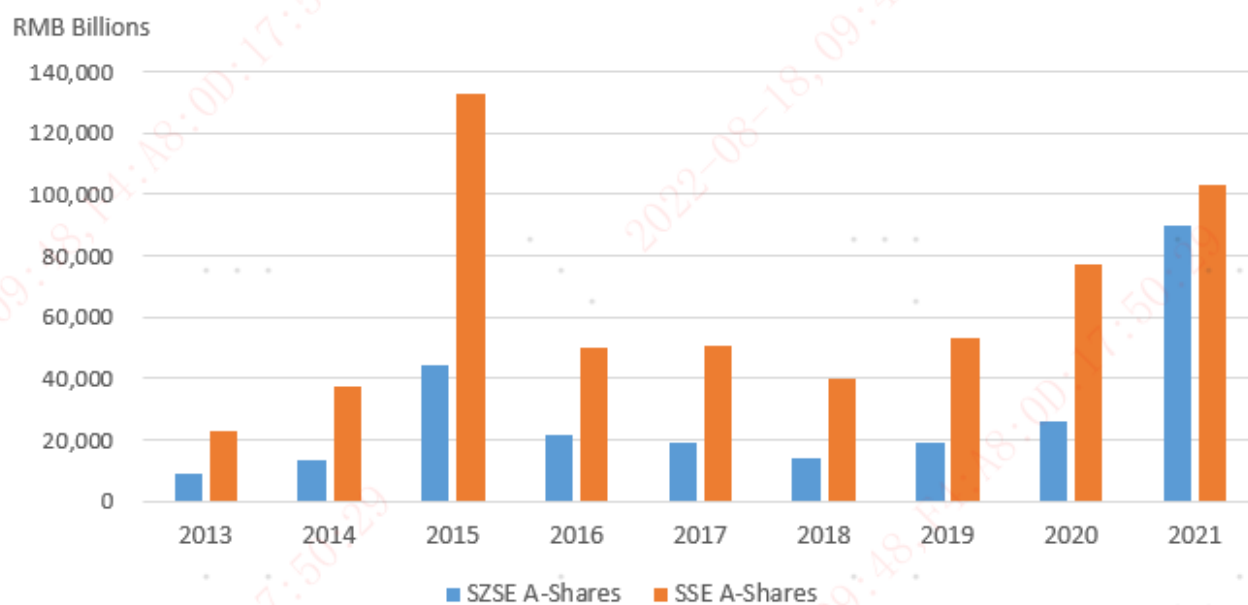
The A-Share market’s development is illustrated in the following charts:

Chart 1. Total market capitalisation of A-Shares of both the SSE and the SZSE main board



Data source: Bloomberg, as of 17 August 2022.

Chart 2. Annual trading volumes of A-Shares of the SSE and the SZSE main board



Data source: SSE & SZSE, as of 31 December 2021.

Key Differences with the Hong Kong market

The major differences between the mainland China A-Share market and the Hong Kong stock market are set out in the table below:

	Mainland China	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/*ST stock ¹ or S stock ²)*	No Limit
Trading lots	100 shares for BUY / 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
Reporting requirements	Annual report: • Full annual report must be disclosed within 4 months after the reporting period. Interim report: • Full report must be disclosed within 2 months after the reporting period. Quarterly report: • Full report must be disclosed within 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 3 months after the reporting period; • Full annual report must be disclosed within 4 months after the reporting period. Interim report: • Earnings must be disclosed within 2 months after the reporting period; • Full report must be disclosed within 3 months after the reporting period.

Note:

* 1) ST/*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 the most recent fiscal year), effective from 22 April 1998. Stocks with ST usually means they have a delisting risk.

2) S stocks refer to those stocks which have not yet performed the “split share structure reform”.

** Purchasing in an odd lot is not allowed while selling in an odd lot is allowed in the A-Share market, with no price difference between odd lot and round lot trading.

CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

Investment in a Sub-Fund

There are two methods of making an investment in a Sub-Fund and of disposing of Units to realise an investment in a Sub-Fund.

The first method is to create or to redeem Units at Net Asset 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, although a Participating Dealer may, subject to arrangement with the Manager, elect to have Units which it creates deposited in CCASS in any available counter, all creation and redemption for all Units must be in the base currency of the Sub-Fund as specified in the relevant Appendix unless otherwise stated in the relevant Appendix. Because of the size of the capital investment (i.e. Application Unit size) required either to create or redeem Units 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 Units 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 Units in the secondary market on the SEHK which is more suitable for retail investors. The secondary market price of Units may trade at a premium or discount to the Net Asset Value of the relevant Sub-Fund.

This section of this Prospectus describes the first method of investment and should be read in conjunction with the Operating Guidelines and the Trust Deed. The section on “Exchange Listing and Trading (Secondary Market)” relates to the second method of investment.

Creation of Units through Participating Dealers

Any application for the creation of Units of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Unit size or whole multiple thereof (save and except for application during the relevant Initial Offer Period) as set out in the “Key Information” section in the relevant Appendix. Investors cannot acquire Units directly from a Sub-Fund. Only Participating Dealers may submit Creation Applications to the Registrar (with a copy to the Manager).

Units 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 the account of their client(s), in accordance with the Operating Guidelines, by submitting a Creation Application to the Registrar (with a copy to the Manager).

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 Units 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 may reject (or is under the obligation to reject at the direction of the Trustee) 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 Units of the relevant Sub-Fund, (ii) the redemption of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset

Value of the relevant Sub-Fund 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 Futures Contracts in the relevant Index;
- (c) where acceptance of the 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 and/or any of its Connected Persons 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 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, riot, strikes or acts of God.

Requirements relating to Creation Requests by potential investors

Cash creation, in-kind creation, or a combination of cash and in-kind creation is available to the Participating Dealers in respect of a Sub-Fund (please see the relevant Appendix for details).

Notwithstanding a Multi-Counter being adopted for a Sub-Fund, any cash payable by a Participating Dealer in a cash Creation Application can be in such currency as stated in the relevant Appendix. Units created will be deposited in the designated domain settlement counter in CCASS.

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 Manager nor the Trustee 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 Trustee or to accept any such creation requests received from clients. In addition, neither the Trustee 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 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 Registrar (with a copy to the Manager). Investors are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

The Application Unit size for a Sub-Fund is the number of Units specified in the relevant Appendix. Creation Applications submitted in respect of Units other than in Application Unit size or whole multiples thereof will not be accepted. The minimum subscription for each Sub-Fund is one Application Unit.

Creation process

A Participating Dealer may from time to time submit Creation Applications in respect of a Sub-Fund to the Registrar, with a copy to the Manager, following receipt of creation requests from its clients or where it wishes to create Units 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 following 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 (in consultation with the Trustee) may determine on any day when the trading hours of the SEHK are reduced. To be effective, a Creation Application must:

- (a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;
- (b) specify the number of Units and the class of Units (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 Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable Securities and other laws in relation to the creation of Units which are the subject of the Creation Application.

The Manager may, and at the direction of the Trustee shall, reject in whole or in part any Creation Application without giving any reason for doing so under exceptional circumstances, including without limitation the following circumstances:

- (a) any period during which (i) the creation or issue of Units of the relevant Sub-Fund, (ii) the redemption of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund 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 Futures Contract, as the case may be, that is a component of the Index for the relevant Sub-Fund has its primary listing;
- (d) the Manager does not have adequate QFI quota, if applicable, to fully satisfy the Creation Application;
- (e) 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 Futures Contracts as the case may be in the relevant Index;
- (f) where acceptance of the Creation Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager and/or its Connected Persons necessary for compliance with applicable legal and regulatory requirements;
- (g) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Creation Application;
- (h) any period during which the business operations of the Manager, the Trustee or any delegate of the Manager or the Trustee 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
- (i) an Insolvency Event occurs in respect of the relevant Participating Dealer.

In the event of such rejection, the Manager shall notify the relevant Participating Dealer and the Trustee 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 Units which can be created,

priority will be given to Participating Dealers and the relevant Creation Applications as set out in the Operating Guidelines.

The Manager'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 Manager may exercise its rights to reject such Creation Application in the circumstances described herein.

Where the Manager accepts a Creation Application from a Participating Dealer, it shall instruct the Trustee to effect (i) for the account of the relevant Sub-Fund, the creation of Units in Application Unit size in exchange for a transfer of cash (or cash and securities where permitted in respect of a Sub-Fund and set out in the relevant Appendix); and (ii) the issue of Units to the Participating Dealer, both in accordance with the Operating Guidelines and the Trust Deed.

Issue of Units

Units will be issued at the Issue Price prevailing on the relevant Dealing Day, provided that the Manager may add to such Issue Price a sum (if any) which represents an appropriate provision for Duties and Charges. Please refer to the section on "Issue Price and Redemption Value of Units" for the calculation of the Issue Price.

On receipt of a Creation Application by a Participating Dealer for Units in a Sub-Fund during the relevant Initial Offer Period, the Manager shall procure the creation and issue of Units in that Sub-Fund on the relevant Initial Issue Date.

Units are denominated in the base currency of the relevant Sub-Fund (unless otherwise determined by the Manager) as set out in the relevant Appendix and no fractions of a Unit shall be created or issued by the Trustee.

The creation and issue of Units 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 (i) for valuation purposes only, Units 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 (ii) 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 following 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 Trustee shall be entitled to refuse to enter (or allow to be entered) Units in the register if at any time the Trustee is of the opinion that the provisions as set out in the Trust Deed, the relevant Operating Guidelines or the relevant Participation Agreement, in regard to the issue of Units, are being infringed.

Fees relating to Creation Applications

The Service Agent or the Conversion Agent (as the case may be), the Registrar and/or the Trustee 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 Units 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 Trustee, the Registrar and/or the Service Agent. See the section on "Fees and Expenses" for further details.

In relation to cash creation of Units, the Manager reserves the right to require the Participating Dealer 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 Futures Contracts, as applicable, of the Sub-Fund for the purpose of such issue of Units; and
- (b) the prices which would be used when acquiring the same Securities and/or Futures Contracts, as applicable, if they were acquired by the Sub-Fund with the amount of cash received by the Sub-Fund upon such issue of Units.

The Participating Dealer may pass on to the relevant investor such additional sum.

Any commission, remuneration or other sum payable by the Manager to any agent or other person in respect of the issue or sale of any Unit shall not be added to the Issue Price of such Unit and shall not be paid from the assets of any Sub-Fund.

Cancellation of Creation Applications

A Creation Application once given cannot be revoked or withdrawn without the consent of the Manager.

The Trustee, after consultation with the Manager may cancel a creation order in respect of any Units deemed created pursuant to a Creation Application if it has not received the full amount of cash (including Subscription Amount, Transaction Fee, Duties and Charges) (or cash and securities where permitted in respect of a Sub-Fund and set out in the relevant Appendix) relating to the Creation Application by the Settlement Day, provided that the Manager may at its discretion extend the settlement period and such extension to be on such terms and conditions (including as to the payment of any fees to the Manager or Extension Fee to the Trustee or their respective Connected Persons or otherwise) as the Manager may determine and in accordance with the provisions of the Operating Guidelines.

In addition to the preceding circumstances, the Manager may also cancel any creation order of any Units if it determines by such time as it specifies in the Operating Guidelines that it is unable to invest the cash proceeds of any Creation Application.

Upon the cancellation of any creation order of any Units deemed created pursuant to a Creation Application as provided for above, any cash received by or on behalf of the Trustee in connection with a Creation Application shall be redelivered to the Participating Dealer (without interest) as soon as practicable and the relevant Units shall be deemed for all purposes never to have been created and the Participating Dealer shall have no right or claim against the Manager, the Trustee and/or the Service Agent or the Conversion Agent (as the case may be) in respect of such cancellation provided that:

- (a) the Trustee may charge the relevant Participating Dealer an application cancellation fee (see the section on "Fees and Expenses" for further details);
- (b) the Manager may at its absolute discretion require the relevant Participating Dealer to pay to the Trustee, for the account of the relevant Sub-Fund, in respect of each Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Issue Price of each such Unit exceeds the Redemption Value which would have applied in relation to each such Unit if the Participating Dealer had, on the date on which such Units are cancelled, made a Redemption Application, together with charges, expenses and losses incurred by the relevant 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 Trustee, the Registrar and/or the Service Agent or the Conversion Agent (as the case may be) (see the section on "Fees

and Expenses” for further details); and

- (d) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of the cancellation of such Units.

Redemption of Units through Participating Dealers

Any application for the redemption of Units of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Unit size or whole multiples thereof. Investors cannot redeem Units directly from the relevant Sub-Fund. Only Participating Dealers may submit Redemption Applications to the Registrar (with a copy to the Manager).

A Participating Dealer may redeem Units 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 Registrar (with a copy to the Manager).

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 Units 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 Units of the relevant Sub-Fund, (ii) the redemption of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund 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 Futures Contracts in the Index;
- (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 and/or any of its Connected persons 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 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 redemption requests by Unitholders

Cash redemption, in-kind redemption or a combination of cash and in-kind redemption is available to the Participating Dealers in respect of a Sub-Fund (please see the relevant Appendix for details).

Notwithstanding a Multi-Counter being adopted for a Sub-Fund, any cash proceeds received by a Participating Dealer in a cash Redemption Application, an in-kind Redemption Application or a combination of cash and in-kind Redemption Application shall be paid in the currency stated in the relevant Appendix. Both HKD traded Units and, if applicable, RMB traded Units and USD

traded Units may be redeemed by way of a Redemption Application (through a Participating Dealer). Where (if applicable) a Participating Dealer wishes to redeem RMB traded Units or USD traded Units the redemption process is the same as for HKD traded Units.

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. 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 Manager nor the Trustee 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 Trustee or to accept any such redemption requests received from clients. In addition, neither the Trustee 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 Registrar (with a copy to the Manager). Investors are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

The Application Unit size for a Sub-Fund is the number of Units specified in the relevant Appendix. Redemption Applications submitted in respect of Units other than in Application Unit size or whole multiples thereof will not be accepted. The minimum redemption for each Sub-Fund is one Application Unit.

Redemption process

A Participating Dealer may from time to time submit Redemption Applications in respect of a Sub-Fund to the Registrar (with a copy to the Manager), following receipt of redemption requests from clients or where it wishes to redeem Units 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 (in consultation with the Trustee) may determine 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 Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;
- (b) specify the number of Units and the class of Units (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 Units, together with such certifications and opinions of counsel (if any) as the Trustee and the Manager may consider necessary to ensure compliance with applicable securities and other laws in relation to the redemption of Units which are the subject of the Redemption Application.

The Manager 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 Units of the relevant Sub-Fund, (ii) the redemption of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund 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 Futures Contracts in the relevant Index;
- (d) where acceptance of the Redemption Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager and/or any of its Connected Persons necessary for compliance with applicable legal and regulatory requirements;
- (e) circumstances outside the control of 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 Manager, the Trustee or any delegate of the Manager or the Trustee 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 Manager shall notify the relevant Participating Dealer and the Trustee of its decision to reject such Redemption Application in accordance with the Operating Guidelines.

The Manager'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 Manager may exercise its rights to reject such Redemption Application in the circumstances described herein.

Where the Manager accepts a Redemption Application from a Participating Dealer, it shall (i) effect the redemption and cancellation of the relevant Units; and (ii) require the Trustee to transfer to the Participating Dealer cash in accordance with the Operating Guidelines and the Trust Deed.

The Participating Dealer will then transfer the cash to the relevant client if the Redemption Application was submitted by the Participating Dealer for the account of its client.

Redemption of Units

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 Manager and the Trustee) has been received and provided further that the Trustee shall have received (unless otherwise provided in the Operating Guidelines) the original (and not a faxed copy) of the certificates (if any) representing the Units to be cancelled (or an indemnity in terms acceptable to the Trustee) 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, Units 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 Unitholder of such Units shall be removed from the Register in respect of those Units redeemed and cancelled on the relevant Settlement Day.

The Redemption Value of Units tendered for redemption and cancellation shall be the Net Asset Value per Unit of a Sub-Fund rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down). 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 Units is not suspended.

The Manager may at its discretion extend the settlement period upon receipt of the extended settlement request in respect of the Redemption Application on such terms and conditions (including as to the payment of any fees to the Manager or the Trustee or their respective Connected Persons or otherwise) as the Manager may in its discretion determine, in accordance with the Operating Guidelines.

Fees relating to Redemption Applications

The Service Agent or the Conversion Agent (as the case may be), the Registrar and/or the Trustee may charge a Transaction Fee in respect of Redemption 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 submitting the Redemption Application(s) (and may be set off and deducted against any amount due to the Participating Dealer in respect of such Redemption Application(s)) for the benefit of the Trustee, the Registrar and/or the Service Agent or the Conversion Agent (as the case may be). See the section on "Fees and Expenses" for further details.

In relation to cash redemption of Units, the Manager reserves the right to require the Participating Dealer 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 Futures Contracts, as applicable of the Sub-Fund for the purpose of such redemption of Units; and
- (b) the prices which would be used when selling the same Securities and/or Futures Contracts, 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 Units.

The Participating Dealer may pass on to the relevant investor such additional sum.

The Trustee may deduct from the redemption proceeds such sum (if any) as the Trustee 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 Manager.

No cash amount shall be paid in respect of any Redemption Application unless Units, which are the subject of the Redemption Application, have been delivered to the Trustee free and clear of any Encumbrance for redemption by such time on the Settlement Day or other dealing set forth in the Trust Deed and/or Operating Guidelines as the Trustee and the Manager shall for the time being prescribe for Redemption Applications generally.

In the event that any Units, which are the subject of a Redemption Application, are not delivered to the Trustee for redemption in accordance with the foregoing or are not free and clear of any

Encumbrance (other than in certain circumstances contemplated in the Trust Deed such as when the Manager declares a suspension of redemptions of Units):

- (a) the Trustee may charge the relevant Participating Dealer an application cancellation fee (see the section on “Fees and Expenses” for further details);
- (b) the Manager may at its discretion require the relevant Participating Dealer to pay to the Trustee, for the account of the relevant Sub-Fund, in respect of each Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Redemption Value of each such Unit is less than the Issue Price which would have applied in relation to each such Unit if the Participating Dealer had, on the actual date when the Manager is able to repurchase any replacement Securities and/or Futures Contracts made a Creation Application in accordance with the provisions of the Trust Deed 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 Trustee, the Registrar and/or the Service Agent or the Conversion Agent (as the case may be) (see the section on “Fees and Expenses” for further details); and
- (d) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of an unsuccessful Redemption Application.

Deferred Redemption

In the event that redemption requests are received for the redemption of Units representing in aggregate more than 10% (or such higher percentage as the Manager may determine in respect of the Sub-Fund and as permitted by the SFC) of the total number of Units in a Sub-Fund then in issue or the total Net Asset Value of a Sub-Fund, the Manager may direct the Trustee to reduce such requests rateably and pro rata amongst all Unitholders seeking to redeem Units 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) of the Units in the relevant Sub-Fund then in issue. Units 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) of the total number of Units in the relevant Sub-Fund then in issue or the total Net Asset Value of a Sub-Fund) in priority to any other Units in the relevant Sub-Fund for which redemption requests have been received. Units will be redeemed at the Redemption Value prevailing on the Dealing Day on which they are redeemed.

Suspension of Creations and Redemptions

The Manager may, at its discretion, after consultation with the Trustee (and where practicable, after consultation with Participating Dealers) having regard to the best interests of the Unitholders, suspend the creation or issue of Units of any Sub-Fund, suspend the redemption of Units 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 Futures Contracts 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 a Security and/or Futures Contract, as the case may be that is a component of the Index has its primary listing, or the official clearing and settlement depository (if any) of such market, is closed;

- (c) during any period when dealing on a market on which a Security and/or Futures Contract, as the case may be (that is a component of the Index) 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 Futures Contracts, as the case may be in the official clearing and settlement depository (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 Futures Contracts, 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 Unitholders of the relevant Sub-Fund;
- (f) (where applicable) 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 when for any other reason the value of any Securities and/or Futures Contracts 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 any) cannot be adjusted or reset for any reason; or
- (j) during any period when the business operations of the Manager, the Trustee or any delegate of the Manager or the Trustee, in respect of any Creation Application and/or Redemption Application in the relevant Sub-Fund is substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God.

Where a Sub-Fund under the Trust 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 Unitholders.

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 its website at <http://www.efunds.com.hk> (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 Manager and the Manager shall promptly notify and request the Trustee to return to the Participating Dealer any 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.

Evidence of Unitholding

Units will be deposited, cleared and settled by CCASS. Units are held in registered entry form only, which means that no Unit certificates are issued. HKSCC Nominees Limited is the registered owner (i.e. the sole holder of record) of all outstanding Units deposited with CCASS and is holding such Units for the Participants in accordance with the General Rules of HKSCC. Furthermore, the Trustee and the Manager acknowledge that pursuant to the General Rules of HKSCC neither HKSCC Nominees Limited nor HKSCC has any proprietary interest in the Units. Investors owning Units in CCASS are beneficial owners as shown on the records of the participating brokers or the relevant Participating Dealer(s) (as the case may be) who are Participants.

Restrictions on Unitholders

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

- (a) a breach of the law or requirements of any country or governmental authority or any stock exchange on which the Units are listed in circumstances which, in the Manager's opinion, might result in the Trust or a Sub-Fund suffering any adverse effect which the Trust or the Sub-Fund might not otherwise have suffered;
- (b) in the circumstances which, in the Manager's opinion, might result in the Trust or any Sub-Fund, the Trustee or the Manager incurring any liability to taxation or suffering any other potential or actual pecuniary disadvantage or might result in the Trust or any Sub-Fund, the Trustee or the Manager being subject to any additional regulatory compliance which the Trust or the relevant Sub-Fund, the Trustee or the Manager might not otherwise have incurred, suffered or been subject to; or
- (c) in breach of, or deemed by the Manager to be 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 Trustee and the Manager.

Upon notice that any Units are so held, the Manager may require such Unitholders to redeem or transfer such Units in accordance with the provisions of the Trust Deed. A person who becomes aware that he is holding or owning Units in breach of any of the above restrictions is required either to redeem his Units in accordance with the Trust Deed or to transfer his Units to a person whose holding would be permissible under this Prospectus and the Trust Deed in a manner that would result in such Unitholder no longer being in breach of the restrictions above.

Transfer of Units

The Trust Deed provides that a Unitholder may transfer Units with the consent of the Manager. As all Units will be held in CCASS, the Manager's consent is deemed given where an investor is transferring his interest in Units within CCASS. A Unitholder is entitled to transfer Units 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 Trustee may from time to time approve. The transferor will be deemed to remain the Unitholder of the Units transferred until the name of the transferee is entered in the register of Unitholders in respect of the Units being transferred. Each instrument of transfer must relate to a single Sub-Fund only. If and to the extent that all Units are deposited, cleared and settled in CCASS, HKSCC Nominees Limited will be the sole Unitholder, holding such Units for the persons admitted by HKSCC as a Participant and to whose account any Units are for the time being allocated in accordance with the General Rules of HKSCC.

EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

The purpose of the listing of the Units on the SEHK is to enable investors to buy and sell Units 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 Units in the primary market.

The market price of a Unit listed or traded on the SEHK may not reflect the Net Asset Value per Unit. Any transactions in the Units 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 Units are listed on the SEHK they will remain listed.

The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Units. 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 will make available to a Market Maker, the portfolio composition information which is made available to a Participating Dealer.

Units 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 Units, the Market Makers may make or lose money based on the differences between the prices at which they buy and sell Units, which is to a certain extent dependent on the difference between the purchase and sale prices of the Securities or Futures Contracts comprised within the Index. Market Makers may retain any profits made by them for their own benefit and they are not liable to account to the Sub-Funds in respect of such profits.

If you wish to buy or sell Units on the secondary market, you should contact your brokers.

If trading of the Units on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for the Units.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Units on the SEHK until dealings begin on the SEHK.

Please also refer to the sub-section on "Dual Counter" or "Multi-Counter" in the relevant Appendix of each Sub-Fund for additional disclosures on secondary market trading (if applicable).

Calculation of Net Asset Value

The Net Asset Value of each Sub-Fund will be calculated by the Administrator as at each Valuation Point applicable to the relevant Sub-Fund, which may be different from the close of any Market, by calculating the value of the assets of the relevant Sub-Fund and deducting the liabilities of the relevant Sub-Fund, in accordance with the terms of the Trust Deed.

Set out below is a summary of how various properties 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 Trustee) determines that some other method is more appropriate, be valued by reference to the price appearing to the Manager to be 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 Trustee so requires, by the Manager after consultation with the Trustee; (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 Trustee 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 Trustee or its delegates or the Manager to provide such a quotation; and (v) the Manager, the Trustee 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 Trustee shall be entitled to use and rely on electronic price feeds, mechanised and/or electronic systems of price/valuation dissemination and the prices provided by any such system shall be deemed to be the last traded prices.
- (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 last available bid or offer price for such unit, share or other interest;
- (c) Futures Contracts will be valued at the official closing price of the Futures Contracts or if such price is not available (i) the latest available price or (ii) if bid and offer quotations are made, the latest available middle market quotation of such Futures Contract in each case at the Valuation Point or as otherwise valued as described in the Trust Deed;
- (d) except as provided for in paragraph (a) (iii) or (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 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 Trustee and shall at such times or at such intervals as the Trust shall, in consultation with the Trustee, request cause a revaluation to be made by a professional person approved by the Trustee as qualified to value such investments (which may, if the Trustee 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 and in consultation with the Trustee, any adjustment should be made to reflect the value thereof; and
- (f) notwithstanding the foregoing, the Manager in consultation with the Trustee may adjust the value of any investment or permit some other method of valuation to be used if, having

regard to relevant circumstances, it determines that such adjustment is more appropriate to fairly reflect the value of the investment.

Currency conversion will be performed at the rates which the Trustee and the Manager deem 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.

The above is a summary of the key provisions of the Trust Deed 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 Trust's valuation rules.

Suspension of Determination of Net Asset Value

The Manager may, after consultation with the Trustee, having regard to the best interests of the Unitholders, declare a suspension of the determination of the Net Asset Value of the relevant Sub-Fund 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 Futures Contracts held or contracted for the account of that Sub-Fund or it is not possible to do so without seriously prejudicing the interest of Unitholders of that 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 any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Unit of the relevant class or when for any other reason the value of any Securities and/or Futures Contracts 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 Futures Contracts or other property of that Sub-Fund or the subscription or redemption of Units of the relevant Sub-Fund 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 Manager, the Trustee or any delegate of the Manager or the Trustee in respect of the determination of the Net Asset Value of the 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
- (g) the existence of any state of affairs prohibiting the normal disposal of any notional investment to which a Swap is linked; or
- (h) the existence of any state of affairs which in the opinion of the Manager or the Trustee, with

the prior approval of the other, might seriously prejudice the interests of the Unitholders as a whole or the Deposited Property.

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 the Manager shall be under no obligation to rebalance the relevant 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 notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on its website at <http://www.efunds.com.hk> (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC) or in such other publications as it decides.

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

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 Unit, or a percentage of the closing level of the relevant Index (expressed in the base currency of the relevant Sub-Fund) as at the last day of the Initial Offer Period, rounded to four 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 and the Trustee. 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 Units created and issued by a Creation Application, will be the prevailing Net Asset Value of the relevant Sub-Fund in such currency as stated in the relevant Appendix as at the relevant Valuation Point divided by the total number of Units in issue rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down), unless otherwise provided in the Appendix relating to the relevant Sub-Fund.

The Redemption Value on a Dealing Day shall be the prevailing Net Asset Value of the relevant Sub-Fund as at the relevant Valuation Point divided by the total number of Units in issue rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down), unless otherwise provided in the Appendix relating to the relevant Sub-Fund.

The benefit of any rounding adjustments will be retained by the relevant Sub-Fund.

The latest Net Asset Value of the Units will be available before market opens on the day after the relevant Trading Day on the Manager's website at <http://www.efunds.com.hk> (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC) or published in such other publications as the Manager may decide from time to time.

Neither the Issue Price nor the Redemption Value takes into account Transaction Fees, Duties and Charges, or fees payable by a Participating Dealer.

FEES AND EXPENSES

There are different levels of fees and expenses applicable to investing in a Sub-Fund as set out in the following table, current as at the 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.

(A) Fees and expenses payable by Participating Dealers on creations and redemptions (as applicable) of Units (applicable both during the Initial Offer Period and After Listing)	Amount	
	Applicable to E Fund (HK) FTSE MPF Hong Kong Equity ETF and E Fund (HK) HKEX Tech 100 Index ETF	Applicable to E Fund (HK) FTSE MPF China A ETF
Administrative Transaction Fee and Service Agent Fee	HKD7,500 ² per Application and HKD1,000 per book-entry deposit and book-entry withdrawal	RMB6,000 ² per Application and HKD1,000 per book-entry deposit and book-entry withdrawal
Application Cancellation Fee	HKD10,000 ³ per Application	RMB8,000 ³ per Application
Extension Fee	HKD10,000 ⁴ per Application	RMB8,000 ⁴ per Application
Stamp duty	Nil	
All other Duties and Charges incurred by the Trustee or the Manager in connection with the creation or redemption	As applicable	
(B) Fees and expenses payable by investors	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	
(ii) Fees payable by all investors in respect of dealings in the Units		

² RMB 6,000 or HKD7,500, as the case may be, is payable to the Trustee and HKD1,000 is payable to the Service Agent per book-entry deposit and book-entry withdrawal. A Participating Dealer may pass on to the relevant investor such Transaction Fee.

³ An Application Cancellation fee is payable to the Trustee by the Participating Dealer in respect of either a withdrawn or failed Creation Application or Redemption Application. Cancellation compensation may also be payable pursuant to the terms of the Operating Guidelines.

⁴ An extension fee is payable by the Participating Dealer to the Trustee on each occasion the Manager grants the Participation Dealer's request for extended settlement in respect of a Redemption Application

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.

on SEHK (applicable After Listing)

Brokerage	Market rates
SFC Transaction levy	0.0027% ⁶
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015% ⁷ of the trading price
SEHK trading fee	0.00565% ⁸
Stamp duty	Nil
Inter-counter transfers	Nil
Fees and expenses payable by the Sub-Fund	(See further disclosure below)

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.

Fees and Expenses Payable by a Sub-Fund

Management Fee

The Manager is entitled to receive a management fee of up to 2.00% per year of the Net Asset Value of each Sub-Fund.

If specified in the relevant Appendix, a Sub-Fund may employ a single management fee structure, with such Sub-Fund paying all of its fees, costs and expenses as a single flat fee ("**Single Management Fee**"). Fees and expenses taken into account in determining the Single Management Fee include, but are not limited to, the management fee, the Trustee's fee, the Registrar's fees, fees of the Service Agent, fund administration fees, custody fees, fees and expenses of the auditors, ordinary out-of-pocket expenses incurred by the Manager or the Trustee (and their delegates) and such other fees and expenses specified in the relevant Appendix. For the avoidance of doubt, the Single Management Fee will not include brokerage and transaction costs (including but not limited to fees, charges, commissions or spreads relating to the acquisition, holding or disposal of portfolio assets), stamp duty, taxes, fees and extraordinary items such as litigation expenses.

The current management fee percentage in respect of each Sub-Fund is set out in the relevant Appendix and is accrued daily and calculated as at each Dealing Day and payable monthly in arrears. This fee is payable out of the Trust Fund.

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

Trustee's fee

Unless it is specified in the relevant Appendix that the Sub-Fund employs a single management fee structure, the Trustee may receive out of the assets of each Sub-Fund a monthly trustee's fee, payable in arrears, accrue daily and calculated as at each Dealing Day, together with any monthly fund administration and/or custody fees as disclosed in the relevant Appendix, of up to 1.00% per

⁶ SFC transaction levy of 0.0027% of the price of the Units payable by each of the buyer and the seller.

⁷ Accounting and Financial Reporting Council ("AFRC") transaction levy of 0.00015% of the price of the Units, payable by the buyer and the seller.

⁸ Trading fee of 0.00565% of the trading price of the Units, payable by the buyer and the seller.

year of the Net Asset Value of a Sub-Fund. The Trustee fee may also be payable out of the management fee. Details concerning the payment of the Trustee fee and the current Trustee fee percentage in respect of each Sub-Fund are set out in the relevant Appendix.

The Trustee shall also be entitled to be reimbursed out of the assets of the relevant Sub-Fund all out-of-pocket expenses incurred.

Registrar's fee

The Registrar is entitled to a registrar fee as set out in the relevant Appendix.

Custodian fee

Unless otherwise specified in the relevant Appendix, the custodian fee in respect of each Sub-Fund is included in the Trustee's fee.

Service Agent's fee or Conversion Agent's fee

The Service Agent or the Conversion Agent (as the case may be) is entitled to receive a monthly reconciliation fee of HKD5,000 from the Manager. The Manager shall pass on to the relevant Sub-Fund such reconciliation fee.

For any period less than a month, the reconciliation fee is on a pro-rata basis and accrues on a daily basis. The Trustee, on behalf of the Trust, will pay all other expenses chargeable by the Service Agent or the Conversion Agent (as the case may be) in connection with the Service Agent's role or the Conversion Agent's role.

Brokerage rates

A Sub-Fund shall bear all costs and brokerage commissions associated with trading transactions through its broker account.

Promotional Expenses

The Sub-Funds 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-Funds will not be paid (either in whole or in part) out of the Trust Fund.

Other Expenses

The relevant Sub-Fund 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 (including, if applicable, any Swap fees) or any monies, deposit or loan, charges and expenses of its legal counsel, auditors and other professionals, index licensing fees, the costs in connection with maintaining a listing of the Units on the SEHK or other exchange and maintaining the Trust'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 of supplemental deeds, any disbursements or out-of-pocket expenses properly incurred on behalf of the Sub-Funds by the Trustee, the Manager or the Registrar or any of its service providers, the expenses incurred in convening meetings of Unitholders, preparing, printing and distributing annual and half-yearly financial reports and other circulars relating to the Sub-Funds and the expenses of publishing Unit prices.

Establishment Costs

The cost of establishing the Trust and the first three Sub-Funds (E Fund (HK) FTSE MPF Hong Kong Equity ETF, E Fund (HK) FTSE MPF China A ETF, and E Fund (HK) HKEX Tech 100 Index

ETF) including the 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), will be borne by the Sub-Funds (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 the Sub-Funds or such other period as determined by the Manager after consulting the Auditor. Such costs are estimated to be HKD 365,117 in respect of E Fund (HK) FTSE MPF Hong Kong Equity ETF, HKD 365,117 in respect of E Fund (HK) FTSE MPF China A ETF, and HKD 465,117 in respect of E Fund (HK) HKEX Tech 100 Index ETF. For the avoidance of doubt, the cost of establishing the Trust are borne by the E Fund (HK) FTSE MPF Hong Kong Equity ETF, E Fund (HK) FTSE MPF China A ETF, and E Fund (HK) HKEX Tech 100 Index ETF in equal shares.

The attention of the 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, the Trustee and the Custodian as described in the relevant Appendix may be increased on one month's notice to Unitholders (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 this 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 Units. 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 all Sub-Funds. You should refer to the additional risk factors, specific to each Sub-Fund, as set out in the relevant Appendix. In particular, further risk factors applicable to a Sub-Fund which adopts a Dual Counter or Multi-Counter (in addition to these below) are 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 minimise tracking error, there can be no assurance that these strategies will be successful. It is possible that an investor may lose a substantial proportion or all of its investment in a Sub-Fund when 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 Units 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 a Sub-Fund is 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, each Sub-Fund may experience volatility and decline in a manner that broadly corresponds with the relevant Index. Investors in the Sub-Funds are exposed to the same risks that investors who invest directly in the Securities, Swaps and/or Futures Contracts would face. These risks include, for example, interest rate risks (risks of falling 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 that forms part of the Index).

Asset Class Risk

Although the Manager is responsible for the continuous supervision of the investment portfolio of the Sub-Funds, the returns from the types of Securities, Swaps and/or Futures Contracts in which each Sub-Fund invests 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.

Passive Investment Risk

The Sub-Funds are not actively managed. Accordingly, the Sub-Funds may be affected by a decline in the market segments relating to the relevant Index or Indices. Each Sub-Fund invests in the Securities and/or swaps 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 select stocks individually or to take defensive positions in declining markets. You 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 the Sub-Funds will mean that falls in the Index or Indices are expected to result in corresponding falls in the value of the Sub-Funds, and you may lose substantially all of your investment.

Possible Business Failure Risk

Global markets may experience very high level of volatility and an increased risk of corporate failures. The insolvency or other corporate failures of any one or more of the constituents of an Index may have an adverse effect on such Index and therefore a Sub-Fund's performance.

Management Risk

Because there is no guarantee or assurance of exact or identical replication of the performance of the relevant Index by a Sub-Fund at any time, a 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.

Securities risk

The investments of the Sub-Funds are subject to risks inherent in all Securities, Futures Contracts and/or Swaps (including settlement and counterparty risks). The value of holdings may fall as well as rise. The global markets are currently experiencing very high levels of volatility and instability, resulting in higher levels of risk than is customary (including settlement and counterparty risks).

Equity risk

Investing in equity Securities may offer a higher rate of return than those 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.

Tracking Error Risk

Although the Manager will adopt a full replication strategy in respect of certain Sub-Funds to reduce tracking error, the Manager may where stated in the relevant Appendix use representative sampling (for example where it is not possible to acquire certain Index Securities due to restrictions or limited availability), and there can be no assurance of exact or identical replication at any time of the performance of the relevant Index. Because the Manager has no other strategy to minimise tracking error and representative sampling may not provide identical performance, the Net Asset Value of a Sub-Fund may not correlate exactly with the Index. Factors such as the fees and expenses of a Sub-Fund, imperfect correlation between a Sub-Fund's assets and the Securities constituting the Index, inability to rebalance a Sub-Fund's holdings of Securities in response to changes in the constituents of the Index, rounding of Security prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Index. These factors may cause a Sub-Fund's returns to deviate from the Index.

Concentration Risk

A Sub-Fund may be subject to concentration risk as a result of tracking the performance of a single geographical region. Such a Sub-Fund is likely to be more volatile than a broad-based fund, such as a global or regional equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the relevant region.

Trading Risk

While the creation/redemption feature of each Sub-Fund is designed to make it likely that Units 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 Units will fluctuate in accordance with changes in the Net Asset Value and supply and demand on any exchange on which Units are listed. In addition, when buying or selling Units on the SEHK additional charges

(such as brokerage fees) mean that an investor may pay more than the Net Asset Value per Unit when buying Units on the SEHK and may receive less than the Net Asset Value per Unit when selling Units on the SEHK. The Manager cannot predict whether Units will trade below, at, or above their Net Asset Value. Since, however, Units must be created and redeemed in Application Unit 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 Units should not be sustained. If the Manager suspends creations and/or redemptions of Units, the Manager anticipates that there may be larger discounts or premiums as between the secondary market price of Units 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 complex investment process, and will occur, notwithstanding the execution of due care and special procedures designed to prevent such errors.

No or Limited Trading Market in the Units Risk

Although the Units are listed on the SEHK and one or more Market Makers have been appointed (in respect of each trading counter in case of Multi-Counter), there may be no liquid trading market for the Units or that such Market Maker(s) may cease to fulfil that role. Further, there can be no assurance that Units 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.

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 Trust Deed, the Trustee and the Manager have the right to be indemnified against any liability in performing their respective duties, except nothing in the Trust Deed may provide that the Trustee or the Manager can be exempted from any liability to Unitholders imposed under Hong Kong law or breaches of trust through fraud or negligence, or be indemnified against such liability by Unitholders or at Unitholders' expense. Any reliance by the Trustee or the Manager on the right of indemnity would reduce the assets of the relevant Sub-Fund and the value of the Units.

Distributions May Not be Paid Risk

Whether a Sub-Fund will pay distributions on Units is subject to the Manager's distribution policy (as described in the "Distribution Policy" section and in the relevant Appendix) and also mainly depends on dividends declared and paid in respect of the Securities of the Index held by the Sub-Fund, where a Sub-Fund holds Securities as part of its investment strategy. 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 or Trustee 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

If specified in the relevant Appendix, 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 Unit. 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 Unitholders.

Early Termination Risk

A Sub-Fund may be terminated early under certain circumstances, including but not limited to (i) the aggregate Net Asset Value of all the Units is less than HKD100,000,000 or (ii) any law is passed or amended or regulatory directive or order is imposed which renders it illegal or in the opinion of the Manager, impracticable or inadvisable to continue the relevant Sub-Fund or (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed or (iv) the relevant Index is no longer available for benchmarking or if the Units are no longer listed on the SEHK or any other Recognised Stock Exchange or (v) at any time, the relevant Sub-Fund ceases to have any Participating Dealer or Market Maker or (vi) the Manager is unable to implement its investment strategy in respect of the Sub-Fund. Upon a Sub-Fund being terminated, the Trustee will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in the relevant Sub-Fund to the Unitholders in accordance with the Trust Deed. Investors may suffer a loss when a Sub-Fund is terminated because any such amount distributed may be more or less than the capital invested by the Unitholder.

Borrowing Risk

The Trustee, on the written instructions of the Manager, 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 relevant 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 a Sub-Fund, and may have an unpredictable impact on a Sub-Fund, including increasing or decreasing the level of premium or discount of the Unit price to Net Asset Value or the ability of a Sub-Fund 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 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 Trustee 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.

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, each Sub-Fund will be traded on the SEHK on such days, if the SEHK maintains normal operations.

The implementation of trading and dealing of Units of the Trust (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 Trust may not be able to operate, or to operate at the usual level.

While the Manager, the Trustee and other service providers of the Trust will take appropriate measures to ensure normal operations as far as possible, to facilitate the investment in different classes of Units, 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 Units of a Sub-Fund will have to do so through their brokers 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.

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 USD, an investor may lose money if he invests in any investment fund if the local currency of a foreign market depreciates against the USD, even if the local currency value of the Sub-Fund's holdings goes up.

Risks Associated with Financial Derivative Instruments and Collateral

The Manager may invest a Sub-Fund in constituents of the relevant Index through financial derivative instruments such as Swaps. A financial derivative instrument is a financial contract or instrument the value of which depends on, or is derived from, the value of an underlying asset such as a Security or an index and may have a high degree of price variability and are subject to occasional rapid and substantial changes. Compared to conventional Securities, financial derivative instruments can be more sensitive to changes in interest rates or to sudden fluctuations in market prices due to both the low margin deposits required, and the extremely high degree of leverage involved in their pricing. As a result, a relatively small price movement in a financial derivative instrument may result in immediate and substantial loss (or gain) to the relevant Sub-Fund. The relevant Sub-Fund's losses may be greater if it invests in financial derivative instruments than if it invests only in conventional Securities.

There may also be no active market in financial derivative instruments and therefore investment in financial derivative instruments can be illiquid. In order to meet redemption requests, the relevant Sub-Fund may rely upon the issuer of the financial derivative instruments to quote a price to unwind any part of the financial derivative instruments that will reflect the market liquidity conditions and

the size of the transaction.

In addition, many financial derivative instruments are not traded on exchanges. As a result, if the relevant Sub-Fund engages in transactions involving financial derivative instruments, it will be subject to the risk of the inability or refusal to perform such contracts by the counterparties with which the relevant Sub-Fund trades, and as such the relevant Sub-Fund may suffer a total loss of the relevant Sub-Fund's interest in the financial derivative instrument. This risk is also aggravated by the fact that over-the-counter derivatives markets are generally not regulated by government authorities and participants in these markets are not required to make continuous markets in the contracts they trade.

An investment in the financial derivative instruments does not entitle the financial derivative instruments holder to the beneficial interest in the shares nor to make any claim against the company issuing the shares. There can be no assurance that the price of the financial derivative instruments will equal the underlying value of the company or securities market that it may seek to replicate.

There are risks associated with management of collateral and re-investment of collateral. The value of any collateral received in respect of any derivative transactions 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 a 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 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. 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 the relevant Sub-Fund from achieving its investment objective.

Counterparty Risk

A Sub-Fund may invest in Futures Contracts, options and/or Swaps involving counterparties for the purpose of attempting to gain exposure to a relevant Underlying 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.

Risks relating to 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.

Risks relating to 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. The Sub-Fund may also be subject to legal risk, operational risk, liquidity risk of the counterparty and custody risk of the collateral.

Risks relating to 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. A Sub-Fund may also be subject to legal risk, operational risks, liquidity risk of the counterparty and custody risk of the collateral.

Risks Associated with Market Trading

Multi-Counter risks

There is a risk that the market price on the SEHK of Units traded in one counter may deviate significantly from the market price on the SEHK of Units traded in another counter due to market liquidity, supply and demand in each counter and the exchange rate fluctuations. The trading price of Units in each counter is determined by market forces and so will not be the same as the trading price of Units multiplied by the prevailing rate of foreign exchange. Accordingly when selling Units traded in one counter or buying Units traded in one counter, an investor may receive less or pay more than the equivalent amount in the currency of another counter. There can be no assurance that the price of Units in each counter will be equivalent.

Investors without RMB accounts may buy and sell Units in HKD or USD only. Such investors will not be able to buy or sell Units in RMB. As such investors may suffer a foreign exchange loss and incur foreign exchange associated fees and charges to receive their dividend.

In June 2025, the HKEX has adopted a single International Securities Identification Number ("ISIN") approach for Multi-counter Eligible Securities. It is possible that some brokers and CCASS participants may not be familiar with this new model or may not be operationally ready, and as such may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade Units in different counters at the same time. This may result in potential settlement failure or delay. In such a case another broker or CCASS participant may need to be used. Accordingly this may inhibit or delay an investor dealing in Units traded in different counters and may mean an investor may only be able to sell their Units in one currency. Investors are recommended to check the readiness of their brokers in respect of the Multi-Counter trading and inter-counter trading.

Absence of Active Market and Liquidity Risk

Although Units of each Sub-Fund are listed for trading on the SEHK, there can be no assurance that an active trading market for such Units 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 Units and the ability of an investor to dispose of its Units at the desired price. If an investor needs to sell his, her or its Units at a time when no active market for them exists, the price received for the Units — assuming an investor is able to sell them — is likely to be lower than the price received if an active market did exist.

Suspension of Trading Risk

Investors and potential investors will not be able to buy nor sell Units on the SEHK during any period in which trading of the Units is suspended. The SEHK may suspend the trading of Units 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 Units may also be suspended if the trading of Units is suspended.

Effect of Redemptions Risk

If significant redemptions of Units are requested by the Participating Dealers, 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 Units are requested by the Participating Dealers, the right of Participating Dealers to require redemptions in excess of 10% (or such higher percentage as the Manager may determine and as permitted by the SFC) of the total number of Units in each Sub-Fund then in issue or the total Net Asset Value of a Sub-Fund 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.

Units May Trade at Prices Other than Net Asset Value Risk

Units may trade on the SEHK at prices above or below the most recent Net Asset Value. The Net Asset Value per Unit 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 Units fluctuate continuously throughout the trading hours based on market supply and demand rather than Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value particularly during periods of market volatility. Volatility on the SEHK as well as supply and demand for Units traded on the SEHK may lead to the Units of the relevant Sub-Fund trading at a premium or discount to the Net Asset Value. On the basis that Units can be created and redeemed in Application Units 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 Units will normally trade at prices close to the relevant Sub-Fund's next calculated Net Asset Value, trading prices are not expected to correlate exactly with the relevant Sub-Fund's Net Asset Value 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 Units 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 Units Risk

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Units on the SEHK, investors may pay more than the Net Asset Value per Unit when buying Units on the SEHK, and may receive less than the Net Asset Value per Unit when selling Units 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 Units (bid price) and the price at which they are willing to sell Units (ask price). Frequent trading may detract significantly from investment results and an investment in Units may not be advisable particularly for investors who anticipate making small investments regularly.

Secondary Market Trading Risk

Units in a Sub-Fund may trade on the SEHK when the relevant Sub-Fund does not accept orders to subscribe or redeem Units. On such days, Units may trade in the secondary market with more significant premiums or discounts than might be experienced on days when the relevant 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 (in respect of each trading counter in case of Multi-Counter) will maintain a market for the Units 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. If there is no market maker for the Units, a Sub-Fund may be required by the SFC to be terminated if it tracks the performance of an index. Termination will take place at about the same time as the resignation of the last Market Maker becoming effective and advance notice of termination will be issued to investors pursuant to the Code. 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 the Units (in each trading counter in case of Multi-Counter) 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 SEHK Market Maker to 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 Units 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 Units 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 the Index is not compiled or published. In addition, Participating Dealers will not be able to issue or redeem Units 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) 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, the creation or realisation of Units 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 Units freely.

Trading Time Differences Risk

As a stock exchange or futures exchange may be open when the Units are not priced, the value of any Security or Futures Contract which comprises the Index may change when investors may not be able to buy or sell Units. 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 Units deviating from the Net Asset Value per Unit. Where applicable, when trading Futures Contracts there may be a time difference between the trading times of the Futures Contracts and the underlying index constituents. There may be imperfect correlation between the value of the index constituents and the Futures Contracts, which may prevent a relevant Sub-Fund

from achieving its investment objective.

Risks Associated with the Indices

Fluctuations Risk

The performance of the Units should, before fees and expenses, correspond closely with the performance of the Index being tracked by a Sub-Fund. If the Index experiences volatility or declines, the price of the Units of that Sub-Fund will vary and may decline accordingly.

Licence to Use Index may be Terminated Risk

The Manager is granted a licence by the Index Provider to use each Index in connection with the relevant Sub-Fund and to use certain trade marks and any copyright in the Index. A 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 the relevant Appendix. Although the Manager will seek to find a replacement Index, a 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 Futures Contracts of each Index are determined and composed by the relevant Index Provider without regard to the performance of the relevant Sub-Fund. The Sub-Funds are not sponsored, endorsed, sold or promoted by the Index Provider(s). Each Index Provider makes no representation or warranty, express or implied, to investors in the Sub-Funds or other persons regarding the advisability of investing in Securities and/or Futures Contracts generally or in the Sub-Funds particularly. Each Index Provider has no obligation to take the needs of the Manager or investors in the Sub-Funds into consideration in determining, composing or calculating the Index or Indices. 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 Sub-Fund, the Manager or investors.

Composition of an Index May Change Risk

The Securities constituting an Index will change as the Securities of the Index are delisted, or as the Securities mature or are redeemed or as new Securities are included in the Index. When this happens the weightings or composition of the Securities owned by the Sub-Funds will change as considered appropriate by the Manager to achieve the investment objective. Thus, an investment in Units will generally reflect the performance of the relevant Index as its constituents change and not necessarily the way the relevant Index is comprised at the time of an investment in Units. However, there can be no guarantee that the Sub-Funds will, at any given time accurately reflect the composition of the Index.

Risks Associated with Regulation

Withdrawal of SFC Authorisation Risk

The Trust and each Sub-Fund have been authorised as a collective investment scheme under the 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. The SFC reserves the right to withdraw the authorisation of the Trust or any Sub-Fund or impose such conditions as it considers appropriate or to withdraw any waiver from the Code or revise the same. If the Manager does not wish the Trust or any Sub-Fund to continue to be authorised by the SFC, the Manager will give Unitholders at least three 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 or waivers from the Code which may be withdrawn or varied by the SFC. If, as a result of such withdrawal or variation of conditions or waivers from the Code, it becomes illegal, impractical or inadvisable to continue the Trust or any Sub-Fund, the Trust or the relevant Sub-Fund (as applicable) will be terminated.

General Legal and Regulatory Risk

Each 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 the Index 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 Unitholder may lose a material part of its investments in a Sub-Fund.

Units May be Delisted from the SEHK Risk

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

Taxation Risk

Investing in a Sub-Fund may have tax implications for a Unitholder depending on the particular circumstances of each Unitholder. 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 Units. Such tax consequences may differ in respect of different investors.

Legal and Compliance Risk

Domestic and/or international laws or regulations may change in a way that adversely affects the Trust or the Sub-Funds. Differences in laws between jurisdictions may make it difficult for the Trustee or Manager to enforce legal agreements entered into in respect of the Sub-Funds. The Trustee 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 the Sub-Funds. 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. Under IFRS, investments should be valued at fair value (valuations within the bid and offer pricings are considered to be representative of fair value for listed investments) rather than last traded price, and establishment costs should be expensed as incurred rather than amortised over a period of time. Accordingly, the Net Asset Value as described

in this Prospectus will not necessarily be the same as the net asset value to be reported in the financial reports as the Manager will make necessary adjustments in the financial reports to comply with IFRS (although the Manager does not consider the differences between IFRS and the calculation of Net Asset Value are material). Any such adjustments will be disclosed in the financial reports, including a reconciliation. Otherwise, non-compliance with IFRS may result in the auditors issuing a qualified or an adverse opinion on the financial reports depending on the nature and level of materiality of the non-compliance.

Contagion across Sub-Funds Risk

The Trust Deed allows the Trustee and the Manager to issue Units in separate Sub-Funds as separate trusts. The Trust Deed provides for the manner in which the liabilities are to be attributed across the various Sub-Funds under the Trust (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 Trustee granting that person a security interest). However, each of the Trustee and the Manager will have a right of reimbursement and indemnity out of the assets of the Trust as a whole or any part thereof, against any action, costs, claims, damages, expenses or demands relating to the Trust as a whole, which may result in Unitholders of one Sub-Fund being compelled to bear the liabilities incurred in respect of another Sub-Fund in which such Unitholders do not themselves own Units, if there are insufficient assets in that other Sub-Fund to satisfy the amount due to the Trustee or the Manager (as the case may be). Accordingly, there is a risk that liabilities of one Sub-Fund may not be limited to that particular Sub-Fund and may be required to be paid out of one or more other Sub-Fund.

Non-recognition of Sub-Fund Segregation Risk

The assets and liabilities of each of the Sub-Funds under the Trust will be tracked, for book keeping purposes, separately from the assets and liabilities of any other Sub-Funds, and the Trust Deed provides that the assets of each of the Sub-Funds should be segregated as separate trusts 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.

Risks associated with Foreign Account Tax Compliance Act

Sections 1471 to 1474 (referred to as "FATCA") of the US Internal Revenue Code of 1986, as amended (the "IRS Code") have imposed rules with respect to certain payments to non-United States persons, such as the Trust and each Sub-Fund, including interest and dividends from securities of US issuers and potentially in the future gross proceeds from the sale of such securities. All such payments may be subject to withholding at a 30% rate, unless the recipient of the payment satisfies certain requirements intended to enable the US Internal Revenue Service (the "IRS") to identify United States persons (within the meaning of the IRS Code) with interests in such payments. To avoid such withholding on payments made to it, a foreign financial institution (an "FFI"), such as the Trust and each Sub-Fund (and, generally, other investment funds organised outside the US), generally will be required to enter into an agreement (an "FFI Agreement") with the US IRS under which it will agree to identify its direct or indirect owners who are United States persons and report certain information concerning such United States person owners to the US IRS. Such information to be reported includes but not limited to their name, date and jurisdiction of birth, address, tax identification number, account details, account balance/value, and income or sale or redemption proceeds.

In general, an FFI which does not sign an FFI Agreement or is not otherwise exempt will face a punitive 30% withholding tax on all "withholdable payments" derived from US sources, including dividends, interest and certain derivative payments made on or after 1 July 2014. It is expected that potentially in the future certain non-US source payments attributable to amounts that would be subject to FATCA withholding (referred to as "passthru payments") will also be subject to FATCA withholding, though the definition of "passthru payment" in US Treasury Regulations is currently pending.

Hong Kong and the US have entered into an intergovernmental agreement (“IGA”) for the implementation of FATCA, adopting “Model 2” IGA arrangements. Under this “Model 2” IGA arrangements, FFIs in Hong Kong (such as the Trust and each Sub-Fund) will be required to enter into an FFI Agreement with the US IRS, register with the US IRS and comply with the terms of an FFI Agreement. Otherwise they will be subject to a 30% withholding tax on relevant US-sourced payments to them.

Under the IGA, FFIs in Hong Kong (such as the Trust and each Sub-Fund) complying with the FFI Agreement (i) will generally not be subject to the above described 30% withholding tax; and (ii) will not be required to withhold tax on payments to non-consenting US accounts (i.e. accounts of which the holders do not consent to FATCA reporting and disclosure to the US IRS) or close those non-consenting US accounts (provided that information regarding such recalcitrant account holders is reported to the US IRS in a timely manner by the Inland Revenue Department of Hong Kong, which may be beyond the control of the Trust and the Sub-Funds), but may be required to withhold tax on payments made to nonparticipating FFIs.

The Trust and the Sub-Funds will endeavour to satisfy the requirements imposed under FATCA and the FFI Agreement to avoid any withholding tax. In the event that the Trust or a Sub-Fund is not able to comply with the requirements imposed by FATCA or the FFI Agreement and the Trust or the relevant Sub-Fund does suffer US withholding tax on its investments as a result of non-compliance, the Net Asset Value of the Trust or the relevant Sub-Fund may be adversely affected and the Trust or the relevant Sub-Fund may suffer significant loss as a result.

In the event a Unitholder does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Trust or a Sub-Fund, or a risk of the Trust or a Sub-Fund being subject to withholding tax under FATCA, the Manager on behalf of the Trust and the relevant Sub-Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation and to the extent permitted by applicable laws and regulations, (i) reporting the relevant information of such Unitholder to the US IRS; and/or (ii) withholding, deducting from such Unitholder’s account, or otherwise collecting any such tax liability from such Unitholder to the extent permitted by applicable laws and regulations. The Manager in taking any such action or pursuing any such remedy shall act in good faith and on reasonable grounds and in compliance with all applicable laws and regulations.

Each Sub-Fund has been registered with the IRS as at the date of this Prospectus.

Each Unitholder and prospective investor should consult with his own tax advisor as to the potential impact of FATCA in its own tax situation.

MANAGEMENT OF THE TRUST

The Manager

The Manager of the Trust is E Fund Management (Hong Kong) Co., Limited.

The Manager was incorporated with limited liability in August 2008 in Hong Kong and is licensed to conduct Types 4 (Advising on Securities) and 9 (Asset Management) regulated activities under Part V of the SFO with CE number ARO593. It is principally engaged in fund management and the provision of investment advisory services to corporations, institutions and individual investors.

The Manager undertakes the management of the assets of the Trust. Under the Trust Deed, the monies forming part of a Sub-Fund are invested, at the direction of the Manager, in accordance with the Trust Deed. The Manager is responsible for placing purchase and sale orders and providing continuous supervision of the investment portfolio of the Trust.

Without limiting the other powers mentioned in this Prospectus, the Manager may purchase and sell investments for the account of a Sub-Fund and subject to the provisions of the Trust Deed and enter into such contracts including sale and purchase agreements, loans and broker and trading agreements in accordance with the Trust Deed, as it deems appropriate in the performance of its role as Manager.

The Manager is a wholly owned subsidiary of E Fund Management Co., Limited which was established on 17 April 2001.

The Directors of the Manager

The Directors of the Manager are:

WU Xinrong

Mr. Wu Xinrong, Master of Engineering. He is currently the Director and Chief Executive Officer of E Fund Management Co., Ltd., and Chairman of E Fund Management (Hong Kong) Co., Ltd. Mr. Wu has previously served various roles in E Fund Management Co., Ltd. as Analyst, Manager of Investment Management Department, Fund Manager, Deputy General Manager of the Fund Investment Department, Deputy General Manager of the Research Department, General Manager of the Research Department, General Manager of the Fund Investment Department, Assistant to the President, General Manager of the Public Fund Investment Department, General Manager of the Equity Investment Head Office, Director of Equity Investment Department, member of the Equity Investment Committee, Deputy General Manager-level senior management, Executive Officer, and Director of E Fund International Holdings Limited.

HUANG Gaohui

Ms. Huang Gaohui, MBA degree in Finance. She is currently the Deputy Chairman of E Fund Management (Hong Kong) Co., Ltd. Prior to her role, Ms. HUANG served several roles at Guotai Junan Securities Co., Ltd. and Century Securities Co., Ltd.

LOU Lizhou

Ms. Lou Lizhou, Master of Business Administration (EMBA), Master of Economics. She is currently the Deputy General Manager-level senior management of E Fund Management Co., Ltd., member of the FOF Investment Committee, the Director of E Fund Private Equity Management Co., Ltd., the Chairman of E Fund International Holdings Limited. and Director of E Fund Management (Hong Kong) Co., Ltd. Ms. Lou has previously served various roles in United Securities Co., Ltd. as Analyst of the Securities Business Department, Analyst of the Research Department, Senior Manager of the Brokerage Business Department. She has also served various roles in E Fund Management

Co., Ltd. as the Manager of the Sales Support Center, the Assistant General Manager of the Marketing Department, the Deputy General Manager of the Marketing Department, and the General Manager of Guangzhou branch, the General Manager of Beijing branch, Assistant to the President, Chairman and General Manager of E Fund Asset Management Co., Ltd.

FAN Yue

Mr. Fan Yue, Master of Business Administration. Mr. Fan is currently Deputy General Manager-level senior management and the member of the REITs Committee of E Fund Management Co., Ltd., Director of E Fund Asset Management Co. Ltd., the Director of E Fund Wealth Management Fund Sales (Guangzhou) Co., Ltd. and the Director of E Fund Management (Hong Kong) Co., Ltd. He has served in the Shenzhen Branch of the Industrial and Commercial Bank of China under International Business Department as section member, Office Manager and the Manager of the International Department of the China Securities Depository and Clearing Co., Ltd., Shenzhen Branch. He has also served under the Shenzhen Stock Exchange as Assistant Director of the Beijing Center, Deputy Director of the Listing Department, Deputy Director of the Fund and Bond Department and Director of the Fund Management Department, and the Deputy Chairman of E Fund Asset Management Co. Ltd.

WANG Xue

Ms. Wang Xue, Master of Management. She is currently the Director and Chief Executive Officer of E Fund Management (Hong Kong) Co., Limited, and Director and Chief Executive Officer of E Fund International Holdings Limited. Prior to her current role, Ms. WANG was the Head of Department, Distribution Sales, Beijing Branch and Rotating Secretary-General of the Retail Executive Committee at E Fund Management Co., Limited. She has also served under E Fund Asset Management Co., Limited as Senior Investment Manager of Institutional Business Department, General Manager of Institutional Business Department, and Assistant General Manager. She previously was the Business Manager of Wealth Management and Private Banking Department of the Head Office of China Construction Bank Corporation, and Marketing Manager of Asset Management Department of GF Securities Co., Ltd.

QIU Yihua

Mr. QIU Yihua, Master of Business Administration. Mr. QIU is currently the Head of Finance Department of E Fund Management Co., Limited, the Director of E Fund Asset Management Co., Ltd., the Director of E Fund Private Equity Management Co., Ltd, and the Director of E Fund Management (Hong Kong) Co., Limited. Prior to his current role, he served various roles under E Fund Management Co., Limited as Fund Accountant, Fund Accounting Manager, Assistant Head of Fund Accounting & Settlement Department, Deputy Head of Fund Accounting & Settlement Department and Head of Fund Accounting & Settlement Department. Prior to joining the company, he served as Accountant of Assurance Department at GP Certified Public Accountants.

WU Di

Mr. WU Di, Master of Economics. Mr. WU is currently the Supervisor, Head of Human Resources Department, and Head of Executive Office of E Fund Management Co., Limited, the Director of E Fund Asset Management Co., Ltd., the Director of E Fund Private Equity Management Co., Ltd, the Director of E Fund Wealth Management Fund Sales (Guangzhou) Co., Ltd. and the Director of E Fund Management (Hong Kong) Co., Limited. Prior to joining the company, he served as Associate at South China Securities Co., Limited, Trader of Investment Management Department at Golden Eagle Asset Management Co., Limited. Prior to his current role, he served various roles under E Fund Management Co., Limited as Trader, Assistant Head and Deputy Head of Trading Department, Assistant Head and Deputy Head of Equity Research Department, and Head of Equity Operations Department.

LIU Shuoling

Mr. LIU, Ph.D. in Engineering. Mr. LIU is currently the Chief Information Officer, Head of Frontier Technology Research and Head of Intelligent Application Research of E Fund Management Co., Limited, Director of E Fund Private Equity Management Co., Ltd., and Director of E Fund Management (Hong Kong) Co., Limited. Prior to joining the company, he also served various roles as Senior Project Manager of Information Technology Dept. at Harvest Fund Management Co., Limited, Deputy Head of the technology subsidiary of Harvest Fund Management Co., Limited and Assistant Head of Intelligent Investment Dept. at Tianhong Asset Management Co., Limited. Prior to his current role, he served under E Fund Management Co., Limited as Deputy Head of FinTech, Deputy Head of Intelligent Solutions Department, Deputy Head of Systems R&D Center and Head of Institute of Innovation.

The Trustee

The Trustee of the Trust and the Sub-Funds is Cititrust Limited.

The Trustee is a registered trust company and 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. The Trustee is licensed by the SFC to conduct Type 13 (providing depositary services for relevant CISOs) regulated activity under the SFO and is a trust company registered under the Trustee Ordinance.

Under the Trust Deed, the Trustee is responsible for the safe-keeping of the assets of the Trust and the Sub-Funds, subject to the provisions of the Trust Deed.

The Trustee may from time to time appoint such person or persons as it thinks fit (including, without limitation, any of its Connected Persons) to hold as custodian, nominee, agent or delegate, all or any of the investments, assets or other property comprised in the Trust Fund or any of the Sub-Funds and may empower any such custodian, nominee, agent or delegate to appoint, with no objection in writing by the Trustee, co-custodians and/or sub-custodians (each such custodian, nominee, agent, delegate, co-custodian and sub-custodian a "Correspondent"). The Trustee is required to (a) exercise reasonable care, skill and diligence in the selection, appointment and on-going monitoring of Correspondents and (b) be satisfied that Correspondents retained remain suitably qualified and competent on an ongoing basis to provide the relevant custodial services to the Sub-Funds. The Trustee shall be liable for the acts and omissions of any Correspondent which is a Connected Person of the Trustee as if the same were the acts or omissions of the Trustee, but provided that the Trustee has discharged its obligations set out in (a) and (b) as set out in this paragraph, the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any Correspondent which is not a Connected Person of the Trustee.

The Trustee has appointed Citibank, N.A. Hong Kong Branch (which also acts as the Administrator of the Trust and the Sub-Funds) as the Custodian of the Trust and each Sub-Fund. For the purpose of the foregoing "Correspondent" shall include the Custodian. Citibank, N.A. is organised under the laws of U.S.A. with limited liability.

Citicorp Financial Services Limited has been appointed as the Registrar of the Trust and each Sub-Fund. The registrar provides services in respect of the establishment and maintenance of the register of the Unitholders of each Sub-Fund. The Registrar is incorporated in Hong Kong. It belongs to Citigroup and is a Connected Person of the Trustee.

The Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of Euroclear Clearing System Limited or Clearstream Banking S.A. or any other recognised depositary or clearing system which may from time to time be approved by the Trustee and the Manager. Subject as provided in the Trust Deed, the Trustee shall not be liable for losses caused by the performance of investments made by the Trust and/or the Sub-Funds.

The Trustee in no way acts as guarantor or offeror of the Units or any underlying investment. The Trustee has no responsibility or authority to make investment decisions, or render investment advice with respect to the Trust or the Sub-Funds, which is the sole responsibility of the Manager.

The appointment of the Trustee may be terminated in the circumstances set out in the Trust Deed.

The Trustee is entitled to the fees set under the section on “Fees and Expenses Payable by a Sub-Fund” and to be reimbursed for all costs and expenses in accordance with the provisions of the Trust Deed.

The Service Agent or the Conversion Agent

HK Conversion Agency Services Limited acts as Service Agent or the Conversion Agent (as indicated in the relevant Appendix) under the terms of the Service Agreement entered into among the Manager, the Trustee and Registrar, the Participating Dealer, the Service Agent and HKSCC or the Conversion Agency Agreement entered into among the Manager, the Trustee, the Registrar, the Participating Dealer, the Conversion Agent and HKSCC. The Service Agent performs, through HKSCC, certain of its services in connection with the creation and redemption of Units in each Sub-Fund by Participating Dealers.

The Auditor

The Manager has appointed Ernst & Young to act as the auditor of the Trust and the Sub-Funds (the “Auditor”). The Auditor is independent of the Manager and the Trustee.

The Participating Dealers

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.efunds.com.hk> (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC).

The Market Makers

A Market Maker is a broker or dealer permitted by the SEHK to make a market for the Units 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 Units on the SEHK. Market Makers facilitate the efficient trading of Units 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 will use its best endeavours to put in place arrangements so that there is at all times at least one Market Maker for Units (in respect of each trading counter in case of Multi-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 per Sub-Fund to facilitate the efficient trading of Units. The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker (in each trading counter in case of Multi-Counter) per Sub-Fund gives not less than 3 months’ notice prior to terminating market making under the relevant market making agreement. The latest list of Market Makers for each Sub-Fund is available at <http://www.hkex.com.hk> and <http://www.efunds.com.hk> (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC).

The Listing Agent

Unless otherwise specified in the relevant Appendix, Ample Capital Limited has been appointed by the Manager as the Listing Agent for 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 relevant Sub-Fund’s listing 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 AFZ323.

Conflicts of interest and soft dollars

The Manager, and the Trustee may, from time to time, act as manager, sub-investment manager, investment adviser, trustee or custodian or in such other capacity in connection with any collective investment scheme separate and distinct from the Trust and the Sub-Funds and retain any profit or benefit made in connection therewith.

In addition:

- (a) The Manager or any of their Connected Persons may purchase and sell investments for the account of a Sub-Fund as agent for the Sub-Funds.
- (b) The Trustee, the Manager and any of their Connected Persons may contract or enter into any financial, banking or other transaction with one another or with any Unitholder or any company or body any of whose shares or securities form part of a Sub-Fund's assets.
- (c) The Trustee, the Manager or any Connected Person may become the owner of Units and hold, dispose or otherwise deal with them with the same rights which it would have had if it had not been the Trustee or the Manager or any of their Connected Persons.
- (d) The Trustee, the Manager, 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 the Sub-Funds.
- (e) Any arrangements for the borrowing or deposit of any monies for the account of the Sub-Funds may be made with any of the Trustee, the Manager 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 size and duration, in the same currency and with institutions of similar standing.
- (f) None of the Trustee, the Manager nor any of their Connected Persons shall be liable to account to each other or to the Sub-Funds or to the Unitholders 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 Trustee, the Manager or any of their Connected Persons may, in the course of business, have potential conflicts of interest with the Sub-Funds. Each will, at all times, have regard in such event to its obligations to the Sub-Funds and the Unitholders and will endeavour to ensure that such conflicts are resolved fairly.

Subject to applicable rules and regulations, the Manager, their delegates or any of their Connected Persons may enter into portfolio transactions for or with the Sub-Funds as agent in accordance with normal market practice, provided that commissions charged to the relevant 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 Connected Person of any of them, the manager of the scheme in which the investment is being made by each 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 Connected Person of any of them) borne by the relevant Sub-Fund.

None of the Manager nor any Connected Person of any of them shall, retain any cash commission rebates or other payment or benefit (except as otherwise provided for in this Prospectus or in the Trust Deed) received from a third party (either directly or indirectly) arising out of the sale or purchase or loan of investments for the Sub-Funds, and any such rebates or payments or benefits

which are received shall be credited to the account of the relevant Sub-Fund.

The Manager or Connected Person of any of them may receive, and are entitled to retain, research products and services (known as soft dollar benefits) which are of demonstrable benefit to the Sub-Funds (as may be permitted under the 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 and brokerage rates are not in excess of customary full service brokerage rates, that prior disclosure is made in the Prospectus and that periodic disclosure is made in Trust's and/or a Sub-Fund's annual report in the form of a statement describing the soft dollar policies and practices of the Manager, including a description of goods and services received by them, and the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer.

The Manager may also enter into trades for the account of a Sub-Fund with the accounts of other clients of the Manager or their affiliates ("cross trades") when the Manager consider that, as part of its portfolio management, such cross-trades would be in the best interests of the Unitholders to achieve the investment objective and policy of the relevant Sub-Fund. Such cross trades will only be undertaken where (i) the sale and purchase decisions are in the best interests of both the Sub-Fund and the other client and fall within the investment objectives, restrictions and policies of the Sub-Fund and such other client, (ii) the cross trades are executed on arm's length terms at current market value, and (iii) the reasons for such cross trades are documented prior to execution. Cross trades may also be entered into between house accounts (i.e. accounts owned by the Manager or their affiliates over which it can exercise control and influence) and the relevant Sub-Fund in accordance with applicable laws and regulations. Cross trades between house accounts and client accounts should only be permitted with the prior written consent of the clients, to whom any actual or potential conflicts of interest should be disclosed. Cross trades between staff personal accounts and client accounts are prohibited.

The services of the Trustee provided to the Trust and the Sub-Funds are not deemed to be exclusive and the Trustee 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 Trustee shall not be deemed to be affected with notice of or to be under any duty to disclose to the Sub-Funds any fact or thing which comes to the notice of the Trustee in the course of the Trustee 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 Trust Deed.

Conflicts of interest may also arise due to the widespread business operations of the Trustee, the Manager, the Registrar and the Service Agent or the Conversion 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 Trust Deed, be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of the Sub-Funds will be on arm's length terms and in the best interests of Unitholders. In particular, any transactions between a Sub-Fund and the Manager or any of their Connected Person(s) as principal may only be made with the prior written consent of the Trustee. All such transactions must be disclosed in the Sub-Fund's annual report.

For so long as a Sub-Fund is authorised by the SFC and it is an applicable requirement of the Code, the Manager, if transacting with brokers or dealers connected to the Manager or any of its respective Connected Person, 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 report of the Sub-Funds.

STATUTORY AND GENERAL INFORMATION

Reports

The financial year-end of the Trust (and each Sub-Fund) is 31 December every year. Audited financial reports are to be prepared (in accordance with IFRS) and published on the Manager's website at within four 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 Manager's website within two months of such date. Once these financial reports are made available on the Manager's website, investors will be notified within the relevant timeframe.

The first annual financial reports and the first half-yearly unaudited reports for E Fund (HK) FTSE MPF Hong Kong Equity ETF, E Fund (HK) FTSE MPF China A ETF, and E Fund (HK) HKEX Tech 100 Index ETF will be for the year ending 31 December 2026 and the half year ending 30 June 2027 respectively.

The audited financial reports and the half-yearly reports of the Sub-Funds will be available in English only. 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 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 Sub-Fund have been complied with. The financial reports shall also provide a comparison of each Sub-Fund's performance and the actual relevant Index performance over the relevant period and such other information as is required under the Code.

Trust Deed

The Trust and each Sub-Fund were established under Hong Kong law by the Trust Deed made between the Manager and the Trustee. All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Trust Deed. The Trust Deed contains provisions for the indemnification of the Trustee and the Manager out of the assets of the Trust Fund and their relief from liability in certain circumstances (summarised below in "Indemnities of the Trustee and Manager"). Unitholders and intending applicants are advised to consult the terms of the Trust Deed.

Indemnities of the Trustee and Manager

The Trustee and the Manager benefit from various indemnities in the Trust Deed. Except as provided under the Trust Deed, the Trustee and the Manager shall be entitled to be indemnified out of, and have recourse to, the Trust Fund in respect of any action, costs, claims, damages, expenses or demands arising directly or indirectly from the proper performance of the Sub-Funds. Nothing in the Trust Deed shall (i) exempt either the Trustee or the Manager (as the case may be) from or against any liability to Unitholders for breach of trust through fraud or negligence or any liability to Unitholders which by virtue of any Hong Kong rule of law or any other rule of law would otherwise attach to them in respect of any negligence, fraud or breach of trust of which they may be liable in relation to their duties nor (ii) indemnify either against such liability by Unitholders or at Unitholders' expense.

Liability of Unitholders

No Unitholder shall incur or assume any liability or be required to make any payment to the Trustee or the Manager in respect of its Units. The liability of Unitholders is limited to their investment in Units.

Modification of the Trust Deed

The Trustee and the Manager may agree to modify, alter or add to the provisions of the Trust Deed

by supplemental deed provided that in the opinion of the Trustee and the Manager such proposed modification, alteration or addition (i) does not materially prejudice the interests of Unitholders, does not operate to release to any material extent the Trustee or the Manager or any other person from any responsibility to the Unitholders and (with the exception of the costs incurred in connection with the relevant supplemental deed) does not increase the costs and charges payable out of the assets of the Sub-Funds or (ii) is necessary in order to make possible compliance with any fiscal, statutory, regulatory or official requirement (whether or not having the force of law) or (iii) is made to correct a manifest error. In all other cases, modifications, alterations and additions involving material changes require the sanction of an extraordinary resolution of the Unitholders affected. The SFC must (where such approval is required) also give its prior approval to all such amendments to the Trust Deed.

The Manager will notify affected Unitholders of the amendments as soon as practicable in advance of such amendments having effect or after they are made if such notification is required under the Code.

Name of the Trust and Sub-Fund

Under the Trust Deed the Manager may, on notice to the Trustee, change the name of the Trust and the Sub-Funds.

Meetings of Unitholders

Proxies may be appointed. A Unitholder who is the holder of two or more Units may appoint more than one proxy to represent him and vote on his behalf at any meeting of the Unitholders. If a clearing house (or its nominee(s)), being a corporation, is a Unitholder, it may authorise such persons as it think fit to act as its representatives at any meeting of the Unitholders provided that, if more than one person is so authorised, the authorisation shall specify the number and class of Units 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 Unitholder of the Units held by the clearing house (or its nominee(s)), including the right to vote individually on a poll.

Voting Rights

Unitholders' meetings may be convened by the Manager, by the Trustee or by Unitholders representing at least 10% of the Units in issue, on not less than 21 days' notice. Notice of meetings will be posted to Unitholders and posted on the Manager's website at <http://www.efunds.com.hk> (which has not been reviewed or approved by the SFC) and the Hong Kong Exchanges and Clearing Limited's website at www.hkex.com.hk.

These meetings may be used to modify the terms of the Trust Deed, including removing the Manager or terminating the Sub-Funds at any time. Such amendments to the Trust Deed must be considered by Unitholders of at least 25% of the Units in issue and passed by 75% or more of the votes cast.

Other matters that require an ordinary resolution being passed would be considered by Unitholders of at least 10% of the Units in issue and passed by a simple majority (i.e. more than 50%) of the votes cast.

The Trust Deed contains provisions for the holding of separate meetings of Unitholders holding Units of different classes where only the interests of Unitholders of such class are affected.

Termination

The Trust may be terminated by the Trustee if: (i) the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or a receiver is appointed over any of its assets and not discharged within 60 days or (ii) in the opinion of the Trustee, the Manager is incapable of

performing its duties satisfactorily or (iii) the Manager has failed to perform its duties satisfactorily or has, in the opinion of the Trustee, done something calculated to bring the Trust into disrepute or that is harmful to the interests of Unitholders or (iv) a law is passed that renders it illegal or in the opinion of the Trustee or the Manager, impracticable or inadvisable to continue the Trust or (v) the Trustee is unable to find an acceptable person to replace the Manager within 30 days after the removal of the Manager, or the person nominated by the Trustee shall fail to be approved by extraordinary resolution or (vi) 60 days after the Trustee notifies the Manager in writing of its intention to retire, no new person willing to act as trustee has been identified.

The Manager may terminate the Trust if: (i) after one year from the date of the Trust Deed, the aggregate Net Asset Value of all the Units in each Sub-Fund outstanding is less than HKD 100,000,000; (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the Trust and which renders the Trust illegal or in the good faith opinion of the Manager, makes it impracticable or inadvisable to continue the Trust; or (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed.

The Manager may, in its absolute discretion, by notice in writing to the Trustee, terminate a Sub-Fund if: (i) after one year from the date of establishment of the Sub-Fund, the aggregate Net Asset Value of all the Units in the relevant Sub-Fund outstanding is less than HKD 100,000,000 or such other amount specified in the relevant Supplemental Deed; (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Sub-Fund and which renders the relevant Sub-Fund illegal or in the good faith opinion of the Manager makes it impracticable or inadvisable to continue that Sub-Fund; (iii) its Index is no longer available for benchmarking or if the Units of the relevant Sub-Fund are no longer listed on the SEHK or any such other stock exchange from time to time determined by the Manager; (iv) at any time, the relevant Sub-Fund ceases to have any Participating Dealer; or (v) the Manager is unable to implement its investment strategy. Further, the Unitholders may at any time authorise termination of the Trust or the relevant Sub-Fund by extraordinary resolution.

The Trustee may, in its absolute discretion, by notice in writing to the Manager, terminate a Sub-Fund if: (i) the Trustee forms the opinion for good and sufficient reason that the Manager is incapable of performing its duties satisfactorily in respect of the relevant Sub-Fund; (ii) the Trustee forms the opinion for good and sufficient reason that the Manager has failed to perform its duties satisfactorily in respect of the relevant Sub-Fund or has done something calculated to bring the relevant Sub-Fund into disrepute or that is harmful to the interests of Unitholders of the relevant Sub-Fund; or (iii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Sub-Fund and which renders the relevant Sub-Fund illegal or in the good faith opinion of the Trustee makes it impracticable or inadvisable to continue the relevant Sub-Fund.

Notice of the termination of the Trust or the Sub-Fund will be given to the Unitholders after the SFC has approved the notice. The notice will contain the reasons for the termination, the consequences to Unitholders of terminating the Trust or the relevant Sub-Fund and the alternatives available to them, and any other information required by the Code. Any unclaimed proceeds or other monies held by the Trustee in the event of a termination may at the expiration of twelve calendar months from the date upon which the same became payable be paid into court.

Distribution Policy

The Manager will adopt a distribution policy for each Sub-Fund as the Manager considers appropriate having regard to the relevant 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 dividend 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. If specified in the Appendix of the relevant Sub-Fund, distribution may 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 following documents in respect of each Sub-Fund are available for inspection free of charge at the offices of the Manager and copies thereof (other than (d) which may be obtained free of charge) may be purchased from the Manager at a reasonable price:

- (a) Trust Deed;
- (b) Service Agreement (as applicable);
- (c) Conversion Agency Agreement (as applicable);
- (d) Participation Agreement(s); and
- (e) The most recent annual financial report of the Trust and the Sub-Funds (if any) and the most recent interim report of the Trust and the Sub-Funds (if any).

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 does not apply to unit trusts that are listed on the SEHK like the Trust. Consequently, Unitholders are not obliged to disclose their interest in the Sub-Fund.

Anti-money Laundering Regulations

As part of the Manager's, the Trustee'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 Trustee, each Sub-Fund or the relevant Participating Dealer is subject, the Manager, the Registrar, the Trustee or the relevant Participating Dealer may require a detailed verification of an investor's identity and the source of payment of any applications for Units. Depending on the circumstances of each application, a detailed verification by the Manager, the Registrar, the Trustee 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 Trustee and the Manager as having sufficient anti-money laundering regulations.

Liquidity Risk Management

The Manager has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of the Sub-Funds 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 Unitholders and safeguard the interests of remaining Unitholders 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 the Sub-Funds. 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 as stated under the section headed "Creations and Redemptions through Participating Dealers", and will facilitate compliance with each Sub-Fund 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 the Sub-Funds under normal and exceptional market conditions.

As a liquidity risk management tool, the Manager may limit the number of Units of a Sub-Fund redeemed on any Dealing Day to Units representing 10% (or such higher percentage as the Manager may determine in respect of the relevant Sub-Fund and as permitted by the SFC) of the total number of Units in such a Sub-Fund then in issue or the total Net Asset Value of the Sub-Fund (subject to the conditions under the section headed “Deferred Redemption”).

Index Licence Agreements

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

Material Changes to an Index

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 Unitholders of the relevant 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

The Manager reserves the right, with the prior approval of the SFC and provided that in its opinion the interests of the Unitholders of the relevant Sub-Fund would not be adversely affected, to replace an Index with another index. 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 Unitholders than the existing Index;
- (e) investing in the Securities 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 each Sub-Fund if the relevant Index changes or for any other reasons including if the licence to use the Index is terminated. Any change to (i) the use by the relevant Sub-Fund of the Index and/or (ii) the name of the relevant 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 in respect of the relevant Index), in the English and Chinese languages (unless otherwise specified), on the Manager’s website at <http://www.efunds.com.hk> (which has not been reviewed or approved by the SFC) including:

- (a) this Prospectus and the product key fact statement in respect of the Sub-Funds (as revised from time to time);
- (b) the latest annual audited financial report and half yearly unaudited financial report (in English only);
- (c) any notices relating to material changes to the Sub-Funds which may have an impact on Unitholders such as material alterations or additions to this Prospectus or the constitutive documents of the Trust and/or a Sub-Fund;
- (d) any public announcements made by the Sub-Funds, including information with regard to the Sub-Funds and Index, notices of the suspension of the calculation of the Net Asset Value, suspension of creation and redemption of Units, changes in fees and the suspension and resumption of trading;
- (e) the near real time indicative Net Asset Value per Unit updated every 15 seconds during SEHK trading hours in the relevant base currency and (if the base currency is not HKD) in HKD (or if there is a Multi-Counter, in each of the trading currencies);
- (f) the last Net Asset Value of each Sub-Fund in the relevant base currency and the last Net Asset Value per Unit of each Sub-Fund in the relevant base currency and (if the base currency is not HKD) in HKD;
- (g) the past performance information of each Sub-Fund;
- (h) full portfolio information of each Sub-Fund (updated on a Daily basis);
- (i) the tracking difference and the tracking error of each Sub-Fund;
- (j) the latest list of the Participating Dealers and Market Makers;
- (k) in respect of a Sub-Fund which may distribute dividends, the composition of dividends for each Sub-Fund (i.e. the relative amounts paid out of (i) net distributable income, and (ii) capital (if any)), for a rolling 12-month period.

The near real-time indicative Net Asset Value per Unit in HKD is updated during SEHK trading hours. 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.efunds.com.hk> 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 Manager and Trustee should be made in writing and sent to the following addresses:

Manager

E Fund Management (Hong Kong) Co., Limited
Suites 3501-02, 35/F, Two International Finance
Centre, 8 Finance Street, Central
Hong Kong

Trustee

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

Website information

The offer of the Units 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. None of the Listing Agent, the Manager or the Trustee 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 Listing Agent, the Manager and the Trustee 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, its website <http://www.efunds.com.hk> (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.

TAXATION

The following summary of Hong Kong 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 Units. 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 Units 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 in Hong Kong 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. You should refer to additional summaries of applicable taxation, where appropriate, as set out in the Appendix relevant to a Sub-Fund.

Taxation of the Trust and Sub-Funds

As each of the Trust and each Sub-Fund has been authorised as a collective investment scheme by the SFC under Section 104 of the SFO, profits of the Trust and each Sub-Fund are exempt from Hong Kong profits tax.

Taxation of the Unitholders

Where the Unitholders do not carry on a trade, profession or business in Hong Kong or the Units in the Sub-Funds are held by the Unitholders as capital assets for Hong Kong profits tax purposes, gains arising from the sale or disposal or redemption of the Units in the Sub-Funds should not be taxable. For Unitholders 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) if the gains in question arise in or are derived from such trade, profession or business and sourced in Hong Kong. Unitholders should take advice from their own professional advisers as to their particular tax position.

Distributions by the Trust/Sub-Funds should generally not be subject to Hong Kong profits tax in the hands of the Unitholders according to the practice of the Inland Revenue Department of Hong Kong (as at the date of this Prospectus).

Stamp Duty

Hong Kong stamp duty is payable on the transfer of Hong Kong stock. "Hong Kong stock" is defined as "stock" the transfer of which is required to be registered in Hong Kong. The Units should fall within the definition of "Hong Kong stock" as the Units will be listed in Hong Kong and the register would be kept in Hong Kong.

Under a remission order issued by the Secretary for the Treasury on 20 October 1999, no Hong Kong stamp duty is payable on an issue or redemption of Units.

Pursuant to the Stamp Duty (Amendment) Ordinance 2015, effective 13 February 2015, stamp duty payable in respect of any contract notes or instruments of transfer relating to transactions in the shares or units of an exchange traded fund traded on the SEHK is not payable. Accordingly transfers of Units do not attract stamp duty and no stamp duty is payable by Unitholders on any transfer.

Certification for Compliance with FATCA or Other Applicable Laws

Each Unitholder (i) will be required to, upon demand by the Trustee or the Manager, provide any form, certification or other information reasonably requested by and acceptable to the Trustee or

the Manager that is necessary for the Fund or a Sub-Fund (A) to prevent withholding (including, without limitation, any withholding taxes required under FATCA) or qualify for a reduced rate of withholding (or mitigate backup withholding) in any jurisdiction from or through which the Fund or the relevant Sub-Fund receives payments and/or (B) to satisfy reporting or other obligations under US Code and the United States Treasury Regulations promulgated under the US 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 or when such form, certification or other information is no longer accurate, 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 or future applicable laws.

Power to Disclose Information to Tax Authorities

Subject to applicable laws and regulations in Hong Kong, the Fund, the relevant Sub-Fund, the Trustee or the Manager or any of their authorised person(s) (as permissible under applicable law or regulation) may be required to report or disclose to any government agency, regulatory authority or tax or fiscal authority in any jurisdictions (including but not limited to the US IRS), certain information in relation to a Unitholder, including but not limited to the Unitholder's name, address, taxpayer identification number (if any), and certain information relating to the Unitholder's holdings, to enable the Fund or the relevant Sub-Fund to comply with any applicable law or regulation or any agreement with a tax authority (including, but not limited to, any applicable law, regulation or agreement under FATCA).

Investors should refer to "Foreign Account Tax Compliance" in the section headed "Risk Factors" for disclosures regarding compliance with the regulations under the United States Foreign Account Tax Compliance Act.

Hong Kong requirements regarding tax reporting

The Inland Revenue (Amendment) (No.3) Ordinance (the "Ordinance") came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information ("AEOI"). The AEOI requires financial institutions ("FI") in Hong Kong to collect information relating to non-Hong Kong tax residents holding accounts with FIs, and exchange such information with the jurisdiction(s) in which that account holder is resident. Generally, tax information will be exchanged only with jurisdictions with which Hong Kong has a Competent Authority Agreement ("CAA"); however, the Fund and/or its agents may further collect information relating to residents of other jurisdictions.

The Trust is a collective investment scheme within the definition set out in the SFO that is resident in Hong Kong, and is accordingly an investment entity with obligations to report as a financial institution in accordance with the Ordinance. This means that the Trust and/or its agents shall collect and provide to the Hong Kong Inland Revenue Department ("IRD") tax information relating to Unitholders and prospective investors.

The AEOI rules as implemented by Hong Kong require the Trust to, amongst other things: (i) register the Trust's status as a "Reporting Financial Institution" with the IRD; (ii) conduct due diligence on its accounts to identify whether any such accounts are considered "Reportable Accounts" for AEOI purposes; and (iii) report to the IRD information on such Reportable Accounts. The IRD is expected on an annual basis to transmit the information reported to it to the government authorities of the relevant jurisdictions with which Hong Kong has signed a CAA. Broadly, AEOI contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax resident in a jurisdiction with which Hong Kong has signed a CAA; and (ii) certain entities controlled by individuals who are tax resident in such other jurisdiction. Under the Ordinance, details of Unitholders, including but not limited to their name, jurisdiction of birth, address, tax residence, account details, account balance/value, and income or sale or redemption proceeds, may be reported to the IRD and subsequently exchanged with government authorities in the relevant jurisdictions of tax residence.

By investing in the Sub-Funds and/or continuing to invest in the Sub-Funds, Unitholders acknowledge that they may be required to provide additional information to the Trust, the Manager and/or the Trust's agents in order for the Trust to comply with AEOI. The Unitholder's information (and information on beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Unitholders that are not natural persons), may be communicated by the IRD to authorities in other jurisdictions. The failure of a Unitholder to provide any requested information, may result in the Trust, the Manager and/or other agents of the Trust taking any action and/or pursue remedies at their disposal including, without limitation, mandatory redemption or withdrawal of the Unitholder concerned in accordance with applicable laws and regulations, exercised by the Manager acting in good faith and on reasonable grounds.

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

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 Trust 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, 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. References in each Appendix to “Index” refers to the relevant Index details of which are set out in that Appendix.

APPENDIX 1 – E Fund (HK) FTSE MPF Hong Kong Equity ETF

Key information

Set out below is a summary of key information in respect of the Sub-Fund which should be read together with the full text of this Prospectus.

Index	FTSE MPF Hong Kong Index (the “Index”)
Type of index	Net total return, i.e. the performance of the Index reflects the reinvestment of dividends and distributions, net of withholding tax, from the Index constituents.
Index Provider	FTSE Russell
Initial Issue Date	22 June 2026
Listing Date (SEHK)	Expected to be 23 June 2026, but may be postponed by the Manager to no later than 13 July 2026
Exchange Listing	SEHK – Main Board
Stock Code	03579
Trading Board Lot Size	100 Units
Base Currency	Hong Kong dollar (HKD)
Trading Currency	Hong Kong dollars (HKD)
Distribution Policy	The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount of dividends. However, there is no guarantee of regular distribution nor the amount being distributed (if any). Distributions on all Units, if any, will be in HKD only. Dividends may be paid out of capital, or out of gross income and all or part of the fees and expenses may be charged to capital at the Manager’s discretion, resulting in an increase in distributable income for the payment of dividends and therefore, dividends may be paid effectively out of capital. This may result in an immediate reduction of Net Asset Value per Unit.
Creation Policy	During the Initial Offer Period: Cash (HKD only) After Listing: Cash (HKD only) or combination of cash and in-kind application
Redemption Policy	Cash (HKD) only or in-kind or combination of both
Dealing deadline	During the Initial Offer Period: 5:00 p.m. After Listing: - 3:00 p.m. – cash application or combination of cash and in-kind application
Application Unit size (only by or through Participating Dealers)	Minimum 300,000 Units (or multiples thereof)

Management Fee	Currently 0.08% per year of the Net Asset Value accrued daily and calculated as at each Dealing Day. The Sub-Fund employs a single management fee structure. Please refer to the section on “Fees and Expenses” below
Investment Strategy	Physical full replication strategy or representative sampling strategy. Please refer to the section on “What is the Investment Strategy?” below
Financial Year End	31 December
Service Agent	HK Conversion Agency Services Limited
Website	http://www.efunds.com.hk (the contents of this website have not been reviewed by the SFC)

What is the Investment Objective?

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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.

What is the Investment Strategy?

In seeking to achieve the Sub-Fund's investment objective, the Manager will either use a full replication strategy or a representative sampling strategy as the Manager believes to be appropriate in order to achieve the investment objective of the Sub-Fund by tracking the Index as closely as possible to the benefit of the investors. The Sub-Fund may switch between the full replication strategy and the representative sampling strategy in its absolute discretion without prior notice to investors.

In pursuing the full replication strategy, the Sub-Fund will invest in substantially all securities constituting the Index (the “**Index Securities**”) in substantially the same weightings (i.e. proportions) as these Index Securities have in the Index.

In pursuing the representative sampling strategy, the Manager may:

- (i) invest in a representative sample whose performance is closely correlated with the Index, but whose constituents may or may not themselves be constituents of the Index;
- (ii) invest up to 10% of the Sub-Fund's Net Asset Value in collective investment schemes (“**CIS**”), each being either an exchange traded fund or an unlisted index tracking fund which tracks an index that has a high correlation with the Index. Such CIS may be authorised by the SFC, eligible schemes under Chapter 7.11A of the Code, or non-eligible schemes. For the avoidance of doubt, the Sub-Fund's aggregate investment in non-eligible schemes and not authorised by the SFC may not exceed 10% of the Net Asset Value of the Sub-Fund; and/or
- (iii) invest up to 10% of the Sub-Fund's Net Asset Value in financial derivative instruments (“**FDIs**”) including futures and Swaps 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 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 Manager is independent of the Swap Counterparties. Each Swap Counterparty for such transactions will be independent counterparties approved by the Manager with credit rating of at least BBB- (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 or substantial financial

institutions. The Swap Counterparties are monitored on an on-going basis as well as reviewed at least once a year by the Manager to ensure they continue to meet the aforesaid selection criteria.

In pursuing a representative sampling strategy, 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.

Other investments

The Sub-Fund may invest in money market funds (subject to the investment restrictions as set out in Chapter 7 of the Code), and in cash deposits and cash equivalents for cash management purposes, up to 5% of its Net Asset Value.

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.

As part of the securities lending transactions, the Sub-Fund must receive cash and/or non-cash collateral 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 and be safekept by the Custodian. The valuation of the collateral generally takes place on trading day T. If the value of the collateral falls below 100% of the value of the securities lent on any trading day T, the Manager will call for additional collateral on trading day T, and the borrower will have to deliver additional collateral to make up for the difference in securities value, with settlement of such delivery expected to occur on or before trading day T+2. Non-cash collateral received may not be sold, re-invested or pledged. Please refer to "Collateral" under the section headed "Investment Objective, Strategy and Restrictions" in Part 1 of this Explanatory Memorandum for details of the requirements in relation to collateral received as part of the securities lending transactions.

In conducting securities lending transactions, the Manager will select independent counterparties approved by the Manager which (i) are incorporated in countries of high credit quality; (ii) have a minimum long-term credit rating of A2 or short-term credit rating of P2 by Moody's or equivalent assigned by reputable credit rating agencies; or (iii) be a licensed corporation with the SFC or registered institution with the Hong Kong Monetary Authority. All the revenues arising from securities lending 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. Please refer to "Securities financing transactions" under the section headed "Investment Objective, Strategy and Restrictions" in Part 1 of this Explanatory Memorandum for details of the Manager's policy in relation to securities lending transactions.

The Manager does not currently intend to enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions on behalf of the Sub-Fund. The Manager will seek prior approval of the SFC (to the extent required under applicable regulatory requirements) and provide at least one month's prior notice to Unitholders before the Manager engages in any such transactions.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 16 June 2026 and ends at

5:00 p.m. (Hong Kong time) on 18 June 2026, or such other date as the Manager may determine.

The Listing Date is expected to be on 23 June 2026 but may be postponed by the Manager to a date no later than 13 July 2026.

The Issue Price of Units which is the subject of a Creation Application during the Initial Offer Period is HKD 7.8 per Unit, or such other amount determined by the Manager with the approval of the Trustee. Creation Applications can be made in cash (in HKD only).

The table below summarises the offering methods and related fees during the Initial Offer Period.

<u>Method of Offering</u>	<u>Minimum Number of Units (or multiple thereof)</u>	<u>Channel</u>	<u>Available to</u>	<u>Consideration, Fees and Charges*</u>
Cash creation	Application Unit size	Through Participating Dealers only	Participating Dealers or any person acceptable to the Participating Dealer as its client	Cash (in HKD only) Portfolio of Securities and cash component (in HKD only) Transaction Fee (payable in HKD only) Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Transaction Fee payable to the Trustee (payable in the currency as specified in the section "Fees and Expenses") Transaction Fee payable to the Service Agent (payable in HKD) Duties and Charges (payable in HKD)

After Listing

Subject to the granting of listing of, and permission to deal in, the Units of the Sub-Fund on the SEHK as well as the compliance with the stock admission requirements of HKSCC, such Units will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in such Units on the SEHK or on any other date HKSCC chooses.

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.

Dealings in the Units of the Sub-Fund are expected to commence on 23 June 2026 but may be postponed by the Manager to a date no later than 13 July 2026.

The current Dealing Deadline is 3:00 p.m. (Hong Kong time) on the relevant Dealing Day.

Creation Applications can be made in cash (in HKD only), in-kind or in combination of both. Settlement for subscribing Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The table below summarises the offering methods and related fees After Listing.

<u>Method of Acquisition or Disposal of Units</u>	<u>Minimum Number of Units (or multiple thereof)</u>	<u>Channel</u>	<u>Available to</u>	<u>Consideration, Fees and Charges*</u>
Purchase and sale in cash through brokers on the SEHK (secondary market) in HKD	Board lot size	On the SEHK	Any investor	Market price of Units on SEHK in HKD Brokerage fees and Duties and Charges
Cash creation and redemption in-kind creation and redemption or combination of both	Application Unit size	Through Participating Dealers only	Participating Dealers or any person acceptable to the Participating Dealer as its client	Cash (in HKD only) Portfolio of Securities and cash component (in HKD only) Transaction Fee (payable in HKD only) Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it)

				Transaction Fee payable to the Trustee (payable in the currency as specified in the section “Fees and Expenses”) Transaction Fee payable to the Service Agent (payable in HKD) Duties and Charges (payable in HKD)
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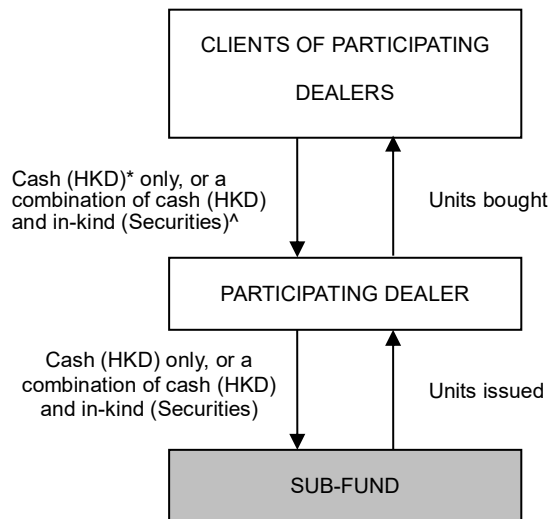
** Please refer to “Fees and Expenses” for further details.*

The attention of investors is drawn to the section entitled “The Offering” in Part 1 of this Prospectus.

Diagrammatic illustration of investment in the Sub-Fund

The diagrams below illustrate the issue or redemption and the buying or selling of Units:

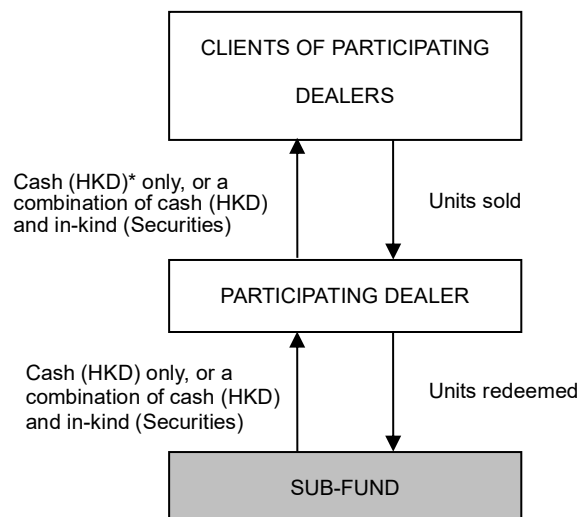
(a) Issue and buying of Units in the primary market – Initial Offer Period and After Listing



* Clients of the Participating Dealers may agree with the Participating Dealers settlement in another currency.

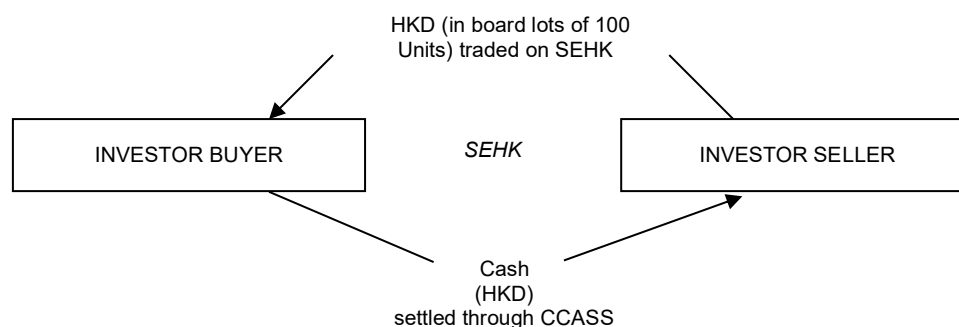
^ Creation Applications can only be made in cash (in HKD only) during the Initial Offer Period.

(b) Redemption and sale of Units in the primary market – After Listing



* Clients of the Participating Dealers may agree with the Participating Dealers settlement in another currency.

(c) Buying or selling of Units in the secondary market on the SEHK – After listing



Creations and Redemptions through Participating Dealers

Units are created at the Issue Price by creation in cash (in HKD only), in-kind or in combination of both (except that during the Initial Offer Period Creation Applications can only be made in cash (in HKD only)) and redeemed at the Redemption Value by redemption in cash (in HKD only), in-kind or in combination of both through Participating Dealers in Application Unit size or multiples thereof.

All Creation Applications may be made in cash (in HKD only), in-kind or in combination of both. Settlement for subscribing Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The attention of investors is drawn to the section entitled “The Offering” in Part 1 of this Prospectus.

All Units can be redeemed (through a Participating Dealer) in cash (in HKD only), in-kind or in combination of both. All accepted Redemption Applications will be effected on the Settlement Day. Payment of redemption proceeds will be settled within one calendar month from the receipt of a properly documented Redemption Application provided that there is no delay in submitting all duly completed redemption documentation and the determination of the Net Asset Value or dealing in Units is not suspended.

Please refer to the section entitled “Creations and Redemptions (Primary Market)” in Part 1 of this Prospectus for details.

Summary of timetable

The following table summarises all key events and the Manager’s expected timetable:

(a) Initial Offer Period commences Participating Dealers may apply for creation for themselves or for their clients in a minimum number of 300,000 Units (or multiples thereof)	9:00 a.m. (Hong Kong time) on 16 June 2026 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 7 July 2026
(b) The date that is at least 2 Business Days prior to the Listing Date Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	5:00 p.m. (Hong Kong time) on 18 June 2026 but may be postponed by the Manager to a date no later than 9 July 2026
(c) After Listing (period commences on	

the Listing Date) • All investors may start trading Units on the SEHK through any designated brokers; and • Participating Dealers may apply for creation and redemption (for themselves or for their clients) in a minimum number of 300,000 Units (or multiples thereof) continually	• During the trading hours of the SEHK on 23 June 2026, but may be postponed by the Manager to a date no later than 13 July 2026 • 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) on each Dealing Day (for cash Creation Application or combination of cash and in-kind Creation Application)
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Exchange listing and trading (secondary market)

General

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Units.

Units 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 Units 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 Units are expected to commence on 23 June 2026. All Units will be traded on the SEHK in board lots of 100 Units. Participating Dealers should note that they will not be able to sell or otherwise deal in the Units on the SEHK until dealings begin on the SEHK.

The Units have a SEHK stock code 03579 and a short name EFUND MPF HK with International Securities Identification Number (ISIN) HK0001311254.

Redemptions

All Units can be redeemed directly (through a Participating Dealer). Any accepted Redemption Application will be effected in accordance with the Operating Guidelines and the Trust Deed.

Distribution policy

The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount of dividends. However, there is no guarantee of regular distribution nor the amount being distributed (if any). Distributions on all Units, if any, will be in HKD only.

Dividends may be paid out of capital, or out of gross income and all or part of the fees and expenses may be charged to capital at the Manager's discretion, resulting in an increase in distributable income for the payment of dividends and therefore, dividends may be paid effectively out of capital. This may result in an immediate reduction of Net Asset Value per Unit.

The Manager may amend the Sub-Fund's distribution policy in its discretion and any distribution policy with respect to distributions out of capital or effective distributions out of capital of the Sub-Fund will be subject to the SFC's prior approval (if required) and not less than one month's prior notice to Unitholders.

Fees and Expenses

Single Management Fee

The Sub-Fund employs a single management fee structure, with the Sub-Fund paying all of its

fees, costs and expenses including its due proportion of any costs and expenses of the Trust allocated to it as a single flat fee ("**Single Management Fee**"). Fees and expenses taken into account in determining the Single Management Fee include, but are not limited to, the management fee, the Trustee's fee, the Registrar's fees, fees of the Service Agent, fund administration fees, custody fees, fees and expenses of the auditors, ordinary out-of-pocket expenses incurred by the Manager or the Trustee (and their delegates) and certain operating costs relating to the administration of the Sub-Fund including expenses of its legal counsel, auditors and other professionals, index licensing fees, the costs in connection with maintaining a listing of the Units on the SEHK, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds and the expenses incurred in convening meetings of Unitholders, printing and distributing annual and half-yearly financial reports and other circulars relating to the Sub-Fund and the expenses of publishing Unit prices.

For the avoidance of doubt, any such fees and expenses exceeding the Single Management Fee will be borne by the Manager and will not be charged to the Sub-Fund. Notwithstanding the above, the Single Management Fee will not include brokerage and transaction costs (including but not limited to fees, charges, commissions or spreads relating to the acquisition, holding or disposal of portfolio assets), stamp duty, taxes, fees and extraordinary items such as litigation expenses.

The current Single Management Fee in respect of the Sub-Fund is 0.08% and is accrued daily and calculated as at each Dealing Day and payable monthly in arrears. This fee is payable out of the Trust Fund.

Other fees and expenses

Please refer to "Fees and Expenses Payable by the Sub-Funds" and "Establishment Costs" under the "Fees and Expenses" section in Part 1 of this Prospectus for details.

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 market capitalisation weighted index which consists of the Hong Kong listed HSBC Holdings, as well as eligible large cap and mid cap Hong Kong companies and Hong Kong listed Chinese companies (H shares, red chips and P chips⁹) in the FTSE MPF All-World Index. Such Hong Kong companies and Hong Kong listed Chinese companies should be listed on the stock exchanges approved by the Mandatory Provident Fund Schemes Authority (the "MPFA"), which include the SEHK and other stock exchanges established outside Hong Kong as approved by the MPFA.

The Index forms part of the FTSE MPF Index Series. The FTSE MPF Index Series was designed to provide benchmarks for the Hong Kong market by accurately reflecting the regulatory

⁹ For this purpose, (i) H shares are securities of companies incorporated in mainland China that trade on the SEHK. They are traded in Hong Kong dollars; (ii) red chips are companies incorporated outside of mainland China that trade on the SEHK and derive the majority of revenue or assets from the PRC and are substantially owned, directly or indirectly, by mainland China state entities; (iii) P chips are companies incorporated outside of mainland China that trades on the SEHK and have headquarters or principal executive offices in mainland China or are established in mainland China with a majority of its revenue or assets derived from the mainland China.

For more information on different share classes of Chinese companies, please refer to the Index Provider's website on https://www.lseg.com/content/dam/ftse-russell/en_us/documents/policy-documents/guide-to-chinese-share-classes.pdf (this website has not been reviewed by the SFC).

requirements, permitted investment markets and asset classes applicable to Mandatory Provident Fund (“MPF”) schemes in Hong Kong as well as accounting for any dividend withholding tax rates and investment restrictions applied to the MPF system. The FTSE MPF Index Series was launched in 2001.

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 is denominated and quoted in HKD.

The Index was launched on 1 January 2005 and had a base level of 5000 on 30 November 2000. As of 29 May 2026, the Index had total market capitalisation of HKD36, 902 billion and 341 constituents.

Index Provider

The Index is compiled and managed by FTSE Russell (the “**Index Provider**”). The Manager (and each of its Connected Persons) are independent of the Index Provider.

Index Universe

The FTSE MPF Index Series (to which the Index belongs) is based on the FTSE All-World Index Series. In order to be included in the FTSE MPF Index Series, the security must meet the following eligibility criteria:

1. Each security of the Index must be a current constituent of the FTSE All-World Index (with exception of the Hong Kong listed HSBC Holdings in the Index).

The FTSE All-World Index is a market-capitalisation weighted index representing the performance of the large and mid-cap stocks from the FTSE Global Equity Index Series (“**GEIS**”). It targets 90% coverage of the 8 regions used to construct the GEIS universe, which include Asia Pacific ex China ex Japan, China, Developed Europe, Emerging Europe, Japan, Latin America, Middle East and Africa and North America. Countries are grouped into regions for the purpose of review.

A non-constituent P chip whose associated N share¹⁰ is already a constituent of the FTSE All-World Index will be eligible for inclusion in the FTSE MPF Index Series at the next quarterly review after a minimum three month trading period, subject to satisfying all other FTSE All-World Index eligibility criteria.

A size screen is applied to all eligible companies in respective regions. The companies are ranked in descending order by their full market capitalisation, and only the largest 98% of all companies in respective regions are eligible for selection.

Market capitalisation: The FTSE All-World Index covers large and mid-cap companies. The size is determined based on ranking within its index universe by full market capitalisation. The “buffer zones” for determining the cut-off points for large cap and mid cap are as follows:

	Turnover bands (based on the index universe)	
	Eligible for Inclusion	Eligible for Exclusion
Large Cap	top 68%	below 72%
Mid Cap	top 86%	below 92%

¹⁰ An N Share is a company incorporated outside of mainland China that trades on the New York Stock Exchange, the NASDAQ Exchange or the NYSE American. An N Share will have a headquarters/principal executive office in mainland China or is established in mainland China, with the majority of its revenue or assets derived from the PRC (only one year’s revenue and asset data from the most recent annual report is considered).

For more information on different share classes of Chinese companies, please refer to the Index Provider’s website on https://www.lseg.com/content/dam/ftse-russell/en_us/documents/policy-documents/guide-to-chinese-share-classes.pdf (this website has not been reviewed by the SFC).

In order to be included in the FTSE All-World Index, eligible securities are required to pass the screens including minimum voting rights, investability weightings screen such as free float and minimum foreign headroom requirements, and liquidity screen.

Minimum voting rights: Companies assigned a developed market nationality are required to have greater than 5% of the company's voting rights (aggregated across all of its equity securities, including, where identifiable, those that are not listed or trading) in the hands of unrestricted shareholders or they will be deemed ineligible for index inclusion. Emerging market securities are not subject to this requirement.

Investability weightings screen: Constituents are adjusted for free float and foreign ownership limits.

- Free float: Except where the investable market capitalisation of the security exceeds 10 times the regional inclusion percentage level, securities with a free float of 5% or below are excluded from the index.
- Minimum foreign headroom requirement: A constituent's investability weight will be further adjusted when there is a limited foreign room available.
- Liquidity screen: Each security will be tested for liquidity semi-annually in March and September by calculation of its monthly median of daily trading volume. A security will be excluded from the FTSE All-World Index if there is not enough trading activity (mainly measured by the monthly median of daily trading volume).

Details of the index methodologies of FTSE Global Equity Index Series including FTSE All World Index can be accessed at the Index Provider's website at <https://www.lseg.com/en/ftse-russell/indices/global-equity-index-series> (this website has not been reviewed by the SFC).

2. Each security of the Index is screened by MPFA eligibility requirements in Hong Kong, including the following in order to derive the FTSE MPF All-World Index:

All constituents within the FTSE MPF Index Series must be listed on eligible exchanges approved by MPFA¹¹ (the "**Approved Exchanges**"). Securities admitted to trading and listing on stock exchanges that are not Approved Exchanges will be excluded from the calculation of the FTSE MPF Index Series.

Fully-paid up shares listed on an Approved Exchange will be eligible for inclusion. All stapled securities, such as paired shares, split shares and linked units, which represent an arrangement under which two or more securities are quoted jointly, will not be eligible for inclusion unless the securities themselves are permissible under Section 8(1) of Schedule 1 to the Mandatory Provident Fund Schemes (General) Regulation.

Securities which are receipts or certificates entitling the holders to the economic benefits (which may or may not include voting rights) of ownership of the underlying shares of a single company will be eligible if (i) the receipts or certificates are fully paid up and do not require further or future payment; (ii) the underlying shares of the company are fully-paid up; and (iii) both the receipts/certificates and the underlying shares of the company are listed on Approved Exchanges.

Unit trusts, mutual funds, and any collective closed-end or open-end investment schemes will not be eligible for inclusion as they are not fully permissible under the MPF regulation.

Selection of Securities

¹¹ The Approved Exchanges include the SEHK and other stock exchanges established outside Hong Kong as approved by the MPFA. The list of Approved Exchanges can be accessed through the MPFA website: https://www.mpfa.org.hk/en/info-center/laws-and-regulations/guidelines/iii_4 (this website has not been reviewed by the SFC).

The Index is constructed by including the following securities subject to the eligibility criteria mentioned above:

- HSBC Holdings (the Hong Kong-listed line)
- Hong Kong companies
- Hong Kong listed Chinese companies (H shares, red chips and P chips)

Changes to Constituents

If a constituent ceases to be a constituent of the FTSE All-World Index Series, it will be removed from the FTSE MPF Index Series. The removal will be concurrent with its removal from the FTSE All-World Index. In addition, if a constituent becomes ineligible under the current or any new MPF regulations, it will be removed as soon as practical after giving users of the index sufficient notification of the changes before their implementation.

If a constituent is added to the FTSE All-World Index Series, it will be included in the FTSE MPF Index Series if it passes the relevant eligibility screening set out above. The inclusion in the FTSE MPF Index Series will be concurrent with its inclusion in the FTSE All-World Index.

All fast entries to the FTSE All-World Index Series will become members of the FTSE MPF Index Series if they pass the relevant eligibility screening set out above. The constituent will be added to the FTSE MPF Index Series concurrent with its inclusion in the FTSE All-World Index.

Index Periodical Review

The FTSE MPF Index Series is usually reviewed semi-annually in March and September, on a region-by-region basis as part of the reviews of the FTSE All-World Index Series on the same dates, based on data after the close of business on the last business day of December and June. Any constituent changes resulting from the semi-annual reviews are implemented after the close of business on the third Friday (i.e. effective on Monday) of March and September.

Initial public offerings (IPOs) from all regions (which failed to qualify as fast entrants to the FTSE All-World Index Series) will be reviewed in June and December, besides being reviewed at semi annual reviews. Any constituent changes resulting from the June and December reviews are implemented after the close of business on the third Friday (i.e. effective Monday) of June and December.

All FTSE MPF Indices are subject to a 9% capping so that no constituent accounts for more than 9% of the index on a monthly basis. This is in line with the Code.

The constituents of the FTSE MPF Indices are capped monthly at 9% using prices adjusted for corporate actions as at the close of business on the second Friday each month. The capping is implemented after the close of business on the third Friday each month based on the constituents, shares in issue and free float on the next trading day following the third Friday each month.

Index Constituents and additional information

The list of constituent securities of the Index with their respective weightings are available on the website of the Index Provider <https://www.lseg.com/en/ftse-russell/index-resources/constituent-weights> (this website has not been reviewed by the SFC). The last closing index level, index methodology and the additional information of the Index can be found on <https://www.lseg.com/en/ftse-russell/indices/mpf> (this website has not been reviewed by the SFC).

Real-time updates of the Index can be obtained through information vendors Bloomberg and Reuters under the following identifiers:

Bloomberg: TFMPFHH

Reuters: .FTGPMPF028HKDT

Index Licence Agreement

The Manager has entered into an index licensing agreement with the Index Provider with effect

from 18 May 2026. Such index licensing agreement shall continue in full force and effect unless terminated in accordance with its terms.

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 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.

Information available on the Internet

The Manager will publish important news and information with respect to the Sub-Fund (including in respect of the Index), both in the English and in the Chinese languages, on the Manager’s website at <http://www.efunds.com.hk> (the contents of this website and any other websites referred to in this Appendix have not been reviewed by the SFC) and the HKEX’s website at www.hkex.com.hk (in respect of (a), (b), (c), (d) and (f) below) including:

- (a) the Prospectus (including this Appendix) and the product key fact statement in respect of the Sub-Fund (as revised from time to time);
- (b) the latest annual and semi-annual financial reports (in English only);
- (c) any notices for material alterations or additions to the Sub-Fund’s offering documents or constitutive documents;
- (d) any public announcements made by the Sub-Fund, including information with regard to the Sub-Fund and Index, notices of the suspension of the calculation of the Net Asset Value, changes in fees and the suspension and resumption of trading;
- (e) the tracking difference and tracking error of the Sub-Fund;
- (f) the near real time indicative Net Asset Value per Unit updated every 15 seconds during normal trading hours on the SEHK in HKD;
- (g) the last Net Asset Value of the Sub-Fund in HKD and the last Net Asset Value per Unit of the Sub-Fund in HKD;
- (h) full portfolio information of the Sub-Fund (updated on a daily basis);
- (i) the compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months;
- (j) the latest list of the Participating Dealers and Market Makers; and
- (k) the past performance information of the Sub-Fund.

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 the risks, in the opinion of the Manager and its directors, 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 constituents of the Index, and accordingly the Sub-Fund's investments, may be concentrated in Hong Kong. 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 Hong Kong market.

Hong Kong listed Chinese companies risks

In tracking the Index, the Sub-Fund may invest in H shares, red chips or P chips issued by Hong Kong listed Chinese companies and have substantial business operations in mainland China. Investing in such securities is subject to the risks of investing in emerging markets generally. This may involve increased risks and special considerations not typically associated with investment in companies based 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 promulgation of new tax laws, regulations and practice affecting Hong Kong listed Chinese companies may operate to the advantage or disadvantage of the Unitholders. There is a possibility that the current tax laws, regulations and practice applicable to Hong Kong listed Chinese companies will be changed with retrospective effect in the future.

Risk associated with investing in other collective investment schemes

The Sub-Fund may invest in other collective investment schemes and will be subject to the risks associated with the 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 or may not be regulated 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 sufficient liquidity to meet the Sub-Fund's redemption requests as and when made.

Conflicts of interests may arise in a situation where the Sub-Fund invests in other funds managed by the Manager or its Connected Persons (despite that all initial charges and, where the underlying fund is managed by the Manager, all management fees and performance fees on the underlying fund will be waived). The Manager will use its best endeavours to avoid and resolve such conflicts fairly.

Investment in FDIs risk

The Sub-Fund may invest up to 10% of the Net Asset Value in FDIs (being futures and funded total return swaps) for investment and hedging purposes through one or more counterparty(ies). As such, the Sub-Fund may suffer significant loss if a counterparty to the FDIs 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.

In the event that the Manager enters into funded total return swaps in respect of the Sub-Fund, the Manager will seek 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, defaults or becomes insolvent under the funded swaps. 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.

Please refer to the risk factor headed "Financial derivative instruments risk" 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. Please also refer to the sections "Financial Derivative Instruments" and "Collateral" under "Investment Objective, Investment Strategy and Restrictions, Securities Lending and Borrowing" in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

Mid-capitalization companies risk

The Sub-Fund invests in large to mid-capitalization companies. The stocks of mid-capitalization companies may have lower liquidity and their prices are typically more volatile to adverse business or economic developments than those of larger capitalization companies.

Risks relating to securities lending transactions

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.

Counterparty risk: If the borrower defaults, there is a risk that the collateral held by the Sub-Fund may be realised at a value lower than the value of the securities lent. This may be due to adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, default or insolvency of the collateral issuer or the illiquidity of the market in which the collateral is traded.

Operational risk: Securities lending transactions entail operational risks such as settlement failure or delays in the settlement of instructions. There can be no assurance that the objective sought to be obtained from use of securities lending transactions will be achieved.

Risks of investing in other money market funds

The Sub-Fund may invest in other money market funds, but does not have control of the investments of these underlying funds and there is no assurance that the investment objective and strategy of these underlying funds will be successfully achieved which may have a negative impact on the Net Asset Value of the Sub-Fund. There may be additional costs involved when investing into these underlying funds. In particular, as an investor in such funds, the Sub-Fund will ultimately bear the fees and expenses of the underlying funds including management fees charged by the underlying management company. There is also no guarantee that the underlying funds will always have sufficient liquidity to meet the Sub-Fund's redemption requests as and when made. Investors should also note that the Sub-Fund's investment in another money market fund is not the same as

the Sub-Fund placing funds on deposit with a bank or a deposit-taking company. A money market fund does not guarantee principal, and units or shares in such money market fund may not be redeemed by the Sub-Fund at its offer value. If the Sub-Fund invests in other money market funds managed by the Manager or Connected Person of the Manager, all initial charges and redemption charges on these money market funds must be waived, and the Manager must not obtain rebate of any fees or charges levied by these funds or any quantifiable monetary benefits in connection with investments in these funds. In addition, where an underlying fund is managed by the Manager, all management fees charged by the underlying fund will be waived for the Sub-Fund. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Passive investment risk

The Sub-Fund is not actively managed. Accordingly, the Sub-Fund may be affected by a decline in the market segments relating to the relevant Index. The Manager will not have the discretion to adapt to market changes due to the inherent nature of the Sub Fund and will not take defensive positions in declining markets, which means that falls in the Index are expected to result in corresponding falls in the Net Asset Value of the Sub-Fund, and investors may lose a significant part of their investment.

Reliance on the Index Provider risk

The Manager will rely solely on the Index Provider for information as to the constituents of the Index. 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.

Operating risk

There is no assurance that the performance of the Sub-Fund will be identical to the performance of the Index. The level of fees, taxes and expenses payable by the Sub-Fund will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the Sub-Fund can be estimated, the growth rate of the Sub-Fund, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the Sub-Fund or the actual level of its expenses.

Distribution out of/effectively out of capital risk

Payment of dividends out of capital and/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 such original investments. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the Sub-Fund. This may also reduce the capital that the Sub-Fund has available for investment in future and may constrain capital growth.

Reliance on Market Makers risk

Although the Manager will ensure that at least one Market Maker will maintain a market for the Units, it should be noted that liquidity in the market for the Units may be adversely affected if there is no Market Maker for the Units. The Manager will seek to mitigate this risk by ensuring at least one Market Maker gives not less than 3 months' notice prior to terminating market making arrangement under the relevant market making agreements.

It is possible that there will only be one SEHK Market Maker 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.

Hong Kong Stamp Duty

No stamp duty is payable in respect of any contract notes or instruments of transfer relating to

transactions in all Units.

No stamp duty is payable by an investor in relation to the creation of Units or the redemption of Units.

Appendix dated 10 June 2026

APPENDIX 2 – E Fund (HK) FTSE MPF China A ETF

Key information

Set out below is a summary of key information in respect of the Sub-Fund which should be read together with the full text of this Prospectus.

Index	FTSE MPF China A Index (CNH) (the “Index”)
Type of index	Net total return, i.e. the performance of the Index reflects the reinvestment of dividends and distributions, net of withholding tax, from the Index constituents.
Index Provider	FTSE Russell
Initial Issue Date	22 June 2026
Listing Date (SEHK)	Expected to be 23 June 2026, but may be postponed by the Manager to no later than 13 July 2026
Exchange Listing	SEHK – Main Board
Stock Code	03509
Trading Board Lot Size	100 Units
Base Currency	Renminbi (RMB)
Trading Currency	Hong Kong dollars (HKD)
Distribution Policy	The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount of dividends. There is no guarantee of regular distribution nor the amount being distributed (if any). Distributions on all Units, if any, will be in RMB only[#]. Dividends may be paid out of capital, or out of gross income and all or part of the fees and expenses may be charged to capital at the Manager’s discretion, resulting in an increase in distributable income for the payment of dividends and therefore, dividends may be paid effectively out of capital. This may result in an immediate reduction of Net Asset Value per Unit.
Creation/Redemption Policy	Cash (RMB) only
Application Unit size (only by or through Participating Dealers)	Minimum 800,000 Units (or multiples thereof)
Management Fee	Currently 0.08% per year of the Net Asset Value accrued daily and calculated as at each Dealing Day. The Sub-Fund employs a single management fee structure. Please refer to the section on “Fees and Expenses” below
Investment Strategy	Physical full replication strategy or representative sampling strategy. Please refer to the section on “What is the Investment Strategy?” below
Financial Year End	31 December

Service Agent	HK Conversion Agency Services Limited
Website	http://www.efunds.com.hk (the contents of this website have not been reviewed by the SFC)

In the event that the relevant Unitholder has no RMB account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from RMB into HKD or any other currency. Unitholders are advised to check with their brokers for arrangements concerning 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.

What is the Investment Strategy?

In seeking to achieve the Sub-Fund’s investment objective, the Manager will either use a full replication strategy or a representative sampling strategy as the Manager believes to be appropriate in order to achieve the investment objective of the Sub-Fund by tracking the Index as closely as possible to the benefit of the investors. The Sub-Fund may switch between the full replication strategy and the representative sampling strategy in its absolute discretion without prior notice to investors.

In pursuing the full replication strategy, the Sub-Fund will invest in substantially all securities constituting the Index (the “**Index Securities**”) in substantially the same weightings (i.e. proportions) as they have in the Index. The Sub-Fund may invest up to 100% of its Net Asset Value in A-Shares directly through the Stock Connect (as defined below).

In pursuing the representative sampling strategy, the Manager may:

- (i) invest in a representative sample whose performance is closely correlated with the Index, but whose constituents may or may not themselves be constituents of the Index;
- (ii) invest up to 10% of the Sub-Fund’s Net Asset Value in collective investment schemes (“**CIS**”), each being either an exchange traded fund or an unlisted index tracking fund which tracks an index that has a high correlation with the Index. Such CIS may be authorised by the SFC, eligible schemes under Chapter 7.11A of the Code, or non-eligible schemes. For the avoidance of doubt, the Sub-Fund’s aggregate investment in non-eligible schemes and not authorised by the SFC may not exceed 10% of the Net Asset Value of the Sub-Fund; and/or
- (iii) invest up to 10% of the Sub-Fund’s Net Asset Value in financial derivative instruments (“**FDIs**”) including futures and Swaps 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 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 Manager is independent of the Swap Counterparties. Each Swap Counterparty for such transactions will be independent counterparties approved by the Manager with credit rating of at least BBB- (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 or substantial financial institutions. The Swap Counterparties are monitored on an on-going basis as well as reviewed at least once a year by the Manager to ensure they continue to meet the aforesaid selection criteria.

In pursuing a representative sampling strategy, 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.

Other investments

The Sub-Fund may invest in money market funds (subject to the investment restrictions as set out in Chapter 7 of the Code), and in cash deposits and cash equivalents for cash management purposes, up to 10% of its Net Asset Value.

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.

As part of the securities lending transactions, the Sub-Fund must receive cash and/or non-cash collateral 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 and be safekept by the Custodian. The valuation of the collateral generally takes place on trading day T. If the value of the collateral falls below 100% of the value of the securities lent on any trading day T, the Manager will call for additional collateral on trading day T, and the borrower will have to deliver additional collateral to make up for the difference in securities value, with settlement of such delivery expected to occur on or before trading day T+2. Non-cash collateral received may not be sold, re-invested or pledged. Please refer to “Collateral” under the section headed “Investment Objective, Strategy and Restrictions” in Part 1 of this Explanatory Memorandum for details of the requirements in relation to collateral received as part of the securities lending transactions.

In conducting securities lending transactions, the Manager will select independent counterparties approved by the Manager which (i) are incorporated in countries of high credit quality; (ii) have a minimum long-term credit rating of A2 or short-term credit rating of P2 by Moody’s or equivalent assigned by reputable credit rating agencies; or (iii) be a licensed corporation with the SFC or registered institution with the Hong Kong Monetary Authority. All the revenues arising from securities lending 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. Please refer to “Securities financing transactions” under the section headed “Investment Objective, Strategy and Restrictions” in Part 1 of this Explanatory Memorandum for details of the Manager’s policy in relation to securities lending transactions.

The Manager does not currently intend to enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions on behalf of the Sub-Fund. The Manager will seek prior approval of the SFC (to the extent required under applicable regulatory requirements) and provide at least one month’s prior notice to Unitholders before the Manager engages in any such transactions.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 16 June 2026 and ends at 5:00 p.m. (Hong Kong time) on 18 June 2026, or such other date as the Manager may determine.

The Listing Date is expected to be on 23 June 2026 but may be postponed by the Manager to a date no later than 13 July 2026.

The Issue Price of Units which is the subject of a Creation Application during the Initial Offer Period is RMB 6.8 per Unit, or such other amount determined by the Manager with the approval of the Trustee. Creation Applications can be made in cash (in RMB only).

The table below summarises the offering methods and related fees during the Initial Offer Period.

<u>Method of Offering</u>	<u>Minimum Number of Units (or multiple thereof)</u>	<u>Channel</u>	<u>Available to</u>	<u>Consideration, Fees and Charges*</u>
Cash creation only	Application Unit size	Through Participating Dealers only	Participating Dealers or any person acceptable to the Participating Dealer as its client	Cash (in RMB only) Transaction Fee (payable in HKD only) Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Transaction Fee payable to the Trustee (payable in the currency as specified in the section "Fees and Expenses") Transaction Fee payable to the Service Agent (payable in HKD) Duties and Charges (payable in HKD)

After Listing

Subject to the granting of listing of, and permission to deal in, the Units of the Sub-Fund on the SEHK as well as the compliance with the stock admission requirements of HKSCC, such Units will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in such Units on the SEHK or on any other date HKSCC chooses.

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.

Dealings in the Units of the Sub-Fund are expected to commence on 23 June 2026 but may be postponed by the Manager to a date no later than 13 July 2026.

The current Dealing Deadline is 2:00 p.m. (Hong Kong time) on the relevant Dealing Day.

Creation Applications can be made in cash (in RMB only). All creation and redemption for all Units must be in RMB. Settlement for subscribing Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The table below summarises the offering methods and related fees After Listing.

<u>Method of Acquisition or Disposal of Units</u>	<u>Minimum Number of Units (or multiple thereof)</u>	<u>Channel</u>	<u>Available to</u>	<u>Consideration, Fees and Charges*</u>
Purchase and sale in cash through brokers on the SEHK (secondary market) in HKD	Board lot size	On the SEHK	Any investor	Market price of Units on SEHK in HKD Brokerage fees and Duties and Charges
Cash creation and redemption	Application Unit size	Through Participating Dealers only	Participating Dealers or any person acceptable to the Participating Dealer as its client	Cash (in RMB only) Transaction Fee (payable in HKD only) Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Transaction Fee payable to the Trustee (payable in the currency as specified in the section "Fees and Expenses") Transaction Fee payable to the Service Agent (payable in HKD) Duties and Charges (payable in HKD)

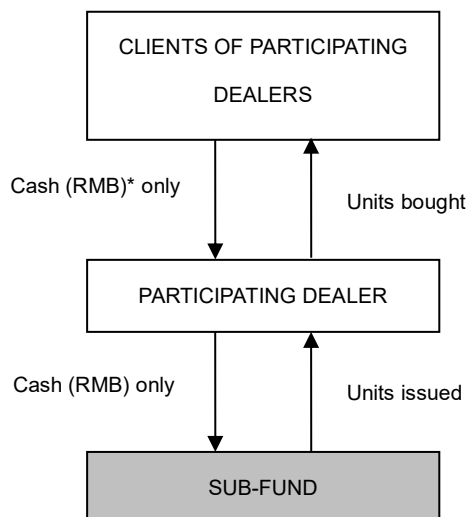
** Please refer to “Fees and Expenses” for further details.*

The attention of investors is drawn to the section entitled “The Offering” in Part 1 of this Prospectus.

Diagrammatic illustration of investment in the Sub-Fund

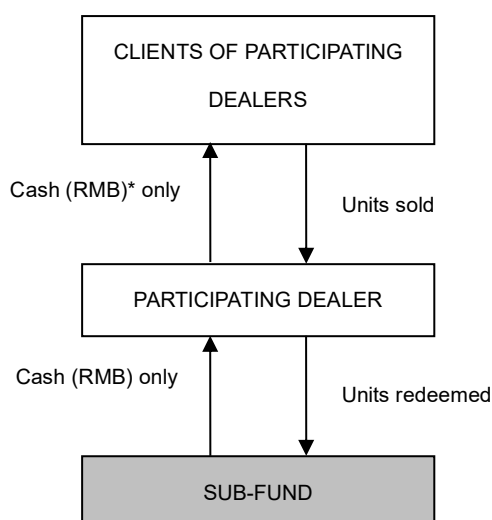
The diagrams below illustrate the issue or redemption and the buying or selling of Units:

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



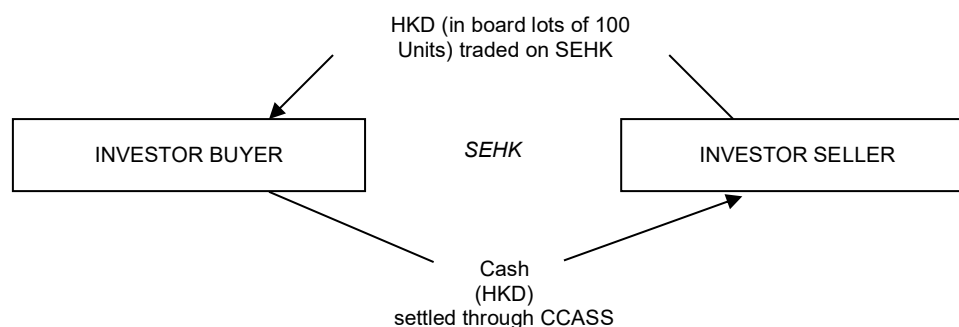
** Clients of the Participating Dealers may agree with the Participating Dealers settlement in another currency.*

(b) Redemption and sale of Units in the primary market – After Listing



** Clients of the Participating Dealers may agree with the Participating Dealers settlement in another currency.*

(c) Buying or selling of Units in the secondary market on the SEHK – After listing



Creations and Redemptions through Participating Dealers

Units are created at the Issue Price by creation in cash (in RMB only) and redeemed at the Redemption Value by redemption in cash (in RMB only) through Participating Dealers in Application Unit size or multiples thereof.

All Creation Applications must be made in cash (in RMB only). Settlement in cash for subscribing Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The attention of investors is drawn to the section entitled “The Offering” in Part 1 of this Prospectus.

All Units can be redeemed (through a Participating Dealer) in cash only. All accepted Redemption Applications will be effected on the Settlement Day. Payment of redemption proceeds (in RMB only) will be settled within one calendar month from the receipt of a properly documented Redemption Application provided that there is no delay in submitting all duly completed redemption documentation and the determination of the Net Asset Value or dealing in Units is not suspended.

Please refer to the section entitled “Creations and Redemptions (Primary Market)” in Part 1 of this Prospectus for details.

RMB payment procedures

Investors may apply for Units through Participating Dealers only if they have sufficient RMB to pay the application monies and the related fees in RMB. Investors should note that RMB is the only official currency of the PRC. 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), CNH cannot be freely remitted into the PRC 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. 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.

Application monies from Participating Dealers to the Sub-Fund will be paid in RMB only. Accordingly a Participating Dealer may require you (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, you may need to have opened a bank account (for settlement) and a securities dealing account if a Participating Dealer is to subscribe for Units on your behalf as you 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 you by the Participating Dealer by crediting such amount into your RMB bank account.

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.

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 Units.

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 of RMB80,000. A remittance service is only available to an RMB deposit account-holder who remits from his or her RMB deposit account to the PRC and provided that the account name of the account in the PRC is identical with that of the RMB bank account with the bank in Hong Kong.

Please also refer to the section entitled "RMB related risks" in the section on "Risk Factors Specific to the Sub-Fund" below for further details.

Summary of timetable

The following table summarises all key events and the Manager's expected timetable:

(a) Initial Offer Period commences Participating Dealers may apply for creation for themselves or for their clients in a minimum number of 800,000 Units (or multiples thereof)	9:00 a.m. (Hong Kong time) on 16 June 2026 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 7 July 2026
(b) The date that is at least 2 Business Days prior to the Listing Date Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	5:00 p.m. (Hong Kong time) on 18 June 2026 but may be postponed by the Manager to a date no later than 9 July 2026
(c) After Listing (period commences on the Listing Date) - All investors may start trading Units on the SEHK through any designated brokers; and - Participating Dealers may apply for creation and redemption (for themselves or for their clients) in a minimum number of 800,000 Units (or multiples thereof) continually	- During the trading hours of the SEHK on 23 June 2026, but may be postponed by the Manager to a date no later than 13 July 2026 9:00 a.m. (Hong Kong time) to 2:00 p.m. (Hong Kong time) on each Dealing Day

Exchange listing and trading (secondary market)

General

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Units.

Units 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 Units 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 Units are expected to commence on 23 June 2026. All Units will be traded on the SEHK in board lots of 100 Units. Participating Dealers should note that they will not be able to sell or otherwise deal in the Units on the SEHK until dealings begin on the SEHK.

The Units have a SEHK stock code 03509 and a short name EFUND MPF CN A with International Securities Identification Number (ISIN) HK0001311262.

Redemptions

All Units can be redeemed directly (through a Participating Dealer). Redemption proceeds shall be paid in RMB only. Any accepted Redemption Application will be effected by the payment of cash in accordance with the Operating Guidelines and the Trust Deed.

Distribution policy

The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount of dividends. There is no guarantee of regular distribution nor the amount being distributed (if any). Distributions on all Units, if any, will be in RMB only.

Dividends may be paid out of capital, or out of gross income and all or part of the fees and expenses may be charged to capital at the Manager's discretion, resulting in an increase in distributable income for the payment of dividends and therefore, dividends may be paid effectively out of capital. This may result in an immediate reduction of Net Asset Value per Unit.

The Manager may amend the Sub-Fund's distribution policy in its discretion and any distribution policy with respect to distributions out of capital or effective distributions out of capital of the Sub-Fund will be subject to the SFC's prior approval (if required) and not less than one month's prior notice to Unitholders.

Fees and Expenses

Single Management Fee

The Sub-Fund employs a single management fee structure, with the Sub-Fund paying all of its fees, costs and expenses including its due proportion of any costs and expenses of the Trust allocated to it as a single flat fee ("**Single Management Fee**"). Fees and expenses taken into account in determining the Single Management Fee include, but are not limited to, the management fee, the Trustee's fee, the Registrar's fees, fees of the Service Agent, fund administration fees, custody fees, fees and expenses of the auditors, ordinary out-of-pocket expenses incurred by the Manager or the Trustee (and their delegates) and certain operating costs relating to the administration of the Sub-Fund including expenses of its legal counsel, auditors and other professionals, index licensing fees, the costs in connection with maintaining a listing of the Units on the SEHK, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds and the expenses incurred in convening meetings of Unitholders, printing and distributing annual and half-yearly financial reports and other circulars relating to the Sub-Fund and the expenses of publishing Unit prices.

For the avoidance of doubt, any such fees and expenses exceeding the Single Management Fee will be borne by the Manager and will not be charged to the Sub-Fund. Notwithstanding the above, the Single Management Fee will not include brokerage and transaction costs (including but not limited to fees, charges, commissions or spreads relating to the acquisition, holding or disposal of portfolio assets), stamp duty, taxes, fees and extraordinary items such as litigation expenses.

The current Single Management Fee in respect of the Sub-Fund is 0.08% and is accrued daily and calculated as at each Dealing Day and payable monthly in arrears. This fee is payable out of the Trust Fund.

Other fees and expenses

Please refer to “Fees and Expenses Payable by the Sub-Funds” and “Establishment Costs” under the “Fees and Expenses” section in Part 1 of this Prospectus for details.

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 market capitalisation weighted index which consists of eligible large cap and mid cap China A share companies in the FTSE MPF All-World Index. Such A-share companies should be listed on the stock exchanges approved by the Mandatory Provident Fund Schemes Authority (the “MPFA”), i.e., the SSE and the SZSE.

The Index forms part of the FTSE MPF Index Series. The FTSE MPF Index Series was designed to provide benchmarks for the Hong Kong market by accurately reflecting the regulatory requirements, permitted investment markets and asset classes applicable to Mandatory Provident Fund (“MPF”) schemes in Hong Kong as well as accounting for any dividend withholding tax rates and investment restrictions applied to the MPF system. The FTSE MPF Index Series was launched in 2001.

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 is denominated and quoted in RMB (CNH).

The Index was launched on 14 April 2021 and had a base level of 1,000 on 14 November 2014. As of 29 May 2026, the Index consists of 965 constituent securities and has a total market capitalisation of approximately CNH73,910 billion.

Index Provider

The Index is compiled and managed by FTSE Russell (the “**Index Provider**”). The Manager (and each of its Connected Persons) are independent of the Index Provider.

Index Universe

The FTSE MPF Index Series (to which the Index belongs) is based on the FTSE All-World Index Series. In order to be included in the FTSE MPF Index Series, the security must meet the following eligibility criteria:

3. Each security of the Index must be a current constituent of the FTSE All-World Index.

The FTSE All-World Index is a market-capitalisation weighted index representing the performance of the large and mid-cap stocks from the FTSE Global Equity Index Series

("GEIS"). It targets 90% coverage of the 8 regions used to construct the GEIS universe, which include Asia Pacific ex China ex Japan, China, Developed Europe, Emerging Europe, Japan, Latin America, Middle East and Africa and North America. Countries are grouped into regions for the purpose of review.

A non-constituent P chip whose associated N share¹² is already a constituent of the FTSE All-World Index will be eligible for inclusion in the FTSE MPF Index Series at the next quarterly review after a minimum three month trading period, subject to satisfying all other FTSE All-World Index eligibility criteria.

A size screen is applied to all eligible companies in respective regions. The companies are ranked in descending order by their full market capitalisation, and only the largest 98% of all companies in respective regions are eligible for selection.

Market capitalisation: The FTSE All-World Index covers large and mid-cap companies. The size is determined based on ranking within its index universe by full market capitalisation. The "buffer zones" for determining the cut-off points for large cap and mid cap are as follows:

	Turnover bands (based on the index universe)	
	Eligible for Inclusion	Eligible for Exclusion
Large Cap	top 68%	below 72%
Mid Cap	top 86%	below 92%

In order to be included in the FTSE All-World Index, eligible securities are required to pass the screens including minimum voting rights, investability weightings screen such as free float and minimum foreign headroom requirements, and liquidity screen.

Minimum voting rights: Companies assigned a developed market nationality are required to have greater than 5% of the company's voting rights (aggregated across all of its equity securities, including, where identifiable, those that are not listed or trading) in the hands of unrestricted shareholders or they will be deemed ineligible for index inclusion. Emerging market securities are not subject to this requirement.

Investability weightings screen: Constituents are adjusted for free float and foreign ownership limits.

- Free float: Except where the investable market capitalisation of the security exceeds 10 times the regional inclusion percentage level, securities with a free float of 5% or below are excluded from the index.
- Minimum foreign headroom requirement: A constituent's investability weight will be further adjusted when there is a limited foreign room available.

Liquidity screen: Each security will be tested for liquidity semi-annually in March and September by calculation of its monthly median of daily trading volume. A security will be excluded from the FTSE All-World Index if there is not enough trading activity (mainly

¹² For this purpose, (i) P chips are companies incorporated outside of mainland China that trades on the SEHK and have headquarters or principal executive offices in mainland China or are established in mainland China with a majority of its revenue or assets derived from the mainland China; and (ii) N shares are companies incorporated outside of mainland China that trades on the New York Stock Exchange, the NASDAQ Exchange or the NYSE American. An N Share will have a headquarters/principal executive office in mainland China or is established in mainland China, with the majority of its revenue or assets derived from the PRC (only one year's revenue and asset data from the most recent annual report is considered).

For more information on different share classes of Chinese companies, please refer to the Index Provider's website on https://www.lseg.com/content/dam/ftse-russell/en_us/documents/policy-documents/guide-to-chinese-share-classes.pdf (this website has not been reviewed by the SFC).

measured by the monthly median of daily trading volume).

Treatment of China A shares:

- Currently, China A shares (available under the Northbound China Stock Connect Scheme) are included in FTSE Global Equity Index Series based on 25% of each security's investability weight. For illustration purposes, if a security has an investability weight of 28% with an investable market capitalization of USD 20 billion, it will be added to the FTSE Global Equity Index Series with an investability weight of 7.0% (i.e., $28\% \times 25\% = 7.0\%$) with an investable market capitalization of USD 5 billion (i.e., $20 \text{ billion} \times 25\% = 5 \text{ billion}$).
- When testing liquidity, 100% (not 25%) of the investability weight will be used for the calculation. For example, if a security has an investability weight of 28%, as at the last date in the testing period, it will be tested for liquidity at its 28% investability weight (and not 7.0%).
- China A share securities are screened for foreign headroom as explained above. Any China A share constituent within the FTSE Global Equity Index Series that is in breach of the minimum headroom requirement will have a headroom adjustment applied to its investability weight in accordance with the Foreign Ownership Restrictions and Minimum Foreign Headroom Requirement published by the Index Provider.

Details of the index methodologies of FTSE Global Equity Index Series including FTSE All World Index can be accessed at the Index Provider's website at <https://www.lseg.com/en/ftse-russell/indices/global-equity-index-series> (this website has not been reviewed by the SFC).

4. Each security of the Index is screened by MPFA eligibility requirements in Hong Kong, including the following in order to derive the FTSE MPF All-World Index:

All constituents within the FTSE MPF Index Series must be listed on eligible exchanges approved by MPFA¹³ (the "**Approved Exchanges**"). Securities admitted to trading and listing on stock exchanges that are not Approved Exchanges will be excluded from the calculation of the FTSE MPF Index Series.

Fully-paid up shares listed on an Approved Exchange will be eligible for inclusion. All stapled securities, such as paired shares, split shares and linked units, which represent an arrangement under which two or more securities are quoted jointly, will not be eligible for inclusion unless the securities themselves are permissible under Section 8(1) of Schedule 1 to the Mandatory Provident Fund Schemes (General) Regulation.

Securities which are receipts or certificates entitling the holders to the economic benefits (which may or may not include voting rights) of ownership of the underlying shares of a single company will be eligible if (i) the receipts or certificates are fully paid up and do not require further or future payment; (ii) the underlying shares of the company are fully-paid up; and (iii) both the receipts/certificates and the underlying shares of the company are listed on Approved Exchanges.

Unit trusts, mutual funds, and any collective closed-end or open-end investment schemes will not be eligible for inclusion as they are not fully permissible under the MPF regulation.

Selection of Securities

¹³ The Approved Exchanges include the SEHK and other stock exchanges established outside Hong Kong as approved by the MPFA. The list of Approved Exchanges can be accessed through the MPFA website: https://www.mpfa.org.hk/en/info-center/laws-and-regulations/guidelines/iii_4 (this website has not been reviewed by the SFC).

Chinese companies' A shares that trade in eligible segment on either the Shanghai or Shenzhen stock exchanges are selected to form the list of constituents for the FTSE China A Stock Connect Index. The companies are further screened by MPFA eligibility as explained above. After the screening for MPF regulation, the list of constituents from the FTSE China A Stock Connect Index is reduced to the list of constituents for the Index.

Changes to Constituents

If a constituent ceases to be a constituent of the FTSE All-World Index Series, it will be removed from the FTSE MPF Index Series. The removal will be concurrent with its removal from the FTSE All-World Index. In addition, if a constituent becomes ineligible under the current or any new MPF regulations, it will be removed as soon as practical after giving users of the index sufficient notification of the changes before their implementation.

If a constituent is added to the FTSE All-World Index Series, it will be included in the FTSE MPF Index Series if it passes the relevant eligibility screening set out above. The inclusion in the FTSE MPF Index Series will be concurrent with its inclusion in the FTSE All-World Index.

All fast entries to the FTSE All-World Index Series will become members of the FTSE MPF Index Series if they pass the relevant eligibility screening set out above. The constituent will be added to the FTSE MPF Index Series concurrent with its inclusion in the FTSE All-World Index.

Index Periodical Review

The FTSE MPF Index Series is usually reviewed semi-annually in March and September, on a region-by-region basis as part of the reviews of the FTSE All-World Index Series on the same dates, based on data after the close of business on the last business day of December and June. Any constituent changes resulting from the semi-annual reviews are implemented after the close of business on the third Friday (i.e. effective on Monday) of March and September.

Initial public offerings (IPOs) from all regions (which failed to qualify as fast entrants to the FTSE All-World Index Series) will be reviewed in June and December, besides being reviewed at semi annual reviews. Any constituent changes resulting from the June and December reviews are implemented after the close of business on the third Friday (i.e. effective Monday) of June and December.

All FTSE MPF Indices are subject to a 9% capping so that no constituent accounts for more than 9% of the index on a monthly basis. This is in line with the Code.

The constituents of the FTSE MPF Indices are capped monthly at 9% using prices adjusted for corporate actions as at the close of business on the second Friday each month. The capping is implemented after the close of business on the third Friday each month based on the constituents, shares in issue and free float on the next trading day following the third Friday each month.

Index Constituents and additional information

The list of constituent securities of the Index with their respective weightings are available on the website of the Index Provider <https://www.lseg.com/en/ftse-russell/index-resources/constituent-weights> (this website has not been reviewed by the SFC).

The last closing index level, index methodology and the additional information of the Index can be found on <https://www.lseg.com/en/ftse-russell/indices/mpf> (this website has not been reviewed by the SFC).

Index can be obtained through information vendor Bloomberg under the following identifiers:

Bloomberg: GPEFM003

Index Licence Agreement

The Manager has entered into an index licensing agreement with the Index Provider with effect from 18 May 2026. Such index licensing agreement shall continue in full force and effect unless terminated in accordance with its terms.

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 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.

Information available on the Internet

The Manager will publish important news and information with respect to the Sub-Fund (including in respect of the Index), both in the English and in the Chinese languages, on the Manager’s website at <http://www.efunds.com.hk> (the contents of this website and any other websites referred to in this Appendix have not been reviewed by the SFC) and the HKEX’s website at www.hkex.com.hk (in respect of (a), (b), (c), (d) and (f) below) including:

- (a) the Prospectus (including this Appendix) and the product key fact statement in respect of the Sub-Fund (as revised from time to time);
- (b) the latest annual and semi-annual financial reports (in English only);
- (c) any notices for material alterations or additions to the Sub-Fund’s offering documents or constitutive documents;
- (d) any public announcements made by the Sub-Fund, including information with regard to the Sub-Fund and Index, notices of the suspension of the calculation of the Net Asset Value, changes in fees and the suspension and resumption of trading;
- (e) the tracking difference and tracking error of the Sub-Fund;
- (f) the near real time indicative Net Asset Value per Unit updated every 15 seconds during normal trading hours on the SEHK in RMB and in HKD;
- (g) the last Net Asset Value of the Sub-Fund in RMB and the last Net Asset Value per Unit of the Sub-Fund in RMB and in HKD;
- (h) full portfolio information of the Sub-Fund (updated on a daily basis);
- (i) the compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months;
- (j) the latest list of the Participating Dealers and Market Makers; and
- (k) the past performance information of the Sub-Fund.

The near real time indicative Net Asset Value per Unit in RMB and HKD, under (f) above, is indicative and for reference only. This is every 15 seconds updated during SEHK trading hours. The near real time indicative Net Asset Value per Unit in HKD uses a real time HKD:RMB foreign exchange rate – it is calculated using the near real time indicative Net Asset Value per Unit in RMB multiplied by a real-time HKD:RMB foreign exchange rate provided by ICE Data Indices when the

SEHK is opened for trading. Since the indicative Net Asset Value per Unit in RMB will not be updated when the underlying A-Shares market is closed, the changes in the indicative Net Asset Value per Unit in HKD during such period is solely due to the change in the foreign exchange rate.

The last Net Asset Value per Unit in HKD, under (g) above, is indicative and for reference only and is calculated using the last Net Asset Value per Unit in RMB multiplied by an assumed foreign exchange rate at 2:00 p.m. (Hong Kong time) quoted by Bloomberg for offshore RMB (CNH) as of the same Dealing Day. The official last Net Asset Value per Unit in RMB and HKD will not be updated when the underlying A-Shares market is closed.

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 the risks, in the opinion of the Manager and its directors, 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 / Emerging market risk

The constituents of the Index, and accordingly the Sub-Fund's investments, are concentrated in mainland China. The value of the Sub-Fund may therefore be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Sub-Fund may also be influenced by the changes in governmental policies, promulgation of foreign exchange and monetary policies and tax regulations, currency fluctuations, market liquidity conditions and updates to legal and regulatory frameworks affecting the mainland China market.

Investing in emerging markets 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.

Risks associated with Mainland China

The Sub-Fund invests in equity or equity-related securities of companies whose activities are closely related to the economic development and growth of mainland China. The Sub-Fund is therefore subject to risks associated with mainland China.

Economic, political and social risks

The economy of mainland China, 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 or regions 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 mainland China are still owned by the mainland Chinese government at various levels, in recent years, the mainland Chinese government has implemented economic reform measures emphasising utilisation of market forces in the development of the economy of mainland China and a high level of management autonomy. The economy of mainland China has experienced significant growth in the past 20 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 mainland Chinese government has implemented various measures from time to time to control inflation and restrain the rate of economic growth.

For more than 20 years, the mainland Chinese government has carried out economic reforms to

achieve decentralisation and utilisation of market forces to develop the economy of mainland China. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the mainland Chinese 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 mainland China as well as the underlying Securities of the Sub-Fund. Further, the mainland Chinese government may from time to time adopt corrective measures to control the growth of the mainland China 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 mainland China 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 underlying issuers of the Securities in the Sub-Fund's portfolio. There have been instances of drastic policy changes including regulatory actions against particular companies or sectors, resulting in disruption of prices of the relevant companies as well as the broader financial market. It is difficult to predict when similar actions may be taken, and investors in the mainland Chinese market such as the Sub-Fund may suffer significant financial losses as a result.

A-Share market risk

The price at which securities may be purchased or sold by the Sub-Fund and the Net Asset Value of the Sub-Fund may be adversely affected if the liquidity of trading markets for A-Shares is limited or absent. The A-Share market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention) than those in more developed markets. Market volatility and settlement difficulties in the A-Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the Sub-Fund.

Trading band limits are imposed by the stock exchanges in mainland China on A-Shares. Trading in any A-Share on the relevant stock exchange may be considered abnormal and subject to trading suspension at the request of the stock exchange if the trading price of the security has reached the trading band limits for consecutive days. A suspension will render it impossible for the Manager to liquidate positions and can thereby expose the Sub-Fund to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Manager to liquidate positions at a favourable price.

Differences in trading hours between SZSE and SZSE and the SEHK may increase the level of premium/discount of the Unit 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 Unit price of the Sub-Fund to its Net Asset Value may be higher. 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.

Risks relating to investing in companies listed on the ChiNext market/STAR Board

Companies listed on the ChiNext market or STAR Board with generally lower listing eligibility criteria than main boards are usually of emerging nature with a smaller operating scale. The rules and regulations regarding companies listed on the ChiNext market or STAR Board may be less stringent in terms of matters such as profitability, track record and share capital than those on the main boards. Hence, investments in such boards may be subject to higher fluctuations in stock prices as well as liquidity, over valuation and delisting risks, and may result in significant losses for the Sub-Fund and its investors.

Mainland China laws and regulations risk

The regulatory and legal framework for capital markets and joint stock companies in mainland

China may not be as well developed as those of developed countries or regions. Mainland China 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 mainland China 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 the business operations of mainland China companies.

Accounting and reporting standards risk

Mainland China companies are required to follow mainland China accounting standards and practice which follow international accounting standards to a certain extent. However, the accounting, auditing and financial reporting standards and practices applicable to mainland China companies may be less rigorous, and there may be significant differences between financial statements prepared in accordance with mainland China accounting standards and practice and those prepared in accordance with international accounting standards. As the disclosure and regulatory standards in the mainland China are less stringent than in more developed markets, there might be substantially less publicly available information about issuers in the mainland China on which the Manager can base investment decisions.

Risks associated with the Stock Connect

The Sub-Fund's investments through the Stock Connect may be subject to the following risks:

Quota limitations

The Stock Connect is subject to quota limitations. The investment quota does not belong to the Sub-Fund and is utilised on a first-come-first-serve basis. In particular, once the remaining balance of the Northbound Trading Daily Quota drops to zero or the Northbound Trading 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). Quota limitations may restrict the Sub-Fund's ability to invest in A-Shares through the Stock Connect on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategies.

Suspension risk

The SEHK, the SSE and the SZSE reserve the right to suspend Northbound Trading 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 mainland Chinese market through the Stock Connect will be adversely affected.

Operational risk

The Stock Connect provides a channel for investors from Hong Kong and overseas to access the mainland Chinese 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. As the securities regimes and legal systems of the two markets differ significantly, market participants may need to address issues arising from such differences on an ongoing basis in order for the programme to operate.

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 investment portfolio or strategy if, for example, the Manager wishes to purchase a stock which is recalled from the scope of eligible stocks. The Sub-Fund may also be unable to dispose of such stocks due to restrictions on selling.

Clearing and settlement risk

The HKSCC and CSDCC 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 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's default occur and the CSDCC be declared as a defaulter, HKSCC's liabilities in respect of Northbound Trading 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.

Nominee arrangements

HKSCC is the nominee holder of the SSE Securities and SZSE Securities acquired by Hong Kong and overseas investors through Stock Connect.

The CSRC Stock Connect rules expressly provide that investors enjoy the rights and benefits of the securities acquired through Stock Connect in accordance with applicable laws. Such rules are departmental regulations having legal effect in mainland China. However, there is no assurance that courts in mainland China will recognise such rules (for example, in liquidation proceedings of mainland Chinese companies).

It should be noted that, under the HKSCC Rules, HKSCC as nominee holder shall have no obligation to take any legal action or court proceedings to enforce any rights on behalf of the investors in respect of the SSE Securities and SZSE Securities in mainland China 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 or SZSE Securities.

Participation in corporate actions and shareholders' meetings

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 Stock Connect programme through their brokers or custodians. According to existing practice in mainland China, 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 SZSE Securities.

Limited Protection by Investor Compensation Fund

Investment through the Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers' in their obligations. Whilst the Sub-Fund is covered by the Investor Compensation Fund for defaults occurring on or after 1 January 2020 for Northbound Trading, it is

not protected by the China Securities Investor Protection Fund in mainland China for Northbound Trading, as it carries out Northbound Trading through securities brokers in Hong Kong but not mainland Chinese brokers.

Regulatory risk

The Stock Connect is evolving and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in mainland China 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 subject to change (and such change may have a retrospective effect). There can be no assurance that the Stock Connect will not be abolished.

Differences in trading days

Stock Connect only operates on days when the SEHK market and the mainland Chinese market (SSE and SZSE) are open for trading. Accordingly, there may be occasions when it is a trading day for the mainland Chinese market but not a trading day for the Hong Kong market. On these occasions, the Sub-Fund may be subject to a risk of price fluctuations in A-Shares as the Sub-Fund will not be able to trade A-Shares through the Stock Connect. Differences in trading days may also affect the Sub-Fund's ability to make timely investments and to pursue its investment strategies.

Mainland China tax risk

Based on professional and independent tax advice, the Sub-Fund will not make WIT provision for gross realised or unrealised capital gains derived from trading of A-Shares via Stock Connect.

There are risks and uncertainties associated with the current mainland Chinese tax laws, regulations and practice in respect of the Sub-Fund's investments in mainland China. It should also be noted that there is a possibility of mainland Chinese tax rules being changed and taxes being applied retrospectively. There is a risk that taxes may be levied in future on the Sub-Fund for which no provision is made, which may potentially cause substantial loss to the Sub-Fund.

The Net Asset Value of the Sub-Fund may require further adjustment to take into account any retrospective application of new tax regulations and development, including change in interpretation of the relevant regulations by the mainland Chinese tax authorities. The Manager will closely monitor any further guidance by the relevant mainland Chinese tax authorities and adjust the withholding policy of the Sub-Fund accordingly, taking into account independent professional tax advice. The Manager will act in the best interest of the Sub-Fund at all times.

Unitholders may be disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Units. If no provision is made by the Manager in relation to all or part of the actual tax levied by the mainland Chinese tax authorities in future, investors should note that the Net Asset Value of the Sub-Fund may be lowered, as the Sub-Fund will ultimately have to bear the full amount of tax liabilities. In this case, the additional tax liabilities will only impact Units in issue at the relevant time, and the then existing Unitholders and subsequent Unitholders will be disadvantaged as such Unitholders will bear, through the Sub-Fund, a disproportionately higher amount of tax liabilities as compared to those borne at the time of investment in the Sub-Fund. Even if tax provisions are made, the amount of such provisions may not be sufficient to meet the actual tax liabilities. Any shortfall between the provision and the actual tax liabilities, which will be debited from the Sub-Fund's assets, will adversely affect the Sub-Fund's Net Asset Value. The actual tax liabilities may be lower than the tax provision made. Depending on timing of their subscriptions and/or redemptions, Unitholders may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

Trading differences risk

As the SSE and the SZSE may be open when Units 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 Units. Furthermore, the market price of underlying Securities listed on the above stock exchanges which are established outside Hong Kong or swaps may not be available during part or all of the SEHK trading sessions due to trading hour differences which may result in the trading price of the Sub-Fund deviating away from the Net Asset Value. A-Shares may be subject to trading bands which restrict increases and decreases in the trading price. Units 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 Unit price of the Sub-Fund to its Net Asset Value may be higher.

RMB related 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 government. Since 1994, the conversion of RMB into US dollar has been based on rates set by the PBOC, which are set daily based on the previous day's PRC interbank foreign exchange market rate. On 21 July 2005, the PRC 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, China 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 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 US dollar 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 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 government will continue its existing foreign exchange policy or when the PRC government will allow free conversion of the RMB to foreign currency.

RMB trading and settlement of Units risk

The trading and settlement of RMB-denominated securities are recent developments in Hong Kong and there is no assurance that there will not be problem with the systems or that other logistical problems will not arise. Although end-to-end simulation trading and clearing of listed RMB products testing sessions and payment pilot runs for participants of the SEHK were held by the SEHK in March, September and October 2011, some brokers may not have participated in such testing sessions and pilot runs and for those who have, not all of them may be able to successfully complete such testing sessions and pilot runs, and there is no assurance of their readiness for dealing in RMB denominated securities. Investors should note that not all brokers may be ready and able to carry out trading and settlement of RMB traded Units and thus they may not be able to deal in the RMB traded Units through some brokers. Investors should check with their brokers in advance if they intend to engage Dual Counter trading and should fully understand the services which the relevant broker is able to provide (as well as any associated fees). Some exchange participants may not

provide Dual Counter trading services.

Non-RMB or late settlement redemption risk

Where, in extraordinary circumstances, the remittance or payment of RMB funds on the redemption of Units cannot, in the opinion of the Manager in consultation with the Trustee, be carried out normally due to legal or regulatory circumstances beyond the control of the Trustee 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 Trustee). As such, there is a risk that investors may not be able to receive, through Participating Dealers, settlement upon a redemption of Units in RMB (and may receive US dollars or HKD) or may receive settlement in RMB on a delayed basis.

RMB distributions risk

Investors should note that where a Unitholder holds Units traded under the HKD counter, the relevant Unitholder will only receive distributions in RMB and not HKD. In the event the relevant Unitholder has no RMB account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from RMB into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

Offshore RMB ("CNH") market risk

The onshore RMB ("CNY") is the only official currency of the PRC and is used in all financial transactions between individuals, state and corporations in the PRC. Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC. 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 is limited. 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 laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the relevant settlement agreements 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 may affect the ability of investors to acquire Units or to sell Units of the Sub-Fund affecting the liquidity and therefore the trading price of the Units 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.

Risk associated with investing in other collective investment schemes

The Sub-Fund may invest in other collective investment schemes and will be subject to the risks

associated with the 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 or may not be regulated 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 sufficient liquidity to meet the Sub-Fund's redemption requests as and when made.

Conflicts of interests may arise in a situation where the Sub-Fund invests in other funds managed by the Manager or its Connected Persons (despite that all initial charges and, where the underlying fund is managed by the Manager, all management fees and performance fees on the underlying fund will be waived). The Manager will use its best endeavours to avoid and resolve such conflicts fairly.

Investment in FDIs risk

The Sub-Fund may invest up to 10% of the Net Asset Value in FDIs (being futures and funded total return swaps) for investment and hedging purposes through one or more counterparty(ies). As such, the Sub-Fund may suffer significant loss if a counterparty to the FDIs 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.

In the event that the Manager enters into funded total return swaps in respect of the Sub-Fund, the Manager will seek 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, defaults or becomes insolvent under the funded swaps. 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.

Please refer to the risk factor headed "Financial derivative instruments risk" 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. Please also refer to the sections "Financial Derivative Instruments" and "Collateral" under "Investment Objective, Investment Strategy and Restrictions, Securities Lending and Borrowing" in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

Risks of investing in other money market funds

The Sub-Fund may invest in other money market funds, but does not have control of the investments of these underlying funds and there is no assurance that the investment objective and strategy of these underlying funds will be successfully achieved which may have a negative impact on the Net Asset Value of the Sub-Fund. There may be additional costs involved when investing into these underlying funds. In particular, as an investor in such funds, the Sub-Fund will ultimately

bear the fees and expenses of the underlying funds including management fees charged by the underlying management company. There is also no guarantee that the underlying funds will always have sufficient liquidity to meet the Sub-Fund's redemption requests as and when made. Investors should also note that the Sub-Fund's investment in another money market fund is not the same as the Sub-Fund placing funds on deposit with a bank or a deposit-taking company. A money market fund does not guarantee principal, and units or shares in such money market fund may not be redeemed by the Sub-Fund at its offer value. If the Sub-Fund invests in other money market funds managed by the Manager or Connected Person of the Manager, all initial charges and redemption charges on these money market funds must be waived, and the Manager must not obtain rebate of any fees or charges levied by these funds or any quantifiable monetary benefits in connection with investments in these funds. In addition, where an underlying fund is managed by the Manager, all management fees charged by the underlying fund will be waived for the Sub-Fund. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Mid-capitalization companies risk

The Sub-Fund invests in large to mid-capitalization companies. The stocks of mid-capitalization companies may have lower liquidity and their prices are typically more volatile to adverse business or economic developments than those of larger capitalization companies.

Risks relating to securities lending transactions

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.

Counterparty risk: If the borrower defaults, there is a risk that the collateral held by the Sub-Fund may be realised at a value lower than the value of the securities lent. This may be due to adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, default or insolvency of the collateral issuer or the illiquidity of the market in which the collateral is traded.

Operational risk: Securities lending transactions entail operational risks such as settlement failure or delays in the settlement of instructions. There can be no assurance that the objective sought to be obtained from use of securities lending transactions will be achieved.

Reliance on the Index Provider risk

The Manager will rely solely on the Index Provider for information as to the constituents of the Index. 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.

Operating risk

There is no assurance that the performance of the Sub-Fund will be identical to the performance of the Index. The level of fees, taxes and expenses payable by the Sub-Fund will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the Sub-Fund can be estimated, the growth rate of the Sub-Fund, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the Sub-Fund or the actual level of its expenses.

Passive investment risk

The Sub-Fund is not actively managed. Accordingly, the Sub-Fund may be affected by a decline in the market segments relating to the relevant Index. The Manager will not have the discretion to adapt to market changes due to the inherent nature of the Sub Fund and will not take defensive positions in declining markets, which means that falls in the Index are expected to result in corresponding falls in the Net Asset Value of the Sub-Fund, and investors may lose a significant part of their investment.

Distribution out of/effectively out of capital risk

Payment of dividends out of capital and/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 such original investments. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the Sub-Fund. This may also reduce the capital that the Sub-Fund has available for investment in future and may constrain capital growth.

Reliance on Market Makers risk

Although the Manager will ensure that at least one Market Maker will maintain a market for the Units, it should be noted that liquidity in the market for the Units may be adversely affected if there is no Market Maker for the Units. The Manager will seek to mitigate this risk by ensuring at least one Market Maker gives not less than 3 months' notice prior to terminating market making arrangement under the relevant market making agreements.

It is possible that there will only be one SEHK Market Maker 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.

Hong Kong Stamp Duty

No stamp duty is payable in respect of any contract notes or instruments of transfer relating to transactions in all Units.

No stamp duty is payable by an investor in relation to the creation of Units or the redemption of Units.

Mainland China Taxation

The following summary of mainland Chinese 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 Units. 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 Units both under the laws and practice of mainland China and the laws and practice of their respective jurisdictions. The information below is based on the law and practice in force in mainland China at the date of this Appendix. 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 Appendix. 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.

By investing in securities (including A-Shares) issued by mainland Chinese tax resident enterprises, irrespective of whether such securities are issued or distributed onshore ("**onshore mainland Chinese securities**") or offshore ("**offshore mainland Chinese securities**", and together with onshore mainland Chinese securities, the "**Onshore and Offshore Mainland Chinese Securities**"), the Sub-Fund may be subject to mainland Chinese taxes.

Corporate Income Tax ("CIT") / Withholding Income Tax ("WIT")

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

The Manager and the Trustee intend to manage and operate the Trust and the Sub-Fund in such a manner that the Trust and the Sub-Fund should not be treated as tax resident enterprises of mainland China or non-tax resident enterprises with a PE in mainland China for CIT purposes, although this cannot be guaranteed.

Unless a specific exemption or reduction is available under current mainland Chinese tax laws and regulations or relevant tax treaties, non-tax resident enterprises without PE in mainland China are subject to CIT on a withholding basis (“WIT”), generally at a rate of 10%, to the extent it directly derives mainland Chinese sourced income. mainland Chinese sourced income (such as dividend income, interest income and capital gains) may arise from investments in the Onshore and Offshore Mainland Chinese Securities. Accordingly, the Trust or the Sub-Fund may be subject to WIT and/or other mainland Chinese taxes on any cash dividends, distributions, capital gains and interests it receives from its investment in Onshore and Offshore Mainland Chinese Securities.

Dividends

Pursuant to 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 “**Arrangement**”) regarding the tax charged on dividends received by the non-resident holders of shares issued by mainland Chinese resident companies, Hong Kong tax residents who are able to obtain the certificate of resident status are the beneficial owners and directly hold at least 25% of the equity of the company paying the dividends as well as fulfil other applicable conditions would be able to enjoy the reduced tax rate of 5%. Due to the Sub-Fund’s investment restriction, the Sub-Fund will not hold more than 10% of any ordinary shares issued by any single issuer.

Pursuant to the “Notice about the tax policies related to the Shanghai-Hong Kong Stock Connect” (Caishui [2014] No.81) (“**Notice No.81**”) and the “Notice about the tax policies related to the Shenzhen-Hong Kong Stock Connect” (Caishui [2016] No.127) (“**Notice No.127**”) promulgated by the Ministry of Finance of the People’s Republic of China (“**the MoF**”), the State Taxation Administration of the People’s Republic of China (“**STA**”) and the China Securities Regulatory Commission (“**CSRC**”) on 14 November 2014 and 5 November 2016 respectively, dividends received by Hong Kong and overseas investors (including the Sub-Fund) from China A-Share investment via Stock Connect will be subject to 10% WIT 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 tax bureau in-charge of the payer for a refund.

Capital gains

Stock Connect

Pursuant to Notice No. 81 and Notice No. 127, mainland Chinese CIT will be temporarily exempted on capital gains derived by Hong Kong and overseas investors (including the Sub-Fund) on the trading of A-Shares through the Stock Connect. Based on Notice No. 81 and Notice No. 127 and having taken and considered independent professional tax advice, no provision for gross realised or unrealised capital gains derived from trading of A-Shares via Stock Connect is made by the Manager on behalf of the Sub-Fund.

Value-added Tax (“VAT”) and surtaxes

Capital gains

Stock Connect

According to Circular 36, Notice No. 127 and Circular 10, Investors from Hong Kong market are exempt from VAT on gains from trading China A-shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect since 1 May 2016.

Dividend

Dividend income or profit distributions on equity investment derived from China are not included in the taxable scope of VAT.

Having said that, it is uncertain how long the above VAT exemption treatments will last and whether it will be repealed and re-imposed retrospectively.

If VAT is applicable, there are also other local surtaxes (including Urban Maintenance and Construction Tax (“**UMCT**”), Education Surcharge (“**ES**”) and Local Education Surcharge (“**LES**”)) that could amount to as high as 12% of the VAT payable. Having said that, pursuant to UCMT law, effective from 1 September 2021, no UCMT would be levied on the VAT paid for the sale of services by overseas parties to PRC domestic parties. Furthermore, Public Notice [2021] No.28 stipulates that the taxation basis of ES and LES are the same as that of the UCMT. In other words, if UCMT is exempt, the relevant ES and LES would also be exempt. However, the implementation of the exemption may vary depending on the local practice.

Stamp duty (“SD”)

According to the PRC Stamp Duty Law (“**SD Law**”), entities and individuals who conclude dutiable documents and conduct security trading transactions within the territory of mainland China are the taxpayers of SD and shall pay SD in accordance with SD Law. “Security trading transaction” prescribed in the SD Law refers to the transfer of shares and share-based depositary receipts traded on stock exchanges as well as other national securities exchanges approved by the State Council. The transferor of these in-scope securities is subject to SD for security transaction at 0.1%, while the transferee is not subject to SD. Effective from 28 August 2023, SD levied on securities transactions has been halved by Public Notice [2023] No.39.

It should also be noted that the actual applicable tax rates imposed by STA and local 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 mainland Chinese tax liabilities. Consequently, Unitholders may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Units.

If the actual applicable tax rate levied by STA or local 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 the Sub-Fund may suffer more than the tax provision amount as the Sub-Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new Unitholders will be disadvantaged. On the other hand, if the actual applicable tax rate levied by STA is lower than that provided for by the Manager so that there is an excess in the tax provision amount, Unitholders who have redeemed their Units before STA’s 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 Unitholders 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 Sub-Fund as assets thereof. Notwithstanding the above provisions, Unitholders who have already redeemed their Units in the Sub-Fund before the return of any overprovision to the account of the Sub-Fund will not be entitled or have any right to claim any part of such overprovision.

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

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

It should also be noted that there is a possibility that mainland Chinese tax laws, regulations, rules/interpretation and enforcement may change in the future and may apply retrospectively. As such, any provision for taxation that may need to be made by the Manager may be excessive or inadequate to cover mainland China tax liabilities. Consequently, unitholders may be disadvantaged depending upon the final tax liabilities, the level of provision, and when they subscribed and/or redeemed their Units. If the provision for taxation made by the relevant Manager is inadequate to cover the actual mainland Chinese liabilities, the Sub-Fund may have to indemnify the Manager for any mainland China tax suffered by the Manager in its capacity as the Manager for the Sub-Fund.

Investors should seek their own tax advice on their mainland Chinese tax position on their investment in the Sub-Fund.

Appendix dated 10 June 2026

APPENDIX 3 – E Fund (HK) HKEX Tech 100 Index ETF

Key information

Set out below is a summary of key information in respect of the Sub-Fund which should be read together with the full text of this Prospectus.

Index	HKEX Tech 100 Net Total Return Index (the “Index”)
Type of index	Net total return, i.e. the performance of the Index reflects the reinvestment of dividends and distributions, net of withholding tax, from the Index constituents.
Index Provider	HKEX Indices and Benchmarks Limited
Initial Issue Date	25 June 2026
Listing Date (SEHK)	Expected to be 26 June 2026, but may be postponed by the Manager to no later than 13 July 2026
Exchange Listing	SEHK – Main Board
Stock Code	03456
Trading Board Lot Size	100 Units
Base Currency	Hong Kong dollar (HKD)
Trading Currency	Hong Kong dollars (HKD)
Distribution Policy	The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount of dividends. However, there is no guarantee of regular distribution nor the amount being distributed (if any). Distributions on all Units, if any, will be in HKD only. Dividends may be paid out of capital, or out of gross income and all or part of the fees and expenses may be charged to capital at the Manager’s discretion, resulting in an increase in distributable income for the payment of dividends and therefore, dividends may be paid effectively out of capital. This may result in an immediate reduction of Net Asset Value per Unit.
Creation Policy	During the Initial Offer Period: Cash (HKD only) After Listing: Cash (HKD only) or in-kind or combination of both
Redemption Policy	Cash (HKD only) or in-kind or combination of both
Application Unit size (only by or through Participating Dealers)	Minimum 200,000 Units (or multiples thereof)
Dealing deadline	During the Initial Offer Period: 5:00 p.m. After Listing: - 3:00 p.m. – cash application or combination of cash and in-kind application

	- 4:15 p.m. – in-kind application
Management Fee	Currently 0.50% per year of the Net Asset Value accrued daily and calculated as at each Dealing Day.
Trustee Fee	Currently 0.06% per annum of the Net Asset Value of the Sub-Fund, subject to a minimum fee of USD3,000 per month.
Investment Strategy	Physical full replication strategy or representative sampling strategy. Please refer to the section on “What is the Investment Strategy?” below
Financial Year End	31 December
Service Agent	HK Conversion Agency Services Limited
Website	http://www.efunds.com.hk (the contents of this website have 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.

What is the Investment Strategy?

In seeking to achieve the Sub-Fund’s investment objective, the Manager will either use a full replication strategy or a representative sampling strategy as the Manager believes to be appropriate in order to achieve the investment objective of the Sub-Fund by tracking the Index as closely as possible to the benefit of the investors. The Sub-Fund may switch between the full replication strategy and the representative sampling strategy in its absolute discretion without prior notice to investors.

In pursuing the full replication strategy, the Sub-Fund will invest in substantially all securities constituting the Index (the “**Index Securities**”) in substantially the same weightings (i.e. proportions) as these Index Securities have in the Index.

In pursuing the representative sampling strategy, the Manager may:

- (i) invest in a representative sample whose performance is closely correlated with the Index, but whose constituents may or may not themselves be constituents of the Index;
- (ii) invest less than 30% of the Sub-Fund’s Net Asset Value in collective investment schemes (“**CIS**”), each being either an exchange traded fund or an unlisted index tracking fund which tracks an index that has a high correlation with the Index. Such CIS may be authorised by the SFC, eligible schemes under Chapter 7.11A of the Code, or non-eligible schemes. For the avoidance of doubt, the Sub-Fund’s aggregate investment in non-eligible schemes and not authorised by the SFC may not exceed 10% of the Net Asset Value of the Sub-Fund; and/or
- (iii) invest in financial derivative instruments (“**FDIs**”) including futures, Swaps, participatory notes and structured notes with less than 30% 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. For the avoidance of doubt, the aggregate investments in participatory notes and structured notes will not exceed 10% of the Sub-Fund’s Net Asset Value. The Manager is independent of the Swap Counterparties of the total return swap transaction(s) invested by the Sub-Fund. Each Swap Counterparty for such transactions will be independent counterparties approved by the Manager with credit rating of at least BBB-

(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 or substantial financial institutions. The Swap Counterparties are monitored on an on-going basis as well as reviewed at least once a year by the Manager to ensure they continue to meet the aforesaid selection criteria.

In pursuing a representative sampling strategy, 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.

Other investments

The Sub-Fund may invest in money market funds (subject to the investment restrictions as set out in Chapter 7 of the Code), and in cash deposits and cash equivalents for cash management purposes, up to 30% of its Net Asset Value.

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.

As part of the securities lending transactions, the Sub-Fund must receive cash and/or non-cash collateral 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 and be safekept by the Custodian. The valuation of the collateral generally takes place on trading day T. If the value of the collateral falls below 100% of the value of the securities lent on any trading day T, the Manager will call for additional collateral on trading day T, and the borrower will have to deliver additional collateral to make up for the difference in securities value, with settlement of such delivery expected to occur on or before trading day T+2. Non-cash collateral received may not be sold, re-invested or pledged. Please refer to "Collateral" under the section headed "Investment Objective, Strategy and Restrictions" in Part 1 of this Explanatory Memorandum for details of the requirements in relation to collateral received as part of the securities lending transactions.

In conducting securities lending transactions, the Manager will select independent counterparties approved by the Manager which (i) are incorporated in countries of high credit quality; (ii) have a minimum long-term credit rating of A2 or short-term credit rating of P2 by Moody's or equivalent assigned by reputable credit rating agencies; or (iii) be a licensed corporation with the SFC or registered institution with the Hong Kong Monetary Authority. All the revenues arising from securities lending 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. Please refer to "Securities financing transactions" under the section headed "Investment Objective, Strategy and Restrictions" in Part 1 of this Explanatory Memorandum for details of the Manager's policy in relation to securities lending transactions.

The Manager does not currently intend to enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions on behalf of the Sub-Fund. The Manager will seek prior approval of the SFC (to the extent required under applicable regulatory requirements) and provide at least one month's prior notice to Unitholders before the Manager engages in any such transactions.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

The Offering Phases

Initial Offer Period

The Initial Offer Period commences at 9:00 a.m. (Hong Kong time) on 18 June 2026 and ends at 5:00 p.m. (Hong Kong time) on 24 June 2026, or such other date as the Manager may determine.

The Listing Date is expected to be on 26 June 2026 but may be postponed by the Manager to a date no later than 13 July 2026.

The Issue Price of Units which is the subject of a Creation Application during the Initial Offer Period is HKD 7.8 per Unit, or such other amount determined by the Manager with the approval of the Trustee. Creation Applications can be made in cash (in HKD only).

The table below summarises the offering methods and related fees during the Initial Offer Period.

<u>Method of Offering</u>	<u>Minimum Number of Units (or multiple thereof)</u>	<u>Channel</u>	<u>Available to</u>	<u>Consideration, Fees and Charges*</u>
Cash creation	Application Unit size	Through Participating Dealers only	Participating Dealers or any person acceptable to the Participating Dealer as its client	Cash (in HKD only) Portfolio of Securities and cash component (in HKD only) Transaction Fee (payable in HKD only) Any fees and charges imposed by the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Transaction Fee payable to the Trustee (payable in the currency as specified in the section "Fees and Expenses") Transaction Fee payable to the

				Service Agent (payable in HKD) Duties and Charges (payable in HKD)
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After Listing

Subject to the granting of listing of, and permission to deal in, the Units of the Sub-Fund on the SEHK as well as the compliance with the stock admission requirements of HKSCC, such Units will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in such Units on the SEHK or on any other date HKSCC chooses.

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.

Dealings in the Units of the Sub-Fund are expected to commence on 26 June 2026 but may be postponed by the Manager to a date no later than 13 July 2026.

The current Dealing Deadline is 3:00 p.m. (Hong Kong time) (for cash application or combination of cash and in-kind application) or 4:15 p.m. (Hong Kong time) (for in-kind application) on the relevant Dealing Day.

Creation Applications can be made in cash (in HKD only), in-kind or in combination of both. Settlement for subscribing Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The table below summarises the offering methods and related fees After Listing.

<u>Method of Acquisition or Disposal of Units</u>	<u>Minimum Number of Units (or multiple thereof)</u>	<u>Channel</u>	<u>Available to</u>	<u>Consideration, Fees and Charges*</u>
Purchase and sale in cash through brokers on the SEHK (secondary market) in HKD	Board lot size	On the SEHK	Any investor	Market price of Units on SEHK in HKD Brokerage fees and Duties and Charges
Cash creation and redemption in-kind creation and redemption or combination of both	Application Unit size	Through Participating Dealers only	Participating Dealers or any person acceptable to the Participating Dealer as its client	Cash (in HKD only) Portfolio of Securities and cash component (in HKD only) Transaction Fee (payable in HKD only) Any fees and charges imposed by

				the Participating Dealer (payable to the Participating Dealer in the currency determined by or agreed with it) Transaction Fee payable to the Trustee (payable in the currency as specified in the section “Fees and Expenses”) Transaction Fee payable to the Service Agent (payable in HKD) Duties and Charges (payable in HKD)
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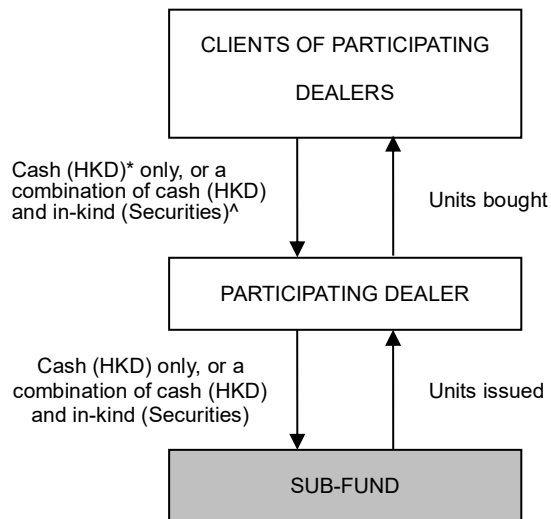
* Please refer to “Fees and Expenses” for further details.

The attention of investors is drawn to the section entitled “The Offering” in Part 1 of this Prospectus.

Diagrammatic illustration of investment in the Sub-Fund

The diagrams below illustrate the issue or redemption and the buying or selling of Units:

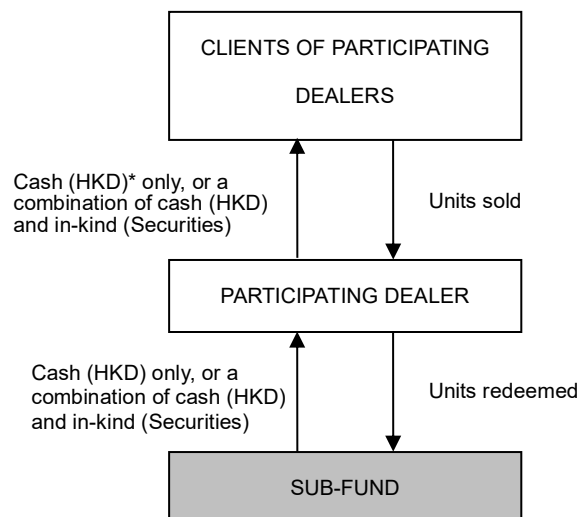
(a) Issue and buying of Units in the primary market – Initial Offer Period and After Listing



* Clients of the Participating Dealers may agree with the Participating Dealers settlement in another currency.

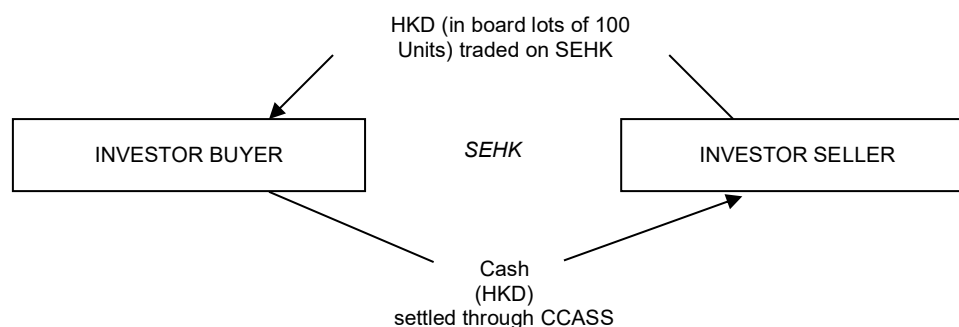
^ Creation Applications can only be made in cash (in HKD only) during the Initial Offer Period.

(b) Redemption and sale of Units in the primary market – After Listing



* Clients of the Participating Dealers may agree with the Participating Dealers settlement in another currency.

(c) Buying or selling of Units in the secondary market on the SEHK – After listing



Creations and Redemptions through Participating Dealers

Units are created at the Issue Price by creation in cash (in HKD only), in-kind or in combination of both (except that during the Initial Offer Period Creation Applications can only be made in cash (in HKD only)) and redeemed at the Redemption Value by redemption in cash (in HKD only), in-kind or in combination of both through Participating Dealers in Application Unit size or multiples thereof.

All Creation Applications may be made in cash (in HKD only), in-kind or in combination of both. Settlement in cash for subscribing Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The attention of investors is drawn to the section entitled “The Offering” in Part 1 of this Prospectus.

All Units can be redeemed (through a Participating Dealer) in cash (in HKD only), in-kind or in combination of both. All accepted Redemption Applications will be effected on the Settlement Day. Payment of redemption proceeds will be settled within one calendar month from the receipt of a properly documented Redemption Application provided that there is no delay in submitting all duly completed redemption documentation and the determination of the Net Asset Value or dealing in Units is not suspended.

Please refer to the section entitled “Creations and Redemptions (Primary Market)” in Part 1 of this Prospectus for details.

Summary of timetable

The following table summarises all key events and the Manager’s expected timetable:

(a) Initial Offer Period commences Participating Dealers may apply for creation for themselves or for their clients in a minimum number of 200,000 Units (or multiples thereof)	9:00 a.m. (Hong Kong time) on 18 June 2026 but may be postponed by the Manager to no later than 9:00 a.m. (Hong Kong time) on 7 July 2026
(b) The date that is at least 2 Business Days prior to the Listing Date Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	5:00 p.m. (Hong Kong time) on 24 June 2026 but may be postponed by the Manager to a date no later than 9 July 2026
(c) After Listing (period commences on	

the Listing Date) • All investors may start trading Units on the SEHK through any designated brokers; and • Participating Dealers may apply for creation and redemption (for themselves or for their clients) in a minimum number of 200,000 Units (or multiples thereof) continually	• During the trading hours of the SEHK on 26 June 2026, but may be postponed by the Manager to a date no later than 13 July 2026 • 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) on each Dealing Day (for cash Creation Application or combination of cash and in-kind Creation Application) or 4:15 p.m. on each Dealing Day (for in-kind Creation Application)
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Exchange listing and trading (secondary market)

General

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Units.

Units 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 Units 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 Units are expected to commence on 26 June 2026. All Units will be traded on the SEHK in board lots of 100 Units. Participating Dealers should note that they will not be able to sell or otherwise deal in the Units on the SEHK until dealings begin on the SEHK.

The Units have a SEHK stock code 03456 and a short name EFUND HKEX TECH with International Securities Identification Number (ISIN) HK0001311247.

Redemptions

All Units can be redeemed directly (through a Participating Dealer). Any accepted Redemption Application will be effected in accordance with the Operating Guidelines and the Trust Deed.

Distribution policy

The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount of dividends. Distributions on all Units, if any, will be in HKD only.

Dividends may be paid out of capital, or out of gross income and all or part of the fees and expenses may be charged to capital at the Manager's discretion, resulting in an increase in distributable income for the payment of dividends and therefore, dividends may be paid effectively out of capital. This may result in an immediate reduction of Net Asset Value per Unit.

The Manager may amend the Sub-Fund's distribution policy in its discretion and any distribution policy with respect to distributions out of capital or effective distributions out of capital of the Sub-Fund will be subject to the SFC's prior approval (if required) and not less than one month's prior notice to Unitholders.

Fees and Expenses

Management Fee

The maximum Management Fee is up to 2.00% per annum of the Net Asset Value of the Sub-

Fund. Currently, the Manager is entitled to receive a management fee of up to 0.50% per year of the Net Asset Value of the Sub-Fund. The management fee in respect of the Sub-Fund is accrued daily and calculated as at each Dealing Day and payable monthly in HKD in arrears. This fee is payable out of the Trust Fund.

Trustee's and Registrar's Fee

The maximum Trustee Fee is up to 1.00% per annum of the Net Asset Value of the Sub-Fund. Currently, the Trustee is entitled to receive, out of the assets of the Sub-Fund a trustee's fee of 0.06% per year of the Net Asset Value of the Sub-Fund (calculated as a percentage of the Net Asset Value of the Sub-Fund), subject to a monthly minimum of USD3,000. The Trustee Fee is payable monthly in arrears, accrued daily and calculated as at each Dealing Day, together with any monthly fund administration and/or custody fees.

The Trustee Fee may be increased up to the maximum on one month's notice to Unitholders (or such shorter period as approved by the SFC). The administrative and custodian fees are included in the Trustee Fee.

The Registrar's fee for updating of the register record of the Sub-Fund is USD 790 per month.

Other fees and expenses

Please refer to "Fees and Expenses Payable by the Sub-Funds" and "Establishment Costs" under the "Fees and Expenses" section in Part 1 of this Prospectus for details.

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 designed to measure the performance of 100 of the largest Hong Kong-listed companies with high exposure to key tech themes, that are eligible for Southbound Trading of the Shanghai-Hong Kong or Shenzhen-Hong Kong Stock Connect Program (the "**Southbound Stock Connect**"), addressing growing market demand for diversified exposure to the technology sector.

The Index is a net total return index. Its performance reflects the reinvestment of dividends and distributions, net of withholding tax, from the Index constituents. The Index is free float adjusted market capitalisation weighted index, whereby the weights of Index constituents are based on their investable market capitalisations, with 12% cap at individual security level.

The Index was launched on 9 December 2025 and had a base level of 10,000 on 31 December 2020. As of 29 May 2026, the Index had a total market capitalisation of approximately HKD12,740 billion and 100 constituents.

The Index is denominated and quoted in HKD.

Index Provider

The Index is developed and owned by HKEX Indices and Benchmarks Limited (the "**Index Provider**") and calculated by Solactive AG.

The Manager (and each of its Connected Persons) are independent of the Index Provider and Solactive AG.

Index Universe

The universe for the Index includes securities listed on the Main Board of the SEHK that are eligible for the Southbound Stock Connect. Investment Companies listed under Chapter 21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) are excluded.

Constituent Eligibility Requirements

Security is eligible for selection if it fulfils all the criteria below:

(A) Tech Themes Segments

- (a) A company is considered to have high business exposure to any one of the following themes (“Tech Themes Segment”):

Tech Themes Segments	Definition
(1) Artificial Intelligence (“AI”)	includes companies involved in the development of AI technology, AI solutions and businesses primarily powered by AI
(2) Biotech and Pharmaceutical	includes companies involved in drug research and development (exclude Chinese medicines), biotechnology, and pharmaceutical and medical devices
(3) Electric Vehicles (“EV”) and Smart Driving	includes companies involved in the manufacturing of electric vehicles and related components, smart-driving and autonomous-driving systems, smart vehicles, and EV batteries
(4) Information Technology (“IT”)	includes companies involved in IT equipment and electronics, software and services, semiconductors, cloud-based services, and data centers
(5) Internet	includes companies primarily involved in online or digital platforms, e-commerce, internet-based sales services, and digital or electronic payment services
(6) Robotics	includes companies involved in development of industrial or medical robot technology, automated systems and related components

All changes to the index methodology, including the Tech Themes Segments and definitions, are subject to approval by the Index Oversight Committee of the Index Provider and are reviewed at least annually to ensure that the index continues to achieve its stated index objectives.

The assessment of whether a company has a high business exposure to any one Tech Themes Segments is carried out in the following order:

- (i) First, the company must be classified into any one of the following industries or sectors as defined in the FactSet Industries and Economic Sectors Classification¹⁴:
 - a. Consumer Durables;
 - b. Consumer Non-Durables;
 - c. Consumer Services;
 - d. Healthcare;
 - e. Industrials;
 - f. Technology; and
 - g. Finance;
- (ii) Then, the company must satisfy the revenue distribution requirement below:

Revenue distribution: The company will be considered to have high business exposure to a Tech Themes Segment if more than 50% of the company's total revenue is attributable to a single in-scope Tech Themes Segment. If no single Tech Themes Segment accounts for more than 50% of total revenue, the company will be eligible if the in-scope Tech Themes Segment represents the largest proportion of the company's total revenue and contributes at least 30% of its total revenue.

The information used for assessment of (ii) above is sourced from publicly available information, including (but not limited to) HKEX website, financial reports, IPO prospectuses, company announcements, and official company profile.

- (b) Alternatively and notwithstanding (a) above, "Biotech Companies" listed under Chapter 18A of the Listing Rules or "Specialist Technology Companies" listed under Chapter 18C of the Listing Rules¹⁵ will also be regarded as eligible.

(B) Listing History Requirement

Non-constituent securities must have been listed for at least six months. The listing history requirement does not apply under Fast Entry Rule (explained below).

(C) Liquidity Requirement

Securities (i) with an average daily turnover of less than HKD 20 million over the past six months and (ii) ranked in the bottom 10% by average daily turnover during the same period will be excluded. The two conditions are conjunctive.

¹⁴ FactSet Industries and Economic Sectors Classification is a proprietary industry classification system maintained by FactSet in which every company carried in any of the fundamental databases on FactSet is assigned to a FactSet industry. The current coverage for FactSet Industries and Economic Sectors is approximately five million entities spanning public, private, subsidiaries, private equity portfolio companies, etc..

¹⁵ "Biotech Companies" listed under Chapter 18A of the Listing Rules are companies primarily engaged in the research and, development, application and commercialisation of biotech products, processes or technologies. Please see Chapter 18A of the Listing Rules at <https://en-rules.hkex.com.hk/rulebook/chapter-18a-biotech-companies> for further details.

"Specialist Technology Companies" listed under Chapter 18C of the Listing Rules are companies primarily engaged (whether directly or through its subsidiaries) in the research and development of, and the commercialisation and/or sales of, Specialist Technology Product(s) within an acceptable sector of a Specialist Technology Industry, i.e., an industry or an acceptable sector (as the case may be) that is included in a list of Specialist Technology Industries set out in guidance published on the SEHK's website (https://www.hkex.com.hk/Listing/Rules-and-Resources/Guidance/IPO/Listing-of-Specialist-Technology-Companies?sc_lang=en), as updated from time to time.

(D) Fundamental Requirement

Securities with a Research and Development (R&D) expenses-to-sales ratio below 3% and sales growth below 5% over the past two fiscal years will be excluded. However, “Biotech Companies” listed under Chapter 18A of the Listing Rules and “Specialist Technology Companies” listed under Chapter 18C of the Listing Rules are exempt from this requirement.

Companies with high shareholding concentration (according to the announcement published by the SFC from time to time) are ineligible for inclusion.

Companies with high shareholding concentration are excluded at each semi-annual index review which takes place in June and December. The list is published by the SFC from time to time on its website, referencing to <https://www.sfc.hk/en/News-and-announcements/High-shareholding-concentration-announcements>.

Ranking of constituents

Eligible securities are ranked in descending order by their average daily market capitalisation over the past 12 months. For securities listed for less than 12 months, the average daily market capitalisation is calculated since the listing date.

The top 100 securities with the highest market capitalisation will be selected as index constituents. If fewer than 100 eligible securities are available, all eligible securities will be included.

Index Weighting and Rebalancing

Constituents are weighted by free-float adjusted market capitalisation, with 12% cap at individual security level.

A discount factor of 0.5 will be applied to the free-float market capitalisation for constituent with listing history less than six months.

Index recapping and rebalancing is conducted quarterly in March, June, September and December, with all changes generally implemented after market close on the second Friday of the month and becoming effective on the following trading day. The cutoff date for prices used for the recapping and rebalancing is generally the Monday preceding the implementation date.

Index Periodical Review and Ongoing Review

Semi-annually Index Review

The Index is reviewed semi-annually, with all changes generally implemented after market close on the second Friday of June and December, and becoming effective on the following trading day. The data cut-off dates for index review are the last trading day of April and October, respectively. During these reviews, all eligibility criteria, thematic assessments, and ranking rules are applied in full. New constituents may be added, and existing constituents may be removed based on the methodology. The results of the index review are generally announced two weeks prior to the effective date.

Buffer Zone Arrangement: Existing constituents ranked below 120th will be removed from the index, while non-constituents ranked 80th or above will be added. Stocks will be added to or removed from the index to maintain the number of constituents at 100.

Quarterly adjustments

In addition to the semi-annual review, the list of Southbound Stock Connect eligible securities is subject to quarterly adjustment in March and September.

Existing constituents that have been removed from Southbound Stock Connect will be removed from the Index and replaced by the next highest ranked non-constituent candidate from the last

semi-annual review. All changes are generally implemented after market close on the second Friday of March and September and becoming effective on the following trading day.

New Southbound Stock Connect eligible securities will not be added during the quarterly adjustment, unless they meet the criteria for the Fast Entry Rule explained under the ad hoc changes below. Otherwise, these securities will generally be considered only at the next semi-annual index review.

Ad-hoc changes

Fast Entry Rule: If a security ranks among the top 35 of the existing constituents by market capitalisation after the close of its first day of inclusion in Southbound Stock Connect (in March or September), it will be added to the Index after the close of the fifth trading day following such first day of inclusion in Southbound Stock Connect. The listing history requirement does not apply under Fast Entry Rule. For the avoidance of doubt, no existing constituents will be removed as a result of the fast entry of a security, the Index will be reset to 100 constituents at the next semi-annual review in accordance with the index methodology above.

If an existing constituent loses the Southbound Stock Connect eligibility outside the quarterly adjustment due to reasons such as delisting, the relevant constituent will be removed from the Index. All changes are generally implemented after the close of the fifth trading day following the occurrence of the relevant event. The constituents that have been removed from Southbound Stock Connect will be removed from the Index and will not be replaced until the next regular semi-annual review where the number of constituents will be reset to 100.

Index Constituents and additional information

The Index composition (including a list of the constituents of the Index and their respective weightings), the index methodology and additional information of the Index is available on the website of the Index Provider at https://www.hkex.com.hk/services/market-data-services/index-services/hkex-tech-100/tech-100-index?sc_lang=en#&product=HKEXT100 (this website has not been reviewed or approved by the SFC).

Bloomberg Code: HKEXTN

Index Licence Agreement

The Manager has entered into an index licensing agreement with the Index Provider with effect from 6 May 2026. Such index licensing agreement shall continue in full force and effect unless terminated in accordance with its terms.

Index Provider Disclaimer

HKEX Indices and Benchmarks Limited (“HKEX-IB”), its affiliates, information providers and any other third parties (“HKEX-IB Parties”) involved in, or related to, computation, compilation, publication, dissemination, or provision of HKEX Tech 100 Index do not sponsor, endorse, sell, or promote the E Fund (HK) HKEX Tech 100 Index ETF (the “Sub-Fund”) and make no representation or warranty, express or implied, and shall have no liability to any person including the owners of the Sub-Fund or any member of the public with regard to the Sub-Fund including regarding the legality, suitability advisability of investing in the underlying assets or financial products generally, or in the Sub-Fund in particular.

HKEX-IB’s only relationship with E Fund Management (Hong Kong) Co., Limited is the licensing of HKEX Tech 100 Index and certain trademarks, service marks, and/or trade names of HKEX-IB or its affiliate. HKEX Tech 100 Index and such marks and trade names are the exclusive property of HKEX-IB and its affiliate. HKEX Tech 100 Index is determined, composed, and calculated by HKEX-IB Parties without regard to the Sub-Fund or its performance. HKEX-IB Parties may cease to compute, compile or publish HKEX Tech 100 Index and may change its computation from time to time without liability to any person and have no obligation to take the needs of E Fund Management (Hong Kong) Co., Limited or the investors of the Sub-Fund into

consideration in determining, composing, or calculating HKEX Tech 100 Index.

HKEX-IB PARTIES DO NOT GUARANTEE THE ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF HKEX TECH 100 INDEX OR ANY DATA INCLUDED THEREIN AND SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN.

HKEX-IB PARTIES MAKE NO WARRANTY, EXPRESS OR IMPLIED, AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS, SHALL HAVE NO LIABILITY OF ANY KIND TO ANY PERSON WITH RESPECT TO HKEX TECH 100 INDEX OR ANY DATA INCLUDED THEREIN INCLUDING WITHOUT LIMITATION (I) THE RESULTS TO BE OBTAINED BY E FUND MANAGEMENT (HONG KONG) CO., LIMITED, INVESTORS IN THE SUB-FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF HKEX TECH 100 INDEX OR ANY DATA INCLUDED THEREIN. (II) USEFULNESS, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO HKEX TECH 100 INDEX OR ANY DATA INCLUDED THEREIN; (III) THE ABILITY OF HKEX TECH 100 INDEX TO TRACK GENERAL MARKET PERFORMANCE OR GENERAL PERFORMANCE OF ANY UNDERLYING ASSETS, THEIR PRICES OR OTHERWISE.

An investor by subscribing or purchasing the Sub-Fund will be regarded as having acknowledged, understood and accepted the disclaimer above.

Information available on the Internet

The Manager will publish important news and information with respect to the Sub-Fund (including in respect of the Index), both in the English and in the Chinese languages, on the Manager's website at <http://www.efunds.com.hk> (the contents of this website and any other websites referred to in this Appendix have not been reviewed by the SFC) and the HKEX's website at www.hkex.com.hk (in respect of (a), (b), (c), (d) and (f) below) including:

- (a) the Prospectus (including this Appendix) and the product key fact statement in respect of the Sub-Fund (as revised from time to time);
- (b) the latest annual and semi-annual financial reports (in English only);
- (c) any notices for material alterations or additions to the Sub-Fund's offering documents or constitutive documents;
- (d) any public announcements made by the Sub-Fund, including information with regard to the Sub-Fund and Index, notices of the suspension of the calculation of the Net Asset Value, changes in fees and the suspension and resumption of trading;
- (e) the tracking difference and tracking error of the Sub-Fund;
- (f) the near real time indicative Net Asset Value per Unit updated every 15 seconds during normal trading hours on the SEHK in HKD;
- (g) the last Net Asset Value of the Sub-Fund in HKD and the last Net Asset Value per Unit of the Sub-Fund in HKD;
- (h) full portfolio information of the Sub-Fund (updated on a daily basis);
- (i) the compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months;
- (j) the latest list of the Participating Dealers and Market Makers; and
- (k) the past performance information of the Sub-Fund.

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 the risks, in the opinion of the Manager and its directors, 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.

New index risk

The Index is a new index. The Index has minimal operating history by which investors can evaluate its previous performance. There can be no assurance as to the performance of the Index. The Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.

Risk associated with small-capitalisation / mid-capitalisation companies

The Sub-Fund may invest in stocks of 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.

Concentration risk

The constituents of the Index, and accordingly the Sub-Fund's investments, may be concentrated in Hong Kong. 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 Hong Kong market.

Hong Kong listed Chinese companies risks

In tracking the Index, the Sub-Fund will invest in some companies the securities of which are listed on the SEHK and have substantial business operations in mainland China. Investing in such securities is subject to the risks of investing in emerging markets generally. This may involve increased risks and special considerations not typically associated with investment in companies based 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 promulgation of new tax laws, regulations and practice affecting Hong Kong listed Chinese companies may operate to the advantage or disadvantage of the Unitholders. There is a possibility that the current tax laws, regulations and practice applicable to Hong Kong listed Chinese companies will be changed with retrospective effect in the future.

Technology themes sector concentration risks

The constituents of the Index, and accordingly the Sub-Fund's investments, are concentrated in the technology sector themes. Many of the companies with a high business exposure to a technology theme have a relatively short operating history. Technology companies are often characterised by relatively higher volatility in price performance when compared to other economic sectors. Companies in the technology sector also face intense competition, and there may also be substantial government intervention, which may have an adverse effect on profit margins. Rapid changes could render obsolete the products and services offered by these companies. 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. 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.

The technology theme of the Index, hence the underlying securities, centred on artificial intelligence, electric vehicles and smart driving, information technology, Internet or robotics, presents risks such as high computational demands, potential biases in cybersecurity vulnerabilities, as well as regulatory challenges such as compliance with evolving laws and intellectual property disputes. The business for companies in this theme is subject to high volatility which may in turn have adverse effects on the Sub-Fund. A downturn in the business for companies in these sectors or themes may have adverse effects on the Sub-Fund.

Companies in the technology themes sector typically have heavy and significant spending on research and development, and there is no guarantee that the products or services produced by these companies will be successful. Moreover, the businesses of companies with exposure to or investments in a technology theme may be exposed to the risk of cybersecurity breaches, and other issues that could result in increased regulation. Any errors or vulnerabilities that may be discovered in the products after release may adversely affect the business and operating results of such companies in the technology themes sector.

Many of the companies in the technology sector have a relatively short operating history. Companies in the technology sector are often characterised by relatively higher volatility in price performance when compared to other economic sectors. Companies in the technology sector also face intense competition, and there may also be substantial government intervention, which may have an adverse effect on profit margins. Rapid changes could render obsolete the products and services offered by these companies. 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. The Sub-Fund may be exposed to risks associated with different technology sectors and themes (including Internet media and communications industry, consumer discretionary and e-commerce industry, semiconductors industry, software industry, automotive industry and technology hardware industry). A downturn in the business for companies in the technology sector theme may have adverse effects on the Sub-Fund.

Risks associated with biotech and pharmaceutical sector

Companies in the biotech and pharmaceutical sector invest significantly in research and development, which may not always result in commercially viable products. The process of obtaining regulatory approvals, such as product authorisations, can be lengthy and costly. Furthermore, the prospects of these companies may be materially affected by technological changes, increased governmental regulation, and intense competition within the sector.

Many companies in biotech and pharmaceutical sector also rely heavily on the ability to secure, maintain, and enforce intellectual property rights and patents, and any impairment of these rights may have adverse financial consequences. All these factors may impact the business operations and/or profitability of the companies in which the Sub-Fund invests, and therefore may negatively affect the Net Asset Value of the Sub-Fund.

Electric vehicle and smart driving sectors risk

The electric vehicle and smart driving fields are in the early stages of development. Participants in these fields may include electric vehicle manufacturers, electric vehicle component producers, companies that mine or produce chemical and raw materials that are relevant to the electric vehicle and autonomous vehicle technology sector, companies that build autonomous vehicles, and suppliers of autonomous vehicle technologies. Therefore, until the fields expand, it is likely to include participants (e.g. traditional car producers) which have only dedicated a proportion of their operations towards the production of electric vehicles, electric vehicle components, electric vehicle materials and the development of autonomous vehicle technology.

Many of the companies in the electric vehicle and smart driving sectors have a relatively short operating history. Companies in the electric vehicle and smart driving sectors typically face intense competition which may have an adverse effect on profit margins and the prices of the securities of these companies. Their profitability is particularly vulnerable and susceptible to rapid changes in technology, rapid obsolescence of products and services, the loss or breach of intellectual property

rights, government regulation (including but not limited to tax incentives offered), domestic and international competition (including competition from foreign competitors which may have lower production costs), evolving industry standards, introduction of new product and service, fluctuations in supply and demand for their products and services and the company's ability to manufacture electric vehicles, produce electric vehicle components and materials and develop autonomous vehicle technology on schedule to meet consumer demand.

Companies in the electric vehicle and smart driving sectors typically have heavy and significant spending on research and development, and there is no guarantee that the products or services produced by these companies will be successful. Moreover, the businesses of companies with exposure to or investments in autonomous vehicle technology may be exposed to the risk of cybersecurity breaches, traffic accidents related to autonomous vehicles, and other issues that could result in increased regulation. Any errors or vulnerabilities that may be discovered in the products after release may adversely affect the business and operating results of such companies in the electric vehicle and smart driving sectors.

Robotics and artificial intelligence sector risk

The Sub-Fund may, through tracking the Index, invest in the equity securities of companies in the robotics and artificial intelligence sector and, as such, is particularly sensitive to risks to those types of companies. These risks include, but are not limited to, small or limited markets for such securities, changes in business cycles, world economic growth, technological progress, rapid obsolescence, and government regulation. Securities of robotics and artificial intelligence companies, especially companies which have a relatively small market capitalisation and limited operating history, tend to be more volatile than securities of companies that do not rely heavily on technology. Rapid change to technologies that affect a company's products could have a material adverse effect on such company's operating results. Robotics and artificial intelligence companies may rely on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and technologies. There can be no assurance that the steps taken by these companies to protect their proprietary rights will be adequate to prevent the misappropriation of their technology or that competitors will not independently develop technologies that are substantially equivalent or superior to such companies' technology. Increasing global regulatory scrutiny in relation to the collection, storage and usage of data may also impede the development of new robotics and artificial intelligence products, hamper the commercial rollout of such products and affect the market demand.

Companies in the robotics and artificial intelligence sector also typically rely on heavy and significant spending on research and development, and there is no guarantee that the products produced by these companies will materialise into commercially successful products.

Furthermore, as the robotics and artificial intelligence sector may be deemed sensitive to national interests, the sector may be subject to government intervention, sanctions and trade protectionism. Companies in the robotics and artificial intelligence sector may be highly dependent upon government subsidies and incentives (including but not limited to preferential tax treatments) and contracts with government entities, and may be negatively affected if such subsidies are reduced, such preferential tax treatments expires or are discontinued, or contracts are unavailable due to changes in government policies.

The success of companies in the robotics and artificial intelligence sector is typically dependent on the companies' ability to maintain relationships with their technology partners. If a company's relationship with a technology partner were impaired or terminated, the company may not be able to enter into a new technology alliance on a timely basis or on commercially favourable terms, which could result in significant additional cost or disruptions to its businesses.

Risks associated with different technology sectors and themes

The Sub-Fund may be exposed to risks associated with different technology sectors and themes (including Internet media and communications industry, consumer discretionary and e-commerce industry, semiconductors industry, software industry, automotive industry, technology hardware industry, autonomous, cloud, digital, fintech or Internet (including mobile)). A downturn in the

business for companies in these sectors or themes may have adverse effects on the Sub-Fund.

Risk associated with investing in other collective investment schemes

The Sub-Fund may invest in other collective investment schemes and will be subject to the risks associated with the 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 or may not be regulated 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 sufficient liquidity to meet the Sub-Fund's redemption requests as and when made.

Conflicts of interests may arise in a situation where the Sub-Fund invests in other funds managed by the Manager or its Connected Persons (despite that all initial charges and, where the underlying fund is managed by the Manager, all management fees and performance fees on the underlying fund will be waived). The Manager will use its best endeavours to avoid and resolve such conflicts fairly.

Investment in FDIs risk

The Sub-Fund may invest less than 30% of the Net Asset Value in FDIs (being futures and Swaps) for investment and hedging purposes through one or more counterparty(ies). As such, the Sub-Fund may suffer significant loss if a counterparty to the FDIs 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.

In the event that the Manager enters into Swaps in respect of the Sub-Fund, the Manager will seek 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, defaults or becomes insolvent under the Swaps. The value of the collateral 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.

Please refer to the risk factor headed "Financial derivative instruments risk" 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. Please also refer to the sections "Financial Derivative Instruments" and "Collateral" under "Investment Objective, Investment Strategy and Restrictions, Securities Lending and Borrowing" in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

Risks relating to securities lending transactions

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.

Counterparty risk: If the borrower defaults, there is a risk that the collateral held by the Sub-Fund may be realised at a value lower than the value of the securities lent. This may be due to adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, default or insolvency of the collateral issuer or the illiquidity of the market in which the collateral is traded.

Operational risk: Securities lending transactions entail operational risks such as settlement failure or delays in the settlement of instructions. There can be no assurance that the objective sought to be obtained from use of securities lending transactions will be achieved.

Distribution out of/effectively out of capital risk

Payment of dividends out of capital and/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 such original investments. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the Sub-Fund. This may also reduce the capital that the Sub-Fund has available for investment in future and may constrain capital growth.

Reliance on Market Makers risk

Although the Manager will ensure that at least one Market Maker will maintain a market for the Units, it should be noted that liquidity in the market for the Units may be adversely affected if there is no Market Maker for the Units. The Manager will seek to mitigate this risk by ensuring at least one Market Maker gives not less than 3 months' notice prior to terminating market making arrangement under the relevant market making agreements.

It is possible that there will only be one SEHK Market Maker 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.

Hong Kong Stamp Duty

No stamp duty is payable in respect of any contract notes or instruments of transfer relating to transactions in all Units.

No stamp duty is payable by an investor in relation to the creation of Units or the redemption of Units.

Appendix dated 10 June 2026