CSOP ETF Series*

(*This includes synthetic ETFs)

Prospectus

15 June 2026

Important - If you are in doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant and other financial adviser for independent financial advice.

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

CSOP ETF SERIES*

(*This includes synthetic ETFs)

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

PROSPECTUS

MANAGER

CSOP Asset Management Limited

15 June 2026

The Stock Exchange of Hong Kong Limited ("**SEHK**"), Hong Kong Exchanges and Clearing Limited ("**HKEX**"), Hong Kong Securities Clearing Company Limited ("**HKSCC**") and the Hong Kong Securities and Futures Commission ("**Commission**") 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. CSOP ETF Series * (*This includes synthetic ETFs) ("**Trust**") and its sub-funds set out in Part 2 of this Prospectus (collectively referred to as the "**Sub-Funds**") have been authorised by the Commission pursuant to section 104 of the Securities and Futures Ordinance. Each of the Sub-Funds is a fund falling within Chapter(s) 8.6, 8.9 and/or 8.10 of the Code on Unit Trusts and Mutual Funds ("**Code**"). Authorisation by the Commission is not a recommendation or endorsement of the Trust or any of the Sub-Funds nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the Trust or the Sub-Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

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Sub-Custodian***
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* In respect of the CSOP FTSE China A50 ETF, CSOP SZSE ChiNext ETF* (*This is a synthetic ETF), ICBC CSOP S&P New China Sectors ETF, CSOP CSI 500 ETF* (*This is a synthetic ETF), CSOP Yinhua CSI 5G Communications Theme ETF and CSOP Huatai-PB CSI 300 ETF

** In respect of the CSOP FTSE China A50 ETF, CSOP SZSE ChiNext ETF* (*This is a synthetic ETF), ICBC CSOP S&P New China Sectors ETF, CSOP CSI 500 ETF* (*This is a synthetic ETF), CSOP Yinhua CSI 5G Communications Theme ETF, CSOP Saudi Arabia ETF, CSOP Nikkei 225 Index ETF, CSOP MSCI HK China Connect Select ETF, CSOP Huatai-PB CSI 300 ETF, CSOP MAG Seven ETF, CSOP Hang Seng HK-US TECH ETF, CSOP FTSE East-West Equity Select ETF, CSOP FTSE HK-Korea Tech+ Index ETF, CSOP Hang Seng Stock Connect High Dividend ETF, CSOP HSCEI Covered Call Active ETF, CSOP FTSE Asia Tech Index ETF, CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF and CSOP KOSPI 200 ETF

*** In respect of the CSOP Saudi Arabia ETF

^ In respect of the CSOP FTSE China A50 ETF

^^ In respect of the ICBC CSOP S&P New China Sectors ETF and CSOP Hong Kong Dollar Money Market ETF

^^^ In respect of CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF

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Directors of the Manager
Yi Zhou
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[#] In respect of the CSOP Hang Seng TECH Index ETF, CSOP Yinhua CSI 5G Communications Theme ETF, CSOP Bitcoin Futures ETF, CSOP Ether Futures ETF, CSOP Saudi Arabia ETF, CSOP Nikkei 225 Index ETF, CSOP MSCI HK China Connect Select ETF, CSOP Huatai-PB CSI 300 ETF, CSOP MAG Seven ETF, CSOP Hang Seng HK-US TECH ETF, CSOP FTSE East-West Equity Select ETF, CSOP FTSE HK-Korea Tech+ Index ETF, CSOP Hang Seng Stock Connect High Dividend ETF, CSOP HSCEI Covered Call Active ETF, CSOP FTSE Asia Tech Index ETF, CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF and CSOP KOSPI 200 ETF
[@] This information is relevant to Listed Class of Units only
[&] In respect of Sub-Funds other than CSOP MAG Seven ETF, CSOP FTSE HK-Korea Tech+ Index ETF, CSOP Hang Seng Stock Connect High Dividend ETF, CSOP HSCEI Covered Call Active ETF, CSOP FTSE Asia Tech Index ETF, CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF and CSOP KOSPI 200 ETF
[±] In respect of CSOP MAG Seven ETF, CSOP FTSE HK-Korea Tech+ Index ETF, CSOP Hang Seng Stock Connect High Dividend ETF, CSOP HSCEI Covered Call Active ETF, CSOP FTSE Asia Tech Index ETF, CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF and CSOP KOSPI 200 ETF
[¤] For Tokenised Units of CSOP Hong Kong Dollar Money Market ETF only

Xiaosong Yang
Zhongping Cai
Chen Ding
Qin Wang
Huachen Zhang

PRELIMINARY

This Prospectus has been prepared in connection with the offer in Hong Kong of Units in the Trust and its Sub-Funds. The Trust is an umbrella unit trust established under Hong Kong law by a trust deed dated 25 July 2012, as amended and restated on 15 June 2021, between CSOP Asset Management Limited (the "**Manager**") and HSBC Institutional Trust Services (Asia) Limited (the "**Trustee**"), and as further amended and supplemented from time to time. Where specified in the relevant Appendix, a Sub-Fund may issue both exchange-traded classes of Units and/or unlisted (not exchange-traded) classes of Units. For unlisted (not exchange-traded) classes of Units, a Sub-Fund may offer both tokenised class of Units and non-tokenised class of Units.

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus and confirm, 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 Code and the "Overarching Principles" of the Commission Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products and (in respect of the Listed Class of Units) the Rules Governing the Listing of Securities on the SEHK for the purposes of giving information with regard to the Units of the Trust and the Sub-Funds. The Prospectus contains the information necessary for investors to be able to make an informed judgment of the investment and meets the disclosure requirements under the Code. Before making any investment decisions, investors should consider their own specific circumstances, including without limitation, their own risk tolerance level, financial circumstances, investment objectives. If in doubt, investors should consult their financial adviser, consult their 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 them to acquire Units and as to whether any taxation effects, foreign exchange restrictions or exchange control requirements are applicable and to determine whether any investment in any of the Sub-Funds, is appropriate.

Applications may be made to list Units in a Sub-Fund constituted under the Trust on the SEHK. Subject to compliance with the admission requirements of HKSCC, the Units in such Sub-Fund 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 in such Sub-Fund on the SEHK or such other date as may be determined by HKSCC. A class of Units which is listed on the SEHK is known as a Listed Class of Units. For further details on listing or application for listing of Listed Class of Units of a Sub-Fund on the SEHK and admission of Listed Class of Units of such Sub-Fund as eligible securities by HKSCC, please refer to Part 2 of this Prospectus. Settlement of transactions between participants of SEHK is required to take place in CCASS on the second CCASS Settlement Day (as defined in the "***Definitions***" section) 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.

No action has been taken to permit an offering of Units or the distribution of this Prospectus in any jurisdiction other than Hong Kong where action would be required for such purposes. Accordingly, this Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized. Distribution of this Prospectus shall not be permitted unless it is accompanied by a copy of the latest Product Key Facts Statement(s) of each of the Sub-Funds, the latest annual financial report of the Trust (if any) and, if later, its most recent interim report. For Sub-Funds which issue both Listed Class of Units and Unlisted Class of Units, a separate set of product key facts statement will be available for each class.

The Trust is not registered as an investment company with the United States Securities and Exchange Commission. Units have not been, and will not be, registered under the United States Securities Act of 1933 or any other United States Federal or State law and accordingly Units are not offered to, and may not be transferred to or acquired by, US persons (including without limitation US citizens and residents as well as business entities organized under United States' law), except under any relevant exemption.

The Manager shall have the power to impose such restrictions as the Manager may think necessary for the purpose of ensuring that no Units in any Sub-Fund are acquired or held by an Unqualified Person (as defined in the "***Definitions***" section).

Potential applicants for Units in any of the Sub-Funds should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Units in such Sub-Fund.

Investors should note that any amendment or addendum to this Prospectus will only be posted on the **Manager's website** (**www.csopasset.com/etf**)[1].

Investment involves risk and investors should note that losses may be sustained on their investment. There is no assurance that the investment objective of any of the Sub-Funds of the Trust will be achieved. In particular, investors should consider the general risk factors set out in section **"*4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors relating to a Sub-Fund as set out in Part 2 of this Prospectus, before investing in any of the Sub-Funds.

[1] The contents of this website and any other websites referred to in this Prospectus have not been reviewed by the Commission and may contain information which is not targeted to Hong Kong investors.

DEFINITIONS

In this Prospectus, unless the context requires otherwise, the following expressions have the meanings set out below.

"**Application**" means, in respect of Listed Class of Units, a Creation Application or a Redemption Application.

"**Application Basket Value**" means, in respect of Listed Class of Units, the aggregate value of the Securities and/or FDIs comprising a Basket as fixed by the Manager on the relevant Valuation Day for the purpose of the creation and redemption of such Units in an Application Unit size.

"**Application Cancellation Fee**" means, in respect of Listed Class of Units, the fee payable by a Participating Dealer in respect of cancellation of an Application as set out in the Trust Deed, the rate of which is set out in Part 2 of this Prospectus.

"**Application Unit**" means, in respect of Listed Class of Units, such number of Units of a class or whole multiples thereof as specified in Part 2 of this Prospectus or such other multiple of Units of a class from time to time determined by the Manager, in consultation with the Trustee, and notified to Participating Dealers, either generally or for a particular class or classes of Units.

"**Auditors**" means the auditor or auditors of the Sub-Funds and the Trust from time to time appointed by the Manager with the prior approval of the Trustee pursuant to the provisions of the Trust Deed.

"**Authorised Distributor**" means, in respect of an Unlisted Class of Units that are not Tokenised Units, a distributor appointed by the Manager to market, promote, sell and/or distribute Unlisted Class of Units in one or more Sub-Fund(s), and to receive applications for subscription, redemption and/or switching of Unlisted Class of Units.

"**Base Currency**" means the currency of account of a Sub-Fund as specified in Part 2 of this Prospectus.

"Base Security" means a security which is a FDI (including, without limitation, a warrant, a note, a swap or a participation certificate) which is linked to or otherwise tracks the performance of (i) one or more constituent Securities of the relevant Underlying Index and/or (ii) such other Security or Securities as may be designated by the Manager.

"**Basket**" means, for the purpose of the creation and redemption of Listed Class of Units in an Application Unit size, a portfolio of Securities and/or FDIs determined by the Manager, which (for an Index Tracking Sub-Fund only) seeks to benchmark the Underlying Index by replication strategy provided that such portfolio shall comprise only whole numbers of Securities and/or FDIs and no fraction or, if the Manager determines, shall comprise only round lots and not odd lots.

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

"**Cancellation Compensation**" means, in respect of Listed Class of Units, an amount payable by a Participating Dealer in respect of cancellation of an Application pursuant to the Trust Deed.

"**Cash Component**" means the aggregate Net Asset Value of the Units comprising the Application Unit(s) less the relevant Application Basket Value.

"**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.

"**China" or the "PRC"** means the People's Republic of China.

"**China A-Shares**" means shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in Renminbi and available for investment by domestic (Chinese) investors, QFIs and through Stock Connect.

"**China B-Shares**" means shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in foreign currencies and available for investment by domestic (Chinese) investors and foreign investors.

"**Code**" means the Code on Unit Trusts and Mutual Funds issued by the Commission, as may be amended from time to time.

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

"**Connected Person**" in relation to a company, means:

(a) any person or company beneficially owning, directly or indirectly, twenty per cent (20%) or more of the ordinary share capital of that company or able to exercise, directly or indirectly, twenty per cent (20%) or more of the total votes in that company;

(b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a) above;

(c) any member of the group of which that company forms part; or

(d) any director or other officer of that company or of any of its Connected Persons as defined in (a), (b) or (c) above.

"**Contract Value**" in relation to any Futures Contracts, means the full amount expressed therein as being due to be paid or received by the holder of such Futures Contracts upon settlement or (as the case may be) upon delivery of the subject matter of such Futures Contracts.

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

"**Conversion Agency Agreement**" means each agreement entered amongst the Manager, the Conversion Agent and HKSCC by which the Conversion Agent agrees to provide its services.

"**Conversion Agent's Fee**" means the fee which may be charged for the benefit of the Conversion Agent to each Participating Dealer on Creation Application and Redemption Application made by the relevant Participating Dealer, and which shall be determined by the Conversion Agent and set out in the Operating Guidelines and the Part 2 of this Prospectus.

"**Creation Application**" means, in respect of Listed Class of Units, an application by a Participating Dealer or PD Agent (as the case may be) for the creation of Units of a Sub-Fund in Application Unit size (or whole multiples thereof) in accordance with the relevant procedures set out in the Trust Deed, and the relevant Participation Agreement.

"**CSRC**" means the China Securities Regulatory Commission.

"**Custodian**" means such person or person(s) who for the time being appointed to act as custodian of a Sub-Fund, as specified in Part 2 of this Prospectus.

"**Dealing Day**" means, in respect of a Sub-Fund, each Business Day during the continuance of such Sub-Fund or such other day or days as the Manager may from time to time, in consultation with the Trustee, determine either generally or in respect of a particular class or classes of Units.

"**Dealing Deadline**" in relation to any Dealing Day, shall be such time or times as the Manager may from time to time in consultation with the Trustee determine generally or in relation to a particular class or classes of Units or any particular jurisdiction in which Units may from time to time be sold or any particular place for submission of Application(s) by a Participating Dealer, as set out in Part 2 of this Prospectus.

"**Deposited Property**" means, in respect of each Sub-Fund, all the assets (including cash) received or receivable by the Trustee for the time being held or deemed to be held upon the trusts of the Trust Deed for the account of the relevant Sub-Fund excluding (i) the Income Property and (ii) any amount for the time being standing to the credit of the Distribution Account (as defined in the Trust Deed).

"**Digital Wallet**" has the meaning as defined in Schedule 4 "Tokenisation of Units" to this Prospectus.

"**Dual Counter**" means, in respect of Listed Class of Units, the facility by which the Units of a Sub-Fund traded in RMB and traded in HKD are each assigned separate stock codes on the SEHK.

"**Duties and Charges**" means, in relation to any particular transaction or dealing, all stamp and other duties, taxes, government charges, brokerage, bank charges, transfer fees, registration fees, transaction levies, all fees, duties and charges as set out in the Operating Guidelines 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 FDIs (as the case may be) or the entering into or termination of any FDIs (e.g. swaps) (including any costs associated with the entering into, or unwind or maintenance of, any hedging arrangements in respect of such FDIs, or any costs associated with any collateral arrangements in respect of such Securities or FDIs) 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 FDIs (as the case may be) of the Trust 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 FDIs (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 FDIs (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.

"**Eligible Distributors**" means any SFC-licensed virtual asset trading platform or any distributor licensed by the SFC to carry on Type 1 regulated activity (dealing in securities) appointed to distribute tokenised Unlisted Class of Units to potential investors, the list of which is available from the Manager upon request.

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

"**Extension Fee**" means, in respect of Listed Class of Units, any fee payable by a Participating Dealer to the Trustee for its account and benefit on each occasion the Manager grants the request of such Participating Dealer for extended settlement in respect of an Application, as set out in the Operating Guidelines and Part 2 of this Prospectus.

"**FDI**" means financial derivative instrument, including, for the avoidance of doubt, Futures Contracts and swaps.

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

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

"**Government and other Public Securities**" means any Security issued by, or the payment of principal and interest on, which is guaranteed by a government, or any fixed-interest Security issued by its public or local authorities or other multilateral agencies.

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

"**HKSCC Operational Procedures"** means the HKSCC Operational Procedures as amended from time to time.

"**HKSCC Rules**" means the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures.

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

"**Hong Kong dollar**" or "**HK$**" or "**HKD**" means the lawful currency for the time being and from time to time of Hong Kong.

"**H-Shares**" means shares issued by companies incorporated in the PRC mainland and listed on the SEHK and traded in Hong Kong dollars.

"**Income Property**" in respect of each Sub-Fund, means, (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 of any Income Property received in a form other than cash); (b) all Cash Component payments received or receivable by the Trustee for the account of the relevant Sub-Fund; and (c) all Cancellation Compensation received or receivable by the Trustee for the account of the relevant Sub-Fund; (d) all interest and other sums received or receivable by the Trustee in respect of (a), (b) or (c) of this definition, but excluding (i) the Deposited Property of the relevant Sub-Fund; (ii) any amount for the time being standing to the credit of the Distribution Account (as defined in the Trust Deed) 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 FDIs (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 Provider**" means, in respect of each Index Tracking Sub-Fund, the person responsible for compiling the Underlying Index against which the relevant Sub-Fund benchmarks its investments and who holds the right to licence the use of such Underlying Index to the relevant Sub-Fund.

"**Index Futures Contract**" means, for an Index Tracking Sub-Fund, the constituent Futures Contracts of the relevant Underlying Index at the relevant time, such other Futures Contracts that the index provider of the relevant Underlying Index has publicly announced shall form part of the Underlying Index in the future but are currently not constituent Futures Contracts of the relevant Underlying Index.

"**Index Securities**" means, for an Index Tracking Sub-Fund, (i) the constituent Securities of the relevant Underlying Index; (ii) such other Securities the Index Provider has publicly announced shall form part of the Underlying Index in the future but are currently not constituent Securities of the relevant Underlying Index.

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

"**Initial Issue Date**" means, in respect of a Sub-Fund, the date of the first issue of Units relating to the Sub-Fund as set out in Part 2 of this Prospectus.

"**Initial Offer Period**" means, in respect of a class of Units, such period as may be determined by the Manager for the purpose of making an initial offer of Units of such class as set out in Part 2 of this Prospectus.

"**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 each Sub-Fund, the issue price per Unit of a particular class during the Initial Offer Period as determined by the Manager in respect of such class of Units and thereafter the issue price per Unit calculated pursuant to the Trust Deed at which Units are from time to time issued or to be issued, each as set out in Part 2 of this Prospectus.

"**Listed Class of Units**" means a class of Units of a Sub-Fund which is listed on either the SEHK or any other Recognised Stock Exchange.

"**Listing Agent**" means, in respect of Listed Class of Units, such entity appointed by the Manager as the listing agent for such Sub-Fund.

"**Listing Date**" means, in respect of Listed Class of Units, the date on which such Units are listed on the SEHK.

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

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

"**Manager**" means CSOP Asset Management Limited or any other person (or persons) who for the time being is duly appointed as manager (or managers) of the Trust and accepted by the Commission as qualified to act as such for the purposes of the Code.

"**Multi-Counter**" means, in respect of Listed Class of Units, the facility by which the Units traded in RMB, HKD and USD are each assigned separate stock codes on the SEHK.

"**Net Asset Value**" or "**NAV**" means the net asset value of a Sub-Fund or, as the context may require, of a Unit calculated pursuant to the Trust Deed.

"Non-Index Futures Contracts" means any Futures Contracts, other than Index Futures Contracts for an Index Tracking Sub-Fund, as may be designated by the Manager, which for the avoidance of doubt include Futures Contracts comprising a Non-Index Tracking Sub-Fund.

"**Non-Index Securities**" means (i) any Securities, other than Index Securities for an Index Tracking Sub-Fund, as may be designated by the Manager, which for the avoidance of doubt include Securities comprising a Non-Index Tracking Sub-Fund; and (ii) any Base Securities linked to or otherwise used to track the performance of one or more such Securities.

"**Non-Index Tracking Sub-Fund**" means a Sub-Fund that is not an Index Tracking Sub-Fund.

"**Operating Guidelines**" means, in respect of Listed Class of Units, the operating guidelines governing, including without limitation, the procedures for creation and redemption of Units of such Sub-Fund, as amended from time to time by the Manager with the approval of the Trustee, and where applicable, with the approval of HKSCC and the Conversion Agent, and in accordance with the terms of the relevant Participation Agreement.

"**Participating Dealer**" means a broker or dealer (licensed for Type 1 regulated activity under the Securities and Futures Ordinance) which has entered into a Participation Agreement, and any reference in this Prospectus to "Participating Dealer" shall, where the context requires, include a reference to any PD agent so appointed by the Participating Dealer.

"**Participation Agreement**" means an agreement either (1) entered into between the Trustee, the Manager and a Participating Dealer (and if applicable, supplemented with a supplemental participation agreement entered into between the same parties and the PD Agent), or (2) entered into between the Trustee, the Manager, the Participating Dealer, HKSCC and the Conversion Agent, each setting out, amongst other things, the arrangements in respect of Applications by such Participating Dealer or PD Agent (as the case may be), as may be amended from time to time. References to the Participation Agreement shall, where appropriate, mean the Participation Agreement, read together with the Operating Guidelines.

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

"**Primary Market Investor**" means an investor who makes a request to a Participating Dealer or to a stockbroker who has opened an account with a Participating Dealer to effect an Application on his behalf.

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

"**Redemption Application**" means, in respect of Listed Class of Units, an application by a Participating Dealer or PD Agent (as the case may be) for the redemption of Units in Application Unit size (or whole multiples thereof) in accordance with the relevant procedures set out in the Trust Deed and the relevant Participation Agreement.

"**Redemption Price**" means, in respect of a Unit of each Sub-Fund, the redemption price per Unit of a particular class calculated in accordance with the Trust Deed at which Units are from time to time redeemed, as set out in Part 2 of this Prospectus.

"**Register**" means, in respect of each Sub-Fund, the register of Unitholders of that Sub-Fund to be kept pursuant to the Trust Deed.

"**Registrar**" means, such person as may from time to time be appointed by the Trustee and acceptable to the Manager, to maintain the Register and in default of such appointment shall mean the Trustee.

"**reverse repurchase transactions**" means transactions whereby a Sub-Fund purchases Securities from a counterparty of sale and repurchase transactions and agrees to sell such Securities back at an agreed price in the future.

"**RMB**" **or** "**Renminbi**" means renminbi, the currency of the PRC mainland.

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

"**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.

"**Saudi Arabia**" or "**KSA**" means the Kingdom of Saudi Arabia.

"**Secondary Market Investor**" means an investor who purchases and sells Listed Class of Units in the secondary market on the SEHK.

"**Securities**" means any share, stock, debenture, loan stock, bond, securities, commercial paper, acceptance, trade bill, warrant, participation note, certificate, structured product, treasury bill, instrument or note 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 any unit, share or other interest in a collective investment scheme;

(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;

(e) any mortgage-backed security or other securitised receivable;

(f) any bill of exchange and any promissory note; and

(g) any right, option, or interest (howsoever described) in or in respect of any index or indices comprised of any of the foregoing.

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

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

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

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

"**Service Agreement**" means the service agreement entered into among the Manager, the Trustee, the Service Agent, HKSCC, the Registrar and the relevant Participating Dealer and (where applicable) the PD Agent.

"**Settlement Day**" means, in respect of Listed Class of Units, the Business Day which is two Business Days after the relevant Dealing Day (or such other Business Day after the relevant Dealing Day as permitted pursuant to the Operating Guidelines) or such other number of Business Days after the relevant Dealing Day as the Manager, in consultation with the Trustee, may from time to time determine and notify to the Participating Dealers, either generally or for a particular class or classes of Units.

"**Sub-Fund**" means a separate trust fund with a segregated pool of assets and liabilities established under the Trust, specific details of which are set out in Part 2 of this Prospectus.

"**Subscription Price**" means, in respect of Unlisted Class of Units, the price at which Units may be subscribed for, determined in accordance with the Trust Deed.

"**substantial financial institution**" has the same meaning as in the Code.

"**Token**" has the meaning as defined in Schedule 4 "Tokenisation of Units" to this Prospectus.

"**Token Custodian**" means, in respect of a tokenised class of a Sub-Fund, an entity appointed by an Eligible Distributor and acceptable to the Manager to act as the token custodian from time to time, which is either (i) an authorized institution as defined in section 2(1) of the Banking Ordinance (Chapter 155 of Laws of Hong Kong); or (ii) a virtual asset trading platform operator licensed by the SFC.

"**Tokenisation Agent**" means any person or persons appointed, by itself or with the support of one or more third-party service providers, to enable the tokenisation arrangement of Unlisted Class(es) of Units of the relevant Sub-Fund(s).

"**Tokenised Units**" has the meaning as defined in Schedule 4 "Tokenisation of Units" to this Prospectus.

"**Transaction Fee**" means, in respect of Listed Class of Units, the fee which may at the discretion of the Trustee be charged for the account and benefit of the Trustee, where applicable, the Conversion Agent or the Service Agent to each Participating Dealer under the Trust Deed, the maximum level of which shall be determined by the Trustee with the consent of the Manager from time to time and, where applicable, the Conversion Agent or the Service Agent as set out in Part 2 of this Prospectus and in accordance with the terms of the relevant agreements.

"**Trust**" means the unit trust constituted by the Trust Deed and to be called CSOP ETF Series* (*This includes synthetic ETFs) or such other name as the Trustee and the Manager may from time to time determine.

"**Trust Deed**" means the trust deed dated 25 July 2012 between the Manager and the Trustee, as amended and restated on 15 June 2021 and as further amended, modified or supplemented from time to time.

"**Trustee**" means HSBC Institutional Trust Services (Asia) Limited or such other person (or persons) who for the time being is duly appointed to be trustee (or trustees) of the Trust.

"**Underlying Index**" means, in respect of an Index Tracking Sub-Fund, the index against which the relevant Sub-Fund is benchmarked.

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

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

"**Unit Cancellation Fee**" means, in respect of Listed Class of Units, the fee charged by the Conversion Agent in respect of the cancellation of Units in connection with an accepted Redemption Application.

"**Unlisted Class of Units**" means one or more class(es) of Units of a Sub-Fund which is/are neither listed on the SEHK nor any other Recognised Stock Exchange.

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

"**US dollar**" or "**US$**" or "**USD**" means the lawful currency for the time being and from time to time of the United States of America.

"**Unqualified Person**" means:

(a) a person who by virtue of any law or requirement of any country or governmental authority is not qualified to hold a Unit or who would be in breach of any such law or regulation in acquiring or holding a Unit or if, in the opinion of the Manager, the holding of a Unit by such person might result in the Trust incurring any liability to taxation or suffering a pecuniary disadvantage which

the Trust might not otherwise have incurred or suffered, or might result in the Trust, the Manager or the Trustee or any of their Connected Persons being exposed to any liability, penalty or regulatory action; or

(b) any person if the holding of a Unit by such person might, due to any circumstances whether directly affecting such person and whether relating to such person alone or to any other person in conjunction therewith (whether such persons are connected or not), in the opinion of the Manager, result in the Trust incurring any liability to taxation or suffering a pecuniary disadvantage which the Trust might not otherwise have incurred or suffered, or in the Trust, the Manager or the Trustee or any of their Connected Persons being exposed to any liability, penalty or regulatory action.

"**Valuation Day**" means each Business Day on which the Net Asset Value of a Sub-Fund and/or the Net Asset Value of a Unit falls to be calculated and in relation to each Dealing Day of any class or classes of Units means either such Dealing Day or such Business Day as the Manager may from time to time determine in its absolute discretion (in consultation with the Trustee). At least one calendar month's prior notice shall be given to the Unitholders of the relevant class or classes of Units before any change in the Manager's determination on the Valuation Day shall become effective.

"**Valuation Point**" means, in respect of a Sub-Fund, the official closing of trading on the market on which the Securities and/or FDIs constituting the Sub-Fund are listed, quoted, or dealt on each Valuation Day, and in case there are more than one such markets, the official close of trading on the last relevant market to close, or such other time or times as specified in Part 2 of this Prospectus or as determined by the Manager, in consultation with the Trustee, from time to time provided that there shall always be a Valuation Point on each Valuation Day other than where there is a suspension of determination of the Net Asset Value of the relevant Sub-Fund pursuant to the provisions of the Trust Deed.

PART 1 : GENERAL INFORMATION RELATING TO THE TRUST

Part 1 of this Prospectus contains general information about the Trust and its Sub-Funds, while Part 2 of this Prospectus sets out additional details specific to a Sub-Fund (such as additional terms, conditions and restrictions applicable to the relevant Sub-Fund). Investors should read both Parts of the Prospectus before investing in any of the Sub-Fund. In case of any inconsistency between Part 1 and Part 2, the information in Part 2 shall prevail.

1 THE TRUST

The Trust is an umbrella unit trust constituted by way of a trust deed dated 25 July 2012 (as amended and restated on 15 June 2021), between CSOP Asset Management Limited as Manager and HSBC Institutional Trust Services (Asia) Limited as Trustee, (as further amended and supplemented from time to time). The terms of the Trust Deed are governed by the laws of Hong Kong.

Specific details of a Sub-Fund of the Trust are set out in Part 2 of this Prospectus. Each of the Sub-Funds is a fund falling within Chapter(s) 8.6, 8.9 and/or 8.10 of the Code.

The Manager may create further Sub-Funds in the future. Where indicated in the relevant Appendix in Part 2 of this Prospectus, Units in a Sub-Fund may be available for trading on the SEHK using a Dual Counter or Multi-Counter.

Multiple classes of Units may be issued in respect of each Sub-Fund and the Manager may create additional classes of Units for any Sub-Fund in its sole discretion in the future. All assets and liabilities attributable to each Sub-Fund shall be segregated from the assets and liabilities of any other Sub-Funds, and shall not be used for the purpose of, or borne by the assets of, any other Sub-Fund (as the case may be).

Each Sub-Fund may issue Listed Class of Units and Unlisted Class of Units. In respect of Sub-Funds which offer both Listed Class of Units and Unlisted Class of Units, please refer to the table set out in the relevant Appendix which sets out the key similarities and differences between each class of Units.

Currently, where specified in the relevant Appendix, it is intended that only Unlisted Class of Units of a Sub-Fund may be tokenised. For details, please refer to the sub-sections headed “Subscription of tokenised Unlisted Class of Units” and “Redemption of tokenised Unlisted Class of Units” Schedule 3 “Provisions relating to the Offer, Subscription, Conversion and Redemption of the Unlisted Class of Units” and Schedule 4 “Tokenisation of Units” below.

2 KEY OPERATORS AND SERVICE PROVIDERS

2.1 *Manager*

The Manager of the Trust and its Sub-Funds is CSOP Asset Management Limited.

The Manager was established in January 2008 and is licensed to carry on Types 1 (Dealing in Securities), 4 (Advising on Securities) and 9 (Asset Management) regulated activities under Part V of the Securities and Futures Ordinance.

The Manager, a subsidiary of China Southern Asset Management Co. Limited, is the first Hong Kong subsidiary set up by Chinese Mainland fund houses to carry out asset management and securities advisory activities in Hong Kong.

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

The Manager undertakes the management of the assets of the Trust. The Manager may appoint investment adviser(s) to provide investment advice to the Manager in relation to any Sub-Fund. Details of investment advisers appointed in relation to a Sub-Fund (if any) and their remuneration will be stated in Part 2 of this Prospectus.

2.1.1 *Directors of the Manager*

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

Yi Zhou

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

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

Li Chen

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

Xiaosong Yang

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

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

Zhongping Cai

Mr. Cai is the Chief Financial Officer and the General Manager of the Finance Department of China Southern Asset Management Co. Ltd., Director of CSOP Asset Management Limited, Supervisor of China Southern Capital Management Limited, and Director of Shenzhen SouthernFund Equity Investment Fund Management Co. Ltd.

Prior to joining China Southern Asset Management Co. Ltd., Mr. Cai served as Director of the Finance Department of UBS SDIC in China. He joined China Southern Asset Management Co. Ltd. in 2014.

Mr. Cai holds a Master’s Degree from Zhongnan University of Economics and Law in PRC mainland.

Chen Ding, MH, JP

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

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

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

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

Qin Wang

Mr. Wang, holder of PhD in Economics, has served as Research Director of Guosen Securities, General Manager of ChiNext Qianhai Capital Company Limited, Deputy General Manager of Great Wall Fund Management Company Limited, General Manager of Baoying Fund Management Company Limited, and General Manager of Changan Fund Management Company Limited. He is currently the Chairman of Board of Directors of Wealthink AI-Innovation Capital Limited.

Huachen Zhang

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

2.2 ***Investment Adviser***

The details of the Investment Adviser appointed in respect of a Sub-Fund are set out in Part 2 of this Prospectus.

2.3 ***Listing Agent (applicable in respect of Listed Class of Units only)***

The details of the Listing Agent appointed in respect of a Sub-Fund are set out in Part 2 of this Prospectus.

2.4 ***Trustee and Registrar***

The Trustee of the Trust and the Sub-Funds is HSBC Institutional Trust Services (Asia) Limited which is incorporated with limited liability in Hong Kong on 27 September 1974. It is an indirect wholly-owned subsidiary of HSBC Holdings plc. It is registered as a trust company under Section 78(1) of the Hong Kong Trustee Ordinance (Cap.29) and is an approved trustee under the Mandatory Provident Fund Schemes Ordinance (Cap. 485). It is also registered with the Hong Kong Monetary Authority under a statutory guideline to comply with the Supervisory Policy Manual ("SPM") module on "Regulation and Supervision of Trust Business" (TB-1) under section 7(3) of the Banking Ordinance. The Trustee is licensed by the SFC to carry out the Type 13 regulated activity (providing depositary services for relevant collective investment schemes) under the Securities and Futures Ordinance (Cap. 571) and has a Trust or Company Service Provider ("TCSP") License under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong). HSBC Institutional Trust Services (Asia) Limited also acts as the Registrar of the Sub-Funds, and provides services in respect of the establishment and maintenance of the register of the Unitholders.

Under the Trust Deed, the Trustee is responsible for the safekeeping of the assets of the Trust, subject to the provisions of the Trust Deed.

The Trustee may, however, appoint a person or persons (including a Connected Person of the Trustee) to be agent, nominee, custodian, joint custodian, co-custodian and/or sub-custodian to hold certain assets of any Sub-Fund and may empower any such person or persons to appoint, with the prior consent in writing of the Trustee, co-custodians and/or sub-custodians. The Trustee may also appoint delegates for the performance of its duties, powers or discretions under the Trust Deed. The Trustee is required to (a) exercise reasonable care, skill and diligence in the selection, appointment and ongoing monitoring of nominees, agents and delegates which are appointed for the custody and/or safekeeping of the property of the Sub-Fund(s) and, (b) be satisfied that such persons retained remain suitably qualified and competent on an ongoing basis to provide the relevant custodial services to the Sub-Funds provided however that if the Trustee has discharged its obligations set out in (a) and (b) above, the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any such person(s) not being the Trustee's Connected Person appointed as agents, nominees, custodians or joint custodians of certain assets of any Sub-Fund. The Trustee however shall remain liable for any act or omission of any such person that is a Connected Person of the Trustee and that is appointed as agent, nominee, custodian, joint custodian, co-custodian and/or sub-custodian to hold certain assets of any Sub-Fund (including the Custodian which is appointed by the Trustee and the Manager, and the PRC Custodian and the Sub-Custodian which are appointed by the Custodian, each being Connected Persons of the Trustee) as if the same were the acts or omissions of the Trustee.

The Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of Euro-clear Clearing System Limited or Clearstream Banking S.A. or any other recognised or central depositaries or clearing system which may from time to time be approved by the Trustee and the Manager.

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

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 any Sub-Fund, which is the sole responsibility of the Manager.

The Trustee will remain as the trustee of the Trust until the Trustee retires or is removed. The circumstances under which the Trustee may retire or be removed are set out in the Trust Deed. Where any Sub-Fund is authorised pursuant to section 104 of the Securities and Future Ordinance, any change in the Trustee is subject to the Commission's prior approval and the Trustee will remain as the trustee of the Trust until a new trustee is appointed in accordance with the provisions set out in the Trust Deed. Unitholders will be duly notified of any such changes in accordance with the requirements prescribed by the Commission.

The Trustee will be entitled to the fees described in the section headed "***10. Fees and Charges***" under the heading "***10.2 Trustee's and Registrar's Fee***" below and to be reimbursed for all costs and expenses in accordance with the provisions of the Trust Deed.

The Manager has the sole responsibility for making investment decisions in relation to the Trust and/or each Sub-Fund and the Trustee (including its delegates) are not responsible for and have no liability for any investment decision made by the Manager. Except as expressly stated in this Prospectus, the Trust Deed and/or required by the Code, neither the Trustee nor any of its employees, service providers or agents are or will be directly or indirectly involved in the business affairs, organisation, sponsorship or investment management of the Trust or any Sub-Fund. Also, none of the Trustee, its employees, service providers or agents is responsible for the preparation or issue of this Prospectus, and does not accept responsibility for any information contained in this Prospectus, other than the descriptions under this section "***2.4 Trustee and Registrar***".

2.5 ***Custodian***

The details of the Custodian of a Sub-Fund, if appointed, are set out in Part 2 of this Prospectus.

2.6 ***Service Agent or Conversion Agent (applicable in respect of Listed Class of Units only)***

HK Conversion Agency Services Limited acts as Service Agent or Conversion Agent, as appropriate in respect of the Listed Class of Units of a Sub-Fund, the details of which as set out in Part 2 of this Prospectus. Under the terms of the Service Agreement, the Participation Agreement or Conversion Agency Agreement (as the case may be), the Service Agent or the Conversion Agent (as the case may be) performs, through HKSCC, certain of its services in connection with the creation and redemption of Listed Class of Units in a Sub-Fund by Participating Dealers or PD Agent (as the case may be).

2.7 ***Auditors***

The auditors of the Trust and the Sub-Funds are PricewaterhouseCoopers.

2.8 ***Participating Dealers (applicable in respect of Listed Class of Units only)***

The role of the Participating Dealers is to apply to create and redeem Listed Class of Units in a Sub-Fund from time to time in accordance with the terms of the relevant Participation Agreement.

If the Participating Dealer has appointed a PD Agent, the PD Agent will help as an agent of the Participating Dealer to create and redeem Listed Class of Units in a Sub-Fund insofar as any obligations under the relevant Participation Agreement or the Service Agreement (where applicable) entered into by the Participating Dealer and where applicable, which appointment is acknowledged by the Participating Dealer, the Trustee and the Manager.

The Manager has the right to appoint the Participating Dealers for a Sub-Fund. The criteria for the eligibility and selection of Participating Dealers or PD Agent (as the case may be) is as follows: (i) the Participating Dealer and PD Agent must be licensed for at least Type 1 regulated activity pursuant to the Securities and Futures Ordinance with a business presence in Hong Kong; (ii) the Participating Dealer and (where applicable) PD Agent must have entered into a Participating Agreement with the Manager and the Trustee; (iii) the Participating Dealer (and where applicable, the appointment of the PD Agent by the Participating Dealer) must be acceptable to the Manager; and (iv) the Participating Dealer (and where applicable, the PD Agent appointed by the Participating Dealer) must be a participant in CCASS.

The list of Participating Dealers or PD Agent (as the case may be) in respect of each Sub-Fund is available on www.csopasset.com/etf[1]. The Participating Dealers or PD Agent (as the case may be) are not responsible for the preparation of this Prospectus and shall not be held liable to any person for any information disclosed in this Prospectus.

2.9 ***Market Makers (applicable in respect of Listed Class of Units only)***

A market maker is a broker or a dealer permitted by the SEHK to act as such by making a market for the Listed Class of Units in the secondary market on the SEHK. A market maker's 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 Listed Class of Units on the SEHK. Market makers accordingly facilitate the efficient trading of Listed Class 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 that there is at least one market maker for each Sub-Fund in respect of the Listed Class of Units to facilitate efficient trading. Where a Dual Counter or Multi-Counter has been adopted, 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 Listed Class of Units traded in each counter although these market makers may be the same entity. 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 that there is at least one other market maker per counter to facilitate the efficient trading of Listed Class of Units. The Manager will use its best endeavours to put in place arrangements so that at least one market maker per counter is required to give not less than 90 days' prior notice to terminate market making under the relevant market making agreement.

The list of market markers in respect of each Sub-Fund is available on www.csopasset.com/etf[1] and from time to time will be displayed on www.hkex.com.hk. Further details relating to market making arrangement (including market making arrangement where Dual Counter or Multi-Counter is adopted) are described in Part 2 of this Prospectus.

2.10 ***The Tokenisation Agent (in respect of Tokenised Units only)***

The Hongkong and Shanghai Banking Corporation Limited will act as the Tokenisation Agent in respect of the Trust's tokenisation arrangements. The Tokenisation Agent is responsible for the tokenisation of Units of a Sub-Fund, in particular:

(a) provide and maintain the relevant tokenisation infrastructure and platform;
(b) mint and burn Tokens based on the authorisation provided by the Manager;
(c) reconcile holding and transaction records between off chain book-entry and blockchain transactions; and
(d) whitelist the Digital Wallet addresses for holding of Tokens.

Please refer to Schedule 4 "Tokenisation of Units" to this Prospectus for details.

2.11 ***The Authorised Distributor (applicable in respect of non-tokenised Unlisted Class of Units)***

In respect of non-tokenised Unlisted Class(es) of Units of a Sub-Fund, the Manager may appoint one or more Authorised Distributor(s) to distribute such Units of one or more Sub-Funds, and to receive applications for subscription, redemption and/or switching of such Units on the Manager's behalf.

2.12 ***The Eligible Distributors (in respect of tokenised Unlisted Class of Units only)***

In respect of Tokenised Units of a Sub-Fund, investors may only apply for subscription and redemption through Eligible Distributor(s). Currently, only Unlisted Class of Units of a Sub-Fund may be tokenised. Please refer to the sub-sections headed "Subscription of Tokenised Units" and "Redemption of Tokenised Units" under Schedule 4 "Tokenisation of Units" to this Prospectus for details of subscription and redemption in Tokenised Units and the minting and burning of Tokens.

3 INVESTMENT CONSIDERATIONS

A Sub-Fund may be an Index Tracking Sub-Fund or a Non-Index Tracking Sub-Fund (including a listed open-ended fund, also known as an active exchange traded fund).

The investment objective of each Index Tracking Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Underlying Index to that Sub-Fund.

An Underlying Index comprises a group of Index Securities or FDIs (as the case may be) which an Index Provider selects as being representative of a market, market segment, specific industry sector or other appropriate benchmark. The Index Provider determines the relative weightings of the Index Securities or FDIs (as the case may be) in the relevant Underlying Index and publishes information regarding the market value of such Underlying Index.

A listed open-ended fund (i.e. an active exchange traded fund) does not track an index. The Manager will actively manage the relevant Non-Index Tracking Sub-Fund based on its investment strategy in seeking to achieve the investment objective of such Sub-Fund, as described in the relevant Appendix.

The investment objective and strategy specific to each Sub-Fund, as well as other important details, are set out in Part 2 of this Prospectus.

4 GENERAL RISK FACTORS

Investments involve risks. Each Sub-Fund is subject to market fluctuations and to the risks inherent in all investments. The price of Units of each Sub-Fund and the income from them may go down as well as up and an investor may not get back part or all of the amount they invest.

The performance of each Sub-Fund will be subject to a number of risks, including those risk factors set out below. Some or all of the risk factors may adversely affect a Sub-Fund's Net Asset Value, yield, total return and/or its ability to achieve its investment objective. There is no assurance that a Sub-Fund will achieve its investment objective. The following general risk factors apply to each Sub-Fund unless stated otherwise.

Before investing in any of the Sub-Funds, investors should carefully consider the general risk factors set out in this section and any specific risk factors relating to a Sub-Fund as set out in Part 2 of this Prospectus.

4.1 ***Risk Factors relating to Chinese Mainland***

Chinese Mainland market risk. A Sub-Fund may invest in Chinese Mainland. Investing in the Chinese Mainland market is subject to the risks of investing in emerging markets generally and the risks specific to the Chinese Mainland market which involves a greater risk of loss than investment in more developed countries due to higher economic, political, social and regulatory uncertainty and risks linked to volatility and market liquidity.

Since 1978, the PRC mainland government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the Chinese economy, moving from the previous planned economy system. However, many of the economic measures are experimental or unprecedented and may be subject to adjustment and modification. Any significant change in PRC mainland's political, social or economic policies may have a negative impact on investments in the Chinese Mainland market.

Chinese accounting standards and practices may deviate significantly from international accounting standards. The settlement and clearing systems of the Chinese securities and futures markets may not be well tested and may be subject to increased risks of error or inefficiency.

Investments in equity interests of Chinese companies may be made through China A-Shares, B-Shares and H-Shares. The PRC mainland securities and futures market has in the past experienced substantial price volatility, and there is no assurance that such volatility will not occur in future.

Investment in RMB denominated bonds may be made in or outside the PRC mainland. As the number of these securities and their combined total market value are relatively small compared to more developed markets, investments in these securities may be subject to increased price volatility and lower liquidity.

Investors should also be aware that changes in the PRC mainland taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments of the relevant Sub-Fund. Laws governing taxation will continue to change and may contain conflicts and ambiguities.

Foreign exchange control risk. The Renminbi is not currently a freely convertible currency and is subject to exchange control imposed by the Chinese government. Such control of currency conversion and movements in the Renminbi exchange rates may adversely affect the operations and financial results of companies in the PRC mainland. Insofar as a Sub-Fund's assets are invested in the PRC mainland, it will be subject to the risk of the PRC mainland government's imposition of restrictions on the repatriation of funds or other assets out of the country, limiting the ability of the relevant Sub-Fund to satisfy payments to investors.

Renminbi exchange risk. Starting from 2005, the exchange rate of the Renminbi is no longer pegged to the US dollar. The Renminbi has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the Renminbi against other major currencies in the inter-bank foreign exchange market would be allowed to float within a narrow band around the central parity published by the People's Bank of China. As the exchange rates are based primarily on market forces, the exchange rates for Renminbi against other currencies, including US dollars and Hong Kong dollars, are susceptible to movements based on external factors. It should be noted that the Renminbi is currently not a freely convertible currency as it is subject to foreign exchange control policies of the Chinese government. The possibility that the appreciation of Renminbi will be accelerated cannot be excluded. On the other hand, there can be no assurance that the Renminbi will not be subject to devaluation. In particular, there is no guarantee that the value of Renminbi against the investors' base currencies (for example HKD) will not depreciate. Any devaluation of the Renminbi could adversely affect the value of investors' investments in the relevant Sub-Fund. Investors whose base currency is not the Renminbi may be adversely affected if the Renminbi depreciates against the base currency of holding of the investors in that

such investors' investments may be worth less when they exchange Renminbi back to their base currency.

Further, the PRC mainland government's imposition of restrictions on the repatriation of Renminbi out of Chinese Mainland may limit the depth of the Renminbi market in Hong Kong and reduce the liquidity of the relevant Sub-Fund. Any delay in repatriation of Renminbi may result in delay in payment of redemption proceeds to the redeeming Unitholders. The Chinese government's policies on exchange control and repatriation restrictions are subject to change, and the Sub-Fund's or the investors' position may be adversely affected.

PRC mainland tax considerations. By investing in securities issued by tax residents in the PRC mainland (including without limitation China A-Shares, exchange traded funds issued and listed in the PRC mainland ("**A-Share ETFs**") and bonds) ("**PRC Mainland Securities**"), a Sub-Fund may be subject to withholding and other taxes imposed in the PRC mainland.

(a) *Corporate Income Tax ("CIT")*

If the Trust or the relevant Sub-Fund is considered as a tax resident enterprise of the PRC mainland, it will be subject to PRC mainland CIT at 25% on its worldwide taxable income. If the Trust or the relevant Sub-Fund is considered as a non-tax resident enterprise with an establishment or place of business ("**E&P**") in the PRC mainland, the profits attributable to that E&P would be subject to CIT at 25%. Non-resident enterprises without any E&P in the PRC mainland are subject to PRC mainland Withholding Income Tax ("**WIT**") generally at a rate of 10% to the extent it directly derives the PRC mainland-sourced passive income, unless any specific exemption or reduction is available under current PRC mainland tax laws and regulations or relevant tax treaties.

The Manager intends to manage and operate the Trust and the relevant Sub-Fund in such a manner that the Trust and the relevant Sub-Fund should not be treated as tax resident enterprises of the PRC mainland or non-tax resident enterprises with an E&P in the PRC mainland for CIT purposes, although this cannot be guaranteed.

(i) Interests

Interests derived from government bonds issued by the in-charge Finance Bureau of the State Council and/or local governments bonds approved by the State Council shall be exempt from PRC mainland CIT under the CIT law.

Unless a specific exemption / reduction is applicable, for recipients that are non-tax residents without an E&P in the PRC mainland under the CIT law, PRC mainland WIT is levied on the payment of interests on debt instruments issued by PRC mainland tax residents. The general WIT rate applicable is 10%.

The Ministry of Finance ("**MOF**") and the State Taxation Administration ("**STA**") jointly issued circular Caishui [2018] No. 108 ("**Circular 108**") on 22 November 2018, which stipulates that QFIIs and RQFIIs are exempt from WIT in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the Chinese Mainland bond market. On 22 November 2021, the MOF and the STA issued Public Notice [2021] No. 34 ("**PN 34**") to grant an extension on such exemption to 31 December 2025.

Under the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "China-HK Arrangement"), if a Hong Kong tax resident derives interest income from the PRC mainland, the WIT rate can be reduced to 7% provided that the Hong Kong tax resident is the beneficial owner of the interest income under the China-HK Arrangement and other relevant conditions are satisfied, subject to the agreement of the PRC mainland tax authorities. In practice, due to the practical difficulties in demonstrating that an

investment fund is the beneficial owner of the interest income received, such investment fund is generally not entitled to the reduced WIT rate of 7%. In general, the prevailing rate of 10% should be applicable to the Sub-Fund.

(ii) Dividends

Dividends derived from holding PRC Mainland Securities by a non-tax resident recipient from PRC mainland tax residents are subject to the PRC mainland WIT and the general WIT rate applicable is 10%, unless a specific exemption or reduction is applicable.

(iii) Capital gains

*Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (the **"Stock Connects"**)*

Pursuant to Caishui [2014] No. 81 ("**Circular 81**") and Caishui [2016] No. 127 ("**Circular 127**") promulgated by the MOF, the STA and the CSRC on 14 November 2014 and 5 November 2016 respectively, PRC mainland CIT will be temporarily exempted on capital gains derived by Hong Kong and overseas investors (including the relevant Sub-Fund) on the trading of A-Shares through the Stock Connects.

QFIs

Caishui [2014] No.79 ("**Circular 79**"), jointly promulgated by the MOF, the STA and the CSRC on 14 November 2014 states that (i) PRC mainland WIT will be imposed on capital gains obtained by QFIIs and RQFIIs from the transfer of PRC mainland equity investment assets (including PRC mainland domestic stocks) realised prior to 17 November 2014 in accordance with the tax laws; and (ii) QFIIs and RQFIIs (without an E&P in the PRC mainland or having an establishment in the PRC mainland but the income so derived in Chinese Mainland is not effectively connected with such establishment) will be temporarily exempted from WIT on gains derived from the transfer to PRC mainland equity investment assets (including PRC mainland A-Shares and A-Share ETFs) effective from 17 November 2014.

Based on Circular 79, Circular 81 and Circular 127, no provision for gross realised or unrealised capital gains derived by the Sub-Fund from trading of A-Shares and A-Shares ETFs via QFI, Stock Connects or Swap is made by the Manager on behalf of the relevant Sub-Fund.

There are currently no specific tax rules or regulations governing the taxation of capital gains realised by foreign investors on the disposal of bonds or fixed income securities. As mentioned above, the temporary exemption granted under Circular 79 applies to equity investment only, and Circular 79 is silent on whether the exemption is also applicable to non-equity investment such as PRC mainland debt securities and other investments.

Based on the current verbal interpretation of the STA and the local PRC mainland tax authorities, debt or fixed income securities can be regarded as movable properties, and capital gains derived by foreign investors from investment in PRC mainland debt or fixed income securities via QFIs should not be treated as PRC mainland-sourced income and thus not subject to PRC mainland WIT. However, there are no written tax regulations issued by the PRC mainland tax authorities to explicitly clarify such treatment.

As a matter of practice, the collection of such 10% PRC mainland WIT on capital gains realised by non-PRC mainland resident enterprises from the trading of PRC mainland debt or fixed income securities has not been strictly enforced by the PRC mainland tax authorities. There is a possibility of the PRC mainland tax rules, regulations and practice being changed and taxes being applied retrospectively.

There are also risks and uncertainties associated with the current PRC mainland tax laws, regulations and practice. There is a risk that taxes may be levied in future on the relevant Sub-Fund for which no provision is made, which may potentially cause substantial loss to the relevant Sub-Fund.

Investor should note that the aforesaid tax filing and tax treaty application are made in accordance with the prevailing tax rules and practices of the PRC mainland tax authority at the time of submission. The Net Asset Value of the relevant 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 PRC mainland tax authority.

The Manager will closely monitor any further guidance by the relevant PRC mainland and Hong Kong tax authorities and adjust the withholding policy of the relevant Sub-Fund accordingly. The Manager will act in the best interest of the Sub-Fund at all times.

(b) *Value-added Tax ("VAT")*

The MOF and the STA issued Caishui [2016] No. 36 ("**Circular 36**") on 23 March 2016 announcing that the VAT transform program covers all the remaining industries of the program, including financial services. Circular 36 has taken effect from 1 May 2016, unless otherwise stipulated therein.

(i) Capital gains

According to Circular 36 and Circular Caishui [2016] No. 70, capital gains derived by QFIIs and RQFIIs on trading of marketable securities are exempted from VAT. According to Circular 81 and Circular 127, foreign investors which derive capital gains from trading activities via the Stock Connects are also exempted from VAT. Therefore, to the extent that the Sub-Fund(s)' investments (such as A-Shares and A-Shares ETFs, Access Products or debt instruments) are conducted through QFI, Stock Connects or Swap, the capital gains should be exempted from VAT.

(ii) Interests / Dividends

Deposit interest income and interest received from government bonds and local government bonds are also exempt from VAT. Interest received by foreign investors (including QFIs) from non-government bonds (including corporate bonds) issued by PRC mainland tax resident enterprises should technically be subject to 6%.

According to Circular 108, it stipulates that foreign institutional investors are temporarily exempt from VAT in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the Chinese Mainland bond market. According to PN 34, such exemption is extended to 31 December 2025.

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

Generally speaking, if VAT is applicable, there are also other surtaxes (which include Urban Construction and Maintenance Tax ("UCMT"), Education Surcharge ("ES") and Local Education Surcharge ("LES")) that would amount to as high as 12% of VAT payable. Pursuant to the UCMT Law and Public Notice [2021] No. 28 jointly issued by the MOF and the STA, effective from 1 September 2021, no UCMT, ES and LES would be levied on the VAT paid for the service provisions and sale of intangible assets in PRC mainland by overseas parties to

PRC mainland parties. However, in practice, it is uncertain whether the exemption would apply to investment income derived by foreign institutional investors and the implementation may vary depending on the local practice.

(c) *Stamp duty*

Stamp duty under the PRC mainland laws generally applies to the execution and receipt of all taxable documents listed in the PRC mainland's Stamp Duty Law. Stamp duty is levied on the execution or receipt in Chinese Mainland of certain documents, including contracts for the sale of China A-Shares and B-Shares traded on the PRC mainland stock exchanges. In the case of contracts for sale of China A-Shares and B-Shares, such stamp duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1% of the sales consideration.

Stamp duty is not expected to be imposed on non-tax resident holders of government and corporate bonds, either upon issuance or subsequent transfer of such bonds.

(d) *Swap arrangement*

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

(e) *General*

Various tax reform policies have been implemented by the PRC mainland government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in the PRC mainland will be changed with retrospective effect in the future and any such change may have an adverse effect on the Net Asset Value of the relevant Sub-Fund. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in the PRC mainland which the relevant Sub-Fund invests in, thereby reducing the income from, and/or value of the Units.

(f) *Tax Provision*

In order to meet the potential tax liability on capital gains arising from disposal of PRC Mainland Securities, the Manager reserves the right to provide for WIT on such gains and withhold the tax for the account of the relevant Sub-Fund. The Manager will at the inception of the relevant Sub-Fund decide whether the investment objectives and policies of the relevant Sub-Fund would necessitate the making of tax provisions in respect of the relevant Sub-Fund for the above tax obligations. Even if provisions are made, the amount of such provisions may not be sufficient to meet the actual tax liabilities. Where any provision is made, the level of the provisioning will be set out in Part 2 of this Prospectus and amount of actual provision will be disclosed in the financial reports of the relevant Sub-Fund. With the uncertainties under the applicable PRC mainland tax laws and the possibility of such laws being changed and taxes being applied retrospectively, any provision for taxation made by the Manager may be excessive or inadequate to meet actual PRC mainland tax liabilities on gains derived from investments held by the relevant Sub-Fund. Upon any future resolution of the abovementioned uncertainty or further changes to tax law or policies, the Manager will, as soon as practicable, make relevant adjustments to the amount of tax provision as it considers necessary. Investors should note that if provision for taxation is made, such

provision may be excessive or inadequate to meet actual PRC mainland tax liabilities on investments made by the relevant Sub-Fund. As a result, investors may be advantaged or disadvantaged depending on the final rules of the relevant PRC mainland tax authorities. If no provision for potential WIT is made and in the event that the PRC mainland tax authorities enforce the imposition of such WIT in respect of the relevant Sub-Fund's investment, the Net Asset Value of the relevant Sub-Fund may be affected. As a result, redemption proceeds or distributions may be paid to the relevant Unitholders without taking full account of tax that may be suffered by the relevant Sub-Fund, which tax will subsequently be borne by the relevant Sub-Fund and affect the Net Asset Value of the relevant Sub-Fund and the remaining Units in the relevant Sub-Fund. In this case, the then existing and new Unitholders will be disadvantaged from the shortfall.

On the other hand, if the provision is in excess of the final PRC mainland tax liabilities attributable to the relevant Sub-Fund, the excess will be distributed to the Sub-Fund and reflected in the value of Units in the Sub-Fund. Notwithstanding the foregoing, please note that no Unitholders who have realised their Units in the Sub-Fund before the distribution of any excess provision to the relevant Sub-Fund shall be entitled to claim in whatsoever form any part of the withholding amounts distributed to that Sub-Fund, which amount would be reflected in the value of Units in the Sub-Fund. Therefore, Unitholders who have redeemed their Units will be disadvantaged as they would have borne the loss from the overprovision for PRC mainland tax.

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

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

PRC mainland law and regulations risk. The PRC mainland's legal system is based on written statutes and, therefore, prior court decisions do not have binding legal effect, although they are often followed by judges as guidance. The PRC mainland government has been developing a comprehensive system of commercial laws, and considerable progress has been made in promulgating laws and regulations dealing with economic matters such as corporate organization and governance, foreign investment, commerce, taxation and trade. However, enforcement of such laws and regulations may be uncertain and sporadic, and implementation and interpretation of such laws and regulations may be inconsistent. The PRC mainland's judiciary is relatively inexperienced in enforcing the existing laws and regulations, leading to a higher than usual degree of uncertainty as to the outcome of any litigation. Even where adequate laws exist in the PRC mainland, it may be difficult to obtain swift and equitable enforcement of such laws, or to obtain enforcement of a judgment by a court of another jurisdiction. The introduction of new Chinese laws and regulations and the interpretation of existing ones may be subject to policy changes reflecting domestic political or social changes. The regulatory and legal framework for capital markets and joint stock companies in the PRC mainland may not be as well developed as those of developed countries. PRC mainland laws and regulations affecting securities and futures markets are relatively new and evolving. As the PRC mainland's legal system develops, there can be no assurance that changes in such legislation or interpretation thereof will not have an adverse effect upon the business and prospects of the relevant Sub-Fund's portfolio investments in Chinese Mainland.

4.2 ***Investment risks***

General risks involved in investing in a Sub-Fund. An investment in Units of a Sub-Fund involves risks similar to those of investing in a broad-based portfolio of securities and/or FDIs traded on exchanges in the relevant overseas securities and FDI market, including market fluctuations caused by factors such as economic and political developments, changes in interest rates and perceived trends in security prices. The principal risk factors, which could decrease the value of an Investor's investment, are listed and described below:

- Less liquid and less efficient securities and futures markets;
- Greater price volatility especially for Sub-Funds investing in equity securities;
- Exchange rate fluctuations and exchange controls;
- Less publicly available information about issuers;
- The imposition of restrictions on the expatriation of funds or other assets of a Sub-Fund;
- Higher transaction and custody costs and delays and risks of loss attendant in settlement procedures;
- Difficulties in enforcing contractual obligations;
- Lesser levels of regulation of the securities and futures markets;
- Different accounting, disclosure and reporting requirements;
- More substantial government involvement in the economy;
- Higher rates of inflation; and
- Disruption of normal market trading and valuation of securities and/or FDIs due to extreme market conditions, natural catastrophes, greater social, economic, and political uncertainty and the risk of nationalization or expropriation of assets and war or terrorism.

Investment risk. The Sub-Funds are not principal guaranteed and, for an Index Tracking Sub-Fund, the purchase of its Units is not the same as investing directly in the Index Securities or FDIs (as the case may be) comprised in the Underlying Index.

Securities Risk. The investments of a Sub-Fund are subject to risks inherent in all Securities (including settlement and counterparty risks). The value of holdings may fall as well as rise. The global markets 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.

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

Market Risk. Market risk includes such factors as changes in economic environment, consumption pattern, lack of publicly available information of investments and their issuers and investors' expectations, etc. which may have significant impact on the value of the investments. Usually, emerging markets tend to be more volatile than developed markets and may experience substantial price volatility. Market movements may therefore result in substantial fluctuations in the Net Asset Value per Unit of the relevant Sub-Fund. 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 and/or FDIs it holds, less expenses incurred. The Sub-Fund's return may fluctuate in response to changes in such capital appreciation or income.

Asset Class Risk. Although the Manager is responsible for the continuous supervision of the investment portfolio of each Sub-Fund, the returns from the types of Securities and/or FDIs in which a Sub-Fund invests may underperform returns from other securities and/or FDIs markets or from investment in other assets. Different types of Securities and/or FDIs tend to go through cycles of out-performance and underperformance when compared with other general securities and/or FDIs markets.

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

There are risks associated with management of collateral and re-investment of collateral. The value of any collateral received in respect of any FDI 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 the Sub-Fund reinvests cash collateral, it is subject to investment risk including the potential loss of principal.

A Sub-Fund uses investment techniques, including investments in FDIs, such as Futures Contracts and swaps that may be considered aggressive. The use of FDIs may result in larger losses or smaller gains than investing in or shorting the Securities included in the relevant Underlying Index. Investments in these FDIs 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 FDIs may expose the relevant Sub-Fund to additional risks such as counterparty risk, liquidity risk and increased daily correlation risk. When a Sub-Fund uses FDIs, there may be imperfect correlation between the value of the underlying reference assets and the FDI, which may prevent the relevant Sub-Fund from achieving its investment objective.

A Sub-Fund may use either a futures-based strategy, a swap-based synthetic strategy or a combination of both strategies. With respect to the use of swap agreements, if the Underlying Index has a dramatic intraday move in value that causes a material decline in the Sub-Fund's Net Asset Value, the terms of the swap agreement between the relevant Sub-Fund and its swap counterparty may allow the swap counterparty to immediately close out of the transaction with the relevant Sub-Fund. In such circumstances, the relevant Sub-Fund may be unable to enter into another swap agreement or invest in other FDI to achieve the desired exposure consistent

with the Sub-Fund's investment objective. Any financing, borrowing or other costs associated with using FDIs may also have the effect of lowering the relevant Sub-Fund's return. In addition, the relevant Sub-Fund's investments in FDIs are subject to the following risks:

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

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

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

Concentration Risk. If the Underlying Index of an Index Tracking Sub-Fund is concentrated in a particular security (or FDI) or group of securities (or FDIs) of a particular industry or group of industries, that Index Tracking Sub-Fund may be adversely affected by or depend heavily on the performance of those securities (or FDIs) and be subject to price volatility. In addition, the Manager may invest a significant percentage or all of the assets of a Sub-Fund in a single security (or FDI), group of securities (or FDIs), industry or group of industries, and the performance of the Sub-Fund could be closely tied to that security (or FDI), group of securities (or FDIs), industry or group of industries and could be more volatile than the performance of other more diversified funds, and be more susceptible to any single economic, market, political or regulatory occurrence.

Single country risk. The investments of a Sub-Fund which invest in a single country, are not as diversified as regional funds or global funds. This means that such Sub-Funds tend to be more volatile than other mutual funds and its portfolio value can be exposed to country specific risks.

Foreign Security Risk. A Sub-Fund may invest entirely within or may relate to the equity markets of a single country or region. These markets may be subject to special risks associated with foreign investment including market fluctuations caused by factors affected by political and economic development. Investing in the Securities of non-Hong Kong companies involves special risks and considerations not typically associated with investing in Hong Kong companies. These include differences in accounting, disclosure, auditing and financial reporting standards, the possibility of expropriation or confiscatory taxation, adverse changes in investment or exchange control regulations, the imposition of restrictions on the expatriation of funds or other assets of a Sub-Fund, political instability which could affect local investments in

foreign countries, and potential restrictions on the flow of international capital. Non-Hong Kong companies may be subject to less governmental regulation than Hong Kong companies. Moreover, individual foreign economies may differ favourably or unfavourably from the Hong Kong economy in such respects as growth of gross domestic product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payment positions.

Management Risk. A Sub-Fund may be 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. Although it is the Manager's intention to use full replication strategy to track the relevant Underlying Index for some of the Index Tracking Sub-Funds, there is no guarantee that this can be achieved, as the implementation of a full replication strategy may be subject to constraints which are beyond the control of the Manager. In addition, in the interest of a Sub-Fund, the Manager has absolute discretion to exercise shareholders' rights with respect to Securities and/or FDIs comprising the relevant Sub-Fund. There can be no guarantee that the exercise of such discretion will result in the investment objective of the relevant Sub-Fund being achieved. Investors should also note that in certain cases, none of the Manager, the relevant Sub-Fund or the Unitholders has any voting rights with respect to Securities and/or FDIs comprising the relevant Sub-Fund.

Restricted markets risk. A Sub-Fund may invest in securities in jurisdictions (including Chinese Mainland) which impose limitations or restrictions on foreign ownership or holdings. In such circumstances, the relevant Sub-Fund may be required to make investments in the relevant markets directly or indirectly. In either case, legal and regulatory restrictions or limitations may have adverse effect on the liquidity and performance of such investments due to factors such as limitations on fund repatriation, dealing restrictions, adverse tax treatments, higher commission costs, regulatory reporting requirements and reliance on services of local custodians and service providers. This may lead to an increased tracking error for the relevant Index Tracking Sub-Fund.

Possible Business Failure Risk. In the current economic environment, global markets are experiencing very high level of volatility and an increased risk of corporate failures. For an Index Tracking Sub-Fund, the insolvency or other corporate failures of any one or more of the constituents of the Underlying Index may have an adverse effect on the Underlying Index and therefore the relevant Index Tracking Sub-Fund's performance. Investors may lose money by investing in a Sub-Fund.

Reliance on the Manager. Unitholders must rely upon the Manager in formulating the investment strategies and the performance of a Sub-Fund is largely dependent on the services and skills of its officers and employees. 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 quickly and the new appointment may not be on equivalent terms or of similar quality. Therefore, the occurrence of those events could cause a deterioration in the Sub-Fund's performance and investors may lose money in those circumstances.

Counterparty Risk. The Manager for the account of a Sub-Fund, may enter into transactions with financial institutions, such as brokerage firms, broker-dealers and banks, may enter into transactions in relation to such Sub-Fund's investments. The Sub-Fund may be exposed to the risk that such financial institutions, being a counterparty may not settle a transaction in accordance with market practice due to a credit or liquidity problem of the counterparty, or due to the insolvency, fraud or regulatory sanction of the counterparty, thus causing the Sub-Fund to suffer a loss.

A Sub-Fund may invest in FDIs such as Futures Contracts 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 FDIs 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 relevant Sub-Fund, it may not receive the full amount it is entitled to receive. In addition, the relevant Sub-Fund may enter into swap agreements with a limited number of counterparties, which may increase the relevant Sub-Fund's exposure to counterparty credit risk. The relevant Sub-Fund does not specifically limit its counterparty risk with respect to any single counterparty and there is a chance for the relevant 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 the relevant Sub-Fund and, as a result, the relevant 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.

In addition, a Sub-Fund may be exposed to the counterparty risk of a custodian, bank or financial institution ("custodian or depository") with which it deposits its securities, FDIs and/or cash. These custodian or depository may be unable to perform their obligations due to credit-related and other events like insolvency of or default of them. In these circumstances the relevant Sub-Fund may be required to unwind certain transactions and may encounter delays of some years and difficulties with respect to court procedures in seeking recovery of the relevant Sub-Fund's assets.

Borrowing Risks. The Trustee, on the instruction of the Manager, may borrow for the account of a Sub-Fund (up to 10% of the Net Asset Value of the relevant Sub-Fund) 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 the relevant 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 the relevant 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.

Accounting standards and disclosure. The Manager intends to adopt Hong Kong Financial Reporting Standards ("**HKFRS**") in drawing up the annual financial reports of the Trust and the Sub-Funds. However, investors should note that the calculation of the Net Asset Value for determining fees and for subscription and redemption purposes will not necessarily be in compliance with generally accepted accounting principles, that is, HKFRS. Under HKFRS, investments should be valued at fair value, and bid and ask pricing is considered to be representative of fair value for long and short listed investments respectively. However, under the valuation basis described in the section "***8.1 Determination of the Net Asset Value***" below, listed investments may be valued by reference to the last traded price or the official closing price instead of bid and ask pricing as required under HKFRS. Accordingly, investors should note that the Net Asset Value as described in this Prospectus may not necessarily be the same as the Net Asset Value to be reported in the annual financial reports as the Manager may make necessary adjustments in the annual financial reports to comply with HKFRS. Any such adjustments will be disclosed in the annual financial reports, including a reconciliation note to reconcile values as shown in the annual financial reports prepared in accordance with HKFRS to those derived by applying the relevant Trust's valuation rules.

Risk of early termination. Under the terms of the Trust Deed and as summarised under the section headed "***12.5 Termination of the Trust or a Sub-Fund***" of this Prospectus, the Manager or the Trustee may terminate the Trust or a Sub-Fund under certain circumstances.

In the event of the early termination of a Sub-Fund, the relevant Sub-Fund would have to distribute to the Unitholders their pro rata interest in the assets of the Sub-Fund in accordance with the Trust Deed. It is possible that at the time of such sale or distribution, certain investments held by that Sub-Fund may be worth less than the initial cost of such investments, resulting in a substantial loss to the Unitholders. Moreover, any organisational expenses with regard to the relevant Sub-Fund that had not yet become fully amortised would be debited against the relevant Sub-Fund's net assets at that time. Any amount distributed to the Unitholders of the relevant Sub-Fund may be more or less than the capital invested by such Unitholders.

Emerging Market Risk. Some overseas markets in which a Sub-Fund may invest are considered emerging market countries. The economies of many emerging markets are still in the early stages of modern development and subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions that have a sudden and widespread effect. Also, many less developed market and emerging market economies have a high degree of dependence on a small group of markets or even a single market that can render such economies more susceptible to the adverse impact of internal and external shocks.

Emerging market regions are also subject to special risks including, but not limited to: generally less liquid and less efficient securities and futures markets; generally greater price volatility; exchange rate fluctuations and exchange control; higher volatility of the value of debt (particularly as impacted by interest rates); imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; higher inflation; social, economic and political uncertainties; custodial and/or settlement systems may not be fully developed which may expose a Sub-Fund to sub-custodial risk in circumstances whereby the Trustee will have no liability as provided under the provisions of the Trust Deed; the risk of expropriation of assets and the risk of war.

Risk of War or Terrorist Attacks. There can be no assurance that there will not be any terrorist attacks which could have direct or indirect effect on the markets in which investments of a Sub-Fund may be located and the corresponding political and/or economic effects arising therefrom if any, may in turn adversely affect the operation and profitability of the Sub-Fund.

Cross class liability risk. The Trust Deed allows the Trustee and the Manager to issue Units in separate classes. The Trust Deed provides for the manner in which liabilities are to be attributed across the various classes within a Sub-Fund under the Trust (liabilities are to be attributed to the specific class of a 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 class (in the absence of the Trustee granting that person a security interest). However, the Trustee will have a right of reimbursement and indemnity out of the assets of the Trust which may result in unitholders of one class of Units of a Sub-Fund being compelled to bear the liabilities incurred in respect of another class of the Sub-Fund which Units such unitholders do not themselves own if there are insufficient assets attributable to that other class to satisfy the amount due to the Trustee. Accordingly, there is a risk that liabilities of one class of a Sub-Fund may not be limited to that particular class and may be required to be paid out of one or more other classes of that Sub-Fund.

Cross Sub-Fund liability risk. The assets and liabilities of each Sub-Fund under the Trust will be tracked, for bookkeeping purposes, separately from the assets and liabilities of any other Sub-Funds, and the Trust Deed provides that the assets of each Sub-Fund should be segregated from each other. There is no guarantee that the courts of any jurisdiction 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.

Dividends may not be paid. Whether a Sub-Fund will pay distributions on Units is subject to the Manager's distribution policy and also depends on dividends declared and paid in respect of the Securities comprising the Sub-Fund. Instead of distributing dividends to Unitholders, the Manager may in its discretion use dividends received from the Securities comprising the Sub-Fund to pay a Sub-Fund's expenses. Dividend payment rates in respect of such Securities comprising the Sub-Fund 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 paid out of capital risk. In respect of a Sub-Fund, the Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend 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 relevant Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the relevant Sub-Fund. The relevant Sub-Fund may therefore effectively pay dividend out of capital. Please refer to the relevant Appendix of a Sub-Fund for the dividend policy, including whether or not such Sub-Fund may pay dividend out of capital or effectively out of capital. Investors should note that the payment of distributions out of or effectively out of capital represents a return or a withdrawal of part of the amount they originally invested or capital gain attributable to that amount. Any such distributions may result in an immediate reduction in the Net Asset Value per Unit of the relevant Sub-Fund.

No Right to Control a Sub-Fund's Operation. Investors of a Sub-Fund will have no right to control the daily operations, including investment and redemption decisions, of such Sub-Fund.

Difficulties in valuation of investments. Securities and/or FDIs acquired on behalf of a Sub-Fund may subsequently become illiquid due to events relating to the issuer of the securities, market and economic conditions and regulatory sanctions. In cases where no clear indication of the value of the Securities and/or FDIs comprising a Sub-Fund is available (for example, when the secondary markets on which the Securities and/or FDIs are traded have become illiquid) the Manager may apply valuation methods to ascertain the fair value of such Securities and/or FDIs, pursuant to the Trust Deed.

Securities volatility risk. Prices of securities may be volatile. Price movements of securities are difficult to predict and are influenced by, among other things, changing supply and demand relationships, governmental trade, fiscal, monetary and exchange control policies, national and international political and economic events, and the inherent volatility of the market place. A Sub-Fund's value will be affected by such price movements and could be volatile, especially in the short-term.

Effect of redemptions. If significant redemptions of Units are requested by the Participating Dealers or Unitholders of Unlisted Class of Units, it may not be possible to liquidate the 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 or Unitholders of Unlisted Class of Units, the right to require redemptions in excess of 10% of the total number of Units of the relevant Sub-Fund then in issue (or such higher percentage as the Manager may determine) may be deferred, or the period for the payment of redemption proceeds may be extended.

In addition, the Manager may also in certain circumstances suspend the determination of the Net Asset Value of the Sub-Fund for the whole or any part of any period. Please see section "***8.2 Suspension Of Determination Of Net Asset Value***" for further details.

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

Accordingly, the Listed Classes of each Sub-Fund will be traded on the SEHK on such days, if the SEHK maintains normal operations. Further, on each such day which is a Dealing Day, it is intended that the dealing of Unlisted Classes of Units of each Sub-Fund (if offered) will be conducted, pursuant to the terms and procedures set out in this Prospectus.

The implementation of trading and dealing of 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 Listed Classes of Units of a Sub-Fund will have to do so through their brokers, while investors in the Unlisted Classes will need to check with their Authorised Distributors whether dealing is offered through them, on a day on which severe weather conditions persist. These service providers are independent of the Manager, and it cannot be guaranteed that their services will not be disrupted by severe weather events.

4.3 ***Market Trading Risks (applicable to the Listed Class of Units only)***

Trading Risk. While the creation/redemption feature of the Trust is designed to make it more likely that Listed Class of 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 the Listed Class of Units trading at a significant premium / discount to its Net Asset Value. Also, there can be no assurance that an active trading market will exist or maintain for the Listed Class of Units of a Sub-Fund on any securities exchange on which such Listed Class of Units may trade.

The Net Asset Value of the Listed Class of Units of a Sub-Fund will also fluctuate with changes in the market value of a Sub-Fund's holdings of Securities and/or FDIs and changes in the exchange rate between the Base Currency and the subject foreign currency. The market prices of the Listed Class of Units will fluctuate in accordance with changes in Net Asset Value and supply and demand on any exchange on which the Listed Class of Units are listed. The Manager cannot predict whether the Listed Class of Units will trade below, at or above their Net Asset Value. Price differences may be due, in large part, to the fact that supply and demand forces in the secondary trading market for the Listed Class of Units will be closely related, but not identical, to the same forces influencing the prices of the Securities and/or FDIs trading individually or in the aggregate at any point in time. Given, however, that the Listed Class of Units must be created and redeemed in Application Unit aggregations (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 the Listed Class of Units should not be sustained. In the event that the Manager suspends creations and/or redemptions of the Listed Class of Units of a Sub-Fund, the Manager expects larger discounts or premiums between the secondary market price of the Listed Class of Units and the Net Asset Value.

There is no certain basis for predicting the sizes in which the Listed Class of Units in the Sub-Fund may trade. There can be no assurance that the Listed Class of Units in the Sub-Fund will experience trading or pricing patterns similar to those of other exchange traded funds which are issued by investment companies in other jurisdictions or are traded on the SEHK.

No Trading Market in the Units. There may be no liquid trading market for the Listed Class of Units of a Sub-Fund notwithstanding the listing of such Listed Class of Units on the SEHK and the appointment of one or more market makers. Further, there can be no assurance that the Listed Class of Units will experience trading or pricing patterns similar to those of exchange traded funds which are issued by investment companies in other jurisdictions or (in respect of an Index Tracking Sub-Fund) those traded on the SEHK which are based upon indices other than the Underlying Index.

Reliance on Market Maker(s). Although it is the Manager's intention that there will always be at least one market maker in respect of the Listed Class of Units, Investors should note that liquidity in the market for the Listed Class of Units may be adversely affected if there is no market maker for a Sub-Fund. It is possible that where there is only one SEHK market maker to the Listed Class of Units of each Sub-Fund and therefore it may not be practical for a Sub-Fund to remove

the only market maker to the Sub-Fund even if the market maker fails to discharge its duties as the sole market maker.

Reliance on Participating Dealer(s). The issuance and redemption of Listed Class of Units may only be effected through Participating Dealer(s). A Participating Dealer may charge a fee for providing this service. Participating Dealer(s) will not be able to issue or redeem Listed Class of 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 (in respect of an Index Tracking Sub-Fund) the Underlying Index(ices) is/are not compiled or published. In addition, Participating Dealer(s) will not be able to issue or redeem Listed Class of Units if some other event occurs which impedes the calculation of the Net Asset Value of a Sub-Fund or disposal of the Securities and/or FDIs comprising the Sub-Fund cannot be effected. Where a Participating Dealer appoints a PD Agent to perform certain CCASS-related functions, if the appointment is terminated and the Participating Dealer fails to appoint an alternative PD Agent, or if the PD Agent ceases to be a CCASS participant, the creation or redemption of Listed Class 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 one Participating Dealer at any given time, there is a risk that investors may not always be able to create or redeem Listed Class of Units freely.

Absence of active market / liquidity risk. The Listed Class of Units of a Sub-Fund may not initially be widely held upon their listing on the SEHK. Accordingly, any investor buying Listed Class of Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, one or more market makers have been appointed.

There can be no assurance that an active trading market for Listed Class of Units of a Sub-Fund will develop or be maintained. In addition, if the Securities and/or FDIs which comprise the Sub-Fund themselves have limited trading markets, or if the spreads are wide, this may adversely affect the price of the Listed Class of Units and the ability of an investor to dispose of its Listed Class of Units at the desired price. If investors need to sell Listed Class of Units at a time when no active market for them exists, the price they receive for such Listed Class of Units — assuming they are able to sell them — would likely be lower than the price received if an active market did exist.

In addition, the price at which Securities and/or FDIs may be purchased or sold by a Sub-Fund upon any rebalancing activities or otherwise and the value of the Listed Class of Units may be adversely affected if trading markets for the Securities and/or FDIs comprising the Sub-Fund are limited, inefficient or absent or if bid-offer spreads are wide.

Restrictions on creation and redemption of Units. Investors should note that an investment in the Listed Class of Units of a Sub-Fund is not like a typical retail investment fund offered to the public in Hong Kong (for which units can generally be purchased and redeemed directly from the manager). The Listed Class of Units of a Sub-Fund may only be created and redeemed in Application Unit sizes directly by a Participating Dealer (either on its own account or on behalf of an investor through a stockbroker which has opened an account with the Participating Dealer). Other investors may only make a request (and if such investor is a retail investor, through a stockbroker which has opened an account with a Participating Dealer) to create or redeem Listed Class of Units in Application Unit sizes through a Participating Dealer which reserves the right to refuse to accept a request from an investor to create or redeem Listed Class of Units under certain circumstances. Alternatively, investors may realize the value of their Listed Class of Units by selling their Listed Class of Units through an intermediary such as a stockbroker on the SEHK, although there is a risk that dealings on the SEHK may be suspended. Please refer the sections "***Rejection of Creation Applications***" and "***Rejection of Redemption Applications***" in Schedule 2 for details in relation to the circumstances under which creation and redemption applications can be rejected.

Units may trade at prices other than NAV. The Net Asset Value of a Sub-Fund represents the fair price for buying or selling Units. As with any listed fund, the market price of Listed Class of Units may sometimes trade above or below its NAV. There is a risk, therefore, that Unitholders

may not be able to buy or sell Listed Class of Units at a price close to this NAV. The deviation from NAV is dependent on a number of factors, but will be accentuated when there is a large imbalance between market supply and demand for Securities and/or FDIs comprising the Sub-Fund. The "bid/ask" spread (being the difference between the prices being bid by potential purchasers and the prices being asked by potential sellers) is another source of deviation from NAV. The bid/ask spread can widen during periods of market volatility or market uncertainty, thereby increasing the deviation from NAV. Please also note that the fact that an investor purchases the Listed Class of Units from the secondary market with premium does not mean that such investor is guaranteed of the return of the premium an investor pays. In the event that an investor is unable to get back the premium he pays, and he will suffer loss when selling the Listed Class of Units.

Costs of trading Units risk. Trading of Listed Class of Units on the SEHK may involve various types of costs that apply to all securities transactions. When trading Listed Class of Units through a broker investors will incur a brokerage commission or other charges imposed by the broker. In addition, investors on the secondary market will also incur the cost of the trading spread, being the difference between what investors are willing to pay for the Listed Class of Units (bid price) and the price at which they are willing to sell Listed Class of Units (ask price). Frequent trading may detract significantly from investment results and an investment in Listed Class of Units may not be advisable particularly for investors who anticipate regularly making small investments.

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

4.4 ***Differences in dealing, fee and cost arrangements between Listed Class and Unlisted Class of Units***

Each Sub-Fund may offer both Listed Class of Units and Unlisted Class of Units. Dealing arrangements in respect of Listed Class of Units and Unlisted Class of Units are different, and depending on market conditions, investors of the Listed Class of Units may be at an advantage compared to investors of the Unlisted Class of Units, or vice versa.

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

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

The Net Asset Value per Unit of each of the Listed Class of Units and Unlisted Class of Units may also be different due to the different fees and costs applicable to each class of Units.

Please also refer to "Market Trading Risks (applicable to the Listed Class of Units only)" above for additional risks relating to Listed Class of Units.

4.5 ***Regulatory risks***

Legal and Regulatory Risk. A Sub-Fund must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in a Sub-Fund's investment policy and objective. Furthermore, such change in the laws may have an impact on the market sentiment which may in turn affect the underlying Securities and/or FDIs comprising a Sub-Fund and as a result the performance of a Sub-Fund. It is impossible to predict whether such an impact caused by any change of law will be positive or negative for a Sub-Fund. In the worst case scenario, a Unitholder may lose a material part of its investment in a Sub-Fund.

Risk of withdrawal of authorization by the Commission. Each Index Tracking Sub-Fund seeks to provide investment results that closely correspond with the performance of the relevant Underlying Index. One or more Sub-Funds have been authorized as a collective investment scheme under the Code by the Commission pursuant to section 104 of the Securities and Futures Ordinance. However, the Commission reserves the right to withdraw the authorization of a Sub-Fund, for example, if (in respect of an Index Tracking Sub-Fund) the Commission considers the relevant Underlying Index is no longer acceptable to the Commission. The Commission's 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. This does not mean the Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Risk relating to de-listing (applicable to Listed Class of Units only). The SEHK imposes certain requirements for the continued listing of Securities, including the Listed Class of Units, on the SEHK. Investors cannot be assured that the Sub-Funds will continue to meet the requirements necessary to maintain the listing of Listed Class of Units on the SEHK or that the SEHK will not change the listing requirements. If the Listed Class of Units are delisted from the SEHK, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to operate only Unlisted Class of Units in respect of such Sub-Fund (subject to any necessary amendments to the rules of the Sub-Fund) or terminate the Sub-Fund and will notify investors accordingly.

Risk of suspension of trading on the SEHK. If trading of the Listed Class of Units of a Sub-Fund on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Listed Class of Units. The SEHK may suspend the trading of Listed Class of Units whenever the SEHK determines that it is appropriate in the interests of a fair and orderly market to protect investors. The subscription and redemption of Listed Class of Units may also be suspended if the trading of Listed Class of Units is suspended.

Taxation. Investing in the 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.

4.6 ***Risks associated with Foreign Account Tax Compliance Act***

Sections 1471 – 1474 (referred to as "**FATCA**") of the US Internal Revenue Code of 1986, as amended ("**IRS Code**") will impose new rules with respect to certain payments to non-United States persons, such as the Trust and the Sub-Funds, including interest and dividends from securities of US issuers and 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 ("**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 the Sub-Funds (and, generally, other investment funds organized 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.

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. In addition, starting from 1 January 2017, gross proceeds such as sales proceeds and returns of principal derived from stocks and debt obligations generating US source dividends or interest will be treated as "withholdable payments." It is expected that certain non-U.S. 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 U.S. Treasury Regulations is currently pending.

Hong Kong entered into an intergovernmental agreement with the US on 13 November 2014 ("**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 the Sub-Funds) would be required to enter into the FFI Agreement with the US IRS, register with the US IRS and comply with the terms of FFI Agreement. Otherwise they will be subject to a 30% withholding tax on relevant US-sourced payments to them.

As an IGA has been signed between Hong Kong and the US, FFIs in Hong Kong (such as the Trust and the Sub-Funds) 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 recalcitrant accounts (i.e. accounts of which the holders do not consent to FATCA reporting and disclosure to the US IRS) or close those recalcitrant accounts (provided that information regarding such recalcitrant account holders is reported to the US IRS), but may be required to withhold tax on payments made to non-compliant FFIs.

The Trust and each Sub-Fund 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 any Sub-Fund is not able to comply with the requirements imposed by FATCA or the FFI Agreement and the Trust or such Sub-Fund does suffer US withholding tax on its investments as a result of non-compliance, the Net Asset Value of the Trust or that Sub-Fund may be adversely affected and the Trust or such 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 the relevant Sub-Fund, or a risk of the Trust or the relevant Sub-Fund being subject to withholding tax under FATCA, the Manager on behalf of the Trust and each of such relevant Sub-Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, 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. 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. As at the date of this Prospectus, all Units in the Sub-Funds are registered in the name of HKSCC Nominees Limited. It is the Manager's understanding that Hong Kong Securities Clearing Company Limited has completed registration with the IRS as a "Reporting Financial Institution under a Model 2 IGA".

The Sub-Funds have been registered with the IRS as at the date of this Prospectus. The Manager has taken competent tax advice and confirms that the Trust itself is not required to be registered with the IRS for FATCA-compliance purpose.

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

4.7 ***Risks associated with Index Tracking Sub-Funds***

Passive Investments. Index Tracking Sub-Funds are not actively managed. Each Index Tracking Sub-Fund invests in the Securities or FDIs (as the case may be) included in or reflecting its Underlying Index regardless of their investment merit. The Manager does not attempt to select Securities or FDIs (as the case may be) individually or to take defensive positions in declining

markets. Accordingly, the lack of discretion to adapt to market changes due to the inherent investment nature of each Index Tracking Sub-Fund means that falls in the related Underlying Index are expected to result in a corresponding fall in the value of the relevant Index Tracking Sub-Fund.

Tracking Error Risk. An Index Tracking Sub-Fund's returns may deviate from the Underlying Index due to a number of factors. For example, the fees and expenses of an Index Tracking Sub-Fund, costs of using FDIs, liquidity of the market, imperfect correlation of returns between an Index Tracking Sub-Fund's assets and the Securities or FDIs (as the case may be) constituting its Underlying Index, the rounding of share prices, foreign exchange costs, changes to the Underlying Indices and regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index of each Index Tracking Sub-Fund and to rebalance the Index Tracking Sub-Fund's holdings of Securities or FDIs (as the case may be) in response to changes in the constituents of the Underlying Index. Further, an Index Tracking Sub-Fund may receive income (such as interests and dividends) from its assets while the Underlying Index does not have such sources of income. There is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

Although the Manager regularly monitors the tracking error of each Index Tracking Sub-Fund, there can be no assurance that any Index Tracking Sub-Fund will achieve any particular level of tracking error relative to the performance of its Underlying Index.

4.8 ***Risks associated with the Underlying Index***

The following risk factors relate to Index Tracking Sub-Funds only.

The Underlying Index is subject to fluctuations. The performance of the Units of an Index Tracking Sub-Fund should, before fees and expenses, correspond closely with the performance of the Underlying Index. If the Underlying Index experiences volatility or declines, the price of the Units will vary or decline accordingly.

Licence to use the Underlying Index may be terminated. The Manager has been granted a licence by each of the Index Providers to use the relevant Underlying Index in order to create an Index Tracking Sub-Fund based on the relevant Underlying Index and to use certain trade marks and any copyright in the relevant Underlying Index. An Index Tracking Sub-Fund may not be able to fulfil its objective and may be terminated if the licence agreement between the Manager and the relevant Index Provider is terminated. The initial term of the licence agreement of an Index Tracking Sub-Fund and the manner in which such licence agreement may be renewed are set out in Part 2 of this Prospectus. Generally, a licence agreement may be terminated by the Manager and the relevant Index Provider by mutual agreement, and there is no guarantee that the licence agreement will be perpetually renewed. Further details on the grounds on which the licence agreement of an Index Tracking Sub-Fund may be terminated are set out in Part 2 of this Prospectus. An Index Tracking Sub-Fund may also be terminated if the relevant Underlying Index ceases to be compiled or published and there is no replacement Underlying Index using the same or substantially similar formula for the method of calculation as used in calculating the relevant Underlying Index.

Compilation of Underlying Index. Each Index Tracking Sub-Fund is not sponsored, endorsed, sold or promoted by the relevant Index Provider. Each Index Provider makes no representation or warranty, express or implied, to investors in the relevant Index Tracking Sub-Fund or other persons regarding the advisability of investing in Index Securities or FDIs (as the case may be) generally or in the relevant Index Tracking Sub-Fund particularly. Each Index Provider has no obligation to take the needs of the Manager or investors in the relevant Index Tracking Sub-Fund into consideration in determining, composing or calculating the relevant Underlying Index. There is no assurance that the Index Provider will compile the relevant Underlying Index accurately, or that the relevant Underlying Index will be determined, composed or calculated accurately, and consequently there can be no guarantees that its actions will not prejudice the interests of the relevant Index Tracking Sub-Fund, the Manager or investors.

Composition of the Underlying Index may change. The composition of the Index Securities or FDIs (as the case may be) constituting the relevant Underlying Index will change as the Index Securities or FDIs (as the case may be) may be delisted, or as new Securities or Futures Contracts (as the case may be) are included in the relevant Underlying Index. When this happens, the weightings or composition of the Index Securities or FDIs (as the case may be) owned by an Index Tracking Sub-Fund would be changed as considered appropriate by the Manager in order to achieve the investment objective. Thus, an investment in Units of an Index Tracking Sub-Fund will generally reflect the relevant Underlying Index as its constituents change and not necessarily the way it is comprised at the time of an investment in such Units. However, there can be no guarantee that a particular Index Tracking Sub-Fund will, at any given time accurately reflect the composition of the relevant Underlying Index. Please refer to "***Tracking Error Risk***" under section "***4.2 Investment Risks***" above.

Risk of change in methodology of the Underlying Index. The construction methodology of the relevant Underlying Index may change when the Index Provider deems it necessary to adapt to significant changes in the market condition. When this happens, the weightings or composition of the Index Securities or FDIs (as the case may be) owned by an Index Tracking Sub-Fund would be changed as considered appropriate by the Manager in order to continue to achieve the investment objective under the revised Underlying Index. Thus, an investment in Units of an Index Tracking Sub-Fund will generally reflect the relevant Underlying Index as its constituents change and not necessarily the way it is comprised at the time of an investment in such Units.

4.9 ***Risks associated with Tokenised Units (applicable to tokenised Unlisted Class of Units only)***

The dealing of Tokenised Units will involve the reliance on virtual asset trading platforms and the use of blockchain technology, which is subject to the following risks:

Blockchain technology risk. The blockchain technology is relatively new and is subject to various threats or risks that can adversely impact a Sub-Fund. Notwithstanding the fact that blockchains are secured by means of cryptography, consensus mechanism and decentralised architecture, there is a possibility that such security measures can be compromised (for example, blockchain systems can be susceptible to generic network and phishing attacks or vulnerabilities in smart contract) and thereby resulting in the unauthorised alteration of the blockchain or the Tokens that may disrupt the operation of the relevant Sub-Fund.

Furthermore, a blockchain network may experience a "fork" (i.e., "split") of the network, which would result in the existence of two or more versions of the blockchain network running in parallel with duplication of the same token, but with each version's native asset lacking interchangeability, potentially competing with each other for users and other participants. Where a fork occurs in one of the blockchain networks used by the Sub-Fund, the Manager, in consultation with the Tokenisation Agent and with notice to the Trustee, will act in the best interest of investors and have the sole discretion to determine which of the resulting blockchain networks will continue to be used in respect of the Sub-Fund's Tokenised Units and which will be discontinued.

There is also a risk of undiscovered technical flaws associated with systems utilizing blockchain technology. In addition, there is a possibility that new technologies or services that inhibit access to, or utility of, a blockchain may emerge. Blockchain technology may also never be implemented to a scale that provides identifiable economic benefit.

Token security risks. The loss of the private key of an Eligible Distributor will compromise its Digital Wallet and expose its corresponding investor(s) to risk of misappropriation of Tokens or inability to access Tokens associated with the Digital Wallet. In the event of loss of Tokens, the lost or stolen Tokens of the investors can be fully recovered as the Manager has control over the smart contract and may compel the transfer of the lost or stolen Tokens to a secure address.

Risk associated with loss of Tokens held in omnibus account. Investors' Tokens are currently held in the name of their Eligible Distributor as nominee with the Token Custodian appointed by

the Eligible Distributor. The beneficial ownership record of Tokens is maintained by the Eligible Distributor and reflected in the investors' trading and custody accounts with the Eligible Distributor. The Token Custodian is appointed by each Eligible Distributor and will hold the Eligible Distributor's assets in a segregated wallet. Where a Token Custodian is appointed by more than one Eligible Distributor, such Token Custodian will be required to maintain a separate segregated account for each Eligible Distributor (i.e., Token Custodians will not hold assets for Eligible Distributors in omnibus accounts).

However, where an Eligible Distributor holds Tokens in an omnibus account instead of maintaining a separate segregated account for each end-investor, an end-investor's Tokens may be commingled with the Tokens of other end-investor held by the same Eligible Distributor. In the event of loss of Tokens held in the omnibus account due to theft, cyberattacks, loss or damage, an end-investor may need to share the shortfall together with end-investors whose Tokens are held in the omnibus account on a pro rata basis. Consequently, end-investors may need to bear the shortfall together with other investors in the case of loss of Tokens.

Cybersecurity risks. The Tokenisation Agent has access to the complete transaction history of the Tokenised Units and certain data on the blockchain utilised is available to the public. As a result, certain information other than personal identifying information may be publicly accessible by way of tools that are capable of displaying activity on the blockchain. Personal identifying information of investors, if any, will be maintained separately by the Manager, the Trustee and the Eligible Distributors (as the case may be) and is not available to the public. The Manager and Registrar will maintain information of the Eligible Distributors separately.

While each of the Manager and the Tokenisation Agent has put in place adequate policies and measures to counter cybersecurity risks, such policies and measures cannot provide absolute security. The techniques used to obtain unauthorised access to data and information change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may also contain defects in design or manufacture or other problems that can unexpectedly compromise information security. In the case of data security breaches where such personal identifying information is exposed to the public, such information can be used to determine a Unitholder's identity and investing history in the relevant Sub-Fund.

Risks associated with challenges to modern-day cryptography used by distributed ledger technology networks due to advancements in quantum computing. The integrity and security of a blockchain network may be compromised by malfunctioning nodes or errors in the underlying source code, as well as by advancements in mathematics or technology (such as digital computing, algebraic geometry, or quantum computing). In extreme cases, such issues can lead to the complete failure of the network, and loss of information and assets.

Delay risk. Delays in transaction processing can occur on the blockchain utilised for the relevant Tokenised Units. For example, delays can occur when computers on the network are unable to reach a consensus on transactions on the blockchain. During a delay, it will not be possible to record transactions in the Tokenised Units on the blockchain which may create discrepancies between on-chain and off-chain records, thereby impacting investors' ability to subscribe or redeem the relevant Tokenised Units. Delay risk may have adverse impact on both subscription and redemption processes of the Tokenised Units and investors' receipt of Tokenised Units or redemption proceeds may be delayed.

Dependence on service provider. The Manager and the Sub-Fund rely on various parties (including the Tokenisation Agent, the Token Custodian and the Eligible Distributors) to facilitate the administration and offering of the relevant Tokenised Units through the use of blockchain and blockchain-related technology and maintain the relevant operating infrastructure (e.g. software, systems and smart contract technology). Such operations may be adversely impacted if any such party ceases to provide the relevant services.

Regulatory risk. As the use of blockchain technology is relatively new and still evolving, Hong Kong regulations regarding blockchain are evolving and subject to development that may

negatively impact the operation of a Sub-Fund in relation to the administration and offering of the relevant Tokenised Units.

Potential challenges in application of existing laws. There are differences in the way Tokenised Units are dealt with and recorded, compared to traditional funds and their means of distribution. This can make the resolution of issues concerning Tokenised Units more complex and difficult under existing laws.

Smart contract and technical risks. Smart contracts used for tokenisation may contain coding errors, bugs, or vulnerabilities that could result in loss of Tokens, unauthorised operations, or system failures. The upgrade mechanism of smart contracts may introduce new vulnerabilities or cause temporary service interruptions. Dependencies on external smart contracts or protocols may introduce additional security risks. Token standards may have inherent limitations or vulnerabilities that could affect Token operations.

Operational infrastructure risks. Integration between traditional fund administration systems and blockchain infrastructure may face operational disruptions. The mint and burn mechanism for Tokens relies on multiple parties and systems, introducing operational complexity and potential points of failure. System upgrades or maintenance of the blockchain infrastructure may cause temporary service interruptions.

Recovery and business continuity risks. Service provider failures may affect Token operations and management. Business continuity plans may prove inadequate in blockchain-specific scenarios.

Risks associated with virtual asset trading platforms (as distributors). The virtual asset trading platforms on which Tokenised Units in a Sub-Fund may be offered are relatively newly established. The use of virtual asset trading platforms may expose investors to, amongst other things, counterparty risks of the platform operators and liquidity risks whereby demand of the Tokenised Units of the relevant Sub-Fund may be limited and such platforms may impose limits or restrictions on which moneys deposited in such platforms can be withdrawn (such as minimum withdrawal amount and daily withdrawal limit). Furthermore, virtual asset trading platforms present operational risks, including, but not limited to, system outages, which may adversely impact the administration of Tokenised Units and investors' access to, and dealing, such Tokenised Units. In addition, virtual asset trading platforms are also common targets of cybercriminals. Please also refer to "Cybersecurity risks" above.

Risks associated with differences in dealing and fee arrangements between Tokenised Units and non-Tokenised Units. Dealing arrangements in respect of Tokenised Units and non-Tokenised Units are different. The applicable dealing procedures with Eligible Distributor(s) (in the case of Tokenised Units) and Authorised Distributor(s) (if applicable, in the case of non-Tokenised Units) may be different. Investors should check with their Eligible Distributor(s) or Authorised Distributor(s) for the applicable dealing procedures and timing. The Net Asset Value per Unit of each of the tokenised class and non-tokenised class(es) may also be different due to the different fees (such as the management fee and tokenisation fee) applicable to each such class. Any or all of these factors may lead to a difference in the Net Asset Value of each of the Tokenised Units and non-Tokenised Units.

For non-Tokenised Units, investors can buy or sell such non-Tokenised Units at the Net Asset Value of the relevant non-Tokenised Units. Applicants may apply for non-Tokenised Units through the Manager or an Authorised Distributor. Authorised Distributor(s) may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for non-Tokenised Units through an Authorised Distributor should therefore consult the Authorised Distributor for details of the relevant dealing procedures.

The Manager may from time to time permit Unitholders to switch all or part of their Units in a non-tokenised class in a Sub-Fund (the "Existing Class") into a non-tokenised class of the same Sub-Fund or units of any collective investment scheme administered by the Trustee and managed by the Manager or its Connected Persons and which has been authorised by the SFC

(the "New Class") available for subscription or switching provided that no Units may be switched if to do so would result in a holding of less than the minimum holding of Units of the Existing Class or the New Class.

For Tokenised Units, investors may only subscribe for, or redeem, such Tokenised Units at the Net Asset Value in the form of Tokens via an Eligible Distributor. Switching of tokenised class of Units into Units of other class(es) in the Sub-Fund or another Sub-Fund of the Trust, or vice versa, is not allowed.

Investors should refer to Part 2 of this Prospectus for details of any additional risks specific to a Sub-Fund.

5 INVESTMENT AND BORROWING RESTRICTIONS

Investors should refer to Schedule 1 for a list of investment and borrowing restrictions applicable to the Sub-Funds of the Trust.

Investors should refer to Part 2 of this Prospectus for details of any additional investment restrictions specific to a Sub-Fund.

6 INVESTING IN A SUB-FUND

Investors should refer to Schedule 2 for information relating to the methods of investing in Listed Class of Units of a Sub-Fund, and Schedule 3 for information relating to the methods of investing in Unlisted Class of Units of a Sub-Fund.

7 CERTIFICATES

All holdings of Units will be in registered form and certificates will not be issued in respect of the Units of the Trust. Evidence of title of Units will be the entry on the register of Unitholders in respect of each Sub-Fund. Unitholders should therefore be aware of the importance of ensuring that the Registrar is informed of any change to the registered details.

All Listed Class of Units of the Trust will be registered in the name of the HKSCC Nominees Limited by the Registrar on the Register of Unitholders of the relevant Sub-Fund, which is the evidence of ownership of such Listed Class of Units. Neither HKSCC Nominees Limited nor HKSCC has any proprietary interest in the Listed Class of Units. Beneficial interest of retail investors in the Listed Class of Units of the Trust will be established through an account with a participant in CCASS.

8 VALUATION AND SUSPENSION

8.1 *Determination of the Net Asset Value*

The Net Asset Value of the relevant Sub-Fund and the Net Asset Value per Unit of each class of the relevant Sub-Fund shall be determined as at the Valuation Point on the relevant Valuation Day in respect of each Dealing Day for Units of the Sub-Fund (or at such other time as the Manager, in consultation with the Trustee, may determine) by valuing the assets of the Sub-Fund or class (as the case may be) and deducting the liabilities attributable to the Sub-Fund or class (as the case may be) in accordance with the terms of the Trust Deed.

A summary of the applicable key provisions of the Trust Deed relating to the determination of the value of investments in the Trust is set out as follows:

(a) the value of any investment quoted, listed or normally dealt in on a market (other than an interest in a collective investment scheme or a Futures Contract) shall at the discretion of the Manager be calculated by reference to the price appearing to the Manager to be the last traded price or last bid price or midway between the latest available market dealing offered

price or the latest available market dealing bid price or the official closing price on the market on which the investment is quoted, listed or normally dealt in for such amount of such investment as the Manager may consider in the circumstances to provide a fair criterion, PROVIDED THAT:

(i) if an investment is quoted, listed or normally dealt in on more than one market, the Manager shall adopt the price or, as the case may be, last traded price or the official closing price on the market which, in their opinion, provides the principal market for such investment;

(ii) in the case of any investment which is quoted, listed or normally dealt in on a market but in respect of which, for any reason, prices on that market may not be available at any relevant time, the value thereof 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 and/or the Administrator so requires, by the Manager after consultation with the Trustee;

(iii) there shall be taken into account interest accrued on interest-bearing investments up to (and including) the date as at which the valuation is made, unless such interest is included in the quoted or listed price;

and for the purpose of the foregoing provisions the Manager, the Trustee and/or the Administrator shall be entitled to use and to rely upon electronic transmitted information from such source or sources as they may from time to time think fit with regard to the pricing of the investments on any market and the prices derived therefrom shall be deemed to be the last traded prices or the official closing price;

(b) the value of any investment which is not quoted, listed or normally dealt in on a market (other than an interest in a collective investment scheme or a Futures Contract) shall be the initial value thereof ascertained as hereinafter provided or the value thereof as assessed on the latest revaluation thereof made in accordance with the provisions hereinafter provided. For this purpose:

(i) the initial value of an unquoted investment shall be the amount expended out of the relevant Sub-Fund in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other expenses incurred in the acquisition thereof and the vesting thereof in the Trustee for the purposes of the Trust Deed);

(ii) the Manager shall at such times or at such intervals as the Trustee may request, cause a revaluation to be made of any unquoted investment by a professional person approved by the Trustee as qualified to value such unquoted investment;

Notwithstanding the above, the Manager may determine to value on a straight line basis investments in debt instruments acquired as a discount to their face value.

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

(d) the value of Futures Contracts shall be calculated by the Trustee and/or the Administrator and verified by the Manager on the following basis:

(i) the value of a Futures Contract under which the Trust is the seller of the relevant subject matter of such Futures Contract, shall be the positive or negative amount given by the formula:

A - (B + C),

or

(ii) the value of a Futures Contract under which the Trust is the buyer of the relevant subject-matter of such Futures Contract, shall be the positive or negative amount produced by applying the following formula:

B - (A + C),

where:

A = the Contract Value of the relevant Futures Contract (the "**Open Contract**")

B = the amount determined by the Manager to be the Contract Value of the Futures Contract which the Manager would need to enter into on behalf of the Sub-Fund in order to close the Open Contract, such determination to be made by reference to the latest available price or such other prices as may be determined by the relevant calculation agent of the Futures Contract in a commercially reasonable manner; and

C = the amount expended out of the Trust Fund in entering into the Open Contract, including the amount of all stamp duties, commissions and other expenses but excluding any deposit or margin provided in connection therewith,

provided that, in respect of any Futures Contract that are listed or quoted on, or normally dealt in, a market, the value of such Futures Contract shall be the official closing price of such Futures Contract or if such price is not available, then, (i) the latest available price of such Futures Contract or (ii) (if bid and offered quotations are made) the latest available middle market quotation of such Futures Contract, in each case on the date as at which the valuation is to be made on the market in which the Futures Contract was entered into on behalf of the Trust, or if no such prices are available, a price as quoted by the broker or calculation agent of the relevant Futures Contract to the Trustee or its delegates or the Manager;

(e) the value of each unit, share or other interest in any collective investment scheme shall be the last available net asset value per unit, share or other interest in such collective investment scheme or, shall be determined from time to time in such manner as the Manager shall determine;

(f) notwithstanding the foregoing, the Manager may, in consultation with the Trustee, adjust the value of any investment or permit some other method of valuation to be used if, having regard to currency, applicable rate of interest, maturity, marketability and other considerations the Manager deems relevant, the Manager considers that such adjustment or use of such other method is required to reflect the fair value thereof. The Manager or the Trustee may also carry out regular independent valuation of the investments as it deems appropriate; and

(g) the value of any investment (whether of a Security or cash) otherwise than in the Base Currency shall be converted into the Base Currency at the rate (whether official or otherwise) which the Manager shall deem appropriate in the circumstances having regard to any premium or discount which may be relevant and to costs of exchange.

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 validation of this valuation on a daily basis. In addition, the Administrator will carry out an independent verification of the value of the swap, where available, in accordance with its internal policy and the terms of the swaps.

The Trustee, the Manager and/or the Administrator may:

(a) rely without verification on price data and/or other information provided through electronic price feeds, mechanised and/or electronic systems of price/valuation dissemination for the purposes of valuing any assets of the Sub-Fund and the prices provided by any such system shall be deemed to be the last traded prices or the official closing price;

(b) accept as sufficient and conclusive 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, administrator, broker, any professional person, firm or association qualified (in the opinion of the Manager to provide such a quotation provided that nothing hereunder shall impose an obligation on the Manager to obtain such a quotation or certification. If and to the extent that the Manager is responsible for or otherwise involved in the pricing of any of a Sub-**Fund's** assets, the Trustee may accept, use and rely on such prices without verification;

(c) rely upon, and will not be responsible for the accuracy of, financial data furnished to it by third parties including the relevant calculation agent, automatic pricing services, brokers, market makers or intermediaries, (in the case where the Trustee is relying on this provision) the Manager or (in the case where the Manager is relying on this provision) the Trustee, and any administrator or valuations agent of other collective investments into which a Sub-Fund may invest; and

(d) rely upon the established practice and rulings of any market and any committees and officials thereof on which any dealing in any assets of a Sub-Fund or other property is from time to time effected in determining what shall constitute a good delivery and any similar matters and such practice and rulings shall be conclusive and binding upon all persons;

and the Trustee, the Manager and/or the Administrator shall not be liable for any loss suffered by a Sub-Fund, any Unitholders or any other person in connection therewith except the Trustee, the Manager and/or the Administrator shall be respectively liable for losses which are due to fraud, wilful default or negligence on their part.

8.2 ***Suspension Of Determination Of Net Asset Value***

The Manager may, after consultation with the Trustee, having regard to the best interests of Unitholders, declare a suspension of the determination of the Net Asset Value of a Sub-Fund for the whole or any part of any period during which:

(a) there is a closure of or restriction or disruption or suspension of trading on any market on which a substantial part of the investments of the Sub-Fund is normally traded; or

(b) there is a breakdown in any of the means normally employed by the Manager or the Trustee (as the case may be) in ascertaining the prices of investments or determining the Net Asset Value of the Sub-Fund or the Net Asset Value per Unit of the relevant class; or

(c) for any other reason, the prices of a substantial part of the investments held or contracted for by the Manager for the account of the Sub-Fund cannot, in the reasonable opinion of the Manager, reasonably, promptly or fairly be ascertained; or

(d) circumstances exist as a result of which, in the reasonable opinion of the Manager, it is not reasonably practicable to realise any investments held or contracted for the account of the Sub-Fund or it is not possible to do so without seriously prejudicing the interests of Unitholders of the relevant class; or

(e) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, any investments of that Sub-Fund or the subscription or redemption of Units of the relevant class is prohibited, restricted, delayed or cannot, in the reasonable opinion of the Manager, be carried out promptly at normal exchange rates; or

(f) (in the case of an Index Tracking Sub-Fund) the relevant Underlying Index is not compiled or published; or

(g) a breakdown occurs in any of the systems and/or means of communication normally employed in ascertaining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Unit, Subscription Price or Issue Price (as the case may be) or Redemption Price of the relevant class, or when for any other reason the Net Asset Value of the relevant class cannot be ascertained in a prompt or accurate manner; or

(h) the existence of any state of affairs as a result of which (i) delivery of Securities and/or FDIs comprised in a Basket, (ii) the purchase of Securities and/or FDIs; or (iii) the disposal of investments for the time being comprised in the Sub-Fund's assets cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders; or

(i) the dealing of Units is suspended pursuant to any order or direction issued by the Commission; or

(j) in the reasonable opinion of the Manager, such suspension is required by law or applicable legal process; or

(k) the business operations of the Manager, the Trustee the Registrar and/or their respective delegates in relation to the operation of the Trust are substantially interrupted or closed as a result of arising from pestilence, acts of war, terrorism, insurrection, revolution civil unrest, riots, strikes or acts of God; or

(l) in the case of a Sub-Fund authorised by the Commission as a feeder fund, the determination of the net asset value of the master fund (as defined in sub-paragraph (l) of the section "***Investment Restrictions***" in Schedule 1) is suspended; or

(m) the existence of any state of affairs prohibiting the normal disposal of any notional investment to which a swap entered into on behalf of the Sub-Fund is linked.

Upon declaration of the suspension by the Manager, the suspension shall take effect. During the suspension,

(a) there shall be no determination of the Net Asset Value of the relevant Sub-Fund or the Subscription Price or Issue Price (as the case may be) or the Redemption Price of Units in the relevant class;

(b) (in respect of the Listed Class of Units) no Application shall be made by any of the Participating Dealers and in the event any Application is received in respect of any Dealing Day falling within such period of suspension (that has not been otherwise withdrawn), such Application shall be deemed as having been received immediately following the termination of the suspension;

(c) (in respect of the Unlisted Class of Units) no subscription application shall be made by any investors and in the event any subscription application is received in respect of any Dealing Day falling within such period of suspension (that has not been otherwise

withdrawn), such subscription application shall be deemed as having been received immediately following the termination of the suspension;

(d) the Manager shall be under no obligation to rebalance the Deposited Property of the Sub-Fund; and

(e) no Units shall be created and issued or redeemed for the account of the Sub-Fund.

The suspension shall terminate (i) when the Manager, after consultation with the Trustee, having regard to the best interests of the Unitholders, declares the suspension at an end, or (ii) in any event on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist; and no other condition under which suspension is authorised under the Trust Deed exists.

The Manager shall notify the Commission if dealing in Units is suspended and publish a notice of suspension immediately following such suspension and, at least once a month during the period of suspension, on its website at www.csopasset.com/etf[1] or in such publications as the Manager decides.

In respect of Listed Class of Units, a Participating Dealer may at any time after a suspension has been declared and before termination of such suspension withdraw an Application submitted prior to such suspension by notice in writing to the Manager and the Manager shall promptly notify the Trustee accordingly. If the Manager has not received any such notification of withdrawal of such Application before termination of such suspension, the Trustee shall, subject to and in accordance with the provisions of the Trust Deed, create and issue Listed Class of Units or redeem Listed Class of Units in respect of such Application and such Application shall be deemed to be received immediately following the termination of such suspension.

In respect of Unlisted Class of Units, any subscription, switch or redemption application submitted prior to a suspension may be withdrawn at any time after such suspension has been declared and before termination of such suspension by notice in writing to the Manager and the Manager shall promptly notify the Trustee accordingly. If the Manager has not received any such notification of withdrawal of such subscription, switch or redemption application before termination of the suspension, the Trustee shall, subject to and in accordance with the provisions of the Trust Deed, issue, switch or redeem such Unlisted Class of Units in respect of such application and such application shall be deemed to be received immediately following the termination of such suspension.

8.3 ***Suspension of Dealing in Listed Class of Units On The SEHK (Secondary Market)***

Dealing in Listed Class of Units on the SEHK, or trading on the SEHK generally, may at any time be suspended by the SEHK subject to any conditions imposed by the SEHK if the SEHK considers it necessary for the protection of investors or for the maintenance of an orderly market or in such other circumstances as the SEHK may consider appropriate.

9 DISTRIBUTION POLICY

Please refer to Part 2 of this Prospectus for further details of the distribution policy in respect of each Sub-Fund.

On a distribution from the Sub-Fund, the Trustee, in accordance with the instructions of the Manager, will allocate the amounts available for distribution between Unitholders and will pay such amounts to Unitholders.

10 FEES AND CHARGES

The fees and charges currently applicable to the Trust and each Sub-Fund (are set out below and in Part 2 of this Prospectus.

10.1 *Management Fees and Servicing Fee*

Under the terms of the Trust Deed, the Manager may, on giving not less than one month's written notice to the relevant Unitholders, increase each of the rate of the management fee or servicing fee payable in respect of a Sub-Fund up to or towards its maximum rate of 2% per annum of the Net Asset Value of the Sub-Fund accrued daily and calculated as at each Dealing Day and payable monthly or such higher percentage as may be approved by the relevant Unitholders in accordance with the terms of the Trust Deed.

Please refer to Part 2 of this Prospectus for further details on the management fee or servicing fee payable in respect of each Sub-Fund.

10.2 *Trustee's and Registrar's Fee*

Under the terms of the Trust Deed, the Trustee may, on giving not less than one month's written notice to the relevant Unitholders, increase the rate of the Trustee's fee payable in respect of a Sub-Fund up to or towards the maximum rate of 1% per annum of the Net Asset Value of the Sub-Fund accrued daily and calculated as at each Dealing Day and payable monthly or such higher percentage as may be approved by the relevant Unitholders in accordance with the terms of the Trust Deed.

The Trustee is also entitled to a fee in its capacity as the Registrar.

Please refer to Part 2 of this Prospectus for further details on the Trustee's and Registrar's fee payable in respect of each Sub-Fund.

The Trustee shall pay the fees of any custodian or sub-custodian to which it has appointed. The Trustee's fee is inclusive of fees payable to the Custodian (and its delegates).

In addition, the Trustee will be reimbursed for all of its out-of-pocket expenses incurred in connection with performing its services as Trustee and Registrar.

10.3 *Service Agent's or Conversion Agent's Fee (applicable in respect of Listed Class of Units only)*

The Service Agent or the Conversion Agent (as applicable) will charge such fees and expenses as set out in Part 2 of this Prospectus.

10.4 *Subscription Fee, Redemption Fee and Switching Fee (applicable in respect of the Unlisted Class of Units only)*

Subscription Fee

Under the Trust Deed, the Manager is entitled to impose a subscription fee on the issue of Unlisted Class of Units of any Sub-Fund of up to a maximum of 5 per cent. of the subscription monies.

The subscription fee is payable in addition to the Subscription Price per Unit. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the subscription fee (either generally or in any particular case) of a Sub-Fund.

Redemption Fee

Under the Trust Deed, the Manager is entitled to impose a redemption fee on the redemption of Unlisted Class of Units of any Sub-Fund of up to a maximum of 3 per cent. of the redemption proceeds payable in respect of such Units.

The redemption fee is deducted from the redemption proceeds payable to a Unitholder in respect of each Unlisted Class of Unit redeemed. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the redemption fee (either generally or in any particular case) of a Sub-Fund.

Switching Fee

Under the Trust Deed, the Manager is entitled to impose a switching fee on the switching of Unlisted Class of Units of up to 1 per cent. of the redemption proceeds payable in respect of the Unlisted Class of Units being switched.

The switching fee is deducted from the amount realised from the redemption of the relevant Unlisted Class of Units and reinvested in the new Unlisted Class of Units of the same or another Sub-Fund. The Manager may, in its absolute discretion, waive or reduce the payment of all or any portion of the switching fee (either generally or in any particular case) of a Sub-Fund.

10.5 ***Tokenisation Fee (applicable in respect of tokenised Unlisted Class of Units only)***

For Sub-Fund(s) which offer Tokenised Units, the Tokenisation Agent is entitled to receive a fee for the tokenisation arrangement of the relevant tokenised class of Units of a Sub-Fund (including gas fee for validation of a transaction of the blockchain, minting or burning tokens and offering of Class T Units on virtual asset trading platform(s) and the use of blockchain technology (including payments in the form of the native digital asset of any blockchain(s)) and maintaining and operating the tokenisation infrastructure and platform. Furthermore, blockchain networks typically impose transaction fees in the form of the network's native digital asset.

The tokenisation fee shall be borne by the Manager out of the Management Fee.

10.6 ***Other Charges and Expenses***

Each Sub-Fund will bear the costs set out in the Trust Deed, which are directly attributable to it. Where such costs are not directly attributable to a Sub-Fund, the Manager, in consultation with the Trustee, shall determine how such costs are to be allocated. Such costs may include but are not limited to the cost of (a) all stamp and other duties, taxes, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges, transfer fees and expenses, registration fees and expenses, transaction fees of the Trustee as may be agreed by the Manager in relation to transactions involving the whole or any part of the relevant Sub-Fund, custodian or sub-custodian and proxy fees and expenses, collection fees and expenses, insurance and security costs, and any other costs, charges or expenses payable in respect of the acquisition, holding and realisation of any investment or other property or any cash, deposit or loan (including the claiming or collection of income or other rights in respect thereof and including any fees or expenses charged or incurred by the Trustee or the Manager or any of their Connected Person in the event of the Trustee or the Manager or such Connected Person rendering services or effecting transactions giving rise to such fees or expenses), (b) the fees and expenses of the Auditors, the Registrar and Service Agent (or the Conversion Agent, as the case may be and if applicable), (c) fees charged by the Trustee or the Administrator in connection with valuing the assets of the Trust or any part thereof, calculating the issue and redemption prices of Units, (d) expenses in connection with the management and trusteeship of the Trust, (e) all legal charges incurred by the Manager and/or the Trustee in connection with the Trust, (f) out-of-pocket expenses incurred by the Trustee and/or the Manager wholly and exclusively in the performance of its duties (including, where appropriate, obtaining collateral, credit support or implementing other measures or arrangements in mitigating the counterparty risk or other exposure of the relevant Sub-Fund), (g) the costs and expenses incurred by the Manager and/or the Trustee in establishing the Trust and/or the relevant Sub-Fund and costs and expenses in connection with the initial issue of Units of each class (which expenses may

be amortised by being written off against the Sub-Funds in proportion to their respective Net Asset Values in equal amounts (or such other proportions or method as the Manager and the Trustee may determine from time to time) over the first five financial years or such other period as the Manager after consultation with the Auditors shall determine, (h) the fees and expense of the Trustee which are agreed by the Manager in connection with time and resources incurred by the Trustee reviewing and producing documentation in connection with the operation of the relevant Sub-Fund (including filing of annual returns and other documents with any regulatory authority having jurisdiction over the Trust), (i) the expenses of or incidental to the preparation of deeds supplemental to the Trust Deed, (j) the expenses of holding meetings of Unitholders and of giving notices to Unitholders, (k) the costs and expenses of obtaining and maintaining a listing for the Listed Class of Units on any stock exchange or exchanges selected by the Manager and/or in obtaining and maintaining any approval or authorisation of the Trust or a Sub-Fund or in complying with any undertaking given, or agreement entered into in connection with, or any rules governing such listing approval or authorisation, (l) costs and expenses charged by the Trustee in terminating the Trust or the relevant Sub-Fund and for providing any additional services as agreed by the Manager, (m) unless the Manager determines, bank charges incurred in making payments to Unitholders pursuant to the Trust Deed, (n) the fees of any guarantor agreed by the Manager (including the fee of the Trustee or any Connected Person of the Trustee acting as guarantor in relation to any Sub-Fund), (o) any licence fees and expenses payable to the owner of an Underlying Index for the use of such Underlying Index, (p) the fees and expenses of establishing, maintaining and operating any company wholly owned by the Trustee on behalf of any one or more Sub-Funds, (q) without prejudice to the generality of the foregoing, all costs incurred in publishing the Net Asset Value, the subscription, issue and redemption prices of Units, all costs of preparing, printing and distributing all statements, accounts and reports pursuant to the provisions of the Trust Deed (including the Auditors' fees), the expenses of preparing and printing any Prospectus, and any other expenses, deemed by the Manager after consulting the Trustee, to have been incurred in compliance with or in connection with any change in or introduction of any law or regulation or directive (whether or not having the force of law) of any governmental or other regulatory authority or with the provisions of any code relating to unit trusts, (r) all other reasonable costs, charges and expenses which in the opinion of the Trustee and/or the Manager are properly incurred in the administration of the Trust pursuant to the performance of their respective duties, (s) all fees and expenses incurred in connection with the retirement or removal of the Manager, the Trustee, the Auditors or any entity providing services to the Trust, or the appointment of a new manager, a new trustee, new auditors or other new service providers providing services to the Trust, and (t) all such charges, costs, expenses and disbursements as under the general law the Trustee is entitled to charge to the Trust.

10.7 ***Swap Fees and Indirect Costs***

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

10.8 ***Establishment Costs***

The costs and expenses incurred by the Manager and the Trustee in establishing the Trust and the initial sub-fund of the Trust, CSOP FTSE China A50 ETF, were borne by the CSOP FTSE China A50 ETF and were fully amortised.

The costs of establishment of each subsequent Sub-Fund will be borne by the relevant Sub-Fund and the costs of establishment of any additional class of Units will be borne by the relevant class. Such establishment costs will be amortised over such period as the Manager may determine and specified in Part 2 of this Prospectus.

11 TAXATION

11.1 *Hong Kong*

11.1.1 *A Sub-Fund*

Profits tax

A Sub-Fund will be exempted from Hong Kong profits tax in respect of its authorised activities in Hong Kong upon its authorisation as a collective investment schemes under section 104 of the Securities and Futures Ordinance.

Stamp duty

Pursuant to a remission order issued by the Secretary for the Treasury on 20 October 1999, any Hong Kong stamp duty (i.e. fixed and ad valorem) on the transfer of a Basket to a Sub-Fund by a Participating Dealer as a consideration for an allotment of Units of such Sub-Fund will be remitted or refunded (i.e. in the primary market). Similarly, Hong Kong stamp duty on the transfer of a Basket by a Sub-Fund to a Participating Dealer upon redemption of Units will also be remitted or refunded (i.e. in the primary market).

11.1.2 *Unitholders*

Profits tax

Unitholders who do not carry on a trade or business in Hong Kong or the Units were acquired and 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 should not be taxable.

Profits arising on the disposal / redemption of any Units will only be subject to profits tax for Unitholders carrying on a trade or business in Hong Kong where the profits arise in or are derived from such trade or business in Hong Kong and are of revenue nature. Unitholders should seek advice from their own professional advisers as to their particular tax position.

Distributions received by Unitholders from their investments in the Units should generally not be chargeable to tax in Hong Kong (whether by way of withholding or otherwise).

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 fall within the definition of "Hong Kong stock".

Hong Kong stamp duty in respect of Listed Class of Units

Hong Kong stamp duty in respect of any transfer in the shares or units of an exchange traded fund (as defined in Part 1 to Schedule 8 of the Stamp Duty Ordinance) on the SEHK is not payable. Accordingly, transfers of the Listed Class of Units do not attract stamp duty and no stamp duty is payable by Unitholders on any transfer.

Hong Kong stamp duty in respect of Unlisted Class of Units

No Hong Kong stamp duty should be payable where the sale or transfer of such Units is effected by selling the relevant Units back to the Manager, who then either extinguish the Units or re-sells the Units to another person within two months thereof. Other types of sales or purchases or transfers of Unlisted Class of Units by the Unitholders in a Sub-Fund should be liable to Hong Kong stamp duty of 0.2 per cent (equally borne by the buyer and the seller) on the higher of the consideration amount or market value.

11.1.3 ***Investors of tokenised class of Units***

Profits tax

Similar to the non-tokenised class of Units of the Trust and the Sub-Fund(s), Hong Kong profits tax is not payable by an investor of tokenised class of Units (other than investors carrying on a trade, profession or business in Hong Kong) on any gains or profits made on the redemption of the tokenised class of Units. Currently, there are no distributions payable to investors of tokenised class of Units.

Stamp duty

There is no trading of tokenised class of Units on any secondary markets. Further, transfer and switching are not allowed for tokenised class of Units.

Upon subscription / redemption of tokenised class of Units, investors would receive / return tokenised class of Units in the form of Tokens.

Subscription of tokenised class of Units effected through issuance of new tokenised class of Units / Tokens and redemption of tokenised class of Units effected through cancellation of the tokenised class of Units / Tokens will normally not be subject to Hong Kong stamp duty.

11.1.4 ***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 ("FIs") in Hong Kong to collect certain required information relating to non-Hong Kong tax residents holding financial accounts with the FIs, and report such information to the Hong Kong Inland Revenue Department ("IRD") for the purpose of AEOI exchange. Generally, the information will be automatically exchanged in respect of account holders that are tax residents in an AEOI partner jurisdiction(s) with which Hong Kong has a Competent Authority Agreement ("CAA") in force; however, the Trust 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 IRD the required tax information relating to Unitholders and prospective investors.

The Ordinance as implemented by Hong Kong requires the Trust to, amongst other things: (i) register the Trust as a "Reporting Financial Institution" with the IRD; (ii) conduct due diligence on its accounts (i.e. Unitholders) to identify whether any such accounts are considered "Reportable Accounts" under the Ordinance; and (iii) report to the IRD the required information on such Reportable Accounts. The IRD is expected on an annual basis to transmit the required information reported to it to the government authorities of the jurisdictions with which Hong Kong has a CAA in force. Broadly, AEOI contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax resident in a reportable jurisdiction; and (ii) certain entities controlled by individuals who are tax resident in such jurisdictions. Under the Ordinance, details of Unitholders, including but not limited to their name, date and place of birth, address, tax residence, tax identification number (if any), account number, 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.

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 the Ordinance. The Unitholder's information (and information on controlling persons including beneficial owners,

beneficiaries, direct or indirect shareholders or other persons associated with such Unitholders that are passive non-financial entities), may be transmitted 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.

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).

11.2 ***The PRC mainland***

A Sub-Fund that invests in the PRC mainland may be subject to withholding and other taxes imposed in the PRC mainland. For further details relating to PRC mainland taxes and the associated risks, please refer to the risk factor headed "***PRC mainland tax considerations***" under section "***4.1 Risk Factors relating to Chinese Mainland***" in Part 1 of this Prospectus.

11.3 ***Other jurisdiction(s)***

Please refer to Part 2 of this Prospectus on taxation requirements in other jurisdiction(s) that may be applicable to a Sub-Fund.

11.4 ***General***

Investors should consult their professional financial advisers on the consequences to them of acquiring, holding, realizing, transferring or selling Units under the relevant laws of the jurisdictions to which they are subject, including the tax consequences, stamping and denoting requirements and any exchange control requirements. These consequences, including the availability of, and the value of, tax relief to investors will vary with the law and practice of the investors' country of citizenship, residence, domicile or incorporation and their personal circumstances.

12 OTHER IMPORTANT INFORMATION

12.1 ***Reports and Accounts***

The Trust's financial year end is 31 December in each year.

Unitholders will be notified of where they can obtain the printed and electronic copies of the latest annual financial reports or the interim financial reports once they are available (both published in English only). Such notices will be sent to Unitholders as soon as practicable and in any event within four months of the end of each financial year (starting the first financial year) in the case of audited financial reports and within two months after 30 June in each year in the case of unaudited interim financial reports. Once issued, such reports will be available in electronic copies from the website www.csopasset.com/etf[1].

Hard copies of such reports will be available upon request of Unitholders free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the office of the Manager.

12.2 ***Removal and Retirement of the Manager***

The Manager shall be subject to removal by not less than one (1) month's notice in writing given by the Trustee in any of the following events:-

(a) if 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 if a receiver is appointed over any of its assets;

(b) if for good and sufficient reason the Trustee acting in good faith is of the reasonable opinion and so states in writing to the Manager that a change of Manager is desirable in the interests of the Unitholders;

(c) if the Unitholders of not less than 50% in value of the Units for the time being outstanding (for which purpose Units held or deemed to be held by the Manager shall not be regarded as being outstanding) deliver to the Trustee in writing a request that the Manager should retire; or

(d) if the Commission withdraws its approval of the Manager as manager of the Trust.

The Manager shall have power to retire in favour of some other qualified manager in accordance with the provisions of the Trust Deed. In particular, the Manager shall give all Unitholders in the relevant Sub-Fund written notice of at least 60 days (or 30 days in the event of liquidation of the Trustee, or a material breach by the Trustee of its obligations under the Trust Deed), (or such other period as permitted by the Commission) in accordance with the provisions of the Trust Deed.

12.3 ***Removal and Retirement of the Trustee***

The Trustee shall be subject to removal by not less than one (1) month's notice in writing given by the Manager (or such shorter period of notice as the parties may agree). Notwithstanding the foregoing, the Manager may by notice remove the Trustee in any of the following events:

(a) if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Trustee (or any such analogous process occurs or any analogous person is appointed in respect of the Trustee);

(b) if the Trustee ceases to carry on business;

(c) if the Unitholders of not less than 50% in value of the Units for the time being outstanding (for which purpose Units held or deemed to be held by the Trustee shall not be regarded as being outstanding) shall deliver in writing a request that the Trustee should retire;

(d) if the Commission withdraws its approval of the Trustee as trustee of the Trust; or

(e) following a material breach of the Trustee's obligations under the Trust Deed which, if the breach is capable of remedy, the Trustee fails to remedy within 60 days of being specifically required in writing so to do by the Manager, and for good and sufficient reason the Manager acting in good faith is of the reasonable opinion and so states in writing to the Trustee that a change of Trustee is desirable and in the best interests of Unitholders as a whole.

Notwithstanding such notice, the Trustee shall not be removed or cease to act as such unless and until the Manager shall, subject to the prior approval of the Commission if the Sub-Fund is authorised pursuant to section 104 of the Securities and Futures Ordinance, have appointed a qualified corporation under any applicable law to be the trustee in place of the removed Trustee.

The Trustee shall be entitled to retire voluntarily. Subject to the prior written approval of the Commission, the Trustee may retire from office by giving not less than 60 days' written notice (or 30 days' written notice in the event of liquidation of the Manager, or a material breach by the Manager of its obligations under the Trust Deed), or such shorter period of notice as the Commission may approve, to the Manager. In the event of the Trustee desiring to retire the

Manager shall find within 60 days (or, as the case may be, 30 days) from the date the Trustee notifies the Manager of such desire a new trustee who is a qualified corporation under any applicable law to act as trustee and the Manager shall appoint such new trustee to be the Trustee in the place of the retiring Trustee in accordance with the provisions of the Trust Deed and subject to the prior approval of the Commission if the Sub-Fund is authorised pursuant to section 104 of the Securities and Futures Ordinance. For the avoidance of doubt, the Trustee shall only retire upon the appointment of a new Trustee and subject to the prior approval of the Commission.

12.4 ***Potential Conflicts of Interest, Transactions with Connected Persons, Cash Rebates and Soft Commissions***

The Manager, the Investment Adviser, the Trustee and the Tokenisation Agent, or their Connected Persons may, from time to time, act as manager, investment adviser, trustee or as custodian or in such other capacity in connection with or be otherwise involved in or with any other collective investment schemes separate and distinct from the Trust and the Sub-Funds, including those that have similar investment objectives to those of the Sub-Funds, or contract with or enter into financial, banking or other transaction with one another or with any investor of the Sub-Funds, or any company or body any of whose shares or securities form part of any Sub-Fund or may be interested in any such contract or transaction.

In addition:

(a) The Manager, the Investment Adviser or any of its Connected Person may purchase and sell investments for the account of a Sub-Fund as agent for such Sub-Fund.

(b) The Trustee, the Manager, the Investment Adviser or the Tokenisation Agent, or any of their Connected Persons may contract or enter into any financial, banking or other transaction with one another or with any Unitholder.

(c) The Trustee, the Manager, the Investment Adviser or the Tokenisation Agent, or any of their 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 the Connected Person.

(d) The Trustee, the Manager, the Investment Adviser, the Tokenisation Agent, and any of their Connected Persons may buy, hold and deal in Securities and/or FDIs for their own account or for the account of their other customers (including Participating Dealers acting for themselves or for their clients) notwithstanding that Securities and/or FDIs may be held as part of the Sub-Fund.

(e) Any arrangements for the borrowing or deposit of any monies for the account of the Sub-Fund may be made with any of the Trustee, the Manager, any investment adviser, the Tokenisation Agent, or any Connected Person of any of them 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.

Each of the Manager, the Investment Adviser, the Trustee, the Tokenisation Agent, and their respective Connected Persons shall be entitled to retain for its own use and benefit all fees and other monies payable in respect of any of the arrangements described above and shall not be deemed to be affected with notice of or to be under any duty to disclose to the Trust, any Sub-Fund, any Unitholder or any other relevant party any fact or thing which comes to the notice of itself in the course of its rendering 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. Each of the Manager, the Investment Adviser, the Trustee, the Tokenisation Agent and their respective Connected Persons shall not be liable to account to the Trust or any Sub-Fund or any investor of the Trust or the Sub-Fund for any profit or benefit made

or derived thereby or in connection therewith (including in situations set out above). It is, therefore, possible that any of the Manager, the Trustee, the Tokenisation Agent or their Connected Persons may, in the course of business, have potential conflicts of interest with the Sub-Funds.

Each of the Manager, the Investment Adviser, the Trustee and the Tokenisation Agent or their Connected Persons will, at all times, have regard in such event to its obligations to the Sub-Funds and the investors and will endeavour to ensure that such conflicts are resolved fairly.

The Manager, the Investment Adviser, the Trustee, the Tokenisation Agent or their Connected Persons shall act in a reasonable and prudent manner when handling any potential conflict of interest situation and take into account the interest of Unitholders and clients.

The services of the Manager, the Investment Adviser, the Trustee and the Tokenisation Agent provided to the Sub-Funds are not deemed to be exclusive and the Manager, the Investment Adviser, the Trustee and the Tokenisation Agent shall be free to render similar services to others so long as their services hereunder are not impaired thereby and to retain for their own use and benefit all fees and other moneys payable thereby and the Manager, the Investment Adviser, the Trustee and the Tokenisation Agent shall not be deemed to be affected with notice of or to be under any duty to disclose to the Trust or the Sub-Funds any fact or thing which comes to the notice of the Manager, the Investment Adviser, the Trustee or the Tokenisation Agent in the course of the Manager, the Investment Adviser or the Trustee rendering similar services to others or in the course of their business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out their duties under the Trust Deed.

All transactions carried out by or on behalf of the Sub-Funds will be executed at arm's length and in the best interests of Unitholders in compliance with applicable laws and regulations. Any transactions between the Sub-Funds and the Manager or any of its Connected Persons as principal may only be made with the prior written consent of the Trustee. All such transactions shall be disclosed in the Sub-Fund's annual financial reports.

The brokerage and other agency transactions for the account of the Sub-Funds may be executed through brokers or dealers connected to the Manager or Connected Persons of the Manager. However, for so long as a Sub-Fund is authorized by the Commission, the Manager shall ensure that it complies with the following requirements when transacting with brokers or dealers connected to the Manager or Connected Persons of the Manager, save to the extent permitted under the Code or any waiver obtained from the Commission:

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

(b) the Manager has used due care in the selection of brokers or dealers and ensure that they are suitably qualified in the circumstances;

(c) the transaction execution is consistent with the best execution standards;

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

(e) the Manager shall 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 will be disclosed in the relevant Sub-Fund's annual financial reports.

Neither the Manager nor any of its Connected Persons may retain cash or other rebates from a broker or dealer in consideration of directing transactions to them (save for goods and services as permitted under the Trust Deed and summarised under this section).

The Manager and any of its Connected Persons may effect transactions by or through the agency of another person with whom the Manager or any of its Connected Persons have an arrangement under which that party will from time to time provide to or procure for the Manager or any of its Connected Persons, goods, services or other benefits, such as research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publication.

The Manager shall procure that no such contractual arrangements are entered into unless:

(a) the nature of which is such that their provision are of demonstrable benefit to the Sub-Funds;

(b) the transaction execution is consistent with best execution standards;

(c) brokerage rates are not in excess of customary institutional full-service brokerage rates.

(d) adequate prior disclosure is made in the Prospectus the terms of which the Unitholders has consented to,

(e) periodic disclosure is made in the Trust's and/or a Sub-Fund's annual financial reports in the form of a statement describing the soft dollar policies and practices of the Manager or its investment delegate, including a description of goods and services received by them; and

(f) the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer.

No direct payment may be made to the Manager or any of its Connected Persons who undertake to place business with that party.

For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments. Details of soft commission arrangements will be disclosed in the relevant Sub-Funds' annual financial reports.

12.5 ***Termination of the Trust or a Sub-Fund***

A Sub-Fund shall terminate upon the termination of the Trust. The Trust shall continue until it is terminated in one of the following ways set out below.

A summary of the circumstances under which the Trust may be terminated by the Trustee by notice in writing is set out as follows:

(a) if the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee), become bankrupt or if a receiver is appointed over any of their assets and not discharged within ninety (90) days;

(b) if in the reasonable opinion of the Trustee acting in good faith, the Manager shall be incapable of performing or shall in fact fail to perform its duties satisfactorily or shall do any other thing which in the opinion of the Trustee is calculated to bring the Trust into disrepute or to be harmful to the interests of the Unitholders;

(c) if the Trust shall cease to be authorized pursuant to the Securities and Futures Ordinance or if any law shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Trust;

(d) if the Manager shall have ceased to be the Manager for whatever reason and, within a period of sixty (60) days or thirty (30) days (in the event of liquidation of the Trustee, or a material breach by the Trustee of its obligations under the Trust Deed) thereafter, no other qualified corporation shall have been appointed by the Trustee as a successor Manager;

(e) if the Trustee shall have notified the Manager of its desire to retire as Trustee and the Manager shall fail to find a qualified corporation to act as a trustee in place of the Trustee within sixty (60) days or thirty (30) days (in the event of liquidation of the Manager, or a material breach by the Manager of its obligations under the Trust Deed) (as the case may be) therefrom.

The circumstances under which the Trust and/or a Sub-Fund and/or any classes of Units relating to a Sub-Fund (as the case may be) may be terminated by the Manager in its absolute discretion by notice in writing include:

(a) if on any date, in relation to the Trust, the aggregate Net Asset Value of all Units shall be less than RMB 100 million or in relation to a Sub-Fund or any class of Units of such Sub-Fund, the aggregate Net Asset Value of the Units outstanding hereunder in respect of such Sub-Fund or any class of Units of such Sub-Fund shall be less than RMB 100 million or such other amount as may be specified in the Appendix of the relevant Sub-Fund;

(b) if any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Trust and/or the relevant Sub-Fund and/or the relevant class of Units;

(c) if the Trust and/or the relevant Sub-Fund shall cease to be authorized or otherwise officially approved pursuant to the Securities and Futures Ordinance or (in respect of a Sub-Fund with only Listed Class of Units in issue) listed on the SEHK or other recognised stock exchanges;

(d) for an Index Tracking Sub-Fund, if the Underlying Index of the relevant Sub-Fund is no longer available for benchmarking, unless the Manager determines (in consultation with the Trustee) that it is possible, feasible, practicable and in the best interests of the Unitholders to substitute another index for the Underlying Index;

(e) (in respect of a Sub-Fund with only Listed Class of Units in issue) if the relevant Sub-Fund ceases to have any Participating Dealer;

(f) the exercise period (if any) of the Securities and/or FDIs comprising the Sub-Fund is not extended and the Securities and/or FDIs have to be exercised and settled; or

(g) (in respect of a Sub-Fund) the Manager is unable to implement its investment strategy.

In such circumstances, for an Index Tracking Sub-Fund, unless the Manager determines (in consultation with the Trustee) that another method of holding or replicating the holding of the Securities or Futures Contracts (as the case may be) constituting the Underlying Index is possible, feasible, practicable and in the best interests of the Unitholders, the Units then in issue shall be compulsorily redeemed at the Net Asset Value and the relevant Sub-Fund or class of Units shall be terminated in accordance with the provisions of the Trust Deed.

In cases of termination under the above circumstances, no less than one month's notice will be given to Unitholders.

Upon the Trustee or the Manager giving notice to terminate the Trust or a Sub-Fund pursuant to the Trust Deed, or upon the passing of an Extraordinary Resolution to terminate a Sub-Fund pursuant to the Trust Deed, where the assets of the relevant Sub-Fund include Securities and/or FDIs that cannot be traded on exchange or otherwise be disposed of, the Manager may, upon consultation with the Trustee, compulsorily redeem at Net Asset Value of all the Units then in issue of the relevant Sub-Fund, following which the relevant Sub-Fund may be terminated in accordance with the provisions of the Trust Deed. Upon such redemption and payment of redemption proceeds, former Unitholders shall have no interest in the relevant Sub-Fund and all rights of such former Unitholders shall be extinguished. The Manager shall notify the Commission in advance the circumstance where it proposes to compulsorily redeem Unitholders of a Sub-Fund in such circumstances and shall agree with the Commission appropriate methods of notification of Unitholders in the relevant Sub-Fund prior to such compulsory redemption and termination.

Investors should note that, due to the nature of the listing of the Listed Class of Units on the SEHK, the termination procedures applicable to Listed Class of Units and Unlisted Class of Units of the same Sub-Fund may differ. In the event of termination of the Trust, a Sub-Fund or a particular Class of Units, Unitholders will be notified of the relevant termination procedures applicable to its holding of the relevant Class of Units.

Any unclaimed proceeds or other cash held by the Trustee under the provisions of the Trust Deed may at the expiration of twelve months from the date upon which the same were payable be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

12.6 ***Trust Deed***

The Trust was established under Hong Kong law by a trust deed dated 25 July 2012, as amended and restated on 15 June 2021 (and as may be further amended, modified or supplemented from time to time). All holders of Units are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Trust Deed.

12.7 ***Indemnification and Limitation of Liability***

The Trust Deed contains provisions for the indemnification of the Trustee and the Manager and their relief from liability in certain circumstances.

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 relevant Sub-Fund or the Trust generally, in respect of any liabilities, costs, claims or demands arising directly or indirectly from the proper performance of their duties with respect to the Trust. Nothing in any of the provisions of the Trust Deed shall in any case exempt the Trustee and the Manager from or indemnify them against any liability imposed under the laws of Hong Kong or for breach of trust through fraud or negligence for which they may be liable in relation to their duties and neither the Trustee nor the Manager may be indemnified against such liability by Unitholders or at Unitholders' expense.

Unitholders and intending applicants are advised to consult the terms of the Trust Deed for further details.

12.8 ***Modification of Trust Deed***

Subject to the prior approval of the Commission if any Sub-Fund is authorised pursuant to section 104 of the Securities and Futures Ordinance, the Trustee and the Manager may agree to modify the Trust Deed by supplemental deed provided that in the opinion of the Trustee and the Manager such modification (i) is not materially prejudicial to the interests of Unitholders, does not operate to release to any material extent the Trustee, the Manager or any other person from any responsibility to the Unitholders and will not result in any increase in the amount of costs and charges payable out of the assets of the Trust or (ii) is necessary in order to comply

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 involving material changes require the sanction of an extraordinary resolution of the Unitholders affected and prior approval of the Commission.

12.9 ***Meetings of Unitholders***

The Trust Deed contains detailed provisions for meetings of Unitholders. Meetings may be convened by the Trustee, the Manager or the holders of at least 10% in value of the Units in the relevant Class or the relevant Sub-Fund then in issue, on not less than 21 days' notice. Notice of meetings will be posted to Unitholders and (in respect of notices relating to Listed Class of Units) posted on HKEX's website at www.hkex.com.hk. Unitholders may appoint proxies, who need not themselves be Unitholders. The quorum for a meeting to pass an ordinary resolution will be Unitholders present in person or by proxy registered as holding not less than 10% of the Units in the relevant Class or the relevant Sub-Fund for the time being in issue. The quorum for a meeting to pass an extraordinary resolution will be Unitholders present in person or by proxy registered as holding not less than 25% of the Units in the relevant Class or the relevant Sub-Fund for the time being in issue or, for an adjourned meeting, Unitholders present in person or by proxy whatever their number or the number of Units held by them. A meeting to pass an extraordinary resolution may be used to modify the terms of the Trust Deed, including increasing the maximum fees payable to the service providers, removing the Manager or terminating the Sub-Fund at any time. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting should be adjourned for not less than 15 days. In the case of an adjourned meeting of which separate notice will be given, such Unitholders as are present in person or by proxy will form a quorum.

An ordinary resolution is a resolution proposed as such and passed by a majority of 50% of the total number of votes cast. An extraordinary resolution is a resolution proposed as such and passed by a majority of 75% of the total number of votes cast.

The Trust Deed contains provisions for the holding of separate meetings of holders of Units in different Sub-Funds and different classes where only the interests of holders in a particular Sub-Fund or class are affected.

12.10 ***Voting Rights***

The Trust Deed provides that at any meeting of Unitholders, every Unitholder who is present as aforesaid or by proxy shall have one vote for every Unit of which he is the holder.

Where a Unitholder is a recognised clearing house (within the meaning of the Securities and Futures Ordinance) (or is its nominee(s)), it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any meetings of Unitholders or any meetings of any class of Unitholders provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of Units in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarized authorisation and/or further evidence for substantiating the facts that it is duly authorised (save that the Trustee shall be entitled to request for evidence from such person to prove his/her identity) and will be entitled to exercise the same power on behalf of the recognized clearing house as that clearing house or its nominee(s) could exercise if it were an individual Unitholder of the Trust. For the avoidance of doubt, a Unitholder who is a recognised clearing house (or its nominee(s)) shall exercise its voting rights in compliance with the applicable CCASS rules and/or operational procedures.

12.11 ***Documents Available for Inspection***

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

12.12 ***Part XV of the Securities and Futures Ordinance***

Part XV of the Securities and Futures Ordinance 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. Consequently, Unitholders are not obliged to disclose their interest in a Sub-Fund.

12.13 ***Anti-Money Laundering Regulations***

As part of the Trustee's, the Manager's and the Participating Dealers' responsibility for the prevention of money laundering and to comply with all applicable laws to which the Manager, the Trustee, a Sub-Fund, the Trust or the relevant Participating Dealer is subject, they may require a detailed verification of an investor's identity and the source of the payment of application monies. Depending on the circumstances of each application, a detailed verification might not be required where:

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

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

These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognized as having sufficient anti-money laundering regulations.

Each of the Trustee, the Manager, the relevant Participating Dealer and their respective delegates or agents reserves the right to request such information as is necessary to verify the identity of an applicant and the source of the payment. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Trustee and/or the Manager and/or the relevant Participating Dealer and/or their respective delegates or agents may refuse to accept the application and the application moneys relating thereto. Neither the Manager, the Trustee, the relevant Participating Dealer nor their respective delegates or agents will be liable to any investor or applicant for any loss caused as a result of any delay or refusal to process applications and claims for payment of interest due to such delay or refusal will not be accepted.

Each of the Trustee, the Manager, the relevant Participating Dealer also reserves to refuse to make any redemption payment to a Unitholder or investor if the Trustee or the Manager or the relevant Participating Dealer or any of their respective delegates or agents suspect or are advised that the payment of redemption proceeds to such Unitholder or investor might result in a breach of applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or if such refusal is considered necessary or appropriate to ensure the compliance by the Trust or the relevant Sub-Fund(s) or the Trustee or the Manager or the relevant Participating Dealer with any such laws or regulations in any applicable jurisdiction.

None of the Trustee, the Manager, the relevant Participating Dealer or their respective delegates or agents shall be liable to the relevant Unitholder or investor for any loss suffered by such party as a result of the rejection or delay of any subscription application or payment of redemption proceeds.

12.14 ***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, and will facilitate compliance with each Sub-Fund's obligation to meet redemption requests. Further, the liquidity management policy includes details on periodic stress testing carried out by the Manager to manage the liquidity risk of 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% of the total number of Units of the such Sub-Fund in issue (or such higher percentage as the Manager may determine in respect of the Sub-Fund) subject to the conditions under the section headed "***Deferral of Redemption Applications***" in Schedule 2 and "***Restrictions on Redemption***" in Schedule 3.

12.15 ***Publication of Information Relating to the Sub-Funds***

The Manager will publish important news and information in respect of the Sub-Funds (including, for Index Tracking Sub-Funds, in respect of the Underlying Index), both in English and in Chinese languages, on its website www.csopasset.com/etf[1] and (where applicable in respect of the Listed Class of Units) on HKEX's website at www.hkex.com.hk including (Unless otherwise specified in the appendix of the relevant Sub-Fund):

- this Prospectus (as amended and supplemented from time to time);
- the latest Product Key Facts Statements of the Sub-Funds. Investors should note that where a Sub-Fund offers both Listed Class of Units and Unlisted Class of Units, a separate set of product key facts statement will be available for each of the Listed Class of Units and Unlisted Class of Units of the same Sub-Fund;
- the latest annual and interim financial reports of the Sub-Funds in English;
- any public announcements made by a Sub-Fund, including information in relation to the relevant Sub-Fund and (where applicable) the Underlying Index, notices of the suspension of the calculation of Net Asset Value, changes in fees and charges and the suspension and resumption of the issue, creations and redemptions of Units and notices relating to material changes to a Sub-Fund that may have an impact on its investors, including notices for material alterations or additions to this Prospectus or the Sub-Fund's Product Key Facts Statement or constitutive documents;
- (in respect of the Listed Class of Units) the near real-time indicative Net Asset Value per Unit of a Sub-Fund updated every 15 seconds during normal trading hours on the SEHK;
- the last Net Asset Value of each Sub-Fund and last Net Asset Value per Unit of each class of each Sub-Fund;
- the past performance information of each Sub-Fund;
- the tracking difference and tracking error of each class of each Index Tracking Sub-Fund;
- the full portfolio information of each Sub-Fund updated on a daily basis;
- (in respect of the Listed Class of Units) the latest list of Participating Dealers and market makers; and
- (where applicable) the compositions of the dividends (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months (also available by the Manager on request).

Please refer to Part 2 of this Prospectus for further details on the publication of the near real time indicative Net Asset Value per Unit and the last Net Asset Value and Net Asset Value per Unit of a Sub-Fund.

Although every effort is made to ensure information provided are accurate at the time of publication the Manager shall not accept any responsibility for any error or delay in calculation or in the publication or non-publication of prices which are beyond its control.

The Manager's website provides a hyperlink to HKEX's website www.hkex.com.hk, where information on the bid/ask price, queuing display, the previous day's closing Net Asset Value will be available.

Where applicable, real-time updates about the relevant Underlying Index can be obtained through other financial data vendors. It is the investors' own responsibility to obtain additional and latest updated information about the Underlying Index (including without limitation, a description of the way in which the Underlying Index is calculated, any change in the composition of the Underlying Index, any change in the method for compiling and calculating the Underlying Index) via the website disclosed in the relevant Appendix for each Index Tracking Sub-Fund under Part 2 of the Prospectus.

Please refer to the section "***12.16 Website Information***" below for the warning and the disclaimer regarding information contained in such website.

12.16 ***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 investors to access further information relating to the subject matter indicated and such information does not form part of this Prospectus. None of 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 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, the website, www.csopasset.com/etf[1]. Investors should exercise an appropriate degree of caution when assessing the value of such information.

12.17 ***Notices***

All notices and communications to the Manager and Trustee should be made in writing and sent to their respective addresses set out in the section headed "***Parties***" above.

12.18 ***Complaints and Enquiries***

Investors may contact the complaint officer of the Manager if they have any complaints or enquiries in respect of the Trust or a Sub-Fund:

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

Manager's Customer Service Hotline: +852 3406 5688

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

12.19 ***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 Trust 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 backup withholding in any jurisdiction from or through which the Trust or the relevant Sub-Fund receives payments and/or (B) to satisfy reporting or other obligations under IRS Code and the United States Treasury Regulations promulgated under the IRS Code, or to satisfy any obligations relating to any applicable law, regulation or any agreement with any tax or fiscal authority in any jurisdiction (ii) will update or replace such form,

certification or other information in accordance with its terms or subsequent amendments, and (iii) will otherwise comply with any reporting obligations imposed by the United States, Hong Kong or any other jurisdiction, including reporting obligations that may be imposed by future legislation.

12.20 ***Power to Disclose Information to Tax Authorities***

Subject to applicable laws and regulations in Hong Kong, the Trust, 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, tax identification number (if any), social security number (if any) and certain information relating to the Unitholder's holdings, to enable the Trust 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).

12.21 ***Material Changes to an Underlying Index***

The Commission should be consulted on any events that may affect the acceptability of an Underlying 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 Underlying Index, or a change in the objective or characteristics of the Underlying Index.

12.22 ***Replacement of an Underlying Index***

Following the authorisation of a Sub-Fund, a replacement of the Underlying Index may only be made in accordance with this Prospectus and the Trust Deed and with the prior approval of the Commission.

12.23 ***Business Contingency Plan***

The Manager has put in place business contingency plans which will be activated whenever there is a credit event (as described below) of the swap counterparty of the relevant swap, or whenever the Manager shall assess that the risk of the occurrence of a credit event is materially high. Should a bankruptcy event that affects the swap counterparty of the relevant swap occur, a Sub-Fund employing synthetic replication involving the use of swaps may lose an amount equal to the marked-to-market value of the relevant swap.

If the Business Contingency Plan is triggered, the Manager will issue an announcement as soon as practicable.

In addition to such Business Contingency Plan arrangements and announcements, the Manager will also notify the Commission immediately where it becomes aware of any of the events which may trigger this Business Contingency Plan.

The following is an overview of such contingency plans. Investors should note that the Manager's contingency plans are subject to changes by the Manager from time to time as the circumstances may justify. In any case, the Manager will ensure that the interests of the Unitholders will not be adversely affected. The Manager will issue an announcement in respect of any material change(s) to the business contingency plans as soon as practicable, which may, in some cases, be after the relevant change(s) has/have been implemented.

The Manager will trigger the business contingency plan under the following events:

(a) event of default affecting the swap counterparty(ies) of the relevant swap(s);

(b) downgrading of the long term debt credit rating(s) of the relevant swap counterparty(ies) or its guarantor(s) or, the relevant group company(ies) of the relevant swap counterparty to a rating below BBB by Standard & Poor's (or an equivalent rating given by Moody's or by Fitch);

(c) the spread of 5 years credit default swap (if applicable) in respect of the relevant swap counterparty or its guarantor(s) is traded or quoted on the relevant market at 5 per cent. or above;

(d) any other event (including, without limitation, licence suspension, significant litigation linked to the activities of the swap counterparty in the FDI business, reputation, forced early termination of swap by swap counterparty, limited or no access to exposure which fulfil the fund investment objective as a counterparty etc.) which would materially affect the swap counterparty's fitness and properness to act as the counterparty of the relevant Sub-Fund under the relevant swap, or any material risk of occurrence of such event; or

(e) if, in the actual knowledge of the Manager, (i) the relevant swap counterparty or its guarantor(s) ceases to be a substantial financial institution (as defined under the Code) or (ii) such entity is not acceptable to the Commission under the Code.

Upon the occurrence of any of the above situations, to the extent permitted under applicable law and regulation and/ or the terms of the applicable swap transaction, the Manager would then opt for one or more of the following remedial actions, depending on the nature of the above situation, and other factors including the size of the exposure to the relevant swap counterparty(ies) and surrounding circumstances such as timing and market factors:

(a) The Manager may unwind the affected swap(s) as soon as possible in accordance with the terms of the relevant swap transactions or in a measured manner, having regard to the best interest of the relevant Unitholders. The Manager will readjust the relevant Sub-Fund's exposure with other swap counterparty(ies).

(b) The Manager may decide to replace the swap counterparty(ies) as soon as possible in accordance with the terms of the relevant swap transactions and select, as soon as possible and on a best effort basis (or replace the investment exposure by using instruments complied with fund investment restriction e.g. Futures Contracts, collective investment schemes), a new counterparty(ies) in accordance with the investment strategy of the relevant Sub-Fund, and will enter into a new swap(s) with similar terms as the relevant swap(s) with such newly selected counterparty. The new counterparty(ies) would be selected using criteria including, but not limited to, execution prices, total direct and indirect transaction costs, probability and promptness of execution and delivery (if applicable). In such cases, the relevant Sub-Fund will enter into the new swap(s) as soon as possible with the new swap counterparty(ies). The Manager would then inform the Commission of the selection of the new swap counterparty(ies) and the entering into of the new swap(s) with the new swap counterparty(ies). Alternatively, the Manager may also propose a restructuring of the relevant Sub-Fund by using other instruments similar to the relevant swap(s), in the case where no suitable new swap counterparty(ies) is/are available. Such restructuring would then be subject to review and approval by the relevant authorities, including the Commission. This Prospectus would then be amended accordingly for the purpose providing the updated information to the relevant Unitholders.

(c) The Manager may also consider asking the swap counterparty(ies) to settle any unrealised gain or loss (if any) on a swap(s) in cash payment, where the market value of the swap(s) will be nil immediately after such payment. If an amount is payable by the swap counterparty(ies) to a Sub-Fund and the swap counterparty(ies) is insolvent or otherwise unable to pay the amount in full, the relevant Sub-Fund will account for any loss. To mitigate such a loss, the Manager intends to adopt a multiple counterparty

arrangement where a Sub-Fund (via the Trustee) will enter into swap agreements with more than one swap counterparty.

(d) The Manager may suspend creation and redemption of the relevant Sub-Fund.

(e) Eventually, if there is no new counterparty acceptable to the Manager and/or as a result of one or more swap counterparty(ies) becoming subject to resolution pursuant to an applicable recovery and resolution regime preventing or limiting the exercise of the other remedial actions provided above and if, as a result, the Manager is of the view that the relevant Sub-Fund is not able to achieve its investment objective, which is to track the movements in the relevant Underlying Index, the Manager may decide to terminate the relevant Sub-Fund.

SCHEDULE 1 – INVESTMENT AND BORROWING RESTRICTIONS

Investment Restrictions

The Trust Deed sets out restrictions and prohibitions on the acquisition of certain investments by the Manager. Each of the Sub-Fund(s) is subject to the following principal investment restrictions:-

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

(1) investments in securities issued by such entity;

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

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

(b) subject to (a) above and Chapter 7.28(c) of the Code and unless otherwise approved by the Commission, 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 Commission, the value of a Sub-Fund's cash deposits made with the same entity or entities within the same group may not exceed 20% of the total Net Asset Value of the Sub-Fund, unless:

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

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

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

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

(d) ordinary shares issued by any single entity 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 a single 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;

(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 Commission, an Index Tracking Sub-Fund which has been authorised by the Commission 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 Commission, a Sub-Fund may not invest in physical commodities;

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

(1) authorised by the Commission 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 a Sub-Fund should be consistently applied and clearly disclosed in this Prospectus;

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

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

(2) such Sub-Fund may invest in one or more underlying schemes which are either

schemes authorised by the Commission or eligible schemes (as determined by the Commission), 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 Commission 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, a Sub-Fund may invest in scheme(s) authorised by the Commission under Chapter 8 of the Code (except for hedge funds under Chapter 8.7 of the Code), eligible scheme(s) (as determined by the Commission) 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 (i) 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 a 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 Commission. In this case:

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

(2) the relevant Appendix must state that:

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

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

(iii) the Sub-Fund (i.e. feeder fund)'s annual financial 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 master fund must be clearly disclosed;

(3) unless otherwise approved by the Commission, 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 Holders or by the Sub-Fund (i.e. feeder fund) may result, if the master fund in which the Sub-Fund (i.e. feeder fund) invests is managed by the Manager or by its Connected Person; and

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

(m) if the name of a Sub-Fund indicates a particular objective, investment strategy, geographic region or market, the Sub-Fund should, under normal market circumstances, invest at least 70% of its 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 any Sub-Fund(s):-

(i) 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;

(ii) 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));

(iii) make short sales if as a result such Sub-Fund would be required to deliver securities exceeding 10% of the total Net Asset Value of such 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, a Sub-Fund is prohibited to carry out any naked or uncovered short sale of securities and short selling should be carried out in accordance with all applicable laws and regulations;

(iv) lend or make a loan out of the assets of such 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;

(v) subject to Chapter 7.3 of the Code, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person, save and except for reverse repurchase transactions in compliance with the Code;

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

(vii) apply any part of such 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 such 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).

Note: The investment restrictions set out above apply to each Sub-Fund, subject to the following: A collective investment scheme authorised by the Commission 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 net asset value. For an Index Tracking Sub-Fund authorised under Chapter 8.6 of the Code as an index tracking ETF, given the investment objective of the Sub-Fund and nature of the Underlying Index, the relevant Sub-Fund is 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 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 Underlying Index, except where the weightings are exceeded as a result of changes in the composition of the Underlying

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:

- an Index Tracking Sub-Fund adopts a representative sampling strategy which does not involve full replication of the constituent securities of the Underlying Index in the exact weightings of such Underlying Index;

- the strategy is clearly disclosed in the Prospectus;

- the excess of the weightings of the constituent securities held by the Index Tracking Sub-Fund over the weightings in the Underlying Index is caused by the implementation of the representative sampling strategy;

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

- limits laid down by the Index Tracking Sub-Fund pursuant to the point above must be disclosed in the Prospectus;

- disclosure must be made in the Index Tracking Sub-Fund's interim and annual reports as to whether the limits imposed by the Index Tracking Sub-Fund itself pursuant to the above point 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 Commission 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.

Other Investment Restrictions

For each Sub-Fund which is authorised by the Commission as a money market fund under Chapter 8.2 of the Code, the relevant Sub-Fund shall comply with the following investment restrictions:

(1) subject to the provisions below, the Sub-Fund may only invest in short-term deposits and high quality money market instruments, and up to 10% in money market funds authorised by the Commission under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the Commission and acceptable to the Commission;

(2) the Sub-Fund must maintain a portfolio with weighted average maturity of not exceeding 60 days and a weighted average life not exceeding 120 days and must not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of Government and other Public Securities;

For the purposes herein:

a. "weighted average maturity" is a measure of the average length of time to maturity of all the securities in the Sub-Fund weighted to reflect the relative holdings in each instrument; and is used to measure the sensitivity of the Sub-Fund to changing money market interest rates; and

b. "weighted average life" is the weighted average of the remaining life of each security held in Sub-Fund; and is used to measure the credit risk, as well as the liquidity risk,

provided that the use of interest rate resets in variable-notes or variable-rate notes generally should not be permitted to shorten the maturity of a security for the purpose of calculating

weighted average life, but may be permitted for the purpose of calculating weighted average maturity;

(3) notwithstanding the above, the aggregate value of the Sub-Fund's holding of instruments and deposits issued by a single entity may not exceed 10% of the Net Asset Value of the Sub-Fund except:

a. where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%; or

b. in the case of Government and other Public Securities, up to 30% may be invested in the same issue; or

c. in respect of any deposit of less than USD1,000,000 or its equivalent in the base currency of the Sub-Fund, where the Sub-Fund cannot otherwise diversify as a result of its size.

(4) notwithstanding paragraphs (b) and (c) under the section "Investment Restrictions" above, the aggregate value of the Sub-Fund's investments in entities within the same group through instruments and deposits may not exceed 20% of its total Net Asset Value except:

a. in respect of any cash deposit of less than USD1,000,000 or its equivalent in the base currency of the Sub-Fund, where the Sub-Fund cannot otherwise diversify as a result of its size; and

b. where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%;

(5) notwithstanding the borrowing limit as set out below, the Sub-Fund may borrow up to 10% of its total Net Asset Value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses;

(6) the value of the Sub-Fund's holding of investments in the form of asset-backed securities may not exceed 15% of its total Net Asset Value;

(7) subject to Chapter 7.32 to 7.38 of the Code, the Sub-Fund may engage in sale and repurchase and reverse repurchase transactions in compliance with the following requirements:

a. the amount of cash received by the Investment Fund under sale and repurchase transactions may not in aggregate exceed 10% of its total Net Asset Value;

b. the aggregate amount of cash provided to the same counterparty in reverse repurchase agreements may not exceed 15% of the Net Asset Value of the Sub-Fund;

c. 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; and

d. the holding of collateral, together with other investments of the Sub-Fund, must not contravene the investment limitations and requirements set out under this section "Money Market Funds";

(8) the Sub-Fund may use FDIs for hedging purposes only;

(9) the currency risk of the Sub-Fund shall be appropriately managed and any material currency risk that arises from investments that are not denominated in the Base Currency shall be appropriately hedged;

(10) the Sub-Fund must hold at least 7.5% of its total Net Asset Value in daily liquid assets and at least 15% of its total Net Asset Value in weekly liquid assets.

For the purposes herein:

a. daily liquid assets refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within one Business Day; and (iii) amount receivable and due unconditionally within one Business Day on pending sales of portfolio securities; and

b. weekly liquid assets refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within five Business Days; and (iii) amount receivable and due unconditionally within five Business Days on pending sales of portfolio securities; and

(11) a Sub-Fund that offers a stable or constant net asset value or which adopts an amortized cost accounting for valuation of its assets may only be considered by the Commission on a case-by-case basis.

For each Sub-Fund which is authorised by the Commission as a structured fund under Chapter 8.8 of the Code, that is a fund which is passively managed and usually tracks the performance of an index and its net derivative exposure exceeds 50% of its Net Asset Value, the relevant Sub-Fund shall comply with the requirements of Chapter 7 of the Code (subject to the modifications, exemptions or additional requirements as set out in Chapter 8.8 of the Code), including the following investment limitation or criteria (unless otherwise approved by the Commission):

(1) the Manager and the issuer of FDIs shall be independent of each other;

(2) 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 relevant 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;

(3) notwithstanding requirement to the contrary under “Financial Derivative Instruments” in this section that the net counterparty exposure to a single entity arising from transactions of the over-the-counter FDIs may not exceed 10% of the Net Asset Value of the Sub-Fund, a Sub-Fund which is a structured fund should maintain full collateralisation and there should be no net exposure to any single counterparty of the over-the-counter FDIs;

(4) the collateral shall meet the requirements set out in “Collateral” under this section; and

(5) the Manager shall put in place a detailed contingency plan regarding credit events such as significant downgrading of credit rating and the collapse of the issuer of FDIs.

For each Sub-Fund which is authorised by the Commission as a fund that invests extensively in FDIs under Chapter 8.9 of the Code, that is a fund which is actively managed and which seeks to acquire FDIs extensively for investment purposes, the relevant Sub-Fund shall comply with the requirements of Chapter 7 of the Code (subject to the modifications, exemptions or additional requirements as set out in Chapter 8.9 of the Code), including the following investment limitation or criteria (unless otherwise approved by the Commission):

(1) notwithstanding the requirement under Chapter 7.26 of the Code, the Sub-Fund may acquire FDIs for investment purposes subject to the limit that the net derivative exposure of the Sub-Fund does not exceed 100% of its Net Asset Value. For the avoidance of doubt, FDIs acquired for hedging purposes will not be counted towards this 100% limit;

(2) the Sub-Fund shall be subject to the requirements and limitations set out in Chapter 7.28 of the Code; and

(3) the collateral shall meet the requirements set out under "Collateral" below.

For each Sub-Fund which is authorised by the Commission as a listed open-ended fund (also known as an active ETF) under Chapter 8.10 of the Code, that is a fund which is listed and traded on the SEHK other than passive ETFs and closed-ended funds under Chapters 8.6 and 8.11 of the Code respectively, the relevant Sub-Fund shall comply with the requirements and limitations set out in Chapter 7 of the Code (as summarised in this Schedule 1 and unless otherwise approved by the Commission).

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

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

Borrowing Restrictions

Subject to the limits set out in Part 2 of this Prospectus, the Manager may engage in borrowing in order to acquire investments, to redeem Units or to pay expenses relating to a Sub-Fund. The maximum borrowing of a Sub-Fund may not exceed 10% of its total Net Asset Value. For this purpose, back-to-back loans do not count as borrowing. Securities lending transactions and sale and repurchase transactions in compliance with the requirements as set under the section entitled "Securities Financing Transactions" below are also not borrowings for the purpose of, and are not subject to the borrowing restrictions under this section. The assets of the Sub-Fund may be charged, pledged or otherwise encumbered in any manner as security for any such borrowings.

If the investment and borrowing restrictions set out above are breached, the Manager shall as a priority objective take all steps necessary within a reasonable period of time to remedy the situation, having due regard to the interests of Unitholders. The Manager is not immediately required to sell applicable investments if any of the investment restrictions are exceeded as a result of changes in the value of the relevant Sub-Fund's investments, reconstructions or amalgamations, payments out of the assets of the relevant Sub-Fund or redemption of Units but for so long as such limits are exceeded, the Manager shall not acquire any further investments which would result in such limit being further breached.

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 BBB- or above (by Moody's or S&P, or any other equivalent ratings by recognised credit rating agencies) or which are corporations licensed by the Commission or are registered institutions with the Hong Kong Monetary Authority;

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

(c) for sale and 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 sale and 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.

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 FDI.

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 Commission for a Sub-Fund pursuant to Chapter 8 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 Commission 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 correponding 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 Commission, in which the Sub-Fund may invest according to its investment objectives and policies;

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

(c) subject to paragraphs (a) and (b) under the section entitled “Investment Restrictions” above, the net counterparty exposure to a single entity arising from transactions of the over-the-counter FDIs may not exceed 10% of the Net Asset Value of the Sub-Fund. The exposure of the Sub-Fund to a counterparty of over-the-counter FDIs may be lowered by the collateral received (if applicable) by the Sub-Fund and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter financial derivative instruments 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 the 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 case of holding alternative assets as cover, the Sub-Fund should apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations.

The above policies relating to FDIs apply to financial instruments which embed a financial derivative as well.

Further information relating to the risk management and control policy, procedures and methods employed by the Manager in relation to the Sub-Funds' investment in FDIs are available for inspection free of charge at the offices of the Manager and copies thereof may be obtained from the Manager upon the payment of a reasonable fee.

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 Chapter 7 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 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;

- 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 – any re-investment of collateral received for the account of the Sub-Fund shall

be subject to the following requirements:

- 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 Commission and acceptable to the Commission, and subject to corresponding investment restrictions or limitations applicable to such investments or exposure as set out in Chapter 7 of the Code. For this purpose, money market instruments refer to securities normally dealt in on the money markets, including government bills, certificates of deposit, commercial papers, short-term notes and bankers' acceptances, etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account. Non-cash collateral received may not be sold, re-invested or pledged;

- the portfolio of assets from re-investment of cash collateral shall comply with the requirements as set out in sub-paragraphs (2) and (10) of the section entitled "Other Investment Restrictions" above;

- cash collateral received is not allowed to be further engaged in any securities financing transactions; and

- 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, debt securities, stocks, funds and money market instruments;

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

- no maturity constraints will apply to the collateral received;

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

- 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.

Definitions

For the purpose of this Schedule 1 only:

(a) "short sale" means a sale of securities actively traded on a market where short selling activity is permitted which the vendor neither owns nor has the right to acquire at the time when the sale is agreed upon;

(b) "option" means a right to buy or sell a security at a future date for a specified price;

(c) "warrant" means a right to subscribe for securities during a specified period at a specified price;

(d) "securities" has the meaning given to such term in Part 1, Schedule 1 of the Securities and Futures Ordinance; and

(e) “embedded financial derivative” means a FDI that is embedded in another security.

SCHEDULE 2 – PROVISIONS RELATING TO THE OFFER, CREATION, REDEMPTION, LISTING AND TRADING OF THE LISTED CLASS OF UNITS

This Schedule 2 contains disclosure relating to the Listed Class of Units only. Unless the context otherwise requires, references to "Units" and "Unitholders" in this Schedule shall be construed to refer to a Listed Class of Units of a Sub-Fund or a Unitholder of such Units. Save for terms defined below, all other terms used in this Schedule shall have the same meanings as assigned to them under the main part of the Prospectus.

1 INVESTING IN THE LISTED CLASS OF UNITS OF A SUB-FUND

There are currently two methods to invest in Listed Class of Units of the Sub-Funds:

1.1 *In the Primary Market*

- Primary Market Investors may make a request to a Participating Dealer or a stockbroker (who has opened an account with a Participating Dealer) to effect a Creation Application or a Redemption Application on their behalf.

- Because of the size of the capital investment (i.e. Application Unit size) required either to create or redeem Listed Class of Units through the Participating Dealer in the primary market, this method of investment is more suitable for institutional investors and market professionals.

- Participating Dealers may submit a Creation Application or a Redemption Application to create or redeem Listed Class of Units directly in the relevant Sub-Fund.

Please refer to section "***2. Creation and Redemption of Application Units (Primary Market)***" below for the operational procedures in respect of Creation Applications. Creation and redemption of Listed Class of Units by Participating Dealers will be conducted in accordance with the Trust Deed, the Operating Guidelines and the relevant Participation Agreement.

1.2 *In the Secondary Market (SEHK)*

- Secondary Market Investors may purchase and sell Listed Class of Units in the secondary market on the SEHK. This method of investment is more suitable for retail investors due to the smaller size of capital investment.

- The Listed Class of Units of a Sub-Fund may trade on the SEHK at a premium or discount to the Net Asset Value of the Units of such Sub-Fund.

Please refer to section "***3. Trading of Listed Class of Units on the SEHK (Secondary Market)***" below for further information in respect of buying and selling Units on the SEHK.

2 CREATION AND REDEMPTION OF APPLICATION UNITS (PRIMARY MARKET)

2.1 *General*

This section provides general information regarding the creation and redemption of Listed Class of Units of the Sub-Funds of the Trust. Specific details relating to a Sub-Fund are set out in Part 2 of this Prospectus.

Where a Sub-Fund has a Dual Counter or Multi-Counter, all cash creation and redemption for all Listed Class of Units must be in the Base Currency of such Sub-Fund or any other currency as set out in the relevant Appendix only.

2.2 ***Applications by Primary Market Investors***

Primary Market Investors are investors who make a request to a Participating Dealer or a stockbroker (who has opened an account with a Participating Dealer) to effect an Application on their behalf.

Each initial Participating Dealer has indicated to the Manager that it will, subject to (i) normal market conditions, (ii) mutual agreement between the relevant Participating Dealer and the Primary Market Investor as to its fees for handling such request(s), and (iii) completion of anti-money laundering and/or client acceptance procedures and requirements, generally accept and submit creation requests or redemption requests received from a Primary Market Investor who is its client, subject to exceptional circumstances set out below. Investors should note that, although the Manager has a duty to monitor the operations of the Trust closely, neither the Trustee nor the Manager is empowered to compel the Participating Dealer to accept a creation request or redemption request from a Primary Market Investor. Primary Market Investors who are retail investors may only submit a creation request or redemption request through a stockbroker who has opened an account with a Participating Dealer.

In addition, a Participating Dealer reserves the right to reject, acting in good faith, any creation request or redemption request received from Primary Market Investor who is its client under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Listed Class of Units of a Sub-Fund, (ii) the redemption of Listed Class of Units of a Sub-Fund, and/or (iii) the determination of Net Asset Value of a Sub-Fund is suspended pursuant to the provisions in the Trust Deed;

(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 (i) for an Index Tracking Sub-Fund, any of the Index Securities or FDIs (as the case may be) in the relevant Underlying Index or (ii) for a Non-Index Tracking Sub-Fund, a substantial part of the Securities and/or FDIs comprising the Sub-Fund;

(c) where acceptance of the creation request or 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; or

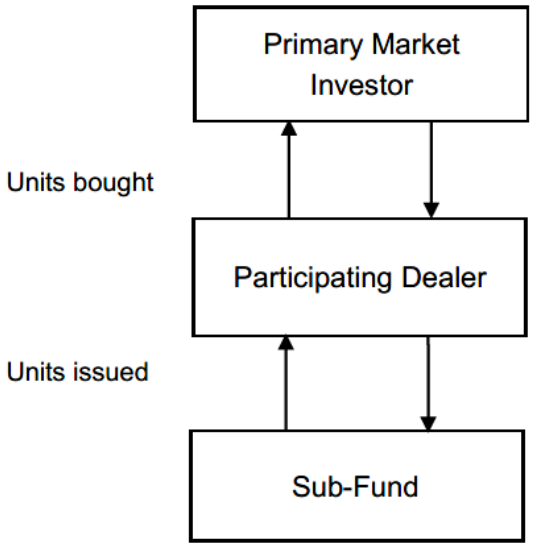
(d) circumstances outside the control of the Participating Dealer make it for all practicable purposes impossible to process the creation request or redemption request.

Investors should note that the Participating Dealers and the stockbrokers through whom an Application is made for creation or redemption of Listed Class of Units may impose an earlier dealing deadline, require other supporting documents for the Application and adopt other dealing procedures different from those set out for the Sub-Funds in this Prospectus. For example, the dealing deadline set by the Participating Dealers or the stockbrokers may be earlier than that set out for a Sub-Fund in this Prospectus. Investors should therefore check the applicable dealing procedures with the relevant Participating Dealer or stockbroker (as the case may be).

Participating Dealers and stockbrokers may also impose fees and charges in handling any creation or redemption requests of Primary Market Investors which would increase the cost of investment and/or reduce the redemption proceeds. Such fees and charges will normally be payable in the Base Currency of the relevant Sub-Fund or such other currency as may be determined by the Participating Dealers and stockbrokers. Participating Dealers and stockbrokers may also impose additional terms and restrictions on the holdings of Primary Market Investors and/or may accept or reject the creation or redemption requests of Primary Market Investors based on their internal policies. Please note that although the Manager has a duty to monitor the operations of the Trust closely, neither the Trustee nor the Manager is empowered to compel any Participating Dealer or stockbroker to disclose its fees agreed with

specific clients or other proprietary or confidential information to the Manager or the Trustee, or to accept any application requests received from third parties. Primary Market Investors are advised to check with the Participating Dealers or stockbrokers as to the relevant fees, costs and other applicable terms.

The following illustrates the process of the creation and issue of Listed Class of Units in the case of Primary Market Investors.

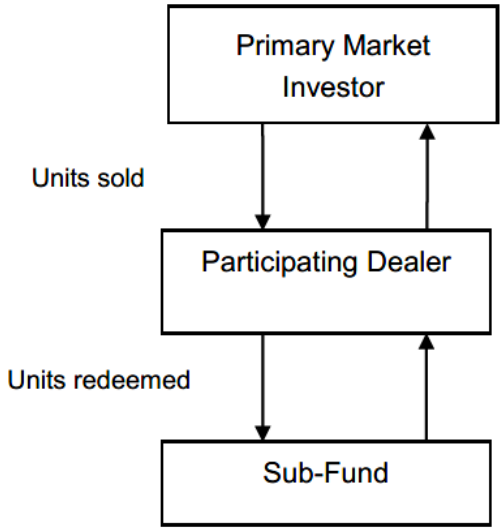


(i) Cash*; or
(ii) Securities and/or FDIs constituting the Basket; or
(iii) a combination of cash and in-kind (Securities and/or FDIs constituting the Basket)
(please see the relevant Appendix for details)

(i) Cash (Base Currency or any other currency as set out in the relevant Appendix); or
(ii) Securities and/or FDIs constituting the Basket; or
(iii) a combination of cash and in-kind (Securities and/or FDIs constituting the Basket)
(please see the relevant Appendix for details)

**Primary Market Investor may agree with the Participating Dealers the currency for settlement.*

The following illustrates the process of redemption of Listed Class of Units in the case of Primary Market Investors.



(i) Cash*; or
(ii) Securities and/or FDIs constituting the Basket; or
(iii) a combination of cash (RMB) and in-kind (Securities and/or FDIs constituting the Basket)
(please see the relevant Appendix for details)

(i) Cash (Base Currency or any other currency as set out in the relevant Appendix); or
(ii) Securities and/or FDIs constituting the Basket; or
(iii) a combination of cash (RMB) and in-kind (Securities and/or FDIs constituting the Basket)
(please see the relevant Appendix for details)

**Primary Market Investor may agree with the Participating Dealers the currency for settlement.*

Primary Market Investors should consult with the relevant Participating Dealer on the method(s) for creation or redemption of Listed Class of Units adopted by the relevant Participating Dealer.

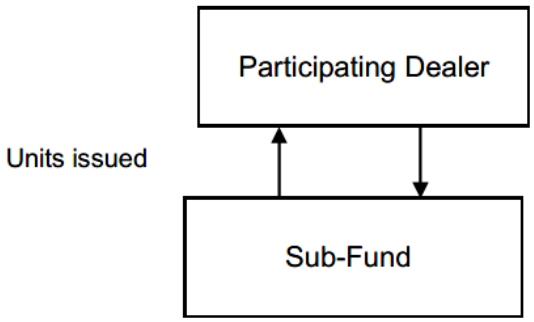
2.3 ***Creation Applications by Participating Dealers***

Unless otherwise determined by the Manager, in consultation with the Trustee, a Creation Application shall only be made by a Participating Dealer or PD Agent (as the case may be) in respect of a Dealing Day in accordance with the terms of the Trust Deed and the relevant Participation Agreement either during the Initial Offer Period or on a Dealing Day in respect of Listed Class of Units constituting an Application Unit size or whole multiples thereof. The Application Unit size for a Sub-Fund is set out in Part 2 of this Prospectus.

Additional details on the Initial Offer Period, the Dealing Deadline and other relevant information in respect of Creation Applications for Listed Class of Units in a Sub-Fund are set out in Part 2 of this Prospectus. Any Creation Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

There are currently three methods for creation of Listed Class of Units in respect of a Creation Application made by a Participating Dealer: (i) cash Creation Application ("**Cash Creation**") only; or (ii) in-kind Creation Application by delivering Securities and/or FDIs constituting the Basket ("**In-Kind Creation**") only; or (iii) a combination of Cash Creation and In-Kind Creation ("**Hybrid Creation**"). The method(s) for creation of Listed Class of Units adopted by the current Sub-Funds are set out in the Appendix of the relevant Sub-Fund.

The following illustrates the process of the creation and issue of Listed Class of Units in the case of Participating Dealers.



(i) Cash (Base Currency or any other currency as set out in the relevant Appendix); or
(ii) Securities and/or FDIs constituting the Basket; or
(iii) a combination of cash (RMB) and in-kind (Securities and/or FDIs constituting the Basket)

(please see the relevant Appendix for details)

2.3.1 ***Procedures for Creation of Listed Class of Units***

General

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

To be effective, a Creation Application must comply with the requirements in respect of creation of Listed Class of Units set out in the Trust Deed, the Operating Guidelines and the relevant Participation Agreement and be accompanied by such certifications and legal opinions as the Trustee and/or the Manager may in their absolute discretion require.

Methods of creation of Listed Class of Units

Pursuant to a valid Creation Application being accepted by the Manager, the Manager and/or any person duly appointed by the Manager for such purpose shall have the exclusive right to instruct the Trustee to create for the account of the Trust, Listed Class of Units in a class in Application Unit size or whole multiples thereof in exchange for the delivery by the relevant Participating Dealer, to or for the account of the Trustee, of:

(a) where Cash Creation only is adopted, a cash payment equivalent to the relevant Application Basket Value (which shall be accounted for as Deposited Property), which the Manager shall use (i) to purchase the Securities and/or FDIs constituting the Basket(s), (ii) to hold for

the Sub-Fund in connection with, or apply towards, any adjustment in the Sub-Fund's entitlement and liability under a swap or otherwise (iii) to apply such cash for entry into such contractual agreements (being FDIs or otherwise being in the nature of investments by the Sub-Fund) as the Manager considers appropriate, and the Manager shall be entitled in its absolute discretion to charge (for the account of the relevant Sub- Fund) to each Participating Dealer an additional sum which represents the appropriate provision for Duties and Charges (which may include, but is not limited to, a provision for stamp duties and other transaction charges or taxes applicable to the purchase (or estimated to be applicable to the future purchase) of the relevant Securities and/or FDIs; or

(b) where In-Kind Creation only is adopted, Securities and/or FDIs constituting the Basket(s) for the Listed Class of Units of the relevant Sub-Fund to be issued and a cash amount equivalent to any Duties and Charges payable; or

(c) where Hybrid Creation is adopted, a cash payment equivalent to the value of relevant Securities and/or FDIs constituting the Basket(s), together with the remaining Securities and/or FDIs constituting the Basket(s) for the Listed Class of Units of the relevant Sub-Fund to be issued, and a cash amount equivalent to any Duties and Charges payable.

plus,

(d) if the Cash Component is a positive value, a cash payment equivalent to the amount of the relevant Cash Component; if the Cash Component is a negative value, the Trustee shall be required to make a cash payment equivalent to the amount of the Cash Component (expressed as a positive figure) to the relevant Participating Dealer. If the relevant Sub-Fund has insufficient cash required to pay any Cash Component payable by the relevant Sub-Fund, the Manager may instruct the Trustee to sell the Deposited Property of the relevant Sub-Fund, or to borrow moneys to provide the cash required.

Payment Terms in respect of Cash Creation only

Where Cash Creation is adopted, the Manager currently only accepts cash payments in the Base Currency of the relevant Sub-Fund (even for a Sub-Fund which adopts Dual Counter or Multi-Counter) or any other currency as set out in the relevant Appendix. Notwithstanding the Dual Counter or Multi-Counter, any cash payable by Participating Dealers in a Cash Creation must be in the Base Currency of the relevant Sub-Fund or any other currency as set out in the relevant Appendix. The process of creation of Units is the same for all counters.

In relation to a Cash Creation, the Manager reserves the right to require the Participating Dealer to pay an additional sum representing the Duties and Charges for the purpose of compensating or reimbursing the Trust for the difference between:

(a) the prices used when valuing the relevant Securities and/or FDIs (as the case may be) of the Trust in respect of the relevant Sub-Fund for the purpose of such issue of Listed Class of Units; and

(b) the prices which would be used when acquiring the same Securities and/or FDIs (as the case may be) if they were acquired by the Trust in respect of the relevant Sub-Fund with the amount of cash received by the Trust in respect of the relevant Sub-Fund upon such issue of Listed Class of Units.

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

Base Currency and Issuance of Listed Class of Units

Units are denominated in the Base Currency of the relevant Sub-Fund (unless otherwise determined by the Manager) and no fractions of a Unit in respect of the Listed Class of Units shall be created or issued by the Trustee. Once Listed Class of Units are created, the Manager

shall instruct the Trustee to issue, for the account of the relevant Sub-Fund, the Listed Class of Units to the relevant Participating Dealer. The Base Currency of each Sub-Fund is specified in Part 2 of this Prospectus.

2.3.2 ***Issue Price***

The Issue Price of Listed Class of Units of a Sub-Fund is set out in Part 2 of this Prospectus. For the avoidance of doubt, the Issue Price does not take into account Duties and Charges or fees payable by the Participating Dealers.

Any commission, remuneration or other sums payable by the Manager to any agent or other person in respect of the issue or sale of any Listed Class of Units shall not be added to the Issue Price of such Listed Class of Units and shall not be paid by the Trust.

2.3.3 ***Creation and Issue of Listed Class of Units***

Where a Creation Application is received or deemed to be received and accepted before the Dealing Deadline on a Dealing Day, the creation and issue of Listed Class of Units pursuant to that Creation Application shall be effected on that Dealing Day, but:

(a) for valuation purposes only, Listed Class of Units shall be deemed to be created and issued after the Valuation Point on the relevant Valuation Day relating to that Dealing Day; and

(b) the Register shall be updated after the Valuation Point for the Valuation Day relating to the Dealing Day on which the Creation Application is deemed to be accepted provided that the Trustee shall be entitled to refuse to enter (or allow to be entered) Listed Class of Units in the Register if at any time the Trustee is of the opinion that the issue of Listed Class of Units does not comply with the provisions of the Trust Deed.

2.3.4 ***Fees relating to Creation Applications***

In respect of each Creation Application, the Manager shall be entitled to charge certain fees and charges and the Trustee and/or the Service Agent or the Conversion Agent (as the case may be) shall be entitled to charge a Transaction Fee, details of which are set out in Part 2 of this Prospectus, which shall be paid by or on behalf of the relevant Participating Dealer and may be set off and deducted against any Cash Component due to the relevant Participating Dealer in respect of such Creation Application.

Where In-Kind Creation or Hybrid Creation is adopted, a corporate action fee is also payable to HKSCC in respect of a Creation Application where a Conversion Agent is appointed for such Sub-Fund.

2.3.5 ***Rejection of Creation Applications***

The Manager, acting reasonably and in good faith, has the absolute right to reject a Creation Application, including but not limited to when:

(a) any period during which (i) the creation or issue of Listed Class of Units of the relevant Sub-Fund, (ii) the redemption of Listed Class of Units of the relevant Sub-Fund, and/or (iii) determination of the Net Asset Value of the relevant Sub-Fund has been suspended pursuant to the provisions in the Trust Deed;

(b) in the reasonable opinion of the Manager, acceptance of the Creation Application will have an adverse effect or adverse tax consequences on the Trust or the relevant Sub-Fund or is unlawful or will have an adverse effect on the interests of the Unitholders;

(c) 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

(i) for an Index Tracking Sub-Fund, any of the Index Securities or FDIs (as the case may be) in the relevant Underlying Index or (ii) for a Non-Index Tracking Sub-Fund, a substantial part of the Securities and/or FDIs of the Sub-Fund;

(d) 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 any of its Connected Persons;

(e) processing of the Creation Application is not possible due to exceptional circumstances outside the control of the Manager (such as market disruptions or circumstances under which acceptance of the Creation Application will have a material adverse impact on the relevant Sub-Fund);

(f) the Creation Application is not submitted in the form and manner set out in the provisions of the Trust Deed;

(g) an Insolvency Event occurs in respect of the relevant Participating Dealer; or

(h) there are insufficient Securities and/or FDIs available to the Manager and/or the Trust to constitute the Basket(s) in respect of a Creation Application,

provided that the Manager will take into account the interest of the Unitholders of the Trust and/or the relevant Sub-Fund to ensure that the interests of the Unitholders will not be materially adversely affected. In addition to the foregoing, the Manager may also reject Creation Applications in such other circumstances as set out in Part 2 of this Prospectus.

In the event of such rejection, the Manager shall notify the relevant Participating Dealer, the Conversion Agent (where applicable) and the Trustee of its decision to reject such Creation Application in accordance with 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.

2.3.6 ***Cancellation of Creation Applications***

The Trustee may, on the instruction of the Manager, cancel any Creation Application and any Listed Class of Units deemed created and issued in respect of such Creation Application under the following circumstances:

(a) where a Cash Creation is adopted, any cash payment for exchange of Listed Class of Units, the Cash Component (if applicable) and/or any Duties and Charges and other fees and charges payable in respect of a Creation Application must be received in cleared funds by such times and in such manner as prescribed in the relevant Participation Agreements and if the cleared funds have not been received by or on behalf of the Trustee as aforementioned the Trustee may, on the instruction of the Manager, cancel the Creation Application, and any Listed Class of Units deemed created and issued in respect of such Creation Application. In addition to the preceding circumstances, the Trustee may also, on the instruction of the Manager, cancel any Creation Application and any Listed Class of Units deemed created and issued in respect of such Creation Application if it determines by such time specified in the Operating Guidelines that it is unable to invest the cash proceeds of any Creation Application.

(b) where an In-Kind Creation is adopted -

(i) if the title to any of the Securities and/or FDIs constituting the Basket deposited for exchange of Listed Class of Units has not been fully vested upon trust in the Trustee or to the Trustee's satisfaction, or evidence of title and instruments of transfer satisfactory to the Trustee have not been produced to or to the order of the Trustee by such times and in such manner as prescribed in the relevant Participation Agreements (or such later time and/or date determined by the Manager); or

(ii) the full amount of any Duties and Charges payable in respect of the Creation Application have not been received in cleared funds by or on behalf of the Trustee by such times and in such manner as prescribed in the relevant Participation Agreements (or such later time and/or date determined by the Manager).

(c) where a Hybrid Creation is adopted, the Creation Application will be cancelled under the circumstances stated in (a) and/or (b).

Upon the cancellation of any Creation Application and any Listed Class of Units deemed created pursuant to a Creation Application as provided for above or if a Participating Dealer, with the approval of the Manager, withdraws a Creation Application other than in the circumstances contemplated in the Trust Deed, such Listed Class of Units shall be deemed for all purposes never to have been created and the relevant 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) any Securities and/or FDIs constituting the Basket(s) deposited for exchange fully vested in the Trustee and/or any cash received by or on behalf of the Trustee in respect of such cancelled Listed Class of Units shall be redelivered to the Participating Dealer without interest;

(b) the Manager shall be entitled to charge the Participating Dealer for the account and benefit of the Trustee an Application Cancellation Fee and any other fees and charges as set out in the Operating Guidelines;

(c) the Manager may at its absolute discretion require the Participating Dealer to pay to the Trustee for the account of the relevant Sub-Fund in respect of each cancelled Unit Cancellation Compensation, being the amount (if any) by which the Issue Price of each such Listed Class of Units exceeds the Redemption Price which would have applied in relation to each such Unit if a Participating Dealer had, on the date on which such Listed Class of Units are cancelled, made a Redemption Application;

(d) the Trustee shall be entitled to charge the Participating Dealer the Transaction Fee payable in respect of the Creation Application for the account and benefit of the Trustee;

(e) the Manager shall be entitled to require the Participating Dealer to pay to the Trustee for the account of the relevant Sub-Fund the Duties and Charges (if any) incurred by the Trust in consequence of such cancelled Creation Application which shall be retained for the benefit of the relevant Sub-Fund; and

(f) no previous valuations of the assets in respect of a Sub-Fund shall be reopened or invalidated as a result of the cancellation of such Listed Class of Units.

2.4 ***Redemption Applications by Participating Dealers***

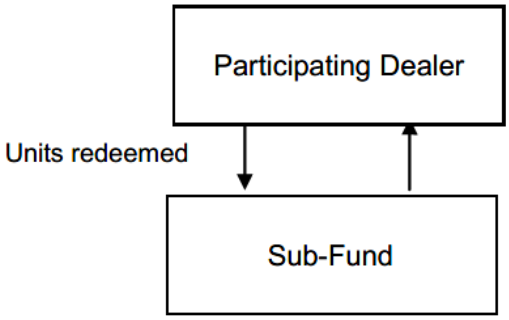
Unless otherwise determined by the Manager, in consultation with the Trustee, a Redemption Application shall only be made by a Participating Dealer or PD Agent (as the case may be) in respect of a Dealing Day in accordance with the terms of the Trust Deed and the relevant Participation Agreement on a Dealing Day in respect of Listed Class of Units constituting an Application Unit size or whole multiples thereof.

Additional details on the Dealing Deadline and other relevant information in respect of Redemption Applications for Listed Class of Units in a Sub-Fund are set out in Part 2 of this Prospectus.

Any Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

Where the Manager accepts a Redemption Application in respect of a Sub-Fund from a Participating Dealer, the Manager may effect the redemption of the relevant Listed Class of Units by instructing the Trustee to transfer to the Participating Dealer, (i) cash ("**Cash Redemption**") only; or (ii) Securities and/or FDIs constituting the Basket ("**In-Kind Redemption**") only; or a combination of cash and in-kind (Securities and/or FDIs constituting the Basket) ("**Hybrid Redemption**") each in accordance with the Trust Deed and the relevant Participation Agreements and Operating Guidelines. The redemption method(s) adopted by the current Sub-Funds are as set out in the Appendix of the relevant Sub-Fund.

The following illustrates the process of redemption of Listed Class of Units in the case of Participating Dealers.



(i) Cash (Base Currency or any other currency as set out in the relevant Appendix); or
(ii) Securities and/or FDIs constituting the Basket; or
(iii) a combination of cash (RMB) and in-kind (Securities and/or FDIs constituting the Basket)

2.4.1 ***Procedures for Redemption of Listed Class of Units***

General

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

To be effective, a Redemption Application must comply with the requirements in respect of redemption of Listed Class of Units set out in the Trust Deed, the Operating Guidelines and the relevant Participation Agreement and be accompanied by such certifications and legal opinions as the Trustee and/or the Manager may require.

Methods of payment of redemption proceeds

Pursuant to a valid Redemption Application accepted by the Manager, the Manager shall instruct the Trustee to cancel the relevant Listed Class of Units on the Settlement Day in accordance with the Trust Deed and the relevant Participation Agreements and Operating Guidelines and to transfer to the Participating Dealer:

(a) where Cash Redemption only is adopted, the redemption proceeds in cash provided that the Manager shall be entitled in its absolute discretion to charge (for the account of the Sub-Fund) to each Participating Dealer an additional sum which represents the appropriate provision for Duties and Charges (which may include, but is not limited to, a provision for stamp duties and other transaction charges or taxes applicable to the sale (or estimated to be applicable to the future sale) of the relevant Securities and/or FDIs),

(b) where In-Kind Redemption only is adopted, the relevant Securities and/or FDIs constituting the Basket(s) (as the Manager considers appropriate) in respect of such Listed Class of Units;

(c) where Hybrid Redemption is adopted, the redemption proceeds in cash provided that the Manager shall be entitled in its absolute discretion to charge (for the account of the Sub-Fund) to each Participating Dealer an additional sum which represents the appropriate provision for Duties and Charges (which may include, but is not limited to, a provision for stamp duties and other transaction charges or taxes applicable to the sale (or estimated to be applicable to the future sale) of the relevant Securities and/or FDIs) and the relevant Securities and/or FDIs constituting the Basket(s) (as the Manager considers appropriate) in respect of such Listed Class of Units,

plus,

(d) where the Cash Component is a positive value, a cash payment equivalent to the amount of the Cash Component. If the relevant Sub-Fund has insufficient cash to pay any Cash Component payable by the Sub-Fund, the Manager may instruct the Trustee to sell the Deposited Property of the relevant Sub-Fund, or to borrow moneys, to provide the cash required. If the Cash Component is a negative value, the Participating Dealer shall be required to make a cash payment equivalent to the amount of the Cash Component (expressed as a positive figure) to or to the order of the Trustee.

Payment Terms in respect of Cash Redemption only

Where Cash Redemption only is adopted, the Manager currently only allows redemption proceeds to be paid out in cash in the Base Currency of the relevant Sub-Fund (even for a Sub-Fund which adopts Dual Counter or Multi-Counter) or any other currency as set out in the relevant Appendix. Notwithstanding the Dual Counter or Multi-Counter, any cash proceeds received by Participating Dealers in a Cash Redemption shall be paid only in the Base Currency of the relevant Sub-Fund or any other currency as set out in the relevant Appendix. All Listed Class of Units regardless of their trading currency may be redeemed by way of a Redemption Application (through a Participating Dealer). The redemption process is the same for all Listed Class of Units regardless of their trading currency.

In relation to a Cash Redemption, the Manager reserves the right to require the Participating Dealer to pay an additional sum representing Duties and Charges for the purpose of compensating or reimbursing the Trust for the difference between:

(a) the prices used when valuing the relevant Securities and/or FDIs of the Trust in respect of the relevant Sub-Fund for the purpose of such redemption of Listed Class of Units; and

(b) the prices which would be used when selling the same Securities and/or FDIs if they were sold by the Trust in respect of the relevant Sub-Fund in order to realise the amount of cash required to be paid out of the Trust in respect of the relevant Sub-Fund upon such redemption of Listed Class of Units.

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

Payment Terms in respect of In-Kind Redemption or Hybrid Redemption

Where a Sub-Fund adopts In-Kind Redemption or Hybrid Redemption, the Manager has the right to instruct the Trustee to deliver cash equivalent of any Securities and/or FDIs constituting the Basket in connection with the Redemption Application to the Participating Dealer if the Manager determines in its absolute discretion that (a) such Securities and/or FDIs is likely to be unavailable for delivery or available in insufficient quantity for delivery in connection with the Redemption Application; or (b) if it is in the interests of the relevant Sub-Fund to do so; or (c) any other circumstances or reasons exist which, in the view of the Manager, makes it

appropriate to pay out cash either generally or in any particular case, provided that the Manager shall be entitled in its absolute discretion to charge (for the account of the relevant Sub-Fund) to the Participating Dealer realising any Units for which cash is paid in lieu of delivering the relevant Securities and/or FDIs an additional sum which represents the appropriate provision for Duties and Charges of the relevant Securities and/or FDIs. Notwithstanding the Dual Counter or Multi-Counter, any cash proceeds received by Participating Dealers in the in-cash component in a Hybrid Redemption shall be paid only in RMB. All Listed Class of Units regardless of their trading currency may be redeemed by way of a Redemption Application (through a Participating Dealer). The process of redemption of Listed Class of Units is the same for all counters.

2.4.2 ***Redemption Price***

The Redemption Price of Listed Class of Units of a Sub-Fund is set out in Part 2 of this Prospectus. For the avoidance of doubt, the Redemption Price does not take into account Duties and Charges or fees payable by the Participating Dealers.

2.4.3 ***Payment of Redemption Proceeds***

The maximum interval between (i) the receipt of a properly documented Redemption Application and (ii) payment of redemption proceeds (in cash in the Base Currency of the relevant Sub-Fund or any other currency as set out in the relevant Appendix and/or in-kind, as applicable) to the relevant Participating Dealer may not exceed one (1) calendar month unless the market(s) in which a substantial portion of investments of the relevant Sub-Fund is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of the redemption proceeds within the aforesaid time period not practicable. In such case, and subject to the Commission's prior approval, payments may be delayed but the extended time frame for the payment of redemption proceeds shall reflect the additional time needed in light of the specific circumstances in the relevant market(s).

Subject to the above, payment of redemption proceeds in cash will normally be made within 3 Business Days of the relevant Dealing Day.

2.4.4 ***Rejection of Redemption Applications***

The Manager, acting reasonably and in good faith, has the absolute right to reject a Redemption Application in exceptional circumstances or to impose different minimum redemption size requirements, including but not limited to when:

(a) any period during which (i) the creation or issue of Listed Class of Units of the relevant Sub-Fund, (ii) the redemption of Listed Class of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund has been suspended pursuant to the provisions of the Trust Deed;

(b) in the reasonable opinion of the Manager, acceptance of the Redemption Application will have an adverse effect on the Trust or the relevant Sub-Fund;

(c) 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 (i) for an Index Tracking Sub-Fund, any of the Index Securities or FDIs (as the case may be) in the relevant Underlying Index or (ii) for a Non-Index Tracking Sub-Fund, a substantial part of the Securities and/or FDIs of the Sub-Fund;

(d) 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;

(e) processing of the Redemption Application is not possible due to circumstances outside the control of the Manager (such as market disruptions or circumstances under which

acceptance of the Redemption Application will have a material adverse impact on the relevant Sub-Fund); or

(f) the Redemption Application is not submitted in the form and manner set out in the provisions of the Trust Deed,

provided that the Manager will take into account the interest of the Unitholders of the Trust and/or the relevant Sub-Fund to ensure that the interests of the Unitholders will not be materially adversely affected. In addition to the foregoing, the Manager may also reject Redemption Applications in such other circumstances as set out in Part 2 of this Prospectus.

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 of the Participating Dealer under exceptional circumstances. Notwithstanding a Participating Dealer has accepted redemption requests from its 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.

2.4.5 ***Deferral of Redemption Applications***

In addition, the Manager is entitled to limit the number of Units of any Sub-Fund redeemed on any Dealing Day to 10% of the total number of Units of the relevant Sub-Fund then in issue (rounded down to the extent required to ensure that Units may only be redeemed in multiples of Application Units). In this event, the limitation will apply pro rata (and not on a first in-first out basis) so that Unitholders of the relevant Sub-Fund who have validly requested to redeem such Units of the same Sub-Fund on that Dealing Day will redeem the same proportion of such Units of that Sub-Fund. Any such Units not redeemed (but which would otherwise have been redeemed) will be carried forward for redemption, subject to the same limitation, and will have priority on the next succeeding Dealing Day and all following Dealing Days (in relation to which the Manager has the same power) until the original request has been satisfied in full.

2.4.6 ***Fees relating to Redemption of Listed Class of Units***

In respect of each Redemption Application, the Manager shall be entitled to charge certain fees and charges and the Trustee and/or the Service Agent or the Conversion Agent (as the case may be) shall be entitled to charge a Transaction Fee, details of which are set out in Part 2 of this Prospectus, which shall be paid by or on behalf of the relevant Participating Dealer and may be set off and deducted against any Cash Component or cash redemption proceeds due to the relevant Participating Dealer in respect of such Redemption Application.

Where In-Kind Redemption or Hybrid Redemption is adopted, a corporate action fee is also payable to HKSCC in respect of a Redemption Application where a Conversion Agent is appointed for such Sub-Fund.

The Manager shall also be entitled to deduct from and set off against any cash redemption proceeds or Cash Component payable to a Participating Dealer on the redemption of Listed Class of Units a sum (if any) which represents the appropriate provision for Duties and Charges, the Transaction Fee (for the account and benefit of the Trustee) and any other fees, charges and payments payable by the Participating Dealer.

The Conversion Agent may charge a Unit Cancellation Fee in connection with each Redemption Application.

2.4.7 ***Cancellation of Listed Class of Units pursuant to Redemption Application***

Upon redemption of Listed Class of Units pursuant to a valid Redemption Application,

(a) the funds of the relevant Sub-Fund shall be deemed to be reduced by the cancellation of such Listed Class of Units and, for valuation purposes, such Listed Class of Units shall be deemed to have been redeemed and cancelled after the Valuation Point for the Valuation Day relating to the Dealing Day on which the Redemption Application is or is deemed to be received; and

(b) the name of the Unitholder of such Listed Class of Units shall be removed from the Register after the Valuation Point for the Valuation Day relating to the Dealing Day on which the Redemption Application is deemed to be accepted.

2.4.8 ***Cancellation of Redemption Applications***

In respect of a Redemption Application, unless the requisite documents in respect of the relevant Listed Class of Units have been delivered to the Manager by such times and in such manner as prescribed in the relevant Participation Agreements and/or Operating Guidelines, the Redemption Application shall be deemed never to have been made except that the Transaction Fee (for the account and benefit of the Trustee) in respect of such Redemption Application shall remain due and payable, and in such circumstances:

(a) the Manager shall also be entitled to charge the relevant Participating Dealer an Application Cancellation Fee which is payable to the Trustee for its own account and such fees and charges as set out in the Operating Guidelines;

(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, Cancellation Compensation in respect of each Unit in respect of a Listed Class of Units, being the amount (if any) by which the Redemption Price of each such Unit is less than the Issue Price which would have applied in relation to each such Unit if a Participating Dealer had, on the final day permitted for delivery of the requisite documents in respect of the relevant Units which are the subject of the Redemption Application, made a Creation Application; and

(c) no previous valuations of the relevant Sub-Fund shall be re-opened or invalidated as a result of an unsuccessful Redemption Application,

provided that the Manager, in consultation with the Trustee, may at its discretion extend the settlement period on such terms and conditions as the Manager may determine (including as to, but not limited to, the payment of an Extension Fee).

2.5 ***Switching***

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Participating Dealers who wish to switch between Listed Class of Units and Unlisted Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

2.6 ***Suspension of Creations and Redemptions***

The Manager may, after consultation with the Trustee, having regard to the best interest of Unitholders, suspend the creation or issue of Listed Class of Units of a Sub-Fund, suspend the redemption of Listed Class of Units of a Sub-Fund and/or delay the payment of any monies in respect of any Redemption Application in the following circumstances:

(a) during any period when trading on the SEHK is restricted or suspended;

(b) during any period when a market on which (i) for an Index Tracking Sub-Fund, an Index Security or FDIs (as the case may be) has its primary listing, or (ii) for a Non-Index Tracking Sub-Fund, a substantial part of the Securities and/or FDIs of such Sub-Fund, has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed;

(c) during any period when dealing on a market on which (i) for an Index Tracking Sub-Fund, an Index Security or FDIs (as the case may be) has its primary listing, or (ii) for a Non-Index Tracking Sub-Fund, a substantial part of the Securities and/or FDIs of such Sub-Fund has its primary listing, is restricted or suspended;

(d) during any period when, in the opinion of the Manager, settlement or clearing of (i) (for an Index Tracking Sub-Fund) Index Securities or FDIs (as the case may be or (ii) (for a Non-Index Tracking Sub-Fund) Securities and/or FDIs comprising the Sub-Fund in the official clearing and settlement depositary (if any) of such market is disrupted;

(e) during any period when the determination of the Net Asset Value of the relevant Sub-Fund is suspended or if any circumstance specified in section "***8.2 Suspension of Determination of Net Asset Value***" arises;

(f) in the case of a Sub-Fund authorised by the Commission as a feeder fund and investing into a master fund –

    (i) during any period when a market on which the master fund has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed;

    (ii) during any period when dealing on a market on which the master fund has its primary listing is restricted or suspended;

    (iii) during any period when trading of the master fund on the relevant market is restricted or suspended; or

    (iv) during any period when the determination of the net asset value of the master fund is suspended; or

(g) during any period when the swap (if any) entered into on behalf of the relevant Sub-Fund cannot be adjusted or reset for any reason.

Upon declaration of the suspension by the Manager, the suspension shall take effect. During the suspension,

(a) no Application shall be made by any of the Participating Dealers and in the event any Application is received in respect of any Dealing Day falling within such period of suspension (that has not been otherwise withdrawn), such Application shall be deemed as having been received immediately following the termination of the suspension;

(b) no Listed Class of Units shall be created and issued or redeemed for the account of the relevant Sub-Fund.

The Manager shall notify the Commission if dealing in Listed Class of Units is suspended and publish a notice of suspension immediately following such suspension and, at least once a month during the period of suspension, on its website at www.csopasset.com/etf[1] or in such publications as the Manager decides.

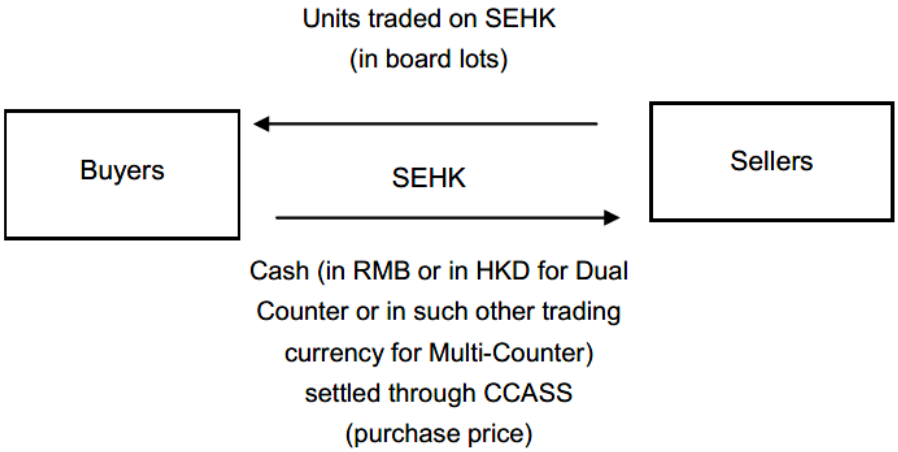
A Participating Dealer may at any time after a suspension has been declared and before termination of such suspension withdraw an Application submitted prior to such suspension by notice in writing to the Manager and the Manager shall promptly notify the Trustee accordingly. If the Manager has not received any such notification of withdrawal of such Application before termination of such suspension, the Trustee shall, subject to and in accordance with the provisions of the Trust Deed, create and issue Listed Class of Units or redeem Listed Class of

Units in respect of such Application and such Application shall be deemed to be received immediately following the termination of such suspension.

The suspension shall terminate (i) when the Manager, after consultation with the Trustee, having regard to the best interests of the Unitholders, declares the suspension at an end, or (ii) in any event on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist; and no other condition under which suspension is authorised under the Trust Deed exists.

3 TRADING OF LISTED CLASS OF UNITS ON THE SEHK (SECONDARY MARKET)

A Secondary Market Investor can buy or sell the Listed Class of Units of a Sub-Fund through his stockbroker on the SEHK on or after the Listing Date of that Sub-Fund. The diagram below illustrates the trading of Listed Class of Units on the SEHK:



No money should be paid to any intermediary in Hong Kong which is not licensed for Type 1 regulated activity under Part V of the Securities and Futures Ordinance.

Secondary Market Investors may place an order with a broker to sell their Listed Class of Units on the SEHK at any time during the trading day. To sell Listed Class of Units – or to buy new ones – such investor will need to use an intermediary such as a stockbroker or any of the share dealing services offered by banks or other financial advisers.

The trading price of Listed Class of Units of a Sub-Fund on the SEHK may differ from the Net Asset Value per Listed Class of Units of that Sub-Fund and there can be no assurance that a liquid secondary market will exist for the Units.

Brokerage, stamp duty and other fees may be payable when selling (and purchasing) Listed Class of Units. Please refer to Part 2 of this Prospectus for details of the applicable brokerage, stamp duty and other fees.

There can be no guarantee that once the Listed Class of Units of a Sub-Fund are listed on the SEHK they will remain listed.

SCHEDULE 3 – PROVISIONS RELATING TO THE OFFER, SUBSCRIPTION, CONVERSION AND REDEMPTION OF THE UNLISTED CLASS OF UNITS

This Schedule 3 contains disclosure relating to the Unlisted Class of Units only. Unless the context otherwise requires, references to "Units" and "Unitholders" in this Schedule shall be construed to refer to an Unlisted Class of Units of a Sub-Fund or an Unitholder of such Units. Save for terms defined below, all other terms used in this Schedule shall have the same meanings as assigned to them under the main part of the Prospectus.

1 SUBSCRIPTION OF UNLISTED CLASS OF UNITS

1.1. *Initial Issue of Unlisted Class of Units*

During an Initial Offer Period, Unlisted Class of Units in a Sub-Fund will be offered to investors at an initial Subscription Price of a fixed price per Unit as specified in Part 2 of this Prospectus.

Where specified in the relevant Appendix in Part 2 of this Prospectus, in the event that the total amount received by the Trustee from the subscription of the Unlisted Class of Units reaches a maximum amount for aggregate subscriptions (as specified in the relevant Appendix) at any time during an Initial Offer Period, the Manager is entitled (but not obliged) to close the relevant Unlisted Class of Units to further subscriptions before the end of the relevant Initial Offer Period.

Where specified in the relevant Appendix in Part 2 of this Prospectus, the Manager may decide not to issue the relevant Unlisted Class of Units in the event that less than a minimum amount for aggregate subscriptions (as specified in the relevant Appendix) is raised during the relevant Initial Offer Period or if the Manager is of the opinion that it is not commercially viable to proceed. In such event subscription monies paid by an applicant will be returned by cheque by post or by telegraphic transfer or such other means as the Manager and the Trustee consider appropriate at the applicant's risk (without interest and net of expenses) promptly after the expiry of the Initial Offer Period.

Unlisted Class of Units will be issued immediately following the close of the Initial Offer Period or such other Business Day as the Manager may determine. Dealing in Units of the Unlisted Class of Units will commence on the Dealing Day immediately following the closure of the relevant Initial Offer Period.

1.2. *Subsequent Issue of Unlisted Class of Units*

Following the close of the relevant Initial Offer Period, Unlisted Class of Units will be available for issue on each Dealing Day at the relevant Subscription Price.

The Subscription Price on any Dealing Day will be the price per Unlisted Class of Units ascertained by dividing the Net Asset Value of the relevant class of the Sub-Fund as at the Valuation Point in respect of the relevant Dealing Day by the number of Units of such class of that Sub-Fund then in issue and rounded to 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down) or in such manner and to such other number of decimal places as may from time to time be determined by the Manager. Any rounding adjustment will be retained by the relevant class. The Subscription Price will be calculated and quoted in the relevant class currency of the relevant Unlisted Class of Units.

The Manager is entitled to impose a Subscription Fee on the subscription monies for the application for the issue of Unlisted Class of Units. Different levels of Subscription Fee may be imposed, in relation to the issue of such Unlisted Class of Units of different Sub-Funds and also in relation to different classes of Unlisted Class of Units of a Sub-Fund. The Manager may retain the benefit of such Subscription Fee or may pay all or part of the Subscription Fee (and any other fees received) to recognised intermediaries or such other persons as the Manager may at its absolute discretion determine. Details of the Subscription Fee are set out in the section "***10. Fees and Charges***".

In determining the Subscription Price, the Manager is entitled to add an amount it considers represents an appropriate allowance for (a) estimated bid/offer spread of the investments of the relevant Sub-Fund, (b) fiscal and purchase charges, including stamp duty, other taxes, brokerage, bank charges, transfer fees and registration fees, or (c) charges which are customarily incurred in investing a sum equal to the application monies and issuing the relevant Unlisted Class of Units or the remittance of money to the Trustee.

1.3. ***Application Procedure***

To subscribe for Unlisted Class of Units, an applicant should complete a subscription application form (a "Subscription Form") and return the original Subscription Form, together with the required supporting documents, to the Trustee/Registrar by post to its business address or, if the applicant has provided to the Trustee/Registrar with an original fax indemnity in the Subscription Form, by fax to the Trustee/Registrar. The Manager may, in its absolute discretion, accept any applications for subscription made by other written or electronic forms in addition to post and fax.

Applications for Unlisted Class of Units during the relevant Initial Offer Period must be received by the Trustee/Registrar no later than 5:00 pm (Hong Kong time) on the last day of the relevant Initial Offer Period. After the Initial Offer Period, applications must be received by the Trustee/Registrar by the relevant Dealing Deadline. Application requests submitted after the applicable Dealing Deadline in respect of any Dealing Day will be dealt with on the next Dealing Day.

Each applicant whose application is accepted will be sent a contract note confirming details of the purchase of Unlisted Class of Units but no certificates will be issued.

Applicants may apply for Unlisted Class of Units through an Authorised Distributor appointed by the Manager. Authorised Distributors may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for Unlisted Class of Units through an Authorised Distributor should therefore consult the Authorised Distributor for details of the relevant dealing procedures.

Where an applicant applies for Unlisted Class of Units through an Authorised Distributor, the Manager and the Trustee will treat the Authorised Distributor (or its nominee) as the applicant. The Authorised Distributor (or its nominee) will be registered as Unitholder of the relevant Unlisted Class of Units. The Manager and the Trustee will treat the Authorised Distributor (or its nominee) as the Unitholder and shall not be responsible for any arrangements between the relevant applicant and the Authorised Distributor regarding the subscription, holding and redemption of Unlisted Class of Units and any related matters, as well as any costs or losses that may arise therefrom. The Manager will, however, take all reasonable care in the selection and appointment of Authorised Distributors.

No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 (dealing in securities) regulated activity under Part V of the Securities and Futures Ordinance.

The Manager may, at its discretion, reject in whole or in part any application for Unlisted Class of Units. In the event that an application is rejected, application monies will be returned without interest and net of expenses by cheque through the post or by telegraphic transfer or by such other means as the Trustee considers appropriate at the risk of the applicant.

No applications for Unlisted Class of Units will be dealt with during any periods in which the determination of the Net Asset Value of the relevant Sub-Fund is suspended (Please see section "***8.2 Suspension of Determination of Net Asset Value***" for further details).

1.4. ***Payment Procedure***

Subscription monies should be paid in the class currency of the relevant class of Unlisted Class of Units. Subscription monies in cleared funds should be received within 3 Business Days following (i) the relevant Dealing Day on which an application was received by the Dealing

Deadline or (ii) in the case of applications for Unlisted Class of Units during the Initial Offer Period, the last day of the relevant Initial Offer Period, or such other period as determined by the Manager. Payment details are set out in the Subscription Form.

Subscription monies paid by any person other than the applicant will not be accepted.

The Manager may exercise its discretion to accept late payment of subscription monies, provisionally allot Unlisted Class of Units by reference to the Net Asset Value of the relevant class of Units in the relevant Sub-Fund and charge interest on such overdue monies until payment is received in full, at such rate as the Manager thinks appropriate. However, if payment of subscription monies in cleared funds are not made within such period as determined by the Manager, the application may, at the discretion of the Manager, be considered void and cancelled. Upon such cancellation, the relevant Unlisted Class of Units shall be deemed never to have been issued and the applicant shall have no right to claim against the Manager, the Trustee or the Registrar and any loss will be borne by the applicant, provided that: (i) no previous valuations of the relevant Sub-Fund shall be re-opened or invalidated as a result of the cancellation of such Units; (ii) the Manager may require the applicant to pay, for the account of the relevant Sub-Fund, in respect of each such Unit cancelled, the amount (if any) by which the Subscription Price on the relevant Dealing Day exceeds the applicable Redemption Price on the date of cancellation; and (iii) the Trustee shall be entitled to charge the applicant a cancellation fee for the administrative costs involved in processing the application and subsequent cancellation.

Payment in other freely convertible currencies may be accepted. Where amounts are received in a currency other than the relevant class currency, they will be converted into the relevant class currency and the proceeds of conversion (after deducting the costs of such conversions) will be applied in the subscription of Unlisted Class of Units in the relevant class of the relevant Sub-Fund. Conversion of currencies may involve delay. Bank charges (if any) incurred in converting the subscription monies shall be borne by the relevant applicant and accordingly will be deducted from the subscription proceeds.

1.5. ***General***

All holdings of Unlisted Class of Units will be in registered form and certificates will not be issued. Evidence of title of Unlisted Class of Units will be the entry on the register of Unitholders in respect of each Sub-Fund. Unitholders should therefore be aware of the importance of ensuring that the Registrar is informed of any change to the registered details. Fractions of a Unit may be issued rounded to the nearest 4 decimal places. Subscription monies representing smaller fractions of a Unit will be retained by the relevant Sub-Fund. A maximum of 4 persons may be registered as joint Unitholders.

1.6. ***Subscription of tokenised Unlisted Class of Units***

Please refer to the sub-section headed “Subscription of Tokenised Units” under Schedule 4 “Tokenisation of Units” to this Prospectus.

2 REDEMPTION OF UNLISTED CLASS OF UNITS

2.1 ***Redemption Procedure***

Unitholders of Unlisted Class of Units who wish to redeem their Units in a Sub-Fund may do so on any Dealing Day by submitting a redemption request to the Trustee/Registrar.

Any redemption request must be received by the Trustee/Registrar before the Dealing Deadline. Investors redeeming Unlisted Class of Units through an Authorised Distributor (or its nominee) should submit their redemption requests to the Authorised Distributor (or its nominee) in such manner as directed by the Authorised Distributor (or its nominee). Authorised Distributors (or their nominees) may have different dealing procedures, including earlier cut-off times for receipt of redemption requests. Where an investor holds its investment in Unlisted Class of Units through an Authorised Distributor (or its nominee), the investor wishing to redeem such Units

must ensure that the Authorised Distributor (or its nominee), as the registered Unitholder, submits the relevant redemption request by the Dealing Deadline. Redemption requests submitted after the applicable Dealing Deadline in respect of any Dealing Day will be dealt with on the next Dealing Day.

A redemption request should be given to the Trustee/Registrar in writing and sent by post to the Trustee/Registrar's business address or, if the relevant Unitholder has provided to the Trustee/Registrar with an original fax indemnity, by fax to the Trustee/Registrar (with its original following promptly). The Trustee/Registrar may, in its absolute discretion, accept any redemption requests made by other written or electronic forms in addition to post and fax. The redemption request must specify: (i) the name of the Sub-Fund, (ii) the relevant class and the value or number of Unlisted Class of Units to be redeemed, (iii) the name(s) of the registered Unitholder(s) and (iv) payment instructions for the redemption proceeds.

Partial redemption of a holding of Unlisted Class of Units in a Sub-Fund by a Unitholder may be effected, provided that such redemption will not result in the Unitholder holding Unlisted Class of Units in a class less than the Minimum Holding for that class specified in the relevant Appendix. In the event that, for whatever reason, a Unitholder's holding of Unlisted Class of Units in a class is less than such Minimum Holding for that class, the Manager may give notice requiring such Unitholder to submit a redemption request in respect of all the Unlisted Class of Units of that class held by that Unitholder. A request for a partial redemption of Unlisted Class of Units with an aggregate value of less than the minimum amount for each class of Units specified in the relevant Appendix (if any) will not be accepted.

All redemption requests must be signed by the Unitholder or, in the case of joint Unitholders, such one or more joint Unitholders who have been authorised to sign such requests on behalf of the other joint Unitholders (where such authorisation has been notified in writing to the Registrar) or, in the absence of such notification, by all joint Unitholders.

2.2 ***Payment of Redemption Proceeds***

The Redemption Price on any Dealing Day will be the price per Unlisted Class of Units ascertained by dividing the Net Asset Value of the relevant class of the relevant Sub-Fund as at the Valuation Point in respect of the relevant Dealing Day by the number of Units of such class then in issue and rounded to 4 decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down) or in such manner and to such other number of decimal places as may from time to time be determined by the Manager. Any rounding adjustment will be retained by the relevant Class. The Redemption Price will be calculated and quoted in the relevant class currency of the relevant Sub-Fund.

In determining the Redemption Price, the Manager is entitled to deduct an amount which it considers represents an appropriate allowance for (a) estimated bid/offer spread of the investments of the relevant Sub-Fund, (b) fiscal and sale charges, including stamp duty, other taxes, brokerage, bank charges, transfer fees and registration fees, or (c) charges which are customarily incurred by the relevant Sub-Fund in realising assets to provide funds to meet any redemption request.

The Manager may at its option impose a redemption fee in respect of the Unlisted Class of Units to be redeemed as described in the section "***10. Fees and Charges***". The Manager may on any day in its sole and absolute discretion differentiate between Unitholders as to the amount of the redemption fee to be imposed (within the permitted limit provided in the Trust Deed) on each Unitholder.

The amount due to a Unitholder on the redemption of a Unit of an Unlisted Class will be the Redemption Price, less any Redemption Fee. The Redemption Fee will be retained by the Manager.

Unitholders should note that redemption proceeds will not be paid to any Unitholder until (a) the duly signed original written redemption request (if such original is required by the Trustee/Registrar) and all other supporting documents, if any are required, have been received

by the Trustee/Registrar; (b) the signature of the Unitholder (or each joint Unitholder) has been verified to the satisfaction of the Trustee/Registrar; and (c) any such other procedures as the Trustee/Registrar may reasonably require have been completed.

Subject as mentioned above, and save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds will normally be paid at the risk and expense of the redeeming Unitholder in the Class Currency of the relevant Sub-Fund by telegraphic transfer to the Unitholder's pre-designated bank account as specified in the redemption request, within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless the markets in which a substantial portion of the relevant Sub-Fund's investments is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of redemption proceeds within the aforesaid time period not practicable, but in such a case the details of such legal or regulatory requirements will be set out in the relevant Appendix and the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant markets. Any bank and other administrative charges associated with the payment of such redemption proceeds as well as the costs incurred in currency conversion, if any, will be borne by the redeeming Unitholder and deducted from the redemption proceeds.

With the prior consent of the Manager, arrangements can be made for redemption proceeds to be paid in any major currency other than the class currency of the relevant class of Unlisted Class of Units of the relevant Sub-Fund being redeemed. Payment will only be made to a bank account in the name of the Unitholder. No third party payments will be made.

The Trust Deed provides that redemptions may be, in whole or in part, made in specie at the discretion of the Manager. However, the Manager does not intend to exercise this discretion in respect of any Sub-Fund unless otherwise specified in the relevant Appendix. In any event, redemptions may only be made in specie, in whole or in part, with the consent of the Unitholder requesting the redemption.

2.3 ***Restrictions on Redemption***

The Manager is entitled to limit the number of Units of any Sub-Fund redeemed on any Dealing Day to 10% of the total number of Units of the relevant Sub-Fund then in issue. In this event, the limitation will apply pro rata (and not on a first in-first out basis) so that Unitholders of the relevant Sub-Fund who have validly requested to redeem such Units of the same Sub-Fund on that Dealing Day will redeem the same proportion of such Units of that Sub-Fund. Any such Units not redeemed (but which would otherwise have been redeemed) will be carried forward for redemption, subject to the same limitation, and will have priority on the next succeeding Dealing Day and all following Dealing Days (in relation to which the Manager has the same power) until the original request has been satisfied in full.

The Manager may suspend the redemption of Unlisted Class of Units of any Sub-Fund, or delay the payment of redemption proceeds in respect of any redemption request received, during any period in which the determination of the Net Asset Value of the relevant Sub-Fund is suspended (for details please see section "***8.2 Suspension of Determination of Net Asset Value***").

The Manager shall also have the right to reject, acting in good faith, any redemption application under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the subscription or issue of Unlisted Class of Units of the relevant Sub-Fund, (ii) the redemption of Unlisted Class 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 (i) for an Index Tracking Sub-Fund, any of the Index Securities or FDIs (as the case may be) in the relevant Underlying Index or (ii) for a Non-Index Tracking Sub-Fund, a substantial part of the Securities and/or FDIs of the Sub-Fund;

(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;

(e) processing of the redemption application is not possible due to circumstances outside the control of the Manager; or

(f) the redemption application is not submitted in the form and manner set out in the provisions of the Trust Deed.

In the event of such rejection, the Manager shall notify the Trustee of its decision to reject such redemption application.

2.4 ***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 by an Unqualified Person.

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.

2.5 ***Redemption of Tokenised Unlisted Class of Units***

Please refer to the sub-section headed “Redemption of Tokenised Units” under Schedule 4 “Tokenisation of Units” to this Prospectus.

2.6 ***Transfer of Unlisted Class of Units***

The Trust Deed provides that a Unitholder may transfer Units with the consent of the Manager subject to the provisions of the Trust Deed. An investor is entitled to transfer such Units held by him by an instrument in writing in such form as the Trustee may from time to time approve. A 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.

3 SWITCHING OF UNLISTED CLASS OF UNITS

Subject to the prior consent of the Manager either generally or in any particular case, Unitholders may switch some or all of their Unlisted Class of Units of any Sub-Fund (the “Existing Sub-Fund”) into unlisted shares, units or interests in other collective investment schemes administered by the Trustee and managed by the Manager or its Connected Persons and which has been authorised by the Commission (the “New Fund”). Switching to such other collective investment schemes will be by way of redeeming the Unlisted Class of Units held by the relevant Unitholders in accordance with the redemption procedures set out in the section “***2. Redemption of Unlisted Class of Units***” above and by re-investing the redemption proceeds thereof in such other collective investment schemes in accordance with the provisions of the relevant offering documents for such other collective investment schemes. A request for the switching of part of a holding of Unlisted Class of Units will not be effected if, as a result, the Unitholder would hold less than the Minimum Holding specified for the New Fund (if any) and/or the Existing Sub-Fund.

Under the Trust Deed, the Manager is entitled to impose a switching fee on the switching of Units of up to 1 per cent. of the redemption proceeds payable in respect of the Unlisted Class of Units of the Existing Sub-Fund being switched. The switching fee will be deducted from the amount reinvested in the New Fund and will be paid to the Manager.

Where a request for switching is received by the Trustee prior to the Dealing Deadline in respect of a Dealing Day, switching will be effected as follows:

(a) redemption of the Unlisted Class of Units of the Existing Sub-Fund will be dealt with by reference to the Redemption Price on that Dealing Day (the "Switching Redemption Day");
(b) where the Existing Sub-Fund and the New Fund have different currencies of denomination, the redemption proceeds of Unlisted Class of Units of the Existing Sub-Fund, after deduction of any switching fee, shall be converted into the currency of denomination of the New Fund; and
(c) the resulting amount will be used to subscribe for units of the New Fund at the relevant subscription price on the relevant dealing day in respect of the New Fund (the "Switching Subscription Day"). The Switching Subscription Day shall be the same day as the Switching Redemption Day or (in the event that the Switching Redemption Day is not a dealing day in respect of the New Fund) the dealing day of the New Fund which immediately follows the relevant Switching Redemption Day, provided that the Trustee shall receive cleared funds in the relevant currency of the New Fund within such period as determined by the Manager. In the event that cleared funds are not received within the applicable period, the Switching Subscription Day shall be the day on which the Trustee receives cleared funds in the relevant currency by the dealing deadline of the New Fund, unless otherwise determined by the Manager.

The Manager may suspend the switching of Unlisted Class of Units during any period in which the determination of the Net Asset Value of any relevant Sub-Fund is suspended (for details please see section "***8.2 Suspension of Determination of Net Asset Value***").

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Authorised Distributors who wish to switch between Unlisted Class of Units and Listed Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee

4 FAX OR ELECTRONIC INSTRUCTIONS

If applicants or Unitholders wish to give instructions for subscription, redemption or switching by facsimile or any other electronic means designated by the Trustee/Registrar, applicants or Unitholders must first provide to the Trustee/Registrar an original indemnity relating to fax or transmission via such other electronic means in the application or request.

The Trustee/Registrar will generally act on faxed or any other electronic instructions for subscription, redemption or switching but may require signed original instructions. However, the Trustee/Registrar may refuse to act on faxed or any other electronic instructions until the original written instructions are received. The Trustee/Registrar may, in its absolute discretion, determine whether or not original instructions are also required in respect of subsequent applications or requests for subscription, redemption or switching sent by facsimile or any other electronic means by applicants or Unitholders.

Applicants or Unitholders should be reminded that if they choose to send the applications or requests for subscription, redemption or switching by facsimile or any other electronic means, they bear the risk of non-receipt or delay of such applications or requests. Applicants or Unitholders should note that the Trust, the Manager, the Trustee and the Registrar accept no responsibility for any loss caused as a result of non-receipt or illegibility of any application or request sent by facsimile or any other electronic means or any amendment of such application or request or for any loss caused in respect of any action taken as a consequence of such faxed or any other electronic instruction believed in good faith to have originated from properly authorised persons. This is notwithstanding the fact that a facsimile or any other electronic

transmission report produced by the originator of such transmission discloses that such transmission was sent.

5 SUSPENSION OF THE ISSUE, SUBCRIPTION AND REDEMPTION OF UNLISTED CLASS OF UNITS

The Manager may, after consultation with the Trustee, having regard to the best interests of Unitholders, suspend the issue and/or switching and/or 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 FDI to persons who have redeemed Units of any Sub-Fund in the following circumstances:

(a) during any period when trading on the SEHK is restricted or suspended;

(b) during any period when a market on which (i) for an Index Tracking Sub-Fund, an Index Security or FDIs (as the case may be) has its primary listing, or (ii) for a Non-Index Tracking Sub-Fund, a substantial part of the Securities and/or FDIs of such Sub-Fund has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed;

(c) during any period when dealing on a market on which (i) for an Index Tracking Sub-Fund, an Index Security or FDIs (as the case may be) has its primary listing, or (ii) for a Non-Index Tracking Sub-Fund, a substantial part of the Securities and/or FDIs of such Sub-Fund has its primary listing, is restricted or suspended;

(d) during any period when, in the opinion of the Manager, settlement or clearing of (i) (for an Index Tracking Sub-Fund) Index Securities or FDIs (as the case may be) or (ii) (for a Non-Index Tracking Sub-Fund) Securities and/or FDIs comprising such Sub-Fund in the official clearing and settlement depositary (if any) of such market is disrupted;

(e) during any period when the determination of the Net Asset Value of the relevant Sub-Fund is suspended or if any circumstance specified in section "***8.2 Suspension of Determination of Net Asset Value***" arises; or

(f) in the case of a Sub-Fund authorised by the Commission as a feeder fund and investing into a master fund –

    (i) during any period when a market on which the master fund has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed;

    (ii) during any period when dealing on a market on which the master fund has its primary listing is restricted or suspended;

    (iii) during any period when trading of the master fund on the relevant market is restricted or suspended; or

    (iv) during any period when the determination of the net asset value of the master fund is suspended; or

(g) during any period when the swap (if any) entered into on behalf of the relevant Sub-Fund cannot be adjusted or reset for any reason.

The Manager will, after giving notice to the Trustee, suspend the right to subscribe for Units of the relevant Sub-Fund if, or if as a result of the investment of the proceeds of issue of such Units in accordance with its investment objective, the Trust collectively holds or would hold in aggregate more than 10 per cent. of the ordinary shares issued by any single issuer. In addition, where the Sub-Funds under the Trust hold in aggregate more than the limit of 10 per cent. 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 Commission and publish a notice of suspension following the suspension, and at least once a month during the suspension, on it's website at www.csopasset.com/etf[1] or in such other publications as it decides.

The Manager shall consider any subscription, switch or redemption application received during the period of suspension (that has not been otherwise withdrawn) as having been received immediately following the termination of the suspension. The period for settlement of any redemption will be extended by a period equal to the length of the period of suspension.

A suspension shall remain in force until the earlier of (a) the Manager declaring the suspension is at an end; and (b) the first Dealing Day on which (i) the condition giving rise to the suspension shall have ceased to exist; and (ii) no other condition under which suspension is authorised exists.

SCHEDULE 4 – TOKENISATION OF UNITS

Where approved by the relevant regulatory authorities (including the SFC) and where tokenisation is adopted for a Sub-Fund (as indicated in the Appendix of the relevant Sub-Fund), a class of Units may be tokenised (such units, "**Tokenised Units**").

Tokenised Units are created in the same manner as Units of other classes of a Sub-Fund and, save as otherwise provided herein, a Tokenised Unit shall have the same rights as a non-tokenised class of Unit.

The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Manager as the Tokenisation Agent of the Sub-Fund. The Tokenisation Agent provides the ability to tokenise Units in the form of digital tokens ("**Tokens**") (representing Units in the traditional register) by adopting a distributed ledger technology (consisting of a public blockchain network). The Tokenisation Agent, as part of its tokenisation service, utilises the aforesaid public blockchain network on which:

(a) direct Unitholders' (including Eligible Distributors that may act as nominees of end-investors) ownership of Tokenised Units will be recorded and represented in the form of Tokens on the blockchain network, whereby one Token (or a fraction thereof) represents one Tokenised Unit (or a fraction thereof) in the off-chain register referred to below; and

(b) transaction data relating to the subscription and redemption of Tokenised Units will be recorded.

On-chain and off-chain records

(a) The Registrar maintains an off-chain register of Unitholders, i.e. the Register, in accordance with applicable laws and regulations. The Register constitutes the primary and legally binding record of ownership of Units.

(b) Records of Tokenised Units and related transactions maintained on the relevant blockchain network in the form of Tokens and smart contracts are intended to reflect, and facilitate the administration of, the positions recorded in the Register, but do not of themselves constitute the legally determinative record of ownership of the Tokenised Units.

(c) In the event of any inconsistency between the records on the blockchain network and the Register, the Register will prevail as the definitive record of ownership of Units and Tokenised Units, save as otherwise required by applicable laws and regulations.

Basic information and key facts about a Sub-Fund, including, but not limited to, the investment objective, Net Asset Value per Unit (represented by the corresponding Tokens), performance information, offering documents, announcement and notices, will generally be made available to investors on the Eligible Distributors' application programmes, platforms or systems through which investors subscribe for and redeem Tokenised Units in the form of Tokens. The type of information to be provided may vary among Eligible Distributors.

Initially, the Tokenisation Agent intends to utilise Ethereum as the primary blockchain. Other public blockchains with comparable level of security resiliency and distributed ledger technology may be adopted in future.

Unitholders may only subscribe for, or redeem, Tokenised Units in the form of Tokens via Eligible Distributors and there is no trading on any secondary markets. An Eligible Distributor will act as a nominee of investors (herein referred to as "**end-investors**") who invest in the Tokenised Units through such Eligible Distributor. To this extent, the distributed technology-based ledgers (including public blockchains) will serve as ledgers recording the Unit ownership of Eligible Distributors who pool the assets of end-investors to invest in the Tokenised Units. Ownership of Tokenised Units by the end-investors may be recorded on the on-chain ledgers and/or the off-chain register(s) in a book-entry form maintained by each respective Eligible Distributor. All Digital Wallets holding tokenised Units will be whitelisted, hence this offering is about enabling permissioned activity on public blockchains.

Once allocated, the Tokens are held in the custody of a Token Custodian appointed by the relevant Eligible Distributor in the Eligible Distributors' Digital Wallet on behalf of their end-investors, who will receive the corresponding updated information regarding the Digital Wallet. The Eligible Distributors will also communicate such information to the relevant end-investors in the manner as agreed between the end-investors and their Eligible Distributors, which will be reflected in their relevant account as agreed with their Eligible Distributors. Currently, the Manager intends to only accept Token Custodians which are SFC-licensed virtual asset trading platforms or authorised financial institutions which meet the expected standards of virtual asset custody qualification.

Eligible Distributors may operate and maintain application programmes, platforms or systems which are separate from, but compatible with the blockchain networks utilised by the Tokenisation Agent. End investors may subscribe or redeem Tokenised Units in the form of Tokens through such application programmes, platforms or systems operated by the Eligible Distributors.

The Manager remains ultimately responsible for the management and operational soundness of the tokenisation arrangement adopted and the record keeping of ownership, notwithstanding outsourcing to the Tokenisation Agent, and ensuring the tokenisation arrangement is operationally compatible with the service providers involved.

Use of Blockchain

The tokenisation process described in the preceding section involves the use of distributed ledger (including blockchain) technology. A blockchain is a distributed ledger that records transactions between two parties that are linked with the use of cryptography. Each entry to the blockchain representing a transaction is called a "block" and each block contains information of the previous block, thereby linking the blocks together forming a "chain". Transactions on the blockchain are verified and authenticated by computers on the relevant blockchain network that receive, propagate, verify and execute transactions. Consequently, blockchain transactions are irreversible in that any given block cannot be altered retroactively without altering all subsequent blocks. The use of blockchain technology for recordkeeping of, and facilitation of dealing in, investment funds is relatively novel and still evolving.

The Trustee and the Registrar shall maintain the official record of ownership of Tokenised Units through an integrated recordkeeping system with records in book-entry form (i.e. the off-chain register of direct Unitholders, including Eligible Distributors that may act as nominees of end-investors) at the level of the Sub-Fund, and the Tokenisation Agent shall also maintain the record of digital representations of the Tokenised Units on the relevant blockchain at the Eligible Distributor-level as a backup record. Each Eligible Distributor owns and maintains for its end-investors (i) the record of ownership of Tokenised Units; (ii) the transactions record relating to subscriptions and redemptions, on on-chain ledger(s) and/or off-chain register(s), of which the Manager or the Tokenisation Agent has no visibility.

To create and maintain a permissioned structure on public blockchains, it is intended that the Tokenisation Agent and Eligible Distributors shall register and associate each Digital Wallet with relevant identifying information which is maintained in an off-chain registry (i.e., a separate database that is not available to the public and is used to satisfy relevant laws and regulations). Permission is granted only to registered Digital Wallets, sometimes referred to as "whitelisting", thereby restricting the ability to transact in Tokenised Units and Tokens to pre-approved participants. Smart contracts are deployed as part of the operational framework to enforce compliance with the Tokenisation Agent's policies and procedures. Please refer to the sub-section headed "Restrictions and controls on dealing in Tokenised Units on primary market" below for further details. In this manner, this permissioned structure prevents transactions between unknown persons or unknown blockchain wallets, even though blockchain infrastructure itself remains permissionless.

Notwithstanding the use of distributed ledger technology (in that the transaction data of Tokenised Units will be recorded on-chain, the settlement finality (i.e. the point where a transaction is considered as finally settled) is off-chain in that, cash settlement for the subscription of Tokenised Units is performed off-chain, and Tokenised Units (as represented by the Tokens) are issued in registered form and recorded in the register of Unitholders maintained off-chain by the Trustee and the Registrar and independently verified by the Manager, which constitute the official record of ownership of Units. The official record of ownership of Tokenised Units is under the full and complete control of the Trustee and the Registrar.

The Tokenisation Agent will reconcile book-entry and blockchain transactions on each Business Day. Reconciliation involves maintaining a matching book-entry register of direct Unitholders (i.e., of number of Tokenised Units) and blockchain record of Tokens representing Tokenised Units (i.e., of number of Tokens) in circulation, and the ownership of the Tokenised Units by direct Unitholders and Tokens at any given times. Where discrepancy exists between the register of direct Unitholders and the Tokens in the Digital Wallets, reference will be made to the records in the former for any changes to the Tokens in the Digital Wallets. The Manager will perform an independent verification on the book-entry register of direct Unitholders based on a report that will be provided by the Tokenisation Agent upon the Manager's request which shows the number of Tokens being held by each whitelisted address.

The Tokenisation Agent, after consultation with the Manager (who will in turn consult the Trustee), maintains controls to correct errors or unauthorised transactions on the blockchain network by performing appropriate activities to rectify any error or unauthorised transaction (i.e. the prior transaction on the blockchain would not be deleted, although the blockchain would be appended with the correct transactional history). Units issued by the Trust are in registered form and not bearer form. The representation of a Tokenised Unit in the form of Tokens will not affect a Sub-Fund's investments.

A blockchain network may experience a "fork" (i.e., "split") of the network, which would result in the existence of two or more versions of the blockchain network running in parallel, but with each version's native asset lacking interchangeability, potentially competing with each other for users and other participants. Where a fork occurs in one of the blockchain networks utilised by the Tokenisation Agent, the Manager, in consultation with the Tokenisation Agent and the Trustee, will determine which of the resulting blockchain networks will continue to be used and which will be discontinued.

In order to facilitate the use of blockchain technology, Eligible Distributors holding Tokenised Units must have a "blockchain wallet" i.e. the Digital Wallet. Generally, a blockchain wallet is a software application that stores a user's "private key" and related digital assets and is used to facilitate the transfer of assets on a blockchain. A private key will enable a user to send and authenticate instructions to, and update, a blockchain.

Fees and expenses associated with the tokenisation (including gas fees for validation of a transaction of the blockchain) and the use of blockchain technology (including payments in the form of the native digital asset of any blockchain(s)), collectively referred to as "tokenisation fee", will be borne by the Manager out of the Management Fee.[2]

Dealing of Tokenised Units

There is no trading of Tokenised Units on any secondary markets.

Currently, only Units of an Unlisted Class of a Sub-Fund (as indicated in the relevant Appendix of a Sub-Fund) may be tokenised.

Subscription of Tokenised Units

Unless otherwise more specifically provided herein, the Schedule 3 above will apply to the subscription of tokenised Unlisted Class of Units directly and/or in the form of Tokens with respect to a Sub-Fund which adopts a tokenisation arrangement. For specific information relating to each Sub-Fund (including whether tokenisation is currently adopted), please refer to the relevant Appendix for further details.

Where implemented, end-investors can subscribe tokenised Unlisted Class of Units in the form of Tokens by submitting an application for subscription via an Eligible Distributor (e.g. through an Eligible Distributor's web portal or application programming interface or other means as the case may be). In doing so, an end-investor of tokenised Unlisted Class of Units will need to open an applicable account with their Eligible Distributor(s), in which the record of the tokenised Unlisted Class of Units as evidenced by the corresponding Tokens beneficially owned by such end-investor will be reflected. An Eligible Distributor will:

[2] Please refer to the Appendix of the relevant Sub-Fund for other fees and expenses applicable to the tokenised class of Units.

(a) hold appropriate digital wallets in the custody of the Eligible Distributor's appointed Token Custodian to receive, hold and manage relevant entitlements with respect to the Tokens ("**Digital Wallets**") as nominee for its end-investors; and

(b) hold a fiat currency settlement account for its end-investors to house, remit and receive (as applicable) the subscription moneys and redemption proceeds in respect of the Tokens ("**Settlement Accounts**").

End-investors can subscribe for tokenised Unlisted Class of Units to be evidenced in the form of Tokens on each Dealing Day at the Net Asset Value per Unit of a Sub-Fund published daily in Hong Kong on the websites of the Manager, and Eligible Distributor's digital platform ("**Digital Platform**"). The prices will be expressed exclusive of any subscription fee which may be payable on subscription.

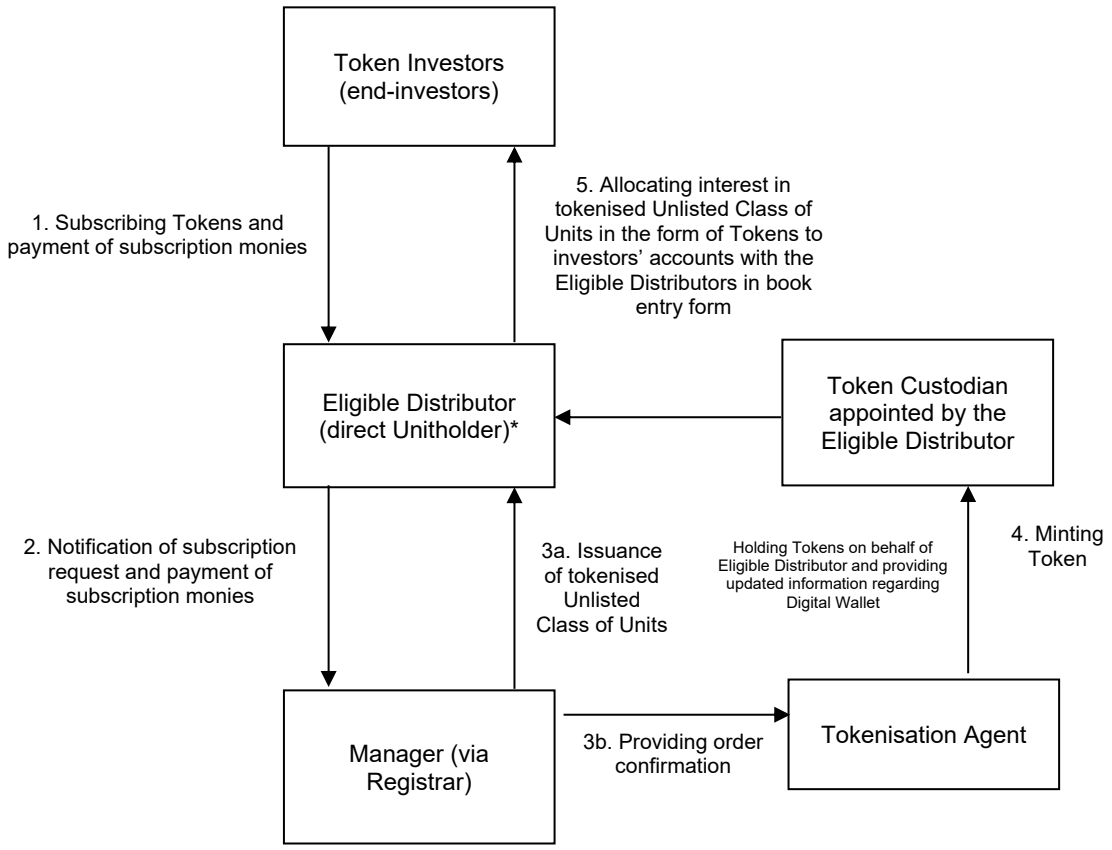
Applications for subscription of tokenised Unlisted Class of Units must be forwarded to, and received by, the Registrar (via an Eligible Distributor) by no later than the Dealing Deadline. Applicants should confirm the relevant cut-off times with their Eligible Distributor(s). Applications received after such time will be deemed to have been received on the next Dealing Day and will be dealt with accordingly.

Payment of subscription monies should be made through end-investors' Settlement Accounts opened with an Eligible Distributor. The subscription amount payable for the corresponding number of tokenised Unlisted Class of Units subscribed by an applicant, in respect of any Dealing Day, is due and payable to the Registrar (via an Eligible Distributor) no later than the Dealing Deadline on the relevant Dealing Day as specified for tokenised Unlisted Class of Units in the relevant Appendix.

Upon the confirmation of acceptance of subscription, the Tokenisation Agent will run the tokenisation process until the Tokens representing the corresponding number of tokenised Unlisted Class of Units subscribed by an Eligible Distributor have been minted. The minted Token(s) will be allocated to the relevant Eligible Distributor's Digital Wallet. The relevant Eligible Distributor will receive the corresponding updated information regarding the Digital Wallet, which will be communicated to the relevant end-investors in the manner as agreed with the end-investors, and allocate the interests in the corresponding tokenised Unlisted Class of Units to the relevant end-investor's account with the Eligible Distributor.

The contract note reflecting the confirmation of the acceptance of subscription will be made available to end-investors on the Eligible Distributors' application programmes, platforms or systems through which such end-investors subscribe for Tokenised Units in the form of Tokens.

The following illustrates the process of subscription of tokenised Unlisted Class of Units and minting of corresponding Tokens:



* To hold and receive Tokens through Digital Wallets

Redemption of Tokenised Units

Unless otherwise more specifically provided herein, the procedures regarding the redemption of Unlisted Class of Units described under Schedule 3 above will apply to the redemption of tokenised Unlisted Class of Units directly and/or in the form of Tokens with respect to a Sub-Fund which adopts a tokenisation arrangement. For specific information relating to each Sub-Fund (including whether tokenisation is currently adopted), please refer to the relevant Appendix for further details.

Redemption in-kind is currently not permitted for tokenised Unlisted Class of Units.

End-investors can redeem tokenised Unlisted Class of Units evidenced in the form of Tokens by submitting a redemption request via their respective Eligible Distributors (e.g. through an Eligible Distributor's web portal or application programming interface or other means as the case may be) which is holding the relevant Tokens as nominee on behalf of such end-investors within the relevant Digital Wallets.

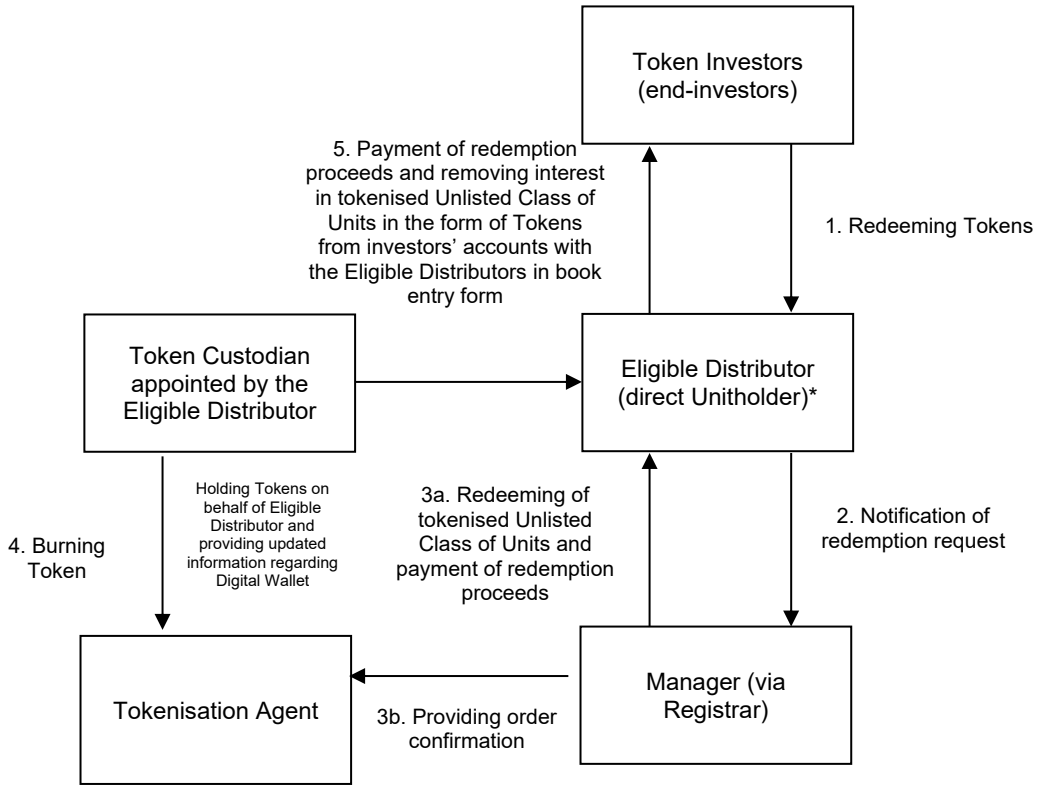
For any redemption to be dealt with on a particular Dealing Day, redemption requests of tokenised Unlisted Class of Units must be forwarded to, and received by, the Registrar (via an Eligible Distributor) by no later than the relevant Dealing Deadline. Investors should confirm the relevant cut-off times with their Eligible Distributor(s). Redemption requests received after such time will be deemed to have been received on the next Dealing Day and will be dealt with accordingly.

Upon confirmation of the redemption, the Tokenisation Agent will run the tokenisation process until the Tokens representing the number of tokenised Unlisted Class of Units redeemed by the investor have

been burnt. The burnt Token(s) will be removed from the Eligible Distributors' Digital Wallet. The relevant Eligible Distributor will receive the corresponding updated information regarding the Digital Wallet, which will be communicated to the relevant end-investors in the manner as agreed with end-investors, and the interests in the corresponding tokenised Unlisted Class of Units in the relevant end-investor's account with the Eligible Distributor will be removed accordingly. Then, the relevant redemption proceeds will be paid in the currency of the relevant tokenised Unlisted Class of Units as soon as practicable after the relevant Dealing Day to the relevant Eligible Distributor's (or its nominee's) account, after which the redemption proceeds will be normally transferred to the respective end-investors' Settlement Accounts with their Eligible Distributor(s) as soon as practicable after such Eligible Distributor(s) has received such redemption proceeds, subject to the transferal arrangement between the investor and their Eligible Distributor(s). Under extreme market conditions, payment of end-investors' redemption proceeds may be delayed, but in any event redemption proceeds will be paid within one calendar month from the day on which the Manager has received a properly documented redemption request.

The contract note reflecting the confirmation of the acceptance of redemption will be made available to end-investors on the Eligible Distributors' application programmes, platforms or systems through which such end-investors redeem Tokenised Units in the form of Tokens.

The following illustrates the process of redemption of tokenised Unlisted Class of Units and burning of corresponding Tokens:



* To hold and receive Tokens through Digital Wallets

Switching in or out of Tokenised Units of an Unlisted Class of a Sub-Fund is not permitted.

Review and audit

The Manager conducts yearly performance review and due diligence refresh on the Tokenisation Agent to monitor the measures it has put in place to manage and mitigate cybersecurity risks, data privacy, system outages and recovery. It is intended that the Tokenisation Agent will also procure third parties to perform smart contract audits to ensure the highest standards of cybersecurity robustness. Smart contract audits will take place before the launch of the relevant Sub-Fund and upon every major code change to the smart contract.

Business continuity plans

The following business continuity arrangements and measures have been put in place in respect of the distributed ledger technology-related events:

(a) In case of discrepancies between on-chain and off-chain registers, the off-chain register shall prevail. The Tokenisation Agent will rectify the on-chain register to align with the off-chain register by adding additional instructions to rectify any errors or unauthorized transactions after consultation with the Manager and the Trustee (acting as the Registrar).

(b) In case of denial of service ("**DDOS**", i.e. a situation where a system, network, or service is unavailable to its intended users due to an attack or disruption) cyberattacks or data centre failure. To address disruption of services due to system outage, database backups are conducted by the Tokenisation Agent daily. The IT systems of the Tokenisation Agent are also equipped with redundant server services.

(c) All critical on-chain and off-chain data associated with the relevant Sub-Fund(s) will be securely backed up. It includes maintaining a comprehensive and regularly updated record of transaction history (on a daily basis), Token ownership, and other vital information to preserve the continuity of operations.

In case the existing Tokenisation Agent ceases to or is no longer able to provide the tokenisation service, the Manager will appoint (as soon as practicable) another service provider who is assessed to be eligible and has capability to support fund tokenisation on-chain infrastructure. If replacement is decided and to be implemented, the Manager will discuss with the existing Tokenisation Agent with an aim to design tokenised fund infrastructure with interoperability to ensures tokenised assets, smart contracts, and associated data can be migrated to an alternative provider with minimal disruption. It is intended that all critical on-chain and off-chain data associated with the relevant Sub-Fund will be securely backed up. It includes maintaining a comprehensive and regularly updated record of transaction history, Token ownership, and other vital information to preserve the continuity of operations.

Restrictions and controls on dealing in Tokenised Units on primary market

Certain restrictions and controls have been implemented in respect of dealing in Tokenised Units on primary market which fall into two main categories: (i) whitelisting and (ii) approval process.

Whitelisting

Through its administration portal feature, the Tokenisation Agent can control the whitelisting status of direct Unitholders. Only direct Unitholders (Eligible Distributors) who have passed anti-money laundering and know-your-customer checks will be added to the whitelist and only direct Unitholders on the whitelist can receive Tokens.

Approval process

In addition, all the transactions involving minting and burning Tokens must be based on the authorisation provided by the Manager as a result of subscription or redemption of Units, ensuring that unauthorised transfers will not take place. In the event of loss or theft of Tokens, the lost or stolen Tokens of the investors can be fully recovered as the Manager (through the Tokenisation Agent) has control over the smart contract.

Restrictions on trading of Tokenised Units on secondary markets and peer-to-peer transfer

While Tokenised Units may be offered on virtual asset trading platform(s) in the form of Tokens, the Manager does not intend to allow peer-to-peer transfer or trading of these Tokens on any secondary markets.

APPENDIX 1

CSOP FTSE CHINA A50 ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODES: 82822 (RMB counter) and 02822 (HKD counter)

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP FTSE CHINA A50 ETF

Stock Codes: 82822 (RMB counter) and 02822 (HKD counter)

1. KEY INFORMATION

1.1 General

This appendix sets out information specific to CSOP FTSE China A50 ETF ("**CSOP A50 ETF**"). For general information about the Trust and its Sub- Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of the Prospectus before investing in CSOP A50 ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***11. Risk Factors relating to the CSOP A50 ETF***" of this Appendix, before investing in the CSOP A50 ETF.

Dealing in the RMB traded Units and HKD traded Units of the CSOP A50 ETF has commenced. Units of the CSOP A50 ETF have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP A50 ETF, and should be read in conjunction with the full text of this Prospectus.

Investment Type	Exchange Traded Fund ("ETF") authorized as a collective investment scheme by the Commission under Chapter 8.6 of the Code
Underlying Index	FTSE China A50 Index Inception Date: 13 December 2003 Number of constituents: 50 Base Currency of Index: RMB (CNY)
Type of Underlying Index	A net total return index which means that its performance reflects the reinvestment of dividends, net of withholding taxes, from the securities included in the Underlying Index. The Underlying Index is denominated and quoted in RMB.
Index Provider	FTSE International Limited
Investment Strategy	The Manager will primarily use full replication strategy. The Manager may also use a representative sampling strategy. Please refer to section "**3. Investment Objective and Strategy**" of this Appendix for further details.
Listing Date	28 August 2012
Dealing on SEHK Commencement Date	RMB counter: 28 August 2012 HKD counter: 8 November 2012

Exchange Listing	SEHK – Main Board
Stock Codes	RMB counter: 82822 HKD counter: 02822
Stock Short Name	RMB counter: CSOP A50 ETF-R HKD counter: CSOP A50 ETF
Trading Board Lot Size	RMB counter: 200 Units HKD counter: 200 Units
Base Currency	Renminbi (CNH)
Trading Currency	RMB counter: RMB (CNH) HKD counter: Hong Kong dollars (HKD)
Dividend Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP A50 ETF's net income after fees and costs. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP A50 ETF are charged to/paid out of the capital of the CSOP A50 ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP A50 ETF and therefore, the CSOP A50 ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of the CSOP A50 ETF's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP A50 ETF. Please refer to section "5. Distribution Policy" in this Appendix for further information on the distribution policy of the CSOP A50 ETF and the risk factor headed "Risk relating to distributions paid out of capital" under sub-section "11.11 Other risks" in this Appendix for the risk associated with distributions paid out of capital. **Distributions on all Units (whether traded in HKD or RMB counter) will be in RMB only.***
Application Unit size for	Minimum 500,000 Units (or multiples thereof)

Creation/Redemption (only by or through Participating Dealers)	
Method of Creation/ Redemption	Cash (RMB) only

** Both HKD traded Units and RMB traded Units will receive distributions in RMB only. 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/intermediaries on the arrangements concerning distributions. Please refer to section "**5. Distribution Policy**" and section "**RMB distributions risk**" under "**11.6 Dual Counter Trading risks**" in this Appendix for further details.*

Parties

Manager/QFI Holder	CSOP Asset Management Limited
Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
Adviser	China Southern Asset Management Co. Limited
Custodian	The Hong Kong and Shanghai Banking Corporation Limited
Participating Dealer	Please refer to the Manager's website set out below for the latest list
Market Makers	Please refer to the Manager's website set out below for the latest list
Service Agent	HK Conversion Agency Services
Limited Financial Year	Ending 31 December each year
Management Fee	Up to 2% of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.99% of the Net Asset Value accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Website	www.csopasset.com/etf1

1.3 Custodian and PRC Custodian for CSOP A50 ETF

The CSOP A50 ETF invests directly in China A-Shares using QFI status of the Manager, and/or the Stock Connect. The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee and the Manager as custodian ("**Custodian**") to act through its delegate, the PRC Custodian and will be responsible for the safe custody of the CSOP A50 ETF's assets acquired through

investment by remitting offshore RMB utilizing the QFI status of the Manager within the PRC mainland under the QFI scheme in accordance with the RQFII Custody Agreement (as defined below).

According to the RQFII Custody Agreement, the Custodian is entitled to appoint its subsidiary or associates within the HSBC group of companies as delegate for the performance of its services under the RQFII Custody Agreement. As of the date of this Prospectus, the Custodian has appointed HSBC Bank (China) Company Limited ("**PRC Custodian**") as the PRC Custodian. The PRC Custodian is incorporated in Chinese Mainland and is a wholly-owned subsidiary of the Custodian. The PRC Custodian possesses the applicable qualification to provide custody services to QFIs.

According to the terms of the RQFII Custody Agreement, the Custodian shall remain responsible for any omission or willful default of the PRC Custodian, as if no such appointment had been made.

The "**RQFII Custody Agreement**" is the custody agreement entered into between the Custodian, the PRC Custodian, the Manager and the Trustee, as amended from time to time.

Please refer to the section "***2.3 Trustee and Registrar***" in Part 1 of the Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the PRC Custodian.

Neither the Custodian nor its delegate is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "***1.4 The Custodian and PRC Custodian for CSOP A50 ETF***".

1.4 Parent Company – Adviser

Given the cross-border nature of the CSOP A50 ETF, the Manager may substantially tap into, the relevant infrastructure and expertise of its PRC mainland parent company, China Southern Asset Management Co. Limited ("**CSF**") to support its operation of the CSOP A50 ETF in Hong Kong.

CSF will act as adviser to the Manager and provide advice and background operational support to support the operation of the CSOP A50 ETF.

CSF will advise the Manager on major corporate actions relating to the Index Securities. CSF will also advise the Manager on cash management and cross-border money transfer amount. However, CSF will not exercise investment discretion in respect of the investments of the CSOP A50 ETF and the Manager retains discretionary powers in the management of the CSOP A50 ETF.

In addition, CSF will perform the valuation of the assets of the CSOP A50 ETF and provide trade matching services through automated systems.

The Manager will review and closely monitor the services performed by CSF so to ensure that they are carried out properly.

The Manager may perform any or all of the above functions on its own as and when it has determined that it would be appropriate for it to do so.

1.5 Market Maker

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 of the CSOP A50 ETF traded in the RMB counter and at least one market maker for Units of the CSOP A50 ETF traded in the HKD counter, although these market makers may be the same entity. 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 counter to facilitate the efficient trading of Units of the CSOP A50 ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker per counter is required to give not less than 90 days' prior notice to terminate market making under the relevant market making agreement.

The list of market markers in respect of the CSOP A50 ETF is available on www.csopasset.com/etf[1] and from time to time will be displayed on www.hkex.com.hk.

2. DEALING

2.1 Exchange Listing and Trading

Dealings in the RMB traded Units and HKD traded Units of the CSOP A50 ETF on the SEHK have already commenced.

Currently, Units are currently listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on other stock exchanges subject to the applicable QFI Regulations (as defined in section "***7. Qualified Foreign Investor (QFI)***" in this Appendix.

If trading of the Units of the CSOP A50 ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Units.

2.2 Buying and Selling of Units of CSOP A50 ETF on SEHK

A Secondary Market Investor can buy and sell the Units of the CSOP A50 on the SEHK through his stockbroker at any time the SEHK is open. Units of the CSOP A50 may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 200 Units for the RMB counter and 200 Units for the HKD counter.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the CSOP A50 ETF 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 of the CSOP A50 ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the CSOP A50 ETF.

Please refer to section "***9. Trading of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of Units on the SEHK.

2.3 Dual Counter Trading

2.3.1 Introduction of Dual Counter Trading (Secondary Market)

The Manager has arranged for the Units of the CSOP A50 ETF to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in RMB. The CSOP A50 ETF will offer two trading counters on the SEHK i.e. RMB counter and HKD counter to investors for secondary trading purposes.

Units of the CSOP A50 ETF traded under the two counters sharing the same ISIN can be distinguished by their stock codes and their stock short names as follows:

Counter	Stock Code	Stock Short Name	Trading Currency	ISIN Number
RMB counter	82822	CSOP A50 ETF-R	RMB	HK0000127412
HKD counter	02822	CSOP A50 ETF	HKD	

Units of the CSOP A50 ETF traded in the RMB counter will be settled in RMB and Units traded in the HKD counter will be settled in HKD. Apart from settlement in different currencies, the trading prices of Units of the CSOP A50 ETF in the two counters may be different.

Please note that despite the Dual Counter arrangement, creations and redemptions of new Units for the CSOP A50 ETF in the primary market will continue to be made in RMB only.

Investors can buy and sell Units of the CSOP A50 ETF traded in the same counter. Alternatively, they can buy in one counter and sell in the other counter provided their brokers/intermediaries or CCASS participants provide both HKD and RMB trading services at the same time. However, investors should note that the trading price of Units of the CSOP A50 ETF traded in the RMB counter and the HKD counter may be different and there is a risk that due to different factors such as market liquidity, market demand and supply in the respective counters and the exchange rate between RMB and HKD (in both onshore and offshore markets), the market price on the SEHK of Units traded in HKD may deviate significantly from the market price on the SEHK of Units traded in RMB.

Inter-counter buy and sell is permissible even if the trades take place within the same trading day. Investors should also note that some brokers/intermediaries may not provide inter-counter day trade services due to various reasons including operations, system limitations, associated

settlement risks and other business considerations. Even if a broker/intermediary is able to provide such service, it may impose an earlier cut-off time, other procedures and/or fees.

More information with regard to the Dual Counter is available in the frequently asked questions in respect of the Dual Counter published on the HKEx's website https://www.hkex.com.hk/Global/Exchange/FAQ/Featured/RMB-Readiness-and-Services/Dual-Tranche-Dual-Counter-Model?sc_lang=en.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Dual Counter, including inter-counter trading. Investors' attention is also drawn to the risk factors under the section headed "***11.6 Dual Counter Trading risks***" in this Appendix.

2.3.2 Unitholders' rights

Units of both the RMB and HKD counters belong to the same class in CSOP A50 ETF and Unitholders of Units traded on both counters are entitled to identical rights and are therefore treated equally.

2.3.3 Fees and Other Transaction Costs

The fees and costs payable by a Secondary Market Investor for buying and selling Units of the CSOP A50 ETF on the SEHK are the same for both the RMB and HKD counters.

2.4 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***2. Creation and Redemption of Application Units (Primary Market)***" in Schedule 2 of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP A50 ETF only.

The Manager currently only allows In-Cash Applications and In-Cash Redemptions for Units of the CSOP A50 ETF. Notwithstanding the Dual Counter, any cash payable by Participating Dealers in an In-Cash Application must be in RMB.

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 Application Unit size for CSOP A50 ETF is 500,000 Units. Creation Applications submitted in respect of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP A50 ETF is one Application Unit.

Both the RMB traded Units and the HKD traded Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Notwithstanding the Dual Counter, the process of redemption is the same and any cash proceeds received by Participating Dealers in an In-Cash Redemption shall be paid only in

RMB.

2.4.1 Dealing Period

The dealing period on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP A50 ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 2:00 p.m. (Hong Kong time) (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.4.2 Issue Price and Redemption Price

The Issue Price of a Unit of any class in the CSOP A50 ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units of any class redeemed shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP A50 ETF.

The "**Valuation Day**" of the CSOP A50 ETF, coincides with, and shall mean, the Dealing Day of the CSOP A50 ETF or such other days as the Manager may determine.

Valuation of the CSOP A50 ETF's investment in other collective investment scheme (as defined below in the section 3 – investment objective and strategy) will be valued at such other collective investment scheme's Net Asset Value. For the avoidance of doubt, in the case of the CSOP A50 ETF investing in the collective investment schemes, the net asset value of the collective investment schemes shall always be a Valuation Point on each Valuation Day other than where there is a suspension of determination of the Net Asset Value of the CSOP A50 ETF.

The latest Net Asset Value of the Units will be available on the Manager's website at www.csopasset.com/etf[1] or published in such other publications as the Manager decides.

2.4.3 Dealing Day

In respect of the CSOP A50 ETF, "Dealing Day" means each Business Day.

2.4.4 Rejection of Creation of Applications relating to CSOP A50 ETF

In addition to the circumstances set out in section "**2.3.5 Rejection of**

Creation Applications" in Schedule 2 of Part 1 of this Prospectus, the Manager, acting reasonably and in good faith, has the absolute discretion to reject a Creation Application in relation to the CSOP A50 ETF, in any of the following circumstances:–

(a) where the acceptance of the Creation Application will have a material adverse impact on the China A-Shares market; or

(b) where the QFI status of the Manager relating to the CSOP A50 ETF is cancelled or withdrawn.

3. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP A50 ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Underlying Index, namely, FTSE China A50 Index. There is no assurance that the CSOP A50 ETF will achieve its investment objective.

Investment Strategy

In order to achieve the investment objective of the CSOP A50 ETF, the Manager will primarily adopt a full replication strategy by directly investing all, or substantially all, of the assets of CSOP A50 ETF in Index Securities constituting the Underlying Index in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index, as set out in section "17. The Underlying Index" of this Appendix. When an Index Security ceases to be a constituent of the Underlying Index, rebalancing occurs which involves, inter alia, selling the outgoing Index Security and using the proceeds to invest in the incoming Index Security.

The Manager may also adopt a combination of physical representative sampling and synthetic representative sampling strategy as follows. Exposure of the CSOP A50 ETF to the Index Securities (either through direct investment or FDIs) will be in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index.

(i) <u>Physical representative sampling sub-strategy:</u>

The CSOP A50 ETF may invest in (a) a representative sample whose performance is closely correlated with the Underlying Index, but whose constituents may or may not themselves be constituents of the Underlying Index; and (b) other collective investment schemes (CIS). "CIS" means an exchange traded fund and/or an unlisted index tracking fund that invests in A shares directly which tracks an index that has a high correlation with the Underlying Index. The CSOP A50 ETF's ability to invest in other CIS may not exceed 10% of the Net Asset Value of the CSOP A50 ETF and the CSOP A50 ETF will not hold more than 10% of any units issued by any single CIS pursuant to the requirement of the Code; and

(ii) <u>Synthetic representative sampling sub-strategy:</u>

The CSOP A50 ETF may invest up to 50% of its Net Asset Value in Financial derivative instruments (the "**FDIs**"), which will only be direct investment in funded total return swap transaction(s) whereby the CSOP A50 ETF will pass on the relevant portion of cash to the Swap Counterparty(ies) and in return the Swap Counterparty(ies) will provide the CSOP A50

ETF with an exposure to the economic gain/loss in the performance of the relevant Securities (net of indirect costs). The Manager will only use a synthetic representative sampling sub-strategy when it believes such investments are beneficial to the CSOP A50 ETF and will help the CSOP A50 ETF achieve its investment objective.

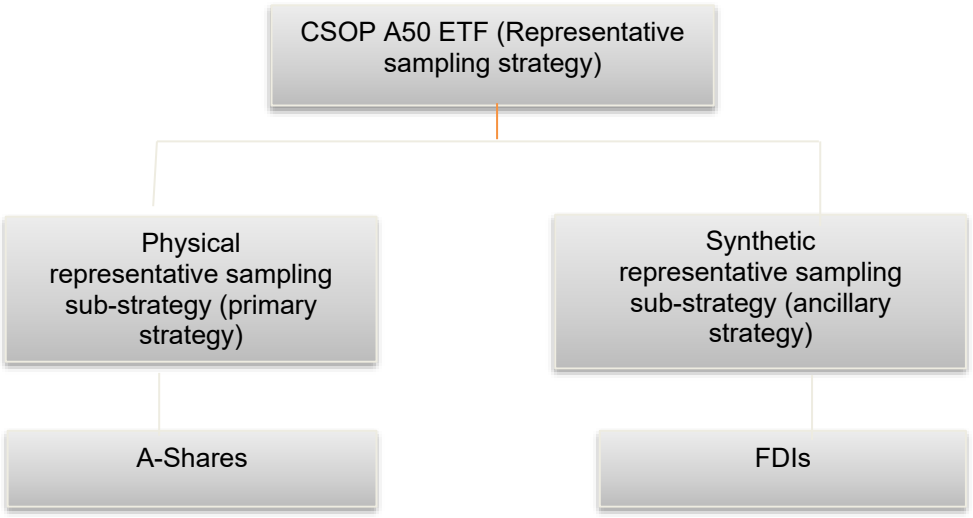
The CSOP A50 ETF will bear the swap fees, which includes all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent the brokerage commission and the swap counterparty's cost of financing the underlying hedge.

Currently, the swap fees are expected to range from 0.00% to -0.50%* per annum of the swap notional amount (i.e. from 0.00% to -0.50%* per annum of the CSOP A50 ETF's Net Asset Value). This is a best estimate only and the actual swap fees may deviate from the aforesaid estimate depending on actual market conditions. In extreme market conditions and exceptional circumstances, the brokerage commission and the swap counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. When the actual swap fee level exceed the disclosed level, the Manager will issue notice to the investors. The CSOP A50 ETF shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swaps). Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the CSOP A50 ETF is 0.50%* per transaction on the notional amount of the swap unwound.

The swap fees will be disclosed in the interim and annual financial reports of the CSOP A50 ETF. The swap fees will be borne by the CSOP A50 ETF and hence may have an adverse impact on the Net Asset Value and the performance of the CSOP A50 ETF, and may result in higher tracking error.

* A positive figure denotes the fee that the CSOP A50 ETF pays to the swap counterparties. A negative figure denotes the fee that the swap counterparties pay to the CSOP A50 ETF.

The diagram below shows the representative sampling investment strategies of the CSOP A50 ETF:



If any non-constituent of the Underlying Index is held in the portfolio, for reasons other than Index rebalancing and Index related corporate action, to enhance transparency the Manager will disclose the name and weighting of such non-constituent securities and other CIS on the Manager's website immediately after the purchase and it will be reported daily until its disposal. In pursuing a representative sampling strategy, the Manager may cause the CSOP A50 ETF to deviate from the index weighting on the condition that the maximum deviation from the index weighting of any constituent will not exceed 3 percentage points above such weighting.

The CSOP A50 ETF may invest in FDIs for hedging purposes.

The CSOP A50 ETF may not hold more than 5% of its Net Asset Value in money market funds and in cash deposits subject to applicable law and regulations for cash management purposes.

The Manager reviews the Index Securities held in the CSOP A50 ETF's portfolio each Business Day. In order to minimize tracking error*, it closely monitors factors such as any changes in the weighting of each Index Security in the Underlying Index, suspension, dividend distributions and the liquidity of the CSOP A50 ETF's portfolio. The Manager will also conduct adjustment on the portfolio of the CSOP A50 ETF regularly, taking into account tracking error reports, the index methodology and any rebalance notification of the Underlying Index.

The CSOP A50 ETF will not invest in sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions. Prior approval of the Commission will be sought and not less than one month's prior notice will be given to the Unitholders of CSOP A50 ETF in the event the Manager wishes to invest in sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions.

Currently it is intended that the CSOP A50 ETF will directly obtain exposure to securities issued within the PRC mainland through the QFI status of the Manager (as explained in the section "7. Qualified Foreign Investor (QFI)" in this Appendix) and/or the Stock Connect (as explained in the section "9.3A. The Stock Connect" in this Appendix). The Manager may invest up to 100% of the CSOP A50 ETF's Net Asset Value through either QFI and/or the Stock Connect.

Prior approval of the Commission will be sought and not less than one month's prior notice will be given to the Unitholders in the event the Manager wishes to primarily adopt an investment strategy other than full replication strategy.

** The Manager intends to limit the annual tracking error to 2% and the daily tracking difference to 0.1% without taking into account the provision of the capital gains tax.*

3A. SECURITIES LENDING TRANSACTIONS

The Manager may, on behalf of the CSOP A50 ETF, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of the CSOP A50 ETF's Net Asset Value. The Manager will be 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 CSOP A50 ETF and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1 in Part 1 of the Prospectus in regard to

the details of the arrangements.

As part of the securities lending transactions, the CSOP A50 ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "***Collateral***" of Schedule 1 in Part 1 of the Prospectus) of 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 Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of the Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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 by 4p.m. on trading day T+1.

Non-cash collateral received may not be sold, re-invested or pledged. Any reinvestment of cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of the Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent CSOP A50 ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP A50 ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to section "***11.10 Securities Lending Transactions Risks***" for further details.

4. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of CSOP A50 ETF to acquire investments, to redeem Units or to pay expenses relating to CSOP A50 ETF.

5. DISTRIBUTION POLICY

The Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP A50 ETF's net income after fees and costs.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the CSOP A50 ETF.

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP A50 ETF are charged to/paid out of the capital of the CSOP A50 ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP A50 ETF and therefore, the CSOP A50 ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of the CSOP A50 ETF's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP A50 ETF and will reduce any capital appreciation for the Unitholders of the CSOP A50 ETF.

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website www.csopasset.com/etf[1].

The distribution policy may be amended subject to the Commission's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the Base Currency of the CSOP A50 ETF (i.e. RMB). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in RMB only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website www.csopasset.com/etf[1] and on HKEx's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx. There can be no assurance that a distribution will be paid.

Each Unitholder will receive distributions in RMB (whether holding RMB traded Units or HKD traded Units). 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/intermediaries on the arrangements concerning distributions.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

6. PRC MAINLAND TAX PROVISIONS

For further details relating to PRC mainland taxes and the associated risks, please refer to the risk factor headed "***PRC mainland tax considerations***" under section "***4.1 Risk Factors relating to Chinese Mainland***" in Part 1 of this Prospectus.

In light of a recent announcement jointly promulgated by the Ministry of Finance and the State Administration of Taxation under Caishui [2014] No.79 in relation to the taxation rule on QFII and RQFII, the Manager will not make any WIT provision on the gross unrealized and realized capital gains derived from trading of China A-Shares with effect from 17 November 2014.

As for the gross realised capital gains derived from trading of A-Shares via QFI before 17 November 2014, certain tax relief is applicable to Hong Kong tax residents under the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "Arrangement"). One type of such relief is that capital gains derived by a Hong Kong tax resident from transfer of shares of a PRC mainland tax resident company would be taxed in the PRC mainland only if:

- 50% or more of the PRC mainland tax resident company's assets are comprised, directly or indirectly, of immovable property situated in the PRC mainland (an

"immovable properties-rich company"); or

- the Hong Kong tax resident holds at least 25% of the shares of the PRC mainland tax resident company at any time within the 12 months before the alienation.

Pursuant to the relevant PRC mainland tax regulations, approval by the relevant PRC mainland tax authority should be obtained before a Hong Kong taxpayer can enjoy relief under the Arrangement, and a Hong Kong Tax Resident Certificate ("HKTRC") issued by the Inland Revenue Department of Hong Kong ("IRD") should be submitted to the relevant PRC mainland tax authority for this purpose.

The Manager has applied to the IRD on behalf of the CSOP A50 ETF for the HKTRCs and has obtained HKTRCs for the CSOP A50 ETF for each calendar year since the CSOP A50 ETF's inception date to the calendar year ended 31 December 2014. The HKTRCs have been submitted to the Shanghai tax authority for the purpose of applying tax relief on gross realised capital gains derived from trading of China A-Shares issued by non-immovable properties-rich companies under the Arrangement.

At the request of the Shanghai tax authority, the Manager, as the RQFII license holder, submitted the requested information and documents on behalf of the CSOP A50 ETF to the PRC mainland tax authorities in September 2015 to report the WIT payable on gross realised capital gains derived from trading of China A-Shares issued by immovable properties- rich companies and apply for WIT exemption on gross realised capital gains derived from trading of China A-Shares issued by non-immovable properties-rich companies under the Arrangement. The documents submitted include the HKTRCs for the CSOP A50 ETF as described above, as part of the application for the Shanghai tax authority's approval for the eligibility of the CSOP A50 ETF to benefit from the Arrangement.

The Shanghai tax authority completed the review on the CSOP A50 ETF's aforesaid tax reporting and tax treaty applications and issued a document on its official web-site notifying the CSOP A50 ETF of the tax treaty application result. According to the document, the Shanghai tax authority indicates that it agrees with the CSOP A50 ETF's tax treaty application submitted. As such, gross realised capital gains derived by the CSOP A50 ETF from transfer of China A-Shares prior to 17 November 2014, except for China A-Shares issued by immovable properties-rich companies, are eligible for WIT exemption under the Arrangement. Subsequently the CSOP A50 ETF paid WIT on gross realised capital gains arising from the CSOP A50 ETF's disposal of A-Shares issued by immovable properties-rich companies for the period from the inception of the CSOP A50 ETF up to and including 14 November 2014. As at the date of this Prospectus, no further tax provision is made on capital gains arising from the CSOP A50 ETF's disposal of A-Shares during such period.

Investor should note that the aforesaid tax filing and tax treaty application are made in accordance with the prevailing tax rules and practices of the Shanghai tax authority at the time of submission. The Net Asset Value of the CSOP A50 ETF 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 PRC mainland tax authority.

It should also be noted that there is a possibility of the PRC mainland tax rules being changed and taxes being applied retrospectively. Consequently, Unitholders may be disadvantaged depending upon the final tax liabilities and when they subscribed and/ or realised their Units. Unitholders should seek their own tax advice on their tax position with

regard to their investment in the CSOP A50 ETF.

7. QUALIFIED FOREIGN INVESTOR (QFI)

The QFI regime is governed by rules and regulations as promulgated by the Chinese Mainland authorities, such as the CSRC, the SAFE and the PBOC. Such rules and regulations may be amended from time to time and include (but are not limited to):

(i) the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors jointly issued by the CSRC, the PBOC and the SAFE on 25 September 2020 and effective from 1 November 2020 (《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》);

(ii) the Provisions on Issues Concerning the Implementation of the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors issued by the CSRC on 25 September 2020 and effective from 1 November 2020 (關於實施《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》有關問題的規定);

(iii) the "Regulations on Funds of Domestic Securities and Futures Investment by Foreign Institutional Investors" issued by the PBOC and the SAFE on 7 May 2020 and effective from 6 June 2020 (《境外機構投資者境內證券期貨投資資金管理規定》); and

(iv) any other applicable regulations promulgated by the relevant authorities. (collectively, "**QFI Regulations**")

Based on the above prevailing QFI Regulations, the Qualified Foreign Institutional Investors (QFII) regime and RMB Qualified Foreign Institutional Investors (RQFII) regime have been merged and been regulated by the same set of regulations, and the previously separate requirements for QFII and RQFII qualifications are unified. A foreign institutional investor outside the PRC mainland may apply to the CSRC for the QFI License, while there is no need for a foreign institutional investor having held either a QFII or RQFII license to re-apply for the QFI license. Since the Manager has been granted with QFII license and RQFII license by CSRC, it shall be regarded as a QFI, and may freely select to use funds in foreign currencies which can be traded on CFETS (defined below) and/or offshore RMB funds to be remitted in to carry out PRC mainland domestic securities and futures investment as long as separate cash accounts for receiving such cash are duly opened.

For remittance of foreign currencies, the Manager (as a QFI Holder) shall open foreign exchange account(s) for the remitted funds in foreign currencies and a corresponding RMB special deposit account for each relevant foreign exchange account; for remittance of offshore RMB funds, the Manager (as a QFI Holder) shall open RMB special deposit account(s) for the remitted funds in offshore RMB. QFI Holders are not subject to investment quota limits.

Under current regulations in the PRC mainland, generally foreign investors can invest in the domestic securities and/or futures market through (i) certain foreign institutional investors that have obtained status as a QFI from the CSRC to remit foreign freely convertible currencies and RMB into the PRC mainland for the purpose of investing in the PRC mainland's domestic securities and/or futures markets, or (ii) the Stock Connect Program (as explained in the section "***9.5A The Stock Connect***" in this Appendix).

The CSOP A50 ETF will directly invest in securities issued within the PRC mainland through the QFI status of the Manager and/or the Stock Connect.

The Custodian has been appointed by the Trustee and the Manager to hold (by itself or through its delegate) the assets of the CSOP A50 ETF in the PRC mainland in accordance with the terms of the RQFII Custody Agreement. Securities including China A-Shares will be maintained by the Custodian's delegate, the PRC Custodian pursuant to PRC mainland regulations through securities account(s) with the China Securities Depository and Clearing Corporation Limited ("**CSDCC**") in the joint names of the Manager (as the QFI Holder) and the CSOP A50 ETF. An RMB cash account(s) shall be established and maintained with the PRC Custodian in the joint names of the Manager (as the QFI Holder) and the CSOP A50 ETF. The PRC Custodian shall, in turn, have a cash clearing account with CSDCC for trade settlement according to applicable regulations.

Repatriations in RMB conducted by the Manager (as QFI) on behalf of the CSOP A50 ETF are permitted daily and not subject to any repatriation restrictions, lock-up periods or prior approval from the SAFE.

There are specific risks associated with the QFI regime and investors' attention is drawn to the risk factors headed "**QFI risk**" and "**PRC mainland brokerage risk**" under section "**11.5 Risk relating to the QFI regime**" below.

The Manager will assume dual roles as the Manager of the CSOP A50 ETF and the holder of the QFI status for the CSOP A50 ETF. The Manager will be responsible for ensuring that all transactions and dealings will be dealt with in compliance with the Trust Deed (where applicable) as well as the relevant laws and regulations applicable to the Manager as a QFI.

The Manager has obtained an opinion from PRC mainland legal counsel for the investment in PRC mainland domestic securities market by remitting in offshore RMB funds to the effect that, as a matter of PRC mainland laws:

(a) securities account(s) with the CSDCC and maintained by the PRC Custodian and RMB cash account(s) with the PRC Custodian (respectively, the "securities account(s)" and the "cash account(s)") have been opened in the joint names of the Manager (as the RQFII holder) and the CSOP A50 ETF and for the sole benefit and use of the CSOP A50 ETF in accordance with all applicable laws and regulations of the PRC mainland and with approval from all competent authorities in the PRC mainland;

(b) the assets held/credited in the securities account(s) (i) belong solely to the CSOP A50 ETF, and (ii) are segregated and independent from the proprietary assets of the Manager (as the RQFII holder), the Custodian, the PRC Custodian and any qualified broker registered in the PRC mainland ("**PRC Mainland Broker**") and from the assets of other clients of the Manager (as the RQFII holder), the Custodian, the PRC Custodian and any PRC Mainland Broker(s);

(c) the assets held/credited in the cash account(s) (i) become an unsecured debt owing from the PRC Custodian to the CSOP A50 ETF, and (ii) are segregated and independent from the proprietary assets of the Manager (as the RQFII holder) and any PRC Mainland Broker(s), and from the assets of other clients of the Manager

(as the RQFII holder) and any PRC Mainland Broker(s);

(d) the Trustee, for and on behalf of the CSOP A50 ETF is the only entity which has a valid claim of ownership over the assets in the securities account(s) and the debt in the amount deposited in the cash account(s) of the CSOP A50 ETF;

(e) if the Manager or any PRC Mainland Broker is liquidated, the assets contained in the securities account(s) and the cash account(s) of the CSOP A50 ETF will not form part of the liquidation assets of the Manager or such PRC Mainland Broker(s) in liquidation in the PRC mainland; and

(f) if the PRC Custodian is liquidated, (i) the assets contained in the securities account(s) of the CSOP A50 ETF will not form part of the liquidation assets of the PRC Custodian in liquidation in the PRC mainland, and (ii) the assets contained in the cash account(s) of the CSOP A50 ETF will form part of the liquidation assets of the PRC Custodian in liquidation in the PRC mainland and the CSOP A50 ETF will become an unsecured creditor for the amount deposited in the cash account(s).

Further, the Trustee has put in place proper arrangements to ensure that:

(a) the Trustee takes into its custody or under its control the assets of the CSOP A50 ETF, including onshore PRC assets of the CSOP A50 ETF acquired by the CSOP A50 ETF through the Manager's QFI status and such PRC assets will be maintained by the PRC Custodian in electronic form via a securities account(s) with the CSDCC and cash held in cash account(s) with the PRC Custodian ("**Onshore PRC Assets**"), and holds the same in trust for the Unitholders;

(b) cash and registrable assets of the CSOP A50 ETF, including Onshore PRC Assets are registered or held to the order of the Trustee; and

(c) the Custodian and the PRC Custodian will look to the Trustee for instructions and solely act in accordance with such instructions as provided under the RQFII participation agreement between the Custodian, the PRC Custodian, the Manager and the Trustee, as amended from time to time ("**RQFII Participation Agreement**").

8. OVERVIEW OF THE OFFSHORE RMB MARKET

What Led to RMB Internationalisation?

RMB is the lawful currency of the PRC mainland. RMB is not currently a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC mainland government. Since July 2005, the PRC mainland government began to implement a controlled floating exchange rate system based on the supply and demand in the market and adjusted with reference to a portfolio of currencies. The exchange rate of RMB is no longer pegged to US dollars, resulting in a more flexible RMB exchange rate system.

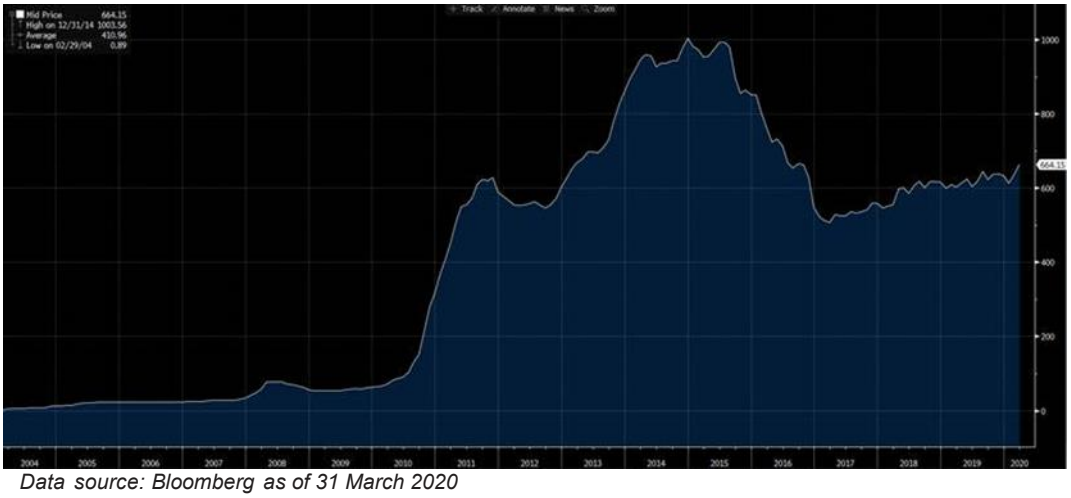
Over the past two decades, the PRC mainland's economy grew rapidly at an average annual rate of 10.5% in real terms. This enables it to overtake Japan to become the

second largest economy and trading country in the world. As the PRC mainland's economy becomes increasingly integrated with the rest of the world, it is a natural trend for its currency – the RMB, to become more widely used in the trade and investment activities.

Accelerating the Pace of the RMB Internationalisation

The PRC mainland has been taking gradual steps to increase the use of RMB outside its borders by setting up various pilot programmes in Hong Kong and neighbouring areas in recent years. For instance, banks in Hong Kong were the first permitted to provide RMB deposits, exchange, remittance and credit card services to personal customers in 2004. Further relaxation occurred in 2007 when the authorities allowed PRC mainland financial institutions to issue RMB bonds in Hong Kong. As of the end of March 2020, there are 137 banks in Hong Kong engaging in RMB business, with RMB deposits amounting to about RMB644.15 billion, as compared to just RMB63 billion in 2009.

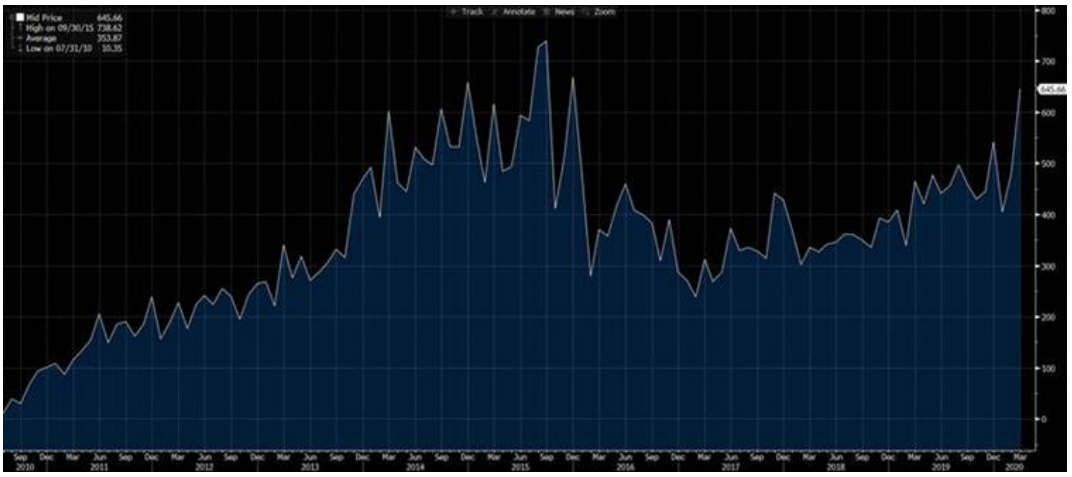
The chart below shows the trend of RMB deposits in Hong Kong.



Data source: Bloomberg as of 31 March 2020

The pace of RMB internationalisation has accelerated since 2009 when the PRC mainland authorities permitted cross-border trade between Hong Kong/Macau and Shanghai/ four Guangdong cities, and between ASEAN and Yunnan/Guangxi, to be settled in RMB. In December 2017, the arrangement was expanded to 20 provinces/municipalities in the PRC mainland and to all countries/regions overseas. In March 2020, nearly RMB645.66 billion worth of cross-border trade was settled in Hong Kong with RMB.

The chart below shows the trend of RMB cross-border settlement.



Data source: Bloomberg as of 31 March 2020

Onshore versus Offshore RMB Market

Following a series of policies introduced by the PRC mainland authorities, a RMB market outside the PRC mainland has gradually developed and started to expand rapidly since 2009. RMB traded outside the PRC mainland is often referred as "offshore RMB" with the denotation "CNH", which distinguishes it from the "onshore RMB" or "CNY".

Both onshore and offshore RMB are the same currency but are traded in different markets. Since the two RMB markets operate independently where the flow between them is highly restricted, onshore and offshore RMB are traded at different rates and their movement may not be in the same direction. Due to the strong demand for offshore RMB, CNH used to be traded at a premium to onshore RMB, although occasional discount may also be observed. The relatively strength of onshore and offshore RMB may change significantly, and such change may occur within a very short period of time.

Notwithstanding that the offshore RMB market showed a meaningful growth during the past 2 years, it is still at an early stage of the development and is relatively sensitive to negative factors or market uncertainties. For instance, the value of offshore RMB had once dropped by 2% against the US dollars in the last week of September 2011 amidst the heavy selloff of the equities market. In general, the offshore RMB market is more volatile than the onshore one due to its relatively thin liquidity.

There have been talks on the potential convergence of the two RMB markets but that is believed to be driven by political decisions rather than just economics. It is widely expected that the onshore and offshore RMB markets would remain two segregated, but highly related, markets for the next few years.

Recent Measures

More measures to relax the conduct of offshore RMB business were announced in 2010. On 19 July 2010, interbank transfer of RMB funds was permitted for any purposes and corporate customers of banks in Hong Kong (including those not directly involved in trade with Chinese Mainland) may exchange foreign currencies for RMB without limit. One month later, the PRC mainland authorities announced the partial opening up of PRC mainland's interbank bond market for foreign central banks, RMB clearing banks in Hong Kong and Macau and other foreign banks participating in the RMB offshore settlement

programme.

The National Twelfth Five-Year Plan adopted in March 2011 explicitly supports the development of Hong Kong as an offshore RMB business centre. In August 2011, PRC mainland Vice Premier Li Keqiang has announced more new initiatives during his visit, such as allowing investments on the PRC mainland equity market through the RMB Qualified Foreign Institutional Investor scheme and the launch of an exchange-traded fund with Hong Kong stocks as the underlying constituents in the PRC mainland. Also the PRC mainland Government has given approval for the first non-financial PRC mainland firm to issue RMB-denominated bonds in Hong Kong.

Chinese bonds and stocks were included in international indexes since 2018. RMB assets are becoming more attractive since then. In 2019, RMB's share of global foreign exchange reserves hit record high, surpassing Australian dollar and Canadian dollar.

RMB Internationalisation is a Long-Term Goal

Given the PRC mainland's economic size and growing influence, RMB has the potential to become an international currency in the same ranks as US dollars and euro. But the PRC mainland has to first accelerate the development of its financial markets and gradually make RMB fully convertible on the capital account. Although the internationalisation of RMB will bring benefits such as increasing political influence and reduced exchange rate risks, it also entails risks including rising volatility of RMB exchange rate.

The process of RMB internationalisation is a long and gradual one. It took US dollars many decades to replace the British pound to become a dominant reserve currency; it will also take time for RMB to gain importance in coming years, it will not be in a position to challenge the US dollar's main reserve currency status for some time to come.

9. CHINA A-SHARE MARKET IN THE PRC MAINLAND

9.1 Introduction

Chinese Mainland's A-Share market commenced in 1990 with two exchanges, Shanghai Stock Exchange and Shenzhen Stock Exchange. Shanghai Stock Exchange was established on 26 November 1990 and stocks are further divided into class A-Shares and class B-Shares, with A-Shares limited to domestic investors as well as QFIs or through the Stock Connect programmes only and B Shares available to both domestic and foreign investors. As of 30 April 2020, there are 1,552 A-Share listed companies in Shanghai Stock Exchange with total market capitalisation of RMB33.32 trillion. Shanghai Stock Exchange's products cover equities, mutual funds and bonds. The product lines include A-Shares, B-Shares, indices, mutual funds (including exchange traded funds and listed open-end funds), fixed income products, and diversified financial derivative products (including warrants and repurchases).

Shenzhen Stock Exchange was founded on 1 December 1990 and stocks are further divided into class A-Shares and class B-Shares, with A-Shares limited to domestic investors as well as QFIs or through the Stock Connect programmes only and B-Shares available to both domestic and foreign investors. As of 30 April 2020, there are 2,260 A-Share listed companies in Shenzhen Stock Exchange. Shenzhen Stock Exchange's products cover equities, mutual funds and bonds. The product lines include A-Shares, B-Shares, indices, mutual funds (including exchange traded funds

and listed open-end funds), fixed income products, and diversified financial derivative products (including warrants and repurchases).

The A-Share market has grown significantly in the past 20 years, with the latest total market capitalisation reaching RMB57.96 trillion comprising 3,812 A-Share listed companies by 30 April 2020.

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

9.2 The major differences between the China A-Share market and the Hong Kong market

	PRC mainland			Hong Kong
Key indexes	SHCOMP / SZCOMP	Star 50	ChiNext 50	HSI / HSCEI
Trading band limits	• ±10% • ±5% for ST and *ST stocks • -36%~+44% for the IPO day	• ±20% • No limit for the first 5 trading days • During continuous trading, valid order limit price on aggressive side is 2% against reference price. More aggressive order is rejected right away.	• ±20% • No limit for the first 5 trading days •During continuous trading, valid order limit price on aggressive side is 2% against reference price. More aggressive order is temporarily held in a separate book. Such order is put back into order book for matching once price comes in range.	No Limit
Trading lots	• 1 lot = 100 shares • Buy order should be in round lot • Maximum size of an order is 1 mn shares • Sell order can be in round lot or odd lot • For sell order, exchange prefers any remaining quantity less than 100 shares to be sold in a single order	• 1 lot = 1 share • Buy order should be no less than 200 shares • Limit Order: no more than 100,000 shares • Market order: no more than 50,000 shares • For sell order, exchange prefers any remaining quantity less than 200 shares to be sold in a single order	• 1 lot = 100 shares • Buy order should be in round lot • Maximum size of an order is 1 mn shares • Sell order can be in round lot or odd lot • For sell order, exchange prefers any remaining quantity less than 100 shares to be sold in a single order - Limit Order: no more than 300,000 shares - Market order: no more than 150,000 shares	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	• Continuous auction	• Continuous auction	• Continuous auction	pre-open order input: 0900-0915
	ˉ 09:30 – 11:30 & 13:00 – 14:57	ˉ 09:30 – 11:30 & 13:00 – 14:57	ˉ 09:30 – 11:30 & 13:00 – 14:57	pre-order matching 0915-0920
	• Call auction	• Call auction	• Call auction	order matching: 0920-0928
	ˉ Open auction: 09:15 – 09:25	ˉ Open auction: 09:15 – 09:25	ˉ Open auction: 09:15 – 09:25	morning session: 0930-1200

	¯ Close auction: 14:57 – 15:00	¯ Close auction: 14:57 – 15:00	¯ Close auction: 14:57 – 15:00	afternoon session: 1300-1600
	• Block trade	• Block trade	• Block trade	
	¯ 15:00 – 15:30	¯ 09:30 – 11:30 & 13:00 – 15:30	¯ 09:30 – 11:30 & 13:00 – 15:30	
		• After-hours fixed price trading	• After-hours fixed price trading	
Block Trade	• Same as STAR for Shanghai A-Shares** For Shenzhen A-Shares, • Order Input Time Window and Supported Order Type ¯ 09:15– 11:30 & 13:00 – 15:30 ¯ Appointed Order and Non-appointed Order • Order matching happens during 15:00 – 15:30 • Order price is limited within allowed daily range • Minimum order size is 300,000 shares or 2mn CNY	• Order Input Time Window and Supported Order Type ¯ 09:30 – 11:30 & 13:00 – 15:30 ¯ Appointed Order and Non-appointed Order • Real-time match • Order price is limited within allowed daily range • Minimum order size is 300,000 shares or 2mn CNY	• Order Input Time Window and Supported Order Type ¯ 09:15– 11:30 & 13:00 – 15:30 ¯ Appointed Order and Non-appointed Order • Order matching happens during 15:00 – 15:30 • Order price is limited within allowed daily range • Minimum order size is 300,000 shares or 2mn CNY	No Limit
Settlement	T+1			T+2
Earnings reporting requirements	Annual report: • Full annual report must be disclosed within four (4) months after the reporting period. Interim report: • Full report must be disclosed within two (2) months after the reporting period. Quarterly report: • Full report must be disclosed within one (1) month after the reporting period. The first quarterly report cannot be disclosed before last year's annual report.			Annual report: • Earnings must be disclosed within three (3) months after the reporting period; • Full annual report must be disclosed within four (4) months after the reporting period. Interim report: • Earnings must be disclosed within two (2) months after the reporting period; • Full report must be disclosed within three (3) months after the reporting period.

Investors should inform themselves of the risks associated with the differences between the China A-Share market and the Hong Kong market, as set out in the risk factor headed "***Risks relating to the differences between the Hong Kong and Chinese Mainland stock markets" in section "11.1 Chinese Mainland market/China A-Share market risks***" in this Appendix.

9.3 Measures Adopted by the Manager to Address the Differences between the China A-Share Market and the Hong Kong Market

The Manager has adopted the following measures to address the difference between the China A-Share market and the Hong Kong market:

(a) Trading hours: As regards the difference in trading hours, the shorter trading hours in the China A-Share market is not considered to present a major risk, as it is expected that there is a high level of liquidity for the Index Securities.

(b) Trading days: There is a difference in trading days between the China A-Share market and the Hong Kong market. It should be noted that Applications are accepted only on a Business Day (normally a day on which both markets are open).

If the Hong Kong market is open while the China A-Share market is closed, Units of the CSOP A50 ETF will be traded in the Hong Kong market and the Manager will continue to publish information including prices in the manner set out in section "***14.14 Publication of Information Relating to the Sub-Funds***" in Part 1 of the Prospectus. If the China A-Share market is open while Hong Kong market is closed, the Manager will trade the Index Security when it is necessary, in order to limit the risk to investors. These trades will be properly settled even when the Hong Kong market is closed for holiday by the Trustee's arrangements in place.

(c) Trading band limits: The Manager will be prevented from trading certain Index Securities when they hit the "trading band limit". If this happens on a particular trading day, the Manager will continue to trade that stock on the subsequent two trading days if necessary. However if the Manager is still unable to trade that Index Security on the second trading day after the original trading day due to the trading band limit, the Manager will settle the Index Security on the latest closing price and the CSOP A50 ETF will make up the trade whenever that Index Security resumes trading again. The Manager believes that the average impact to the CSOP A50 ETF in such situations is immaterial.

9.3A The Stock Connect

The Stock Connect is a securities trading and clearing linked program developed by the HKEX, the SSE, the SZSE and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**"), with an aim to achieve mutual stock market access between Chinese Mainland and Hong Kong. It comprises of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Manager intends to utilise such channels to invest in A Shares.

Through the Stock Connect, the SSE, the SZSE and the SEHK enable investors to trade eligible securities listed on the other's market through local securities firms or brokers. Each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, investors, through their Hong Kong brokers and securities trading service companies (in Shanghai and in

Shenzhen respectively) establish by the SEHK and the HKSCC, are able to place orders to trade eligible securities listed on the SSE or the SZSE by routing orders to the SSE or the SZSE (as the case may be). Under the Southbound Trading Link, eligible investors, through PRC mainland securities firms and securities trading service companies established by the SSE and the SZSE, are able to place orders to trade eligible securities listed on the SEHK by routing orders to SEHK.

All Hong Kong and overseas investors (including the CSOP A50 ETF) are allowed to trade SSE Securities and SZSE Securities (as described below) through the Stock Connect (through the Northbound Trading Link), subject to rules and regulations issued from time to time.

The following summary presents some key points about the Northbound Trading Link (which may be utilized by the CSOP A50 ETF to invest in the PRC mainland):

Eligible securities

Among the different types of SSE-or SZSE-listed securities, only China A-Shares and exchange traded funds ("**ETFs**") are currently permitted for Northbound trading under the Stock Connect.

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

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

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

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

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

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

In addition, Hong Kong and overseas investors are able to trade eligible SSE-listed and SZSE-listed ETFs that satisfy the relevant criteria at a regular review and are accepted as eligible ETFs for Northbound trading in Stock Connect. Regular reviews will be performed to determine the eligible ETFs for Northbound trading every six months.
The list of eligible securities may be subject to review and approval by the relevant Chinese Mainland regulators from time to time.

Trading day

Due to differences in public holidays between Hong Kong and Chinese Mainland,

there may be differences in the trading days in the two markets. Even if the Chinese Mainland markets are open on a certain day, the CSOP A50 ETF may not necessarily be able to invest in SSE Securities and/or SZSE Securities through Northbound trading. For example, the Hong Kong market closes on Easter and Christmas every year, but those are trading days in Chinese Mainland.

Likewise, during Lunar New Year and the National Day golden week periods, Chinese Mainland will usually arrange for seven-day consecutive holidays by reshuffling workdays and weekends. Even for days both markets are open for business, there could be differences because of other reasons such as bad weather conditions. Investors (including the CSOP A50 ETF) are only allowed to trade on the other market on days where both markets are open for trading, and banking services are available in both markets on the corresponding settlement days.

Trading quota

Trading under the Stock Connect is subject to a daily quota ("**Daily Quota**") presently set at RMB52 billion for each of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, which is separate for Northbound and Southbound trading. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day.

The quotas do not belong to the CSOP A50 ETF and are utilized on a first-come- first-serve basis. The SEHK publishes the remaining balance of the Northbound Daily Quota at scheduled times on the HKEX's website. Should there be any change in the Daily Quota, the Manager will not inform the Unitholders.

Settlement and Custody

The Hong Kong Securities Clearing Company Limited ("**HKSCC**"), also a wholly-owned subsidiary of HKEX, is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The SSE Securities and SZSE Securities traded through the Stock Connect are issued in scripless form, so investors will not hold any physical securities. In the operation of the Stock Connect, Hong Kong and overseas investors who have acquired SSE Securities and SZSE Securities through Northbound trading should maintain the SSE Securities and SZSE Securities with their brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

Corporate actions and shareholders' meetings

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

HKSCC monitors the corporate actions affecting SSE Securities or SZSE Securities and keep the relevant brokers or custodians participating in CCASS ("CCASS

participants") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

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

Foreign shareholding restrictions

The CSRC stipulates that, when holding China A-Shares through the Stock Connect, Hong Kong and overseas investors are subject to the following shareholding restrictions:

- Single foreign investors' shareholding by any Hong Kong or overseas investor in a China A-Share must not exceed 10% of the total issued shares; and
- Aggregate foreign investors' shareholding by all Hong Kong and overseas investors in a China A-Share must not exceed 30% of the total issue shares.
- When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the rules, the shareholding of the strategic investments is not capped by the above-mentioned percentages.

Should the shareholding of a single investor in a China A-Share listed company exceed the above restriction, the investor may be required to unwind his position on the excessive shareholding according to a last-in- first-out basis within a specific period. The SSE, the SZSE and the SEHK will issue warnings or restrict the buy orders for the related China A- Shares if the percentage of total shareholding is approaching the upper limit.

SSE and SZSE-listed ETFs are not subject to the aforementioned shareholding restrictions.

Currency

Hong Kong and overseas investors will trade and settle SSE Securities and SZSE Securities in RMB only. Hence, the CSOP A50 ETF needs to use its RMB funds to trade and settle SSE Securities and SZSE Securities.

Trading fees

In addition to paying trading fees and stamp duties in connection with SSE Securities and/or SZSE Securities, the CSOP A50 ETF may be subject to new portfolio fees, dividend tax and tax concerned with income arising from transfers of SSE Securities and/or SZSE Securities which are yet to be determined by the relevant authorities.

Coverage of Investor Compensation Fund

Hong Kong's Investor Compensation Fund is established to pay compensation to

investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund covers investors' losses in relation to securities traded on a stock market operated by the SSE and the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the CSOP A50 ETF is carrying out northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, such trading is not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland.

Further information about the Stock Connect is available at the website: https://www.hkex.com.hk/mutual-market/stock-connect?sc_lang=en.

10. RMB PAYMENT AND ACCOUNT PROCEDURES

Investors may unless otherwise agreed by relevant Participating Dealer, apply for Units through Participating Dealers only if they have sufficient RMB to pay the application monies and the related fees. Investors should note that RMB is the only official currency of the PRC mainland. While both onshore RMB ("**CNY**") and offshore RMB ("**CNH**") are the same currency, they are traded in different and separated markets. Since the two RMB markets operate independently where the flow between them is highly restricted, CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there is a significant amount of RMB held offshore (i.e. outside the PRC mainland), CNH cannot be freely remitted into the PRC mainland and is subject to certain restrictions, and vice versa. As such whilst CNH and CNY are both the same currency, certain special restrictions do apply to RMB outside the PRC mainland. The liquidity and trading price of the CSOP A50 ETF may be adversely affected by the limited availability of, and restrictions applicable to, RMB outside the PRC mainland.

Application monies from Participating Dealers to the CSOP A50 ETF will be paid in RMB only. Accordingly a Participating Dealer may require an investor (as its client) to pay CNH to it. (Payment details will be set out in the relevant Participating Dealer's documentation such as the application form for its clients.) As such, an investor may need to have opened a bank account (for settlement) and a securities dealing account if a Participating Dealer is to subscribe for Units on his behalf as such investor will need to have accumulated sufficient CNH 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 such investor by the Participating Dealer by crediting such amount into such investor's CNH bank account. Similarly, if investors wish to buy and sell Units in the secondary market on the SEHK, they may need to open a securities dealing account with their broker. Investors will need to check with the relevant Participating Dealer and/or their broker for payment details and account procedures.

If any investors wish to buy or sell RMB traded Units on the secondary market, they should contact their brokers and they are reminded to confirm with their brokers' in respect of Units traded in RMB their brokers' readiness for dealing and/or clearing transactions in RMB securities and to check other relevant information published by the SEHK regarding readiness of its participants for dealing in RMB securities from time to time. CCASS Investor Participants who wish to settle the payment in relation to their trades in the RMB traded

Units using their CCASS Investor Participant account or to receive distributions in RMB should make sure that they have set up an RMB designated bank account with CCASS.

Investors intending to purchase RMB traded Units from the secondary market should consult their stockbrokers as to the RMB funding requirement and settlement method for such purchase. Investors may need to open and maintain securities dealing accounts with the stockbroker first before any dealing in Units traded in either HKD or RMB can be effected.

Investors should ensure they have sufficient CNH to settle the trades of Units traded in RMB. 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 transfer 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.

The transaction costs of dealings in the Units on the SEHK include the trading fee payable to HKEX, Commission's transaction levy and Accounting and Financial Reporting Council ("AFRC") transaction levy. All these secondary trading related fees and charges will be collected in Hong Kong dollars and in respect of Units traded in RMB calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEx's website by 11:00 a.m. on each trading day.

Investors should consult their own brokers or custodians as to how and in what currency the trading related fees and charges and brokerage commission should be paid by the investors.

Where payment in RMB is to be made by cheque, investors are advised to consult the bank at which their respective RMB bank accounts are opened in advance whether there are any specific requirements in relation to the issue of RMB cheques. In particular, investors should note that some banks have imposed an internal limit (usually RMB80,000) on the balance of RMB cheque account of their clients or the amount of cheques that their clients can issue in a day and such limit may affect an investor's arrangement of funding for an application (through a Participating Dealer) for creation of Units.

When an individual investor who is a Hong Kong resident opens an RMB bank account or settle RMB payments, he or she will be subject to the daily maximum remittance amount to the PRC mainland is RMB80,000 and a remittance service is only available to an RMB deposit account-holder who remits from his or her RMB deposit account to the PRC mainland and provided that the account name of the account in the PRC mainland is identical with that of the RMB bank account with the bank in Hong Kong.

On the other hand, an individual investor who is a non-Hong Kong resident may open an RMB bank account in Hong Kong and may exchange other currencies for RMB without any limit. However, non-Hong Kong residents may not remit RMB to the PRC mainland unless approval is obtained pursuant to PRC mainland rules and regulations.

Please refer to section "***11.3 Renminbi related risks***" of this Appendix on risks associated with Renminbi.

10A RENMINBI EQUITY TRADING SUPPORT FACILITY ("TSF")

The TSF was launched on 24 October 2011 by the HKEx to provide a facility to enable

investors who wish to buy RMB-traded shares (RMB shares) in the secondary market with Hong Kong dollars if they do not have sufficient RMB or have difficulty in obtaining RMB from other channels. The coverage of TSF has been extended to equity-related exchange traded funds and real estate investment trusts traded in RMB with effect from 6 August 2012. As such, the TSF is currently available to investors who wish to invest in the CSOP A50 ETF and trading in RMB on the SEHK. For further details on the TSF, please refer to the website of HKEx at https://www.hkex.com.hk/Global/Exchange/FAQ/Featured/RMB-Readiness-and-Services/RMB-Equity-Trading-Support-Facility?sc_lang=en. Investors should consult their advisers if they have any query on the TSF.

11. RISK FACTORS RELATING TO THE CSOP A50 ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP A50 ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP A50 ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP A50 ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

11.1 Chinese Mainland market/China A-Share market risks

Chinese Mainland market/Single country investment. Insofar as the CSOP A50 ETF invests substantially in securities issued in Chinese Mainland, it will be subject to risks inherent in the Chinese Mainland market and additional concentration risks. Please refer to the risk factors under section "***4.1 Risk Factors relating to Chinese Mainland***" and section "***4.2 Investment risks***" under headings "***Restricted markets risk***", "***Emerging Market Risk***" and "***Single country risk***" in Part 1 of this Prospectus.

Risks relating to dependence upon trading on China A-Share market. The existence of a liquid trading market for China A-Shares may depend on whether there is supply of, and demand for, such China A-Shares. The price at which the Index Securities may be purchased or sold by the CSOP A50 ETF and the Net Asset Value of the CSOP A50 ETF may be adversely affected if trading markets for China A-Shares are limited or absent. Investors should note that the SZSE and the SSE on which China A-Shares are traded are undergoing development and the market capitalisation of, and trading volumes on, those stock exchanges are lower than those in more developed markets. The China A-Share market may be more volatile and unstable (for examples due to the risk of suspension of a particular stock or government intervention) than those in more developed markets. A Participating Dealer may not be able to create and redeem Units if any Index Securities are not available. Market volatility and settlement difficulties in the China A-Share markets may also result in significant fluctuations in the prices of the Index Securities traded on such markets and thereby may affect the value of the CSOP A50 ETF.

Risks relating to suspension of the China A-Share market. Securities exchanges in

Chinese Mainland typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible for the Manager to liquidate positions and can thereby expose the CSOP A50 ETF to losses. Under such circumstances, while creation/ redemption of the CSOP A50 ETF's Units may be suspended, subject to the Manager's discretion, the trading of the CSOP A50 ETF on the SEHK may or may not be suspended. If some of the China A-Shares comprising the Underlying Index are suspended, it may be difficult for the Manager to determine the Net Asset Value of the CSOP A50 ETF. Where a significant number of the China A-Shares comprising the Underlying Index are suspended, the Manager may determine to suspend the creation and redemption of Units of the CSOP A50 ETF, and/or delay the payment of any monies in respect of any Redemption Application. If the trading of the CSOP A50 ETF on the SEHK continues when the China A-Share market is suspended, the trading price of the CSOP A50 ETF may deviate away from the Net Asset Value.

As a result of the trading band limits imposed by the stock exchanges in Chinese Mainland on China A-Shares, it may not be possible for Participating Dealers to create and/or redeem Units on a Business Day, because Index Securities may not be available if the trading band limit has been exceeded for such Index Securities or it is impossible to liquidate positions. This may lead to higher tracking error and may expose the CSOP A50 ETF to losses. Further, the price of the Units of the CSOP A50 ETF may be traded at a premium or discount to its Net Asset Value. The Manager has put in place measures to tackle the trading band limit as disclosed under section "***9.5 Measures Adopted by the Manager to Address the Differences between the China A-Share Market and the Hong Kong Market***" in this Appendix.

Risks relating to the differences between the Hong Kong and Chinese Mainland stock markets. As the SZSE and the SSE may be open when Units in the CSOP A50 ETF are not priced, the value of the Index Securities in the CSOP A50 ETF's portfolio may change on days when investors will not be able to purchase or sell the CSOP A50 ETF's Units. Furthermore, the market prices of Index Securities listed on the above stock exchanges may not be available during part of or all of the SEHK trading sessions due to trading hour differences which may result in Units of the CSOP A50 ETF being traded at a premium or discount to its Net Asset Value.

In addition, differences in trading hours between the SSE and SZSE and the SEHK may increase the level of premium/discount of the price of Units of the CSOP A50 ETF to its Net Asset Value because if the SSE and/or SZSE is closed while the SEHK is open, the Underlying Index level may not be available. The prices quoted by the market maker would therefore be adjusted to take into account any accrued market risk that arises from such unavailability of the Underlying Index level and as a result, the level of premium or discount of the Unit price of the CSOP A50 ETF to its Net Asset Value may be higher.

There are no trading band limits in Hong Kong. However, trading band limits are imposed by the stock exchanges in Chinese Mainland on China A-Shares, where trading in any China A-Share security on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit during the day. Any dealing suspension of a China A-Share security will render it impossible for the CSOP A50 ETF to acquire the Index Security or liquidate positions to reflect creation/redemption of the Units.

This may result in higher tracking error and may expose the CSOP A50 ETF to losses. Units of the CSOP A50 ETF may also be traded at a significant premium or discount to its Net Asset Value.

11.2 Risks associated with the ChiNext market

Since the CSOP A50 ETF invests in securities in the ChiNext market, it will be subject to the following risks associated with the ChiNext market:

Risk relating to overvaluation of stocks. Securities listed on the ChiNext market may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Risk relating to the differences in regulations. The rules and regulations in relation to the issuance and listing of the securities in the ChiNext market are less stringent in terms of profitability and share capital than those in the main board market of SZSE. For example, a company seeking listing on the main board market of SZSE must have been profitable in the last three consecutive years with net profits no less than RMB 30 million in aggregate whereas for a company seeking listing on the ChiNext market, it is only required to be profitable in the most recent two consecutive years, with accumulated profits no less than RMB 10 million and in continued growth; or the issuer must have been profitable in the most recent year with net profits of no less than RMB 5 million and revenues of no less than RMB 50 million, and its revenue growth rate for either of the most recent two years must have been no less than 30%. Companies listed on the ChiNext market thus, have less track record of profitability than companies listed on the main board of SZSE. Given the emerging nature of companies listed on the ChiNext market, there is a risk that the securities traded on ChiNext market may be susceptible to higher market volatility compared to securities traded on the main board market of SZSE.

Risk of delisting. It may be more common and faster for companies listed on the ChiNext market to delist. The ChiNext market has stricter criteria for delisting compared to the main boards. Hence, in more extreme circumstances, they are more susceptible to falling within one of the scenarios for delisting and consequently being de-listed by the SZSE. This may have an adverse impact on the CSOP A50 ETF if the companies that it invests in are delisted.

Operational risk. Listed companies in the ChiNext market (e.g. innovative or SME) are usually in their preliminary stage of development with smaller operating scale and shorter operating history, less mature business model and weaker risk management capacity, and their businesses are usually subject to higher uncertainty and more fluctuations in their performance. Therefore its stability and resistance to market risks may be lower. These instability and uncertainties may have an adverse impact on the CSOP A50 ETF which invests into companies that are listed on the ChiNext market.

Risk associated with the fluctuation in stock prices. Since the companies listed on the ChiNext market usually have a smaller scale and shorter operating history, their ability to resist market risks is lower, and hence their stock prices may experience a higher fluctuation as the performance of these companies changes. In extreme circumstances where the trading price of the stock has hit the trading band limit, trading of the stock will be suspended. A suspension will render it impossible for the CSOP A50 ETF to liquidate positions and will therefore expose the CSOP A50 ETF to

significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the CSOP A50 ETF to liquidate positions at a favourable price. Conventional valuation methods may not be entirely applicable to companies listed on the ChiNext market due to the risky nature of the industries that these companies operate in. There are fewer circulating shares on the ChiNext market, hence stock prices may be relatively more easily manipulated and may experience higher fluctuation upon market speculation.

Risk associated with the technical failures. The companies listed on the ChiNext market have an industries focus on scientific development, innovation and media industries. Since this is an area with rapid development, if there are failures in the process of the scientific development which such companies are involved in and/or any major adverse events happening in the industries or their development, this may result in losses in such companies and hence may have an adverse impact on the CSOP A50 ETF if the CSOP A50 ETF invests in those companies.

Concentration risk. Companies listed on the ChiNext market are usually in their preliminary stage of development with smaller operating scale and shorter operating history (e.g. innovative or SME), therefore its stability and resistance to market risks may be lower. As such, it may be subject to greater volatility than broad-based funds.

11.3 Risks associated with investment in FDIs

The CSOP A50 ETF's synthetic representative sampling strategy will involve investing up to 50% of its Net Asset Value in FDIs, which will only be direct investment in funded total return swap transaction(s) through one or more counterparty(ies). The CSOP A50 ETF may also invest in FDIs for hedging purposes. As such, the CSOP A50 ETF 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 CSOP A50 ETF. Exposure to FDIs may lead to a high risk of significant loss by the CSOP A50 ETF.

Please refer to the risk factor under section "***4.2 Investment risks***" under the heading "***Financial Derivative Instruments and Collateral Risks***" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the CSOP A50 ETF will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the CSOP A50 ETF. Please also refer to the headings "Financial Derivative Instruments" and "Collateral" under Schedule 1 in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

11.4 Renminbi related risks

Renminbi currency risk. RMB is currently not a freely convertible currency as it is subject to foreign exchange control and fiscal policies of and repatriation restrictions imposed by the Chinese government. If such policies change in future, the CSOP A50 ETF's or the investors' position may be adversely affected. Please refer to the risk factor headed "***Renminbi Exchange Risk***" under section "***4.1 Risk Factors relating to Chinese Mainland***" in Part 1 of the Prospectus.

Primary market investors must subscribe for Units of the CSOP A50 ETF and will receive redemption proceeds in RMB. Since the CSOP A50 ETF is denominated in RMB, non-RMB based investors are exposed to fluctuations in the RMB exchange rate against their base currencies and may incur substantial capital loss due to foreign exchange risk. There is no assurance that RMB will not be subject to devaluation, in which case the value of their investments will be adversely affected. If investors wish or intend to convert the redemption proceeds or dividends (in RMB on both HKD traded Units and RMB traded Units) paid by the CSOP A50 ETF or sale proceeds (in RMB on RMB traded units) into a different currency, they are subject to the relevant foreign exchange risk and may suffer losses from such conversion as well as associated fees and charges.

Offshore RMB Market risk. The onshore RMB ("**CNY**") is the only official currency of the PRC mainland and is used in all financial transactions between individuals, state and corporations in the PRC mainland ("**Onshore RMB Market**"). Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC mainland ("**Offshore RMB Market**"). Since June 2010, the offshore RMB ("**CNH**") is traded officially, regulated jointly by the Hong Kong Monetary Authority and the PBOC. As a result of the controls on cross-border transfers of Renminbi between Hong Kong and Chinese Mainland, the Onshore RMB Market and the Offshore RMB Market are, to an extent, segregated, and each market may be subject to different regulatory requirements that are applicable to the Renminbi. The CNY may therefore trade at a different foreign exchange rate compared to the CNH. Due to the strong demand for offshore RMB, CNH used to be traded at a premium to onshore RMB, although occasional discount may also be observed. The CSOP A50 ETF's investments may potentially be exposed to both the CNY and the CNH, and the CSOP A50 ETF may consequently be exposed to greater foreign exchange risks and/or higher costs of investment (for example, when converting other currencies to the Renminbi at the CNH rate of exchange).

However, the current size of RMB-denominated financial assets outside the PRC mainland is limited. At the end of 31 October 2014, the total amount of RMB (CNH) deposits held by institutions authorised to engage in RMB banking business in Hong Kong amounted to approximately RMB943.6 billion. In addition, participating authorised institutions are required by the Hong Kong Monetary Authority to maintain a total amount of RMB assets (in the form of, inter alia, cash and the institution's settlement account balance with the Renminbi clearing bank, holding of RMB sovereign bonds issued in Hong Kong by the PRC Ministry of Finance and bond investment through the PRC mainland interbank bond market) 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. The Renminbi clearing bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions.

Although it is expected that the Offshore RMB Market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC mainland laws and regulations on foreign exchange. There is no assurance that new PRC mainland laws and regulations will not be promulgated, terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC mainland may affect the liquidity of the CSOP A50 ETF. 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.

*Offshore RMB ("**CNH**") Remittance Risk*. RMB is not freely convertible at present. The PRC mainland government continues to regulate conversion between RMB and foreign currencies despite the significant reduction over the years by the PRC mainland government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in June 2010 to cover 20 provinces and municipalities in the PRC mainland and to make RMB trade and other current account item settlement available in all countries worldwide. On 25 February 2011, the Ministry of Commence ("**MOFCOM**") promulgated the Circular on Issues concerning Foreign Investment Management（商務部關於外商投資管理工作有關問題的通知） (the "**MOFCOM Circular**"). The MOFCOM Circular states that if a foreign investor intends to make investments in the PRC mainland (whether by way of establishing a new enterprise, increasing the registered capital of an existing enterprise, acquiring an onshore enterprise or providing loan facilities) with RMB that it has generated from cross-border trade settlement or that is lawfully obtained by it outside the PRC mainland, MOFCOM's prior written consent is required. While the MOFCOM Circular expressly sets out the requirement of obtaining MOFCOM's prior written consent for remittance of RMB back in the PRC mainland by a foreign investor, the foreign investor may also be required to obtain approvals from other PRC mainland regulatory authorities, such as the PBOC and SAFE, for transactions under capital account items. As the PBOC and SAFE have not promulgated any specific PRC mainland regulation on the remittance of RMB into the PRC mainland for settlement of capital account items, foreign investors may only remit offshore RMB into the PRC mainland for capital account purposes such as shareholders' loan or capital contribution upon obtaining specific approvals from the relevant authorities on a case-by-case basis. There is no assurance that the PRC mainland government will continue to gradually liberalise the control over cross-border RMB remittances in the future, that the pilot scheme introduced in July 2009 (as extended in June 2010) will not be discontinued or that new PRC mainland regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of RMB into or outside the PRC mainland. Such an event could have a severe adverse effect on the operations of the CSOP A50 ETF, including limiting the ability of the CSOP A50 ETF to redeem and pay

the redemption proceeds in RMB and the ability of Participating Dealers to create or redeem in cash and so to settle in RMB to their underlying clients. In addition, such restrictions could cause Units to trade on the SEHK at a significant discount to the Net Asset Value per Unit.

Currently the Bank of China (Hong Kong) Limited is the only clearing bank for offshore RMB in Hong Kong. A clearing bank is an offshore bank that can obtain RMB funding from the PBOC to square the net RMB positions of other participating banks. In February 2004, Bank of China (Hong Kong) Limited launched its RMB clearing services following its appointment by the PBOC. Remittance of RMB funds into Chinese Mainland may be dependent on the operational systems developed by the Bank of China (Hong Kong) Limited for such purposes, and there is no assurance that there will not be delays in remittance.

11.5 Risks relating to the QFI regime

QFI risk. The CSOP A50 ETF is not a QFI but may obtain access to China A-Shares, or other permissible investments directly using QFI status of a QFI. The CSOP A50 ETF may invest directly in QFI eligible securities investment via the QFI status of the Manager.

Investors should note that QFI status could be suspended or revoked, which may have an adverse effect on the CSOP A50 ETF's performance as the CSOP A50 ETF may be required to dispose of its securities holdings. In addition, certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on the CSOP A50 ETF's liquidity and performance.

SAFE regulates and monitors the repatriation of funds out of the PRC mainland by the QFI pursuant to the "Regulations on Funds of Domestic Securities and Futures Investment by Foreign Institutional Investors" issued by the PBOC and the SAFE on 7 May 2020 and effective from 6 June 2020 (《境外機構投資者境內證券期貨投資資金管理規定》)(the "**QFI Fund Regulations**"). Repatriations by QFIs in respect of an open-ended fund utilizing the QFI status (such as the CSOP A50 ETF) conducted in RMB are currently permitted daily and are not subject to repatriation restrictions or prior approval from the SAFE, although authenticity and compliance reviews will be conducted by the PRC Custodian, and monthly reports on remittances and repatriations will be submitted to SAFE by the PRC Custodian. There is no assurance, however, that PRC mainland rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Further, such changes to the PRC mainland rules and regulations may take effect retrospectively. Any restrictions on repatriation of the invested capital and net profits may impact on the CSOP A50 ETF's ability to meet redemption requests from the Unitholders. Furthermore, as the Custodian's or the PRC Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the Custodian or the PRC Custodian in case of non-compliance with the QFI Regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Unitholder as soon as practicable, and within 3 Business Days, and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Manager's control.

SAFE is vested with the power to impose regulatory sanctions if the QFI or the

PRC Custodian violates any provision of the QFI Fund Regulations. Any violations could result in the revocation of the QFI status or other regulatory sanctions.

Investors should note that there can be no assurance that a QFI will continue to maintain its QFI status, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations, or that dealings of the CSOP A50 ETF will not be suspended. In extreme circumstances, the CSOP A50 ETF may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to QFI investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The current QFI laws, rules and regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the QFI laws, rules and regulations will not be abolished. The CSOP A50 ETF, which invests in the PRC mainland markets through a QFI, may be adversely affected as a result of such changes.

Application of QFI rules. The QFI Regulations described under section "***7. Qualified Foreign Investor (QFI)***" in this Appendix have been greatly changed recently and there may be uncertainties as to its operation and development. The application of the rules may depend on the interpretation given by the relevant Chinese authorities. The Chinese authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future.
Any changes to the relevant rules may have an adverse impact on investors' investment in the CSOP A50 ETF. In the worst scenario, the Manager may determine that the CSOP A50 ETF shall be terminated if it is not legal or viable to operate the CSOP A50 ETF because of changes to the application of the relevant rules.

QFI systems risk. The current QFI Regulations include rules on investment restrictions applicable to the CSOP A50 ETF.

In the event of any default of the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC mainland, the CSOP A50 ETF may encounter delays in recovering its assets which may in turn impact the Net Asset Value of the CSOP A50 ETF.

Risks relating to liquidity of Index Securities. Due to the potential liquidity constraint of the underlying Index Securities, the Manager may not be able to efficiently process the transactions for the Creation and Redemption Applications without adverse impact on the fund value of the CSOP A50 ETF, therefore the existing investors' interest. Accordingly, the Manager may impose a limit on the total number of Units to be created or redeemed each day.

PRC Custodian risk. The Trustee shall take into its custody or under its control property of the CSOP A50 ETF and hold it on trust for Unitholders. The assets held/credited in the securities account(s) are segregated and independent from the proprietary assets of the PRC Custodian. However, investors should note that, under PRC mainland law, cash deposited in the cash account(s) of the CSOP A50 ETF with the PRC Custodian (which is/are maintained in the joint names of

the Manager (as the QFI Holder) and the CSOP A50 ETF) will not be segregated but will be a debt owing from the PRC Custodian to the CSOP A50 ETF as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the CSOP A50 ETF will not have any proprietary rights to the cash deposited in such cash account(s), and the CSOP A50 ETF will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the PRC Custodian. Please refer to the disclosure on the opinion from PRC mainland legal counsel in section "***7. Qualified Foreign Investor (QFI)***" in this Appendix. Whilst the opinion from PRC mainland legal counsel indicates the legal position based on understanding of current PRC mainland laws, such opinion may not be conclusive; and ultimately the interpretation and operation of the relevant PRC mainland laws and regulations depend on the judicial and/or regulatory authorities of the PRC mainland.

The CSOP A50 ETF may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the CSOP A50 ETF will suffer.

PRC mainland brokerage risk. The execution of transactions may be conducted by PRC Mainland Broker(s) appointed by the Manager as a QFI. More than one PRC Mainland Broker can be appointed in respect of each stock exchange in the PRC mainland. If the Manager is unable to use its designated PRC Mainland Broker in the PRC mainland, the operation of the CSOP A50 ETF will be adversely affected and may cause Units of the CSOP A50 ETF to trade at a premium or discount to its Net Asset Value or the CSOP A50 ETF may not be able to track the Underlying Index. Further, the operation of the CSOP A50 ETF may be adversely affected in case of any acts or omissions of the PRC Mainland Broker, which may result in a higher tracking error or the CSOP A50 ETF being traded at a significant premium or discount to its Net Asset Value.

If a single PRC Mainland Broker is appointed, the CSOP A50 ETF may not necessarily pay the lowest commission available in the market. The QFI Holder however, in the selection of PRC Mainland Brokers will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards.

There is a risk that the CSOP A50 ETF may suffer losses from the default, bankruptcy or disqualification of the PRC Mainland Brokers. In such event, the CSOP A50 ETF may be adversely affected in the execution of any transaction. As a result, the net asset value of the CSOP A50 ETF may also be adversely affected.

Subject to the applicable laws and regulations, the Manager will make arrangements to satisfy itself that the PRC Mainland Brokers have appropriate procedures to properly segregate the CSOP A50 ETF's securities from those of the relevant PRC Mainland Brokers.

11.5A Risks associated with Stock Connect

The CSOP A50 ETF may invest through the Stock Connect and is subject to the following additional risks:

Quota limitations risk. The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the CSOP A50 ETF's ability to invest in the eligible securities through the Stock Connect on a timely basis, and the CSOP A50 ETF may not be able to effectively pursue its investment strategies.

Suspension risk. It is contemplated that each of the SEHK, the SSE and the SZSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the Stock Connect is effected, the CSOP A50 ETF's ability to access the PRC mainland market will be adversely affected.

Differences in trading day. The Stock Connect only operates on days when both the PRC mainland (SSE and SZSE) and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC mainland market but Hong Kong investors (such as CSOP A50 ETF) cannot carry out any trading via the Stock Connect. The CSOP A50 ETF may be subject to a risk of price fluctuations in the relevant securities during the time when the Stock Connect is not trading as a result.

Operational risk. The Stock Connect provides a channel for investors from Hong Kong and overseas to access the Chinese Mainland stock market directly.

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("**China Stock Connect System**") was set up by the SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The CSOP A50 ETF's ability to access the Chinese Mainland market (and hence to pursue its investment strategy) will be adversely affected.

Restrictions on selling imposed by front-end monitoring risk. PRC mainland regulations require that before an investor sells any SSE Securities and/or SZSE Securities, there should be sufficient SSE Securities or SZSE Securities (as the case may be) in the account; otherwise the SSE or the SZSE will reject the sell order concerned. The SEHK will carry out pre-trade checking on SSE Securities and SZSE Securities sell orders of its participants (i.e. the stock brokers) to ensure there is no over- selling.

If the CSOP A50 ETF desires to sell certain SSE Securities and/or SZSE Securities it holds, it must transfer such SSE Securities or SZSE Securities (as the case may be) to the respective accounts of its brokers before the market opens on the day of selling ("**trading day**"). If it fails to meet this deadline, it will not be able to sell SSE Securities or SZSE Securities on the trading day. Because of this requirement, the CSOP A50 ETF may not be able to dispose of holdings of SSE Securities or SZSE Securities in a timely manner.

Recalling of eligible securities risk. When a security is recalled from the scope of eligible securities for trading via the Stock Connect, the security can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the CSOP A50 ETF, for example, when the Manager wishes to purchase a security which is recalled from the scope of eligible securities.

Clearing and settlement risk. The HKSCC and ChinaClear have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross- boundary trades initiated in a market, the clearing house of that market would on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC mainland's securities market, ChinaClear operates a comprehensive network of clearing, settlement and security holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding securities and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the CSOP A50 ETF may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Nominee arrangements in holding SSE Securities and SZSE Securities risk. HKSCC is the "nominee holder" of the SSE Securities and the SZSE Securities acquired by Hong Kong and overseas investors through the Stock Connect.

The CSRC Stock Connect Rules expressly provide that investors enjoy the rights and benefits of SSE Securities and SZSE Securities acquired through the Stock Connect in accordance with applicable laws.

The CSRC Stock Connect Rules are departmental regulations having legal effect in the PRC mainland. However, the application of such rules is untested, and there is no assurance that PRC mainland courts will recognise such rules, e.g. in liquidation proceedings of PRC mainland companies.

It should be noted that, under the HKSCC Rules, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE Securities and the SZSE Securities in the PRC mainland or elsewhere. Therefore, although the CSOP A50 ETF's ownership may be ultimately recognised, the CSOP A50 ETF may suffer difficulties or delays in enforcing its rights in SSE Securities and SZSE Securities.

Participation in corporate actions and shareholders' meetings risk. HKSCC will keep CCASS participants informed of corporate actions of SSE Securities and SZSE Securities. Hong Kong and overseas investors (including the CSOP A50 ETF) 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 CSOP A50 ETF may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the CSOP A50 ETF) are holding SSE Securities and SZSE Securities traded via the Stock Connect program through their brokers or custodians. According to existing mainland practice, multiple proxies are not available. Therefore, the CSOP A50 ETF may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE Securities and the SZSE Securities.

No Protection by Investor Compensation Fund. Investment through Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers in their obligations. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund also covers investors' losses in relation to securities traded on a stock market operated by the SSE and the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the CSOP A50 ETF is carrying out Northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland. Therefore the CSOP A50 ETF is exposed to the risks of default of the broker(s) it engages in its trading in SSE Securities and SZSE Securities through the programme.

Regulatory risk. The Stock Connect is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC mainland and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

It should be noted that the regulations are untested and there is no certainty as

to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The CSOP A50 ETF, which may invest in the PRC mainland markets through the Stock Connect, may be adversely affected as a result of such changes.

Taxation risk. On 14 November 2014, the Ministry of Finance and the State of Administration of Taxation have jointly promulgated Caishui [2014] No.81 ("**Notice No.81**") in relation to the taxation rule on the Stock Connect. Under Notice No.81, with effect from 17 November 2014, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the CSOP A50 ETF) on the trading of China A-Shares through the Stock Connect. However, dividends will be subject to 10% withholding tax and the company distributing the dividend has the withholding obligation. If the recipient of the dividend is entitled to a lower treaty rate, it can apply to the in-charge tax bureau of the payor for a refund. Investments in the CSOP A50 ETF may be subject to the risks associated with changes in the PRC mainland tax laws and such changes may have retrospective effect and may adversely affect the CSOP A50 ETF.

11.6 Dual Counter Trading risks

Dual Counter risk. Investors without RMB accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell RMB traded Units and should note that distributions are made in RMB only. As such investors may suffer a foreign exchange loss and incur foreign exchange associated fees and charges to receive their dividend.

Inter-counter trading risk. Although an investor may buy from one counter and sell the same on the other counter in the same day, it is possible that some brokers/intermediaries and CCASS Participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade units in both RMB counter and HKD counter at the same time. In such case (i) to (ii), another broker, intermediary or CCASS Participant may need to be used. This may inhibit or delay dealing in both RMB traded Units and HKD traded Units and may mean investors may only be able to trade their Units in one currency. Investors are recommended to check the readiness of their brokers/intermediaries in respect of the Dual Counter trading and inter-counter trading.

Investors should therefore consult their brokers/intermediaries on the services that the brokers/intermediaries may provide in this regard along with the associated risks and fees. In particular, some brokers/intermediaries may not have in place systems and controls to facilitate inter-counter trading and/or inter-counter day trades.

Difference in trading prices risk. There is a risk that due to different factors such as market liquidity, market supply and demand in the respective counters and the exchange rate between RMB and HKD (in both onshore and offshore markets), the market price on the SEHK of Units traded in HKD may deviate significantly from the market price on the SEHK of Units traded in RMB. The trading price of HKD traded Units or RMB traded Units 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 HKD or buying Units traded

in HKD, an investor may receive less or pay more than the equivalent amount in RMB if the trade of the relevant Units is in RMB and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Currency exchange risk. Investors who bought Units on the HKD counter may be subject to currency exchange risk as the assets of the CSOP A50 ETF are denominated in RMB and the Net Asset Value of the CSOP A50 ETF will be calculated in RMB.

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.

11.7 Risks relating to RMB dealing, trading and settlement

Primary market:

Non-RMB or Late Settlement Redemption Risk. Currently, RMB cannot be freely remitted into the PRC mainland and such remittance is subject to certain restrictions. In the event that the remittance of RMB from Hong Kong to the PRC mainland is disrupted, this may impact on the ability of the CSOP A50 ETF to acquire the Index Securities. This in turn may result in tracking error and the CSOP A50 ETF may not be able to fully replicate the Underlying Index in such circumstance.

On the other hand, 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 Hong Kong dollars 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 receive settlement in RMB on a delayed basis or may not be able to receive redemption proceeds in RMB (i.e. such proceeds may be paid in US dollars or Hong Kong dollars).

Secondary market:

RMB Trading and Settlement of Units Risk. There is no assurance that there will not be any problem with the trading and settlement systems of RMB-denominated securities in Hong Kong or that other logistical problems will not arise. The trading of the RMB traded Units and settlement in RMB may not be capable of being implemented as envisaged.

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, some stockbrokers 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, there is no assurance of their readiness for

dealing in RMB denominated securities. Investors should note that not all stockbrokers may be ready and able to carry out trading of RMB traded Units of the CSOP A50 ETF and settlement in RMB and thus they may not be able to deal in the Units through some stockbrokers. Investors should check with their brokers/intermediaries in advance if they intend to engage Dual Counter trading or in inter-counter trading and should fully understand the services which the relevant broker/ intermediary is able to provide (as well as any associated fees). Some exchange participants may not provide inter-counter trading or Dual Counter trading services.

In addition, the liquidity and trading price of the RMB traded Units of the CSOP A50 ETF may be adversely affected by the limited availability of RMB outside the PRC mainland and the restrictions on the conversion between foreign currency and the RMB. This may result in the CSOP A50 ETF trading at a significant premium/discount to its Net Asset Value.

11.8 Risks relating to the nature of product

Risks in light of the cross-border nature of the CSOP A50 ETF. CSOP A50 ETF being an RMB-denominated physical exchange traded fund that directly invests in China A-Share market (which is inherently a market with restricted access) is a relatively new type of product, i.e. exchange traded fund denominated in RMB and invests in the PRC mainland market under the QFI regime. In light of the cross-border nature of the CSOP A50 ETF, it is more risky than traditional exchange traded funds which invest directly in markets other than the China A- Share market and therefore, is subject to operational and settlement risks. Operational risks may arise from technical failures of communication and trading systems, and any breaches of the relevant operational policies or guidelines by the relevant staff of the Manager. Whilst the Manager has in place internal control systems, operational guidelines and contingency procedures to reduce the chances of such operational risks, there is no guarantee that events beyond the control of the Manager (e.g. trading errors or system errors) will not occur. The occurrence of such events may adversely affect the value of the CSOP A50 ETF.

To the extent that the CSOP A50 ETF transacts in the China A-Share market, the CSOP A50 ETF may also be exposed to risks associated with settlement procedures. Any significant delays in the settlement of transactions or the registration of a transfer may affect the ability to ascertain the value of the CSOP A50 ETF's portfolio and adversely affect the CSOP A50 ETF.

Reliance on parent company. The Manager may substantially tap into its PRC mainland parent company's relevant infrastructure and expertise to support its operation of the CSOP A50 ETF in Hong Kong. While the PRC mainland parent company of the Manager has sufficient experience and expertise in managing and operating physical China A-Share exchange traded funds listed and traded in Chinese Mainland, there is no assurance that the CSOP A50 ETF will be operated as envisaged. Any disruption in the assistance from the Manager's parent company may adversely affect the operations of the CSOP A50 ETF.

11.9 Risks relating to the Underlying Index of CSOP A50 ETF

Risks relating to the Underlying Index. The CSOP A50 ETF may be subject to

the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's license from the Index Provider under the relevant licence agreement is terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. Please refer to section "***16. Replacement of Underlying Index"*** below on the circumstances in which the Underlying Index may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP A50 ETF's investment objective.

The Manager has been granted a licence by FTSE International Limited ("FTSE") to use the Underlying Index as a basis for determining the composition of the CSOP A50 ETF and to use certain trade marks in the Underlying Index. The licence granted is for an initial term of two years commencing from the date of the agreement (i.e.15 February 2012), and thereafter automatically renewed for successive one year periods unless terminated pursuant to the agreement. There is no guarantee that the licence agreement will be perpetually renewed.

In addition, the compilation of the Underlying Index is based on the data license agreement between FTSE and SSE and SZSE respectively. The respective data license agreement is automatically renewed for successive one year periods unless terminated pursuant to such agreement. There is no guarantee that the data licence agreement will be perpetually renewed. If such data license agreement is not renewed, the Underlying Index may be discontinued.

The CSOP A50 ETF may be terminated if the Underlying Index is discontinued and/or the Index licence agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria under Chapter 8.6(e) of the Code. Any such replacement index will be subject to the prior approval of the Commission under the Code and Unitholders will be duly notified of the same. Accordingly, investors should note that the ability of the CSOP A50 ETF to track the Underlying Index depends on the continuation in force of the index licence agreement in respect of the Underlying Index or a suitable replacement. The CSOP A50 ETF may also be terminated if the Underlying Index ceases to be compiled or published and there is no replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index.

The Manager and the Index Provider may by mutual agreement terminate or postpone the parties' obligations under the Index licence agreement upon the occurrence of a force majeure event such that the terms of the Index licence agreement can no longer be performed. There is no guarantee or assurance of exact or identical replication at any time of the performance

of the relevant Underlying Index.

For further information on the grounds for terminating the license agreement in respect of the Underlying Index, please refer to section "***14. Index Licence Agreement***" in this Appendix 1.

(ii) There may be changes in the constituent securities of the Underlying Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the CSOP A50 ETF, the Manager may rebalance the composition of a Basket. The price of the Units may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to the section "***17. The Underlying Index***" of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

11.10 Securities Lending Transactions Risks

Counterparty risk. The borrower may fail to return the securities in a timely manner or at all. The CSOP A50 ETF may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the CSOP A50 ETF's ability in meeting delivery or payment obligations from redemption requests.

Collateral risk. As part of the securities lending transactions, the CSOP A50 ETF must receive at least 100% of the valuation of the securities lent as collateral markedto-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 CSOP A50 ETF if the borrower fails to return the securities lent out. The CSOP A50 ETF may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.

Operational risk. By undertaking securities lending transactions, the CSOP A50 ETF is exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the CSOP A50 ETF's ability in meeting delivery or payment obligations from redemption requests.

11.11 Other risks

Operating risk. There is no assurance that the performance of the CSOP A50 ETF will be identical to the performance of the Underlying Index. The level of fees, taxes and expenses payable by the CSOP A50 ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the

CSOP A50 ETF can be estimated, the growth rate of the CSOP A50 ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP A50 ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under the section headed "***14.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP A50 ETF. On the termination of the CSOP A50 ETF, the CSOP A50 ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

Reliance on RMB Market Makers. Investors should note that Units of the CSOP A50 ETF on the RMB counter are traded and settled in RMB. There may be less interest by potential market makers making a market in Units denominated and traded in RMB. Furthermore, any disruption to the availability of RMB may adversely affect the capability of market makers in providing liquidity for the Units.

No Market in the Units Risk. Although the Units are to be listed on the SEHK and 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 traded in the RMB counter and one market maker for Units traded in the HKD counter, investors should be aware that 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 other exchange traded fund which are traded on the SEHK and which are based upon indices.

Termination of Market Maker Risk. A market maker may cease to act as a market maker for any counter of the CSOP A50 ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Units of the CSOP A50 ETF for each counter will be ninety (90) days. The liquidity for the RMB traded Units and HKD traded Units of the CSOP A50 ETF may be affected if there is no market maker for the RMB traded Units and the HKD traded Units respectively. The Manager will use its best endeavours to put in place arrangements so that that there is at least one market maker for the CSOP A50 ETF for each counter (although these market makers may be the same entity) to facilitate efficient trading of Units of the relevant trading currency (i.e. RMB and HKD). It is possible that there is only one SEHK market maker for each counter of the CSOP A50 ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity Risk. Units will be a new security and following listing on the SEHK, it is unlikely that the Units will initially be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. There are also a number of limitations on the conversion of RMB. These factors may affect the amount of RMB available for investors to invest in Units on the SEHK and accordingly adversely affect the market demand for the Units. In turn this may affect the liquidity and trading price of the Units in the secondary market. Therefore, Unitholders may not be able to sell their Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the

intrinsic value of the Units.

Investment in other CISs risk. The CSOP A50 ETF may invest up to 10% of its Net Asset Value in other CISs. The fees and costs charged in respect of such CISs will be borne by the CSOP A50 ETF. Although the Manager will only invest in these CISs if it considers that doing so is in the best interest of the CSOP A50 ETF and its Unitholders, there is no guarantee that these CISs will achieve their respective investment objectives and any tracking error of these CISs will also contribute to the tracking error of the CSOP A50 ETF. Further, although the Manager will only invest in other CISs that track indices that have a high correlation with the Underlying Index of the CSOP A50 ETF, the difference of the underlying constituents between the indices tracked by the relevant CISs and the Underlying Index may also contribute to tracking error. In addition, the tax provision made by the other CISs may be more or less than the their actual Chinese Mainland tax liabilities. Any shortfall of such tax provision may adversely affect the performance of the other CISs.

Tracking error risk. Although the Manager will primarily adopt a full replication strategy to reduce tracking error, the Manager may also use representative sampling. As such there can be no assurance of exact or identical replication at any time of the performance of the Underlying Index. Factors such as the fees and expenses of the CSOP A50 ETF, imperfect correlation between the CSOP A50 ETF's assets and the Index Securities, inability to rebalance the CSOP A50 ETF's holdings of Index Securities in response to changes in the constituents of the Underlying Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. These factors may cause the CSOP A50 ETF's returns to deviate from the Underlying Index.

Risk relating to distributions paid out of capital. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP A50 ETF are charged to/paid out of the capital of the CSOP A50 ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP A50 ETF and therefore, the CSOP A50 ETF may effectively pay dividend out of the capital. **Investors should note that the payment of distributions out of or effectively out of capital represents a return or a withdrawal of part of the amount they originally invested or capital gain attributable to that amount. Any such distributions may result in an immediate reduction in the Net Asset Value per Unit of the CSOP A50 ETF.**

12. FEES AND CHARGES

12.1 Management Fees and Servicing Fees

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum of the Net Asset Value of the CSOP A50 ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

12.2 Trustee's and Registrar's Fee

The Trustee is entitled to receive a fee of up to 1% per annum of the Net Asset Value

of the CSOP A50 ETF. The current Trustee's fee is calculated at a rate up to 0.08% per annum of the Net Asset Value of the CSOP A50 ETF, accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

The Trustee's fee is inclusive of fees payable to the Custodian and the PRC Custodian.

The Trustee (acting as the Registrar) is also entitled to a fee of RMB 100 per Participating Dealer per transaction.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP A50 ETF all out-of-pocket expenses incurred.

12.3 Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HK$5,000 from the Manager. For any period less than a month, the reconciliation fee is payable by the Manager on a pro-rata basis and accrues on a daily basis.

12.4 Other Charges and Expenses of CSOP A50 ETF

Please refer to section "10.5 Other Charges and Expenses" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP A50 ETF.

12.5 Establishment costs of CSOP A50 ETF

Please refer to section "12.5 Establishment Costs" in Part 1 of this Prospectus on the establishment costs of the CSOP A50 ETF.

12.6 Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarized in the respective tables below:

12.6.1 Participating Dealers

Creation of Units by a Participating Dealer

Application Cancellation Fee	RMB8,500 per cancellation *(See Note 1)*
Extension Fee	RMB8,500 per extension *(See Note 1)*
Transaction Fee	Up to RMB12,000 per Application *(See Note 2)*
Service Agent's Fee	See Note 3
Stamp duty	Nil

Redemption of Units by a Participating Dealer

Application Cancellation Fee	RMB8,500 per cancellation *(See Note 1)*
Extension Fee	RMB8,500 per extension *(See Note 1)*
Transaction Fee	Up to RMB12,000 per Application *(See Note 2)*

Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges, and the market risks in constituting and liquidating the Basket(s) in relation to an Application.

12.6.2 Primary Market Investors creating or redeeming Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

12.6.3 Secondary Market Investors Dealing in Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% *(see Note 4 and Note 9)*
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015% *(see Note 5)*
Trading fee	0.00565% *(see Note 6 and Note 9)*
Stamp duty	Nil *(see Note 7)*
Investor compensation levy	0.002% (currently suspended) *(see Note 8)*

Note:

1. *The Application Cancellation Fee of RMB8,500 and the Extension Fee of RMB8,500 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.*

2. *A Transaction Fee of up to RMB12,000 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.*

3. *A Service Agent's Fee of HK$1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.*

4. *A transaction levy of 0.0027% of the trading price of the Units, payable by the buyer and the seller.*

5. *AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.*

6. *A trading fee of 0.00565% of the trading price of the Units, payable by the buyer and the seller.*

7. *For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the CSOP A50 ETF is transferred, stamp duty is waived pursuant*

to the Stamp Duty (Amendment) Ordinance 2015.

8. *The investor compensation levy of the trading price of the Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.*

9. *The transaction levy and trading fee will be paid by intermediaries to HKEx in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEx's website by 11:00 a.m. on each trading day.*

   Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of documents that are available for inspection.

13A. PUBLICATION OF INFORMATION RELATING TO CSOP A50 ETF

The following information relating to CSOP A50 ETF will be published on the Manager's website www.csopasset.com/etf[1]:–

- the near real-time indicative Net Asset Value per Unit of the CSOP A50 ETF during normal trading hours on the SEHK in RMB and HKD; and
- the last Net Asset Value of the CSOP A50 ETF in RMB only and, the last Net Asset Value per Unit of the CSOP A50 ETF in RMB and HKD.

The near real-time indicative Net Asset Value per Unit of CSOP A50 ETF in HKD denomination is indicative and for reference purposes only. This is updated during SEHK trading hours. The near real-time indicative Net Asset Value per Unit in HKD uses a real-time HKD:CNH 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:CNH foreign exchange rate provided by ICE Data Indices when the SEHK is opened for trading. The near real-time indicative Net Asset Value per Unit in HKD is updated every 15 seconds throughout the SEHK trading hours. Since the indicative NAV per Unit in RMB will not be updated when the underlying China A-Shares market is closed, any change in the indicative NAV 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 of CSOP A50 ETF in HKD is indicative and for reference purposes only and is calculated using the last Net Asset Value per Unit in RMB multiplied by an assumed foreign exchange rate using the CNH exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day. The official last Net Asset Value per Unit in RMB and the indicative last Net Asset Value per unit in HKD will not be updated when the underlying China A-Shares market is closed.

Please refer to the section headed "***14.14 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for other information that will be published on the Manager's website www.csopasset.com/etf[1].

14. INDEX LICENCE AGREEMENT

The Manager has been granted a non-exclusive, non transferable licence pursuant to index licence agreement dated 15 February 2012 (the "**Licence Agreement**") entered into between the Manager and FTSE, to use the Underlying Index (i.e. FTSE China A50 Index) in connection with the issue, operation, marketing, promotion and distribution of the CSOP A50 ETF.

The Licence Agreement has an initial term of two years and thereafter additional one year periods until terminated by either party under the circumstances listed below:

(a) FTSE may terminate the Licence Agreement forthwith if:

(i) the Manager breaches its obligation to comply with the terms of the United Kingdom Bribery Act 2010;

(ii) the Manger breaches its warranty under the Licence Agreement;

(iii) the Manager is convicted of any offence relating to the CSOP A50 ETF or to the trading of the Units of CSOP A50 ETF;

(iv) the Manager is found to be in material breach of any applicable laws, regulations or rules; or

(v) there is a change of control impacting on or in relation to the Manager.

(b) The Manager may terminate the Licence Agreement if a notice to increase charges is received from FTSE and the increase is greater than 15% of the total amount of charges subject to increase as they applied prior to the increase taking effect.

(c) Either party may terminate the Licence Agreement if:

(i) the other party breaches any term of the Licence Agreement and it is not possible to remedy the breach;

(ii) the other party commits any material breach of its obligations and fails to remedy the breach within 15 days of receipt of written notice requiring the same;

(iii) the other party suffers from an "insolvency event" (as defined in the Licence Agreement);

(iv) at least 3 months' prior written notice is given to the other party.

15. MATERIAL CHANGES TO THE INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

16. REPLACEMENT OF UNDERLYING INDEX

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;

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

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

(e) investing in the Index Securities comprised within the Underlying 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 Underlying Index having in the opinion of the Manager, deteriorated;

(h) a significant modification of the formula or calculation method of the Underlying 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 CSOP A50 ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to (i) the use by CSOP A50 ETF of the Underlying Index and/or (ii) the name of CSOP A50 ETF will be notified to investors.

17. THE UNDERLYING INDEX

Investors should note that the information set out below is based on publicly available documents that have not been prepared or independently verified by the Manager, the Trustee or any advisers in connection with the offering and listing of the CSOP A50 ETF, and none of them makes any representation as to or takes any responsibility for the accuracy or completeness of such information.

The Underlying Index of the CSOP A50 ETF is the FTSE China A50 Index. The FTSE China A50 Index is a free float-adjusted market capitalisation-weighted index compiled and published by FTSE. The Manager (or its connected persons) is independent of the Index Provider. FTSE China A50 Index is a real-time, tradable index comprising the largest 50 China A-Share companies by full market capitalisation of the Chinese Mainland market that is available to domestic, and international investors via the QFI scheme and Stock Connect programs. The FTSE China A50 Index is a subset of the FTSE China A All Cap Index ("Series"). The Underlying Index offers the optimal balance between representativeness

and tradability for China's A Share market and includes stocks listed on the Shanghai and Shenzhen stock exchanges.

The Underlying Index is a net total return index which means that its performance reflects the reinvestment of dividends, net of withholding taxes, from the Index Securities. The Underlying Index is denominated and quoted in RMB.

The Underlying Index was launched on 13 December 2003.

FTSE or its affiliates are the proprietors and absolute owners of the Underlying Index and the designations FTSE®. FTSE has granted to the Manager, by way of a licence, subject to the terms of an index licence agreement between them, among other things the non-transferable and non-exclusive right to use the Underlying Index as the basis for determining the composition of the Underlying Index in respect of the CSOP A50 ETF and to sponsor, issue, establish, market, list and distribute the CSOP A50 ETF.

Index Methodology

The FTSE China A All Cap Index comprises large, mid and small cap China A-share companies that meet the stated eligibility requirements in the ground rules. The index constituents of FTSE China A All Cap Index are weighted by free float and restrictions applied to foreign investors. The constituents of the FTSE China A All Cap Index are eligible for inclusion in the FTSE China A50 Index.

Investors should refer to Schedule A of this Appendix for further information regarding the Underlying Index including the selection criteria.

Index Maintenance

The Underlying Index is reviewed quarterly in March, June, September and December, with advance notification given of any changes to constituents on www.ftse.com (the contents of which has not been reviewed by the SFC) to ensure that the Underlying Index continues to reflect market reality. A schedule of periodic reviews is provided on http://www.ftse.com/products/indices/china (the contents of which has not been reviewed by the SFC) set out in the session of Index Change Notices.

Schedule A of this Appendix also sets out some of the key ground rules applicable to the Underlying Index as at the date of this Prospectus. A full set of the ground rules for the management of the Underlying Index is also available on http://www.ftse.com/products/downloads/FTSE_China_A50_Index_Ground_Rules_English.pdf (the contents of which has not been reviewed by the SFC). The index methodology is subject to change from time to time and investors should refer to this website for up-to-date information about the index methodology.

The Underlying Index is calculated and is updated continuously on an intra-second streaming basis until the market closes.

FTSE publishes the real time Underlying Index level (Ticker: XIN9I) on Bloomberg, updated throughout the day. The Underlying Index may also be viewed on Reuters (Ticker: FTXIN9).

Index Constituents of the Underlying Index

The constituents of the Underlying Index together with their respective weightings (as set out under the "Constituents" section), additional information and important news can be accessed from the website of FTSE at http://www.ftse.com/products/indices/china (the contents of which has not been reviewed by the SFC).

Index Provider Disclaimer

The CSOP A50 ETF has been developed solely by CSOP Asset Management Limited. The CSOP A50 ETF is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the FTSE China A50 Index (the "Index") vest in the relevant LSE Group company which owns the Index. FTSE® is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under license. 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 CSOP A50 ETF. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the CSOP A50 ETF or the suitability of the Index for the purpose to which it is being put by CSOP Asset Management Limited.

SCHEDULE A – FTSE CHINA A ALL CAP INDEX SERIES - FTSE China A50 Index

General

The FTSE China A All Cap Index Series ("**Series**") is designed to represent the performance of the China A Shares that are available to international and domestic Chinese investors. The Series comprises a number of A Share indices including the FTSE China A50 Index ("**Underlying Index**").

The Series is calculated in real time. The Underlying Index is published on an intra-second streaming basis. The description set out below in respect of the Series applies to the Underlying Index.

The Underlying Index opens at 9:30 a.m. and closes at 3:00 p.m. each day on which the SSE and the SZSE are open.

Ground Rules

FTSE is the benchmark administrator responsible for the daily operation of the Series. FTSE will maintain records of the market capitalisation of all constituents, and will make changes to the constituents and their weightings in accordance with specified rules ("**Ground Rules**"). The Ground Rules and news concerning the Underlying Index may be viewed on FTSE's website at: http://www.ftse.com/sites/indices/china-a50.

FTSE will carry out a quarterly review of the Underlying Index and implement the resulting constituent changes as required by the Ground Rules. Changes to constituent weightings are made by FTSE in accordance with the Ground Rules. FTSE is responsible for publicising changes to constituent weightings.

FTSE is also responsible for monitoring the performance of the Series throughout the day and will determine whether the status of each index should be 'firm', 'closed', 'indicative' or 'held'. For the purposes of the above: "firm" means the index uses the trade prices from the relevant local stock exchanges for all constituents during the hours of the Official Index Period; "closed" means that the index has ceased all calculations for the day (the message "CLOSED" will be displayed against the index value); "indicative" means that there is a system problem or a situation in the market judged to be affecting the quality of the constituent prices (the message "IND" will be displayed against the index value); "held" means, during a firm period, an index has exceeded pre-set operating parameters and calculation has been suspended pending resolution of the problem (the message "HELD" will be displayed against the index value).

Eligible Securities

The constituents of the FTSE China A All Cap Index are eligible for inclusion in the FTSE China A50 Index. From March 2020, stocks listed on the Science and Technology Innovation Board of Shanghai Stock Exchange (the "STAR Board") which are constituents of the FTSE China A All Cap Index and are eligible for trading under Northbound Stock Connect are also eligible for inclusion in the FTSE China A50 Index. Constituents of the Underlying Index are adjusted for free float and foreign ownership limits.

(A) Free float restrictions will be calculated using available published information. For Equity Shares of companies which have been admitted to the Index that have a free float greater than 5%, the actual free float will be rounded to 12 decimal places. Companies with a free

float of 5% or below are not eligible for inclusion in the Index, unless they exceed 10 times the China region inclusion percentage level by investable market capitalisation. Please refer to the Ground Rules for details of free float restriction periodic updates and updates arising from corporate events. Further details on free float restrictions can be accessed using the following link: https://research.ftserussell.com/products/downloads/Free_Float_Restrictions.pdf.

(B) Restrictions placed on the equity holdings of foreign investors in a company where these have been imposed by a government, regulatory authority or the company's constitution will be taken into account. Where the presence of a foreign ownership restriction creates a limit on foreign ownership (the Foreign Ownership Limit or FOL) that is more restrictive than the calculated free float for a company, the precise Foreign Ownership Limit is used in place of the free float for the purposes of calculating the company's investability weight. If the foreign ownership restriction is less restrictive or equal to the free float restriction, the free float restriction is applied, subject to (A) above.

(C) FTSE defines "foreign headroom" as the percentage of shares available to foreign investors as a proportion of the company's Foreign Ownership Limit (FOL), i.e. (FOL – foreign holdings)/FOL. The investability weight will be adjusted when the headroom of existing constituents falls below a certain threshold. Foreign headroom will be reviewed on a quarterly basis coinciding with the regular index reviews. Further details of the Foreign Ownership Restrictions and Minimum Foreign Headroom Requirement can be accessed using the following link: https://research.ftserussell.com/products/downloads/Foreign_Ownership_Restrictions_and_Minimum_Foreign_Headroom_Requirement.pdf.

(D) Securities designated "Special Treatment (ST)" are not eligible for the inclusion in the Underlying Index. If a constituent is designated as 'Special Treatment' by the exchange, it will normally be deleted from the index in line with the next quarterly review.

(E) Only stocks that are available on the Northbound Stock Connect Buy-and-Sell List will be eligible for index inclusion, effective in conjunction with the quarterly index review, in June 2022.

An updated version of the FTSE China A50 Index Ground Rules is available at http://www.ftse.com/products/downloads/FTSE_China_A50_Index_Ground_Rules_English.pdf.

Liquidity Criteria

There must be an accurate and reliable price for the purposes of determining the market value of a company.

The 50 largest companies of the FTSE China A All Cap Index will be included in the FTSE China A50 Index. FTSE Russell will determine which companies are included in the FTSE China A All Cap Index on a semiannual basis in March and September.

Each security will be tested for liquidity semi-annually in March and September by calculation of its monthly median of daily trading volume as part of the FTSE China A All Cap Index review.

For further details please refer to the FTSE Global Equity Index Series - Guide to Calculation

Method for the Median Liquidity Test which can be accessed using the following link: https://research.ftserussell.com/products/downloads/Guide_to_Calculation_Methods_for_GEIS_Liquidity.pdf.

Review Dates

The quarterly review of the Underlying Index constituents takes place in March, June, September and December. The constituents will be reviewed using data from the close of business on the Monday following the third Friday in February, May, August and November. Where there is a market holiday in either Chinese Mainland or Hong Kong on the Monday following the third Friday, the close of business on the last trading day prior to the Monday after the third Friday, where both markets are open, will be used. Any constituent changes will be implemented after the close of business on the third Friday of March, June, September and December. Index changes resulting from index reviews, will be published after the close of business on the Wednesday before the first Friday of March, June, September and December.

Rules for Addition and Deletion at the Quarterly Review

The rules for inserting and deleting companies at the quarterly reviews are designed to provide stability in the selection of constituents of the Underlying Index while ensuring that the Underlying Index continues to be representative of the market by including or excluding those companies which have risen or fallen significantly.

In determining the full market capitalisation of a company, all share classes are included, while only the eligible share classes are included in the index weighting. Please see Appendix A of the Ground Rules for the share class description.

A security will be inserted at the periodic review if it rises to 40th or above when the eligible securities of the Underlying Index are ranked by capitalisation.

A constituent will be deleted at the periodic review if it falls to 61st or below for the eligible securities for the Underlying Index are ranked by market capitalisation.

A constant number of constituents will be maintained for the Underlying Index. Where a greater number of companies qualify to be inserted in an index than those qualifying to be deleted (see Ground Rules 6.2.3 and 6.2.4), the lowest ranking constituents presently included in the index will be deleted to ensure that an equal number of companies are inserted and deleted at the periodic review. Likewise, where a greater number of companies qualify to be deleted than those qualifying to be inserted (see Ground Rules 6.2.3 and 6.2.4), the securities of the highest ranking companies which are presently not included in the index will be inserted to match the number of companies being deleted at the periodic review.

Where a company is deleted after the periodic changes to the index have been announced but before the periodic changes have been implemented, the highest ranking company from the new Reserve List (see below), excluding current index constituents, will replace the deleted company.

Reserve List

FTSE is responsible for publishing the five highest ranking securities that are not constituents

of the Underlying Index at the time of each quarterly review. These Reserve Lists will be used in the event that one or more constituents is deleted from the Underlying Index during the period up to the next quarterly review. Companies on the Reserve Lists will be constituents of the FTSE China A All Cap Index.

In the event that all the original Reserve List stocks have been used, the highest ranking constituent of the FTSE China A All Cap Index, which is not a current constituent of the FTSE China A50 Index, is selected as the replacement company based on prices two days prior to the deletion of a constituent.

Removal and Replacement

If a constituent ceases to be an eligible constituent of the Underlying Index, is delisted, or ceases to have a firm quotation, or is subject to a takeover or has ceased to be a viable constituent as defined by the Ground Rules, it will be removed from the list of constituents of the Underlying Index and be replaced by the highest ranking company by full market capitalisation eligible in the appropriate reserve list as at the close of the index calculation two days prior to the deletion.

The removal and replacement are effected simultaneously, before the start of the index calculation on the day following the day on which the event justifying removal was announced. Announcements made after the close of the index calculation are normally deemed to be made on the following business day.

Mergers, Restructuring and Complex Takeovers

If the effect of a merger or takeover is that one constituent in the Underlying Index is absorbed by another constituent, the resulting company will remain a constituent of the Underlying Index, and a vacancy will be created. This vacancy will be filled by selecting the highest ranking security in the appropriate reserve list as at the close of the index calculation two days prior to the deletion.

If a constituent company in the Underlying Index is taken over by a non-constituent company, the original constituent will be removed and replaced by the company resulting from the takeover if eligible. If not eligible, the vacancy will be filled by selecting the highest ranking security in the appropriate reserve list as at the close of the index calculation two days prior to the deletion.

If a constituent company is split so as to form two or more companies, then the resulting companies will be eligible for inclusion as index constituents in the Underlying Index based on their respective full market capitalisations i.e. before the application of any investability weightings and if they qualify in all other respects, e.g. an index constituent split into two companies may result in one or both of these companies remaining in the Underlying Index. The smallest constituent will be removed from the Underlying Index.

The full market capitalisations at close on the first day of trading of the spun-off company will be used to determine continued inclusion. Any changes will then be applied at market close giving two days' notice. Consequently, the FTSE China A50 Index may have more than 50 companies for three days (or more if the spun-off company does not trade on effective date).

Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide using the following link: https://research.ftserussell.com/products/downloads/Corporate_Actions_and_Events_Guide.pdf.

New Issues

There will be no intra review additions for the Underlying Index. Newly issued securities which meet the criteria for eligible securities set out in Section 4 of the Ground Rules will be eligible for inclusion at the next quarterly review if large enough to become constituents of the Underlying Index.

A China "B" share company that for the first time issues "A" shares onto the SSE or SSZE will be considered a new issue and will be eligible for entry into the Underlying Index at the next quarterly review if it meets the criteria for eligible securities.

Variable and best effort IPOs and direct listing IPOs will be considered for index inclusion at the next index review if, by the review cut-off date, a public disclosure* is available confirming either the actual number of shares sold during the offering or the post IPO shareholder structure. Index inclusion remains subject to meeting all other eligibility criteria. If the number of shares sold during the IPO, or the post IPO shareholder structure, remains unknown on the review cut-off date, the evaluation of the company will be deferred to a subsequent index review.

**A public disclosure is typically by way of a company filing, stock exchange notice or shareholding regulatory announcement.*

Suspension of Dealing

Suspension of dealing rules can be found within the Corporate Actions and Events Guide.

Where the company to be removed is a constituent of the Underlying Index, the replacement company will be the highest ranking company on the Reserve List.

APPENDIX 2

CSOP SZSE ChiNext ETF* (*This is a synthetic ETF)

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODES: 83147 (RMB counter) and 03147 (HKD counter)

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP SZSE CHINEXT ETF* (*This is a synthetic ETF)

Stock Codes: 83147 (RMB counter) and 03147 (HKD counter)

1. KEY INFORMATION

1.1 General

This Appendix sets out information specific to CSOP SZSE ChiNext ETF* (*This is a synthetic ETF) ("**CSOP ChiNext ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of the Prospectus before investing in CSOP ChiNext ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***11. Risk Factors relating to the CSOP ChiNext ETF***" of this Appendix, before investing in the CSOP ChiNext ETF.

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.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP ChiNext ETF, and should be read in conjunction with the full text of this Prospectus.

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapters 8.6 and 8.8 of the Code
Underlying Index	ChiNext Index Inception Date: 1 June 2010 Number of constituents: 100 Base Currency of Underlying Index: RMB (CNY)
Type of Underlying Index	A price return index which means that it does not include the reinvestment of dividends from the constituents, such dividends being net of any withholding tax.
Index Provider	Shenzhen Securities Information Co., Ltd. ("**SSICL**" or "**Index Provider**), a subsidiary of Shenzhen Stock Exchange ("**SZSE**")
Investment Strategy	A combination of (i) primarily a synthetic representative sampling strategy and (ii) a physical representative sampling strategy as

	an ancillary strategy. Please refer to section ***"3. Investment Objective and Strategy***" of this Appendix for further details.
Initial Issue Date	14 May 2015
Listing Date	15 May 2015
Dealing on SEHK Commencement Date	RMB counter: 15 May 2015 HKD counter: 15 May 2015
Exchange Listing	SEHK - Main Board
Stock Codes	RMB counter: 83147 HKD counter: 03147
Stock Short Name	RMB counter: X CSOPCHINEXT-R HKD counter: X CSOPCHINEXT
Trading Board Lot Size	RMB counter: 200 Units HKD counter: 200 Units
Base Currency	Renminbi (CNH)
Trading Currency	RMB counter: RMB (CNH) HKD counter: Hong Kong dollars (HKD)
Dividend Policy	The Manager intends to distribute income to Unitholders annually (in October) having regard to the CSOP ChiNext ETF's net income after fees and costs. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP ChiNext ETF are charged to/paid out of the capital of the CSOP ChiNext ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP ChiNext ETF and therefore, the CSOP ChiNext ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of the CSOP ChiNext ETF's capital or effectively out of capital may result in an immediate reduction

		in the Net Asset Value per Unit of the CSOP ChiNext ETF. Please refer to section "***5. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP ChiNext ETF and the risk factor headed "***Risk relating to distributions paid out of capital***" under sub-section "***11.13 Other risks***" in this Appendix for the risk associated with distributions paid out of capital. **Distributions for all units (whether traded in HKD or RMB counter) will be in RMB only.**
Application Unit size for Creation/Redemption (only by or through Participating Dealers)		Minimum 300,000 Units (or multiples thereof)
Method of Creation/ Redemption		Cash (RMB) only
Parties	Manager / QFI Holder	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
	PRC Custodian	HSBC Bank (China) Company Limited
	Participating Dealer	Please refer to the Manager's website set out below for the latest list
	Market Makers	Please refer to the Manager's website set out below for the latest list
	Service Agent	HK Conversion Agency Services Limited
Financial Year		Ending 31 December each year

** Both HKD traded Units and RMB traded Units will receive distributions in RMB only. 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/intermediaries on the arrangements concerning distributions. Please refer to the section headed "**5. Distribution Policy**" and section headed "**RMB distributions risk**" under "**11.7 Dual Counter Trading risks**" in this Appendix for further details.*

Management Fee	Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.99% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Website	http://www.csopasset.com/en/products/chinext-etf (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission)

1.3 Custodian and PRC Custodian for CSOP ChiNext ETF

The CSOP ChiNext ETF may invest directly in China A-Shares by using Shenzhen-Hong Kong Stock Connect and/or through QFI status of the Manager. The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee and the Manager as custodian ("**Custodian**") to act through its delegate, the PRC Custodian and will be responsible for the safe custody of the CSOP ChiNext ETF's assets acquired through investment by remitting offshore RMB utilizing the QFI status of the Manager within the PRC mainland under the QFI scheme in accordance with the RQFII Custody Agreement (as defined below).

According to the RQFII Custody Agreement, the Custodian is entitled to appoint its subsidiary or associates within the HSBC group of companies as delegate for the performance of its services under the RQFII Custody Agreement. As of the date of this Prospectus, the Custodian has appointed HSBC Bank (China) Company Limited ("**PRC Custodian**") as the PRC Custodian. The PRC Custodian is incorporated in Chinese Mainland and is a wholly-owned subsidiary of the Custodian. The PRC Custodian possesses the applicable qualification to provide custody services to QFIs.

According to the terms of the RQFII Custody Agreement, the Custodian shall remain responsible for any omission or wilful default of the PRC Custodian, as if no such appointment had been made.

The "**RQFII Custody Agreement**" is the custody agreement entered into between the Custodian, the PRC Custodian, the Manager and the Trustee, as amended from time to time.

Please refer to the section "***2.3 Trustee and Registrar***" in Part 1 of the Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the PRC Custodian.

Neither the Custodian nor its delegate is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "***1.4 Custodian and PRC Custodian for CSOP ChiNext ETF***".

1.4 Market Maker

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 of the CSOP ChiNext ETF traded in the RMB counter and at least one market maker for Units of the CSOP ChiNext ETF traded in the HKD counter although these market makers may be the same entity. 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 counter to facilitate the efficient trading of Units of the CSOP ChiNext ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker per counter is required to give not less than 90 days' prior notice to terminate market making under the relevant market making agreement.

The list of market markers in respect of the CSOP ChiNext ETF is available on http://www.csopasset.com/en/products/chinext-etf (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission) and from time to time will be displayed on www.hkex.com.hk.

2. DEALING

2.1 Exchange Listing and Trading

Dealings in Units in the CSOP ChiNext ETF in both RMB and HKD have commenced.

Currently, Units are expected to be listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on other stock exchanges subject to the applicable QFI Regulations (as defined in section "***7. Qualified Foreign Investor (QFI)***" in this Appendix).

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

2.2 Buying and Selling of Units of CSOP ChiNext ETF on SEHK

A Secondary Market Investor can buy and sell the Units of the CSOP ChiNext ETF on the SEHK through his stockbroker at any time the SEHK is open. Units of the CSOP ChiNext ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 200 Units for the RMB counter and 200 Units for the HKD counter.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the CSOP ChiNext ETF 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 of the CSOP ChiNext ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the CSOP ChiNext ETF.

Please refer to section "***9. Trading of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of Units on the SEHK.

2.3 Dual Counter Trading

2.3.1 Introduction of Dual Counter Trading (Secondary Market)

The Manager has arranged for the Units of the CSOP ChiNext ETF to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in RMB. The CSOP ChiNext ETF will offer two trading counters on the SEHK i.e. RMB counter and HKD counter to investors for secondary trading purposes.

Units of the CSOP ChiNext ETF traded under the two counters sharing the same ISIN can be distinguished by their stock codes and their stock short names as follows:-

Counter	Stock Code	Stock Short Name	Trading Currency	ISIN Number
RMB counter	83147	X CSOPChiNext-R	RMB	HK0000248234
HKD counter	03147	X CSOPChiNext	HKD	

Units of the CSOP ChiNext ETF traded in the RMB counter will be settled in RMB and Units traded in the HKD counter will be settled in HKD. Apart from settlement in different currencies, the trading prices of Units of the CSOP ChiNext ETF in the two counters may be different.

Please note that despite the Dual Counter arrangement, creations and redemptions of new Units for the CSOP ChiNext ETF in the primary market will continue to be made in RMB only.

Investors can buy and sell Units of the CSOP ChiNext ETF traded in the same counter. Alternatively, they can buy in one counter and sell in the other counter provided their brokers/intermediaries or CCASS participants provide both HKD and RMB trading services at the same time. However, investors should note that the trading price of Units of the CSOP ChiNext ETF traded in the RMB counter and the HKD counter may be different and there is a risk that due to different factors such as market liquidity, market demand and supply in the respective counters and the exchange rate between RMB and HKD (in both onshore and offshore markets), the market price on the SEHK of Units traded in HKD may deviate significantly from the market price on the SEHK of Units traded in RMB.

Inter-counter buy and sell is permissible even if the trades take place within the same trading day. Investors should also note that some brokers / intermediaries may not provide inter-counter day trade services due to various reasons including operations, system limitations, associated settlement risks and other business considerations. Even if a broker / intermediary is able to provide such service, it may impose an earlier cut-off time, other procedures and/or fees.

More information with regard to the Dual Counter is available in the frequently

asked questions in respect of the Dual Counter published on the HKEX's web site https://www.hkex.com.hk/Global/Exchange/FAQ/Featured/RMB-Readiness-and-Services/Dual-Tranche-Dual-Counter-Model?sc_lang=en.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Dual Counter, including inter-counter trading. Investors' attention is also drawn to the risk factors under the section headed "***11.7 Dual Counter Trading risks***" in this Appendix.

2.3.2 Unitholders' rights

Units of both the RMB and HKD counters belong to the same class in CSOP ChiNext ETF and Unitholders of Units traded on both counters are entitled to identical rights and are therefore treated equally.

2.3.3 Fees and Other Transaction Costs

The fees and costs payable by a Secondary Market Investor for buying and selling Units of the CSOP ChiNext ETF on the SEHK are the same for both the RMB and HKD counters.

2.4 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***2. Creation and Redemption of Application Units (Primary Market)***" in Schedule 2 of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP ChiNext ETF only.

The Manager currently only allows In-Cash Applications and In-Cash Redemptions for Units of the CSOP ChiNext ETF. Notwithstanding the Dual Counter, any cash payable by Participating Dealers in an In-Cash Application must be in RMB.

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 Application Unit size for CSOP ChiNext ETF is 300,000 Units. Creation Applications submitted in respect of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP ChiNext ETF is one Application Unit.

Both RMB traded Units and HKD traded Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Notwithstanding the Dual Counter, the process of redemption is the same and any cash proceeds received by Participating Dealers in an In-Cash Redemption shall be paid only in RMB.

2.4.1 Dealing Period

The dealing period on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP ChiNext ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 2:00 p.m. (Hong Kong time) (or otherwise as determined at the discretion of the Manager

after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.4.2 Issue Price and Redemption Price

The Issue Price of a Unit of any class in the CSOP ChiNext ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units of any class redeemed shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP ChiNext ETF.

The "**Valuation Day**" of the CSOP ChiNext ETF, coincides with, and shall mean, the Dealing Day of the CSOP ChiNext ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's web site at http://www.csopasset.com/en/products/chinext-etf (The contents of this website and any other websites referred to in this Appendix have not been rev iewed by the Commission) or published in such other publications as the Man ager decides.

2.4.3 Dealing Day

In respect of the CSOP ChiNext ETF, "**Dealing Day**" means each Business Day.

2.4.4 Rejection of Creation of Applications relating to CSOP ChiNext ETF

In addition to the circumstances set out in section "***2.3.5 Rejection of Creation Applications***" in Schedule 2 of Part 1 of this Prospectus, the Manager, acting reasonably and in good faith, has the absolute discretion to reject a Creation Application in relation to the CSOP ChiNext ETF, in any of the following circumstances:-

(a) where the acceptance of the Creation Application will have a material adverse impact on the China A-Shares market; or

(b) where the QFI status of the Manager relating to the CSOP ChiNext ETF is cancelled or withdrawn.

3. Investment Objective and Strategy

Investment Objective

The investment objective of the CSOP ChiNext ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Underlying Index, namely, the ChiNext Index.

Investment Strategy

In order to achieve the investment objective of the CSOP ChiNext ETF, the Manager will (i) primarily use a synthetic representative sampling strategy by investing up to 100% of the CSOP ChiNext ETF's Net Asset Value in FDIs, which will be fully funded total return swaps with one or more swap counterparties; and (ii) where the Manager believes such investments are beneficial to the CSOP ChiNext ETF and will help the CSOP ChiNext ETF achieve its investment objective, use a physical representative sampling strategy as an ancillary strategy by investing a maximum level of less than 50% and an expected level of approximately 20% of the CSOP ChiNext ETF's Net Asset Value (or up to 100% in extreme market conditions, e.g. regulatory change, market crash, crisis or extreme market turbulence affecting particularly the FDI market) in a representative portfolio of securities that collectively has a high correlation with the Underlying Index. The investment made by the CSOP ChiNext ETF other than swaps and A-Shares shall comply with the requirements in 7.36 to 7.38 of the Code.

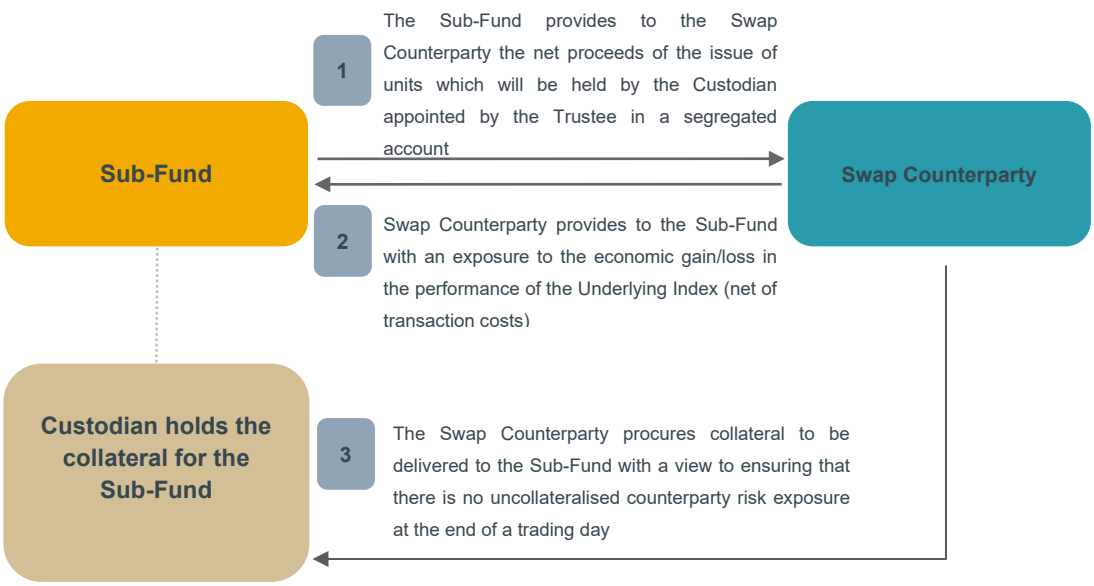
<u>Synthetic representative sampling sub-strategy</u>

By adopting a synthetic representative sampling sub-strategy, the CSOP ChiNext ETF invests directly in fully funded total return swap transaction(s) whereby the CSOP ChiNext ETF will pass on the substantially all of the net proceeds of any issue of its units to the swap counterparty(ies) and in return the swap counterparty(ies) will provide the CSOP ChiNext ETF with an exposure to the economic gain/loss in the performance of the relevant Securities (net of transaction costs).

The Manager will obtain collateral that represents at least 100% of the CSOP ChiNext ETF's gross total counterparty risk, and will manage the CSOP ChiNext ETF to ensure that the collateral held by the CSOP ChiNext ETF will represent at least 100% of the CSOP ChiNext ETF's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). The valuation of the collateral and the calculation of counterparty risk exposure in respect of any trading day T generally occurs at the end of that trading day. If the collateral held by the CSOP ChiNext ETF is not at least 100% of the CSOP ChiNext ETF's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each swap counterparty deliver additional collateral assets (i.e. variation margin) to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each swap counterparty will deliver collateral with a view to reduce the net exposure of the CSOP ChiNext ETF to each swap counterparty to 0%.

The diagram below shows how the synthetic representative sampling sub-strategy via fully funded total return swaps works:



Swap transaction

Each swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex and/or ISDA Credit Support Deed in respect thereof), in each case, entered into by the Trustee on behalf of the CSOP ChiNext ETF and the swap counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a swap counterparty under a swap, the Manager has obtained (if such swap counterparty is an existing swap counterparty) or will obtain (if such swap counterparty is a new swap counterparty) legal opinions or such other confirmations or assurances from the swap counterparties reasonably acceptable to the CSOP ChiNext ETF, confirming that (a) such swap counterparty has the capacity and authority to enter into the relevant swap and (b) the obligations expressed to be assumed by such swap counterparty under the relevant swap constitute legal, valid, binding obligations of the swap counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned by ISDA. In respect of each swap, none of the "Events of Default" or the "Termination Events" contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant swap counterparty (although some of them have been amended to reflect the nature of the swap counterparty, the Trustee and the CSOP ChiNext ETF and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the CSOP ChiNext ETF). The Trustee (on behalf of the CSOP ChiNext ETF) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the swap counterparty that are continuing at the relevant time, to terminate the swap on behalf of the CSOP ChiNext ETF at any time (such termination may take effect immediately) and without any approval from the swap counterparty.

The actual termination events vary according to the negotiation between the Manager and each swap counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the CSOP ChiNext ETF to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the swap counterparty or the CSOP ChiNext ETF to perform its obligations under the swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the CSOP ChiNext ETF.

Swap fees

The CSOP ChiNext ETF will bear the swap fees, which includes all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent the brokerage commission and the swap counterparty's cost of financing the underlying hedge.

Currently, the swap fees are expected to range from 0.00% to -3.50%* per annum of the swap notional amount (i.e. from 0.00% to -3.50%* per annum of the CSOP ChiNext ETF's Net Asset Value). This is a best estimate only and the actual swap fees may deviate from the aforesaid estimate depending on actual market conditions. In extreme market conditions and exceptional circumstances, the brokerage commission and the swap counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. When the actual swap fee level exceed the disclosed level, the Manager will issue notice to the investors. Swap fees are accrued daily and spread out over the month. The CSOP ChiNext ETF shall bear the swap fees (including any costs associated with the entering into, or unwind or maintenance of, any hedging arrangements in respect of such swaps). The maximum unwinding fee payable by the CSOP ChiNext ETF is 0.50%* per transaction on the notional amount of the swap unwound.

The Manager will disclose the swap fees in the semi-annual and annual financial reports of the CSOP ChiNext ETF. The swap fees will be borne by the CSOP ChiNext ETF and hence may have an adverse impact on the Net Asset Value and the performance of the CSOP ChiNext ETF, and may result in higher tracking error.

* A positive figure denotes the fee that the CSOP ChiNext ETF pays to the swap counterparties. A negative figure denotes the fee that the swap counterparties pay to the CSOP ChiNext ETF.

Criteria for selection of swap counterparty

In selecting a swap counterparty (or a replacement swap counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective swap counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the Commission under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A swap counterparty must be independent of the Manager. A prudent haircut policy will be adopted.

As of the date of this Appendix, the swap counterparties and their guarantors (where relevant) to the CSOP ChiNext ETF are:

Swap Counterparty	Place of incorporation of swap counterparty	Standard & Poor's credit rating of swap counterparty or its guarantor
J. P. Morgan Securities Plc	United Kingdom	A+
Morgan Stanley & Co. International Plc	United Kingdom	A+
Goldman Sachs International	United Kingdom	A+
Huatai Capital Investment Limited#	Hong Kong	BBB+
CSI Capital Management Limited##	British Virgin Islands	BBB+
HSBC Bank Plc	England & Wales	A+

#The parent company of Huatai Capital Investment Limited, Huatai Financial Holdings (Hong Kong) Limited, has provided an unconditional and irrevocable guarantee as the guarantor of Huatai Capital Investment Limited to guarantee the performance of the obligations of Huatai Capital Investment Limited under the swap transactions. The guarantor currently maintains and will continue to maintain its net asset value for not less than HK$2 billion at any time any swap transaction is outstanding.

##The parent company of CSI Capital Management Limited, CITIC Securities International Company Limited, has provided an unconditional and irrevocable guarantee as the guarantor of CSI Capital Management Limited to guarantee the performance of the obligations of CSI Capital Management Limited under the swap transactions. The guarantor currently maintains and will continue to maintain its net asset value for not less than HK$2 billion at any time any swap transaction is outstanding.

The Manager will publish the latest list of the identity of the swap counterparties of the CSOP ChiNext ETF, as well as the gross and net exposure to each such swap counterparty, on the Manager's website at http://www.csopasset.com/en/products/chinext-etf (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission).

Collateral arrangements

The Manager will obtain collateral that represents at least 100% of the CSOP ChiNext ETF's gross total counterparty risk, and will manage the CSOP ChiNext ETF to ensure that the collateral held by the CSOP ChiNext ETF will represent at least 100% of the CSOP ChiNext ETF's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis. Where collateral taken is in the nature of cash and/or government bonds, the market value of such cash and/or government bond collateral should represent at least 100% of the related gross counterparty risk exposure towards the swap counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of government bonds and/or cash. If a swap counterparty becomes insolvent, or if a swap counterparty fails to pay any sum payable under the swap when due and after a demand has been made, or if other events of default specified in the relevant swap agreement occur, the CSOP ChiNext ETF, subject to the terms of the swap agreement, shall be entitled to enforce the relevant collateral and obtain full title thereof. In such instances, the CSOP ChiNext ETF's obligations to return the collateral will be offset against the swap counterparty's obligation to pay under the swap agreement.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the CSOP ChiNext ETF on an ongoing basis.

Collateral taken by the CSOP ChiNext ETF shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the CSOP ChiNext ETF: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in the Prospectus.

The details of the collateral requirements required under the Code and the collateral policy of the Trust and the CSOP ChiNext ETF are set out in in the Prospectus.

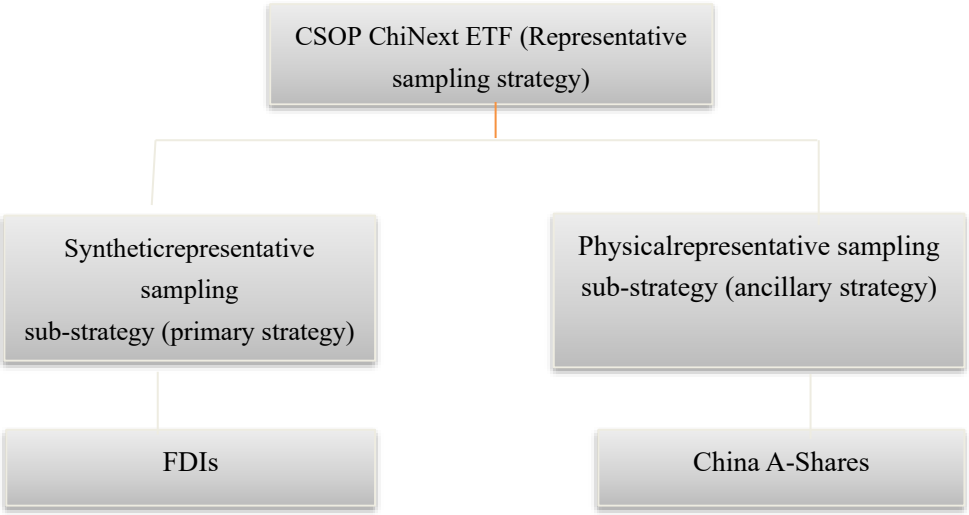
Collateral provided to the CSOP ChiNext ETF is held by the Custodian.

Details of the collateral management policy can be found at the Manager's website at http://www.csopasset.com/en/products/chinext-etf (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission).

Physical representative sampling sub-strategy

For direct investments in securities issued within the PRC mainland, the CSOP ChiNext ETF will invest through the Stock Connect (as explained in section "***9.6 The Stock Connect***" in this Appendix) and/or the QFI status of the Manager (as explained in section "***7. Qualified Foreign Investor (QFI)***" in this Appendix). In normal market conditions, the Manager may invest less than 50% of the CSOP ChiNext ETF's Net Asset Value through either QFI and/or Shenzhen-Hong Kong Stock Connect. As part of the foregoing, the CSOP ChiNext ETF may or may not hold all of the Index Securities, and may invest in securities which are not included in the Underlying Index. The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market capitalization and industry weightings), fundamental characteristics (such as return variability and yield) and liquidity measures similar to those of the Underlying Index.

The diagram below shows the investment strategies of the CSOP ChiNext ETF:



Other investments

The CSOP ChiNext ETF may also invest not more than 5% of its Net Asset Value in cash and money market funds for cash management purpose.

The CSOP ChiNext ETF may also invest in FDIs for hedging purposes. The Manager does not currently enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions. Prior approval of the Commission will be sought and not less than one month's prior notice will be given to the Unitholders of CSOP ChiNext ETF in the event the Manager wishes to invest in sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions.

Prior approval of the Commission will be sought and not less than one month's prior notice will be given to the Unitholders in the event the Manager wishes to change the investment strategy of the CSOP ChiNext ETF unless such changes satisfy the overriding principles and requirements prescribed by the Commission from to time and be considered as immaterial changes.

The investment strategy of the CSOP ChiNext ETF is subject to the investment and borrowing restrictions set out in Schedule 1.

3A. SECURITIES LENDING TRANSACTIONS

The Manager may, on behalf of the CSOP ChiNext ETF, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of the CSOP ChiNext ETF's Net Asset Value. The Manager will be 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 CSOP ChiNext ETF and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1 in Part 1 of the Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the CSOP ChiNext ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "*Collateral*" of Schedule 1 in Part 1 of the Prospectus) of 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 Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of the Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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 by 4p.m. on trading day T+1.

Non-cash collateral received may not be sold, re-invested or pledged. Any re-investment of cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of the Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent CSOP ChiNext ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP ChiNext ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to section "***11.12 Securities Lending Transactions Risks***" for further details."

3B. USE OF FDI

The CSOP ChiNext ETF's net derivative exposure may be more than 50% but up to 100% of its Net Asset Value. FDIs may be used for hedging and investment purposes.

4. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of CSOP ChiNext ETF to acquire investments, to redeem Units or to pay expenses relating to CSOP ChiNext ETF.

5. Distribution Policy

Net income earned by the CSOP ChiNext ETF will not be re-invested. The Manager intends to distribute income to Unitholders annually (in October) having regard to the CSOP ChiNext ETF's net income after fees and costs.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the CSOP ChiNext ETF.

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP ChiNext ETF are charged to/paid out of the capital of the CSOP ChiNext ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP ChiNext ETF and therefore, the CSOP ChiNext ETF may effectively pay dividend out of capital. **Investors**

should note that payments of dividends 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 dividends out of the CSOP ChiNext ETF's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP ChiNext ETF and will reduce any capital appreciation for the Unitholders of the CSOP ChiNext ETF.

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website http://www.csopasset.com/en/products/chinext-etf (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission).

The distribution policy may be amended subject to the Commission's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the Base Currency of the CSOP ChiNext ETF (i.e. RMB). The Manager will make an announcement prior to any distribution in respect of the rele vant distribution amount in RMB only. The details of the distribution declaration dates, distributi on amounts and ex-dividend payment dates will be published on the Manager's website http:// www.csopasset.com/en/products/chinext-etf (The contents of this website and any other websi tes referred to in this Appendix have not been reviewed by the Commission) and on HKEX's w ebsite http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx.

There can be no assurance that a distribution will be paid.

Each Unitholder will receive distributions in RMB (whether holding RMB traded Units or HKD traded Units). 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/intermediaries on the arrangements concerning distributions.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

6. PRC MAINLAND Tax Provisions

In light of a recent announcement jointly promulgated by the Ministry of Finance, the State Administration of Taxation and the CSRC under Caishu [2014] No.79 which stipulates that QFIIs and RQFIIs (without an establishment or place of business in the PRC mainland or having an establishment in the PRC mainland but the income so derived in Chinese Mainland is not effectively connected with such establishment) and Shenzhen-Hong Kong Stock Connect will be temporarily exempted from corporate income tax on gains derived from the transfer of PRC mainland equity investment assets (including PRC mainland A-Shares) effective from 17 November 2014, the Manager does not intend to make any WIT provision on the gross unrealised and realised capital gains derived from trading of China A-Shares.

Please refer to the risk factor headed "***PRC mainland tax considerations***" under section "***4.1 Risk Factors relating to Chinese Mainland***" in Part 1 of the Prospectus for further information on PRC mainland taxation.

7. Qualified Foreign Investor (QFI)

The QFI regime is governed by rules and regulations as promulgated by the Chinese Mainland authorities, such as the CSRC, the SAFE and the PBOC. Such rules and regulations may be amended from time to time and include (but are not limited to):

(i) the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors jointly issued by the CSRC, the PBOC and the SAFE on 25 September 2020 and effective from 1 November 2020 (《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》);

(ii) the Provisions on Issues Concerning the Implementation of the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors issued by the CSRC on 25 September 2020 and effective from 1 November 2020 (關於實施《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》有關問題的規定);

(iii) the "Regulations on Funds of Domestic Securities and Futures Investment by Foreign Institutional Investors" issued by the PBOC and the SAFE on 7 May 2020 and effective from 6 June 2020 (《境外機構投資者境內證券期貨投資資金管理規定》); and

(iv) any other applicable regulations promulgated by the relevant authorities. (collectively, "**QFI Regulations**")

Based on the above prevailing QFI Regulations, the Qualified Foreign Institutional Investors (QFII) regime and RMB Qualified Foreign Institutional Investors (RQFII) regime have been merged and been regulated by the same set of regulations, and the previously separate requirements for QFII and RQFII qualifications are unified. A foreign institutional investor outside the PRC mainland may apply to the CSRC for the QFI License, while there is no need for a foreign institutional investor having held either a QFII or RQFII license to re-apply for the QFI license. Since the Manager has been granted with QFII license and RQFII license by CSRC, it shall be regarded as a QFI, and may freely select to use funds in foreign currencies which can be traded on CFETS (defined below) and/or offshore RMB funds to be remitted in to carry out PRC mainland domestic securities and futures investment as long as separate cash accounts for receiving such cash are duly opened.

For remittance of foreign currencies, the Manager (as a QFI Holder) shall open foreign exchange account(s) for the remitted funds in foreign currencies and a corresponding RMB special deposit account for each relevant foreign exchange account; for remittance of offshore RMB funds, the Manager (as a QFI Holder) shall open RMB special deposit account(s) for the remitted funds in offshore RMB. QFI Holders are not subject to investment quota limits.

Under current regulations in the PRC mainland, generally foreign investors can invest only in the domestic securities and/or futures market through (i) certain foreign institutional investors

that have obtained status as a QFI from the CSRC to remit foreign freely convertible currencies and RMB into the PRC mainland for the purpose of investing in the PRC mainland's domestic securities and/or futures markets , or (ii) the Stock Connect Program (as explained in the section "***9.6 The Stock Connect***" in this Appendix).

The CSOP ChiNext ETF may directly invest in securities issued within the PRC mainland through the QFI status of the Manager and/or the Shenzhen-Hong Kong Stock Connect.

The Manager has obtained QFI status in the PRC mainland. The Custodian has been appointed by the Trustee and the Manager to hold (by itself or through its delegate) the assets of the CSOP ChiNext ETF in the PRC mainland invested using the QFI status of the Manager in accordance with the terms of the RQFII Custody Agreement.

Securities including China A-Shares invested through the QFI status of the Manager will be maintained by the Custodian's delegate, the PRC Custodian pursuant to PRC mainland regulations through securities account(s) with the China Securities Depository and Clearing Corporation Limited ("**CSDCC**") in the joint names of the Manager (as the QFI Holder) and the CSOP ChiNext ETF. An RMB cash account(s) shall be established and maintained with the PRC Custodian in the joint names of the Manager (as the QFI Holder) and the CSOP ChiNext ETF. The PRC Custodian shall, in turn, have a cash clearing account with CSDCC for trade settlement according to applicable regulations.

Repatriations in RMB conducted by the Manager (as QFI) on behalf of the CSOP ChiNext ETF are permitted daily and not subject to any repatriation restrictions, lock-up periods or prior approval from the SAFE.

There are specific risks associated with the QFI regime and investors' attention is drawn to the risk factors headed "***QFI risk***" and "***PRC mainland brokerage risk***" under section "***11.6 Risks relating to the QFI regime***" below.

In the context of investment in securities issued within the PRC mainland using the Manager's QFI status, the Manager will assume dual roles as the Manager of the CSOP ChiNext ETF and the QFI holder for the CSOP ChiNext ETF. The Manager will be responsible for ensuring that all transactions and dealings will be dealt with in compliance with the Trust Deed (where applicable) as well as the relevant laws and regulations applicable to the Manager as a QFI.

In connection with the investment in securities issued within the PRC mainland by remitting in offshore RMB funds using the Manager's QFI status, the Manager has obtained an opinion from PRC mainland legal counsel to the effect that, as a matter of PRC mainland laws:

(a) securities account(s) with the CSDCC and maintained by the PRC Custodian and RMB special deposit account(s) with the PRC Custodian (respectively, the "**securities account(s)**" and the " **cash account(s)**") have been opened in the joint names of the Manager (as the RQFII holder) and the CSOP ChiNext ETF and for the sole benefit and use of the CSOP ChiNext ETF in accordance with all applicable laws and regulations of the PRC mainland and with approval from all competent authorities in the PRC mainland;

(b) the assets held/credited in the securities account(s) (i) belong solely to the CSOP ChiNext ETF, and (ii) are segregated and independent from the proprietary assets of the Manager (as the RQFII holder), the Custodian, the PRC Custodian and any qualified broker registered in the PRC mainland ("**PRC Mainland Broker**") and from the assets

of other clients of the Manager (as the RQFII holder), the Custodian, the PRC Custodian and any PRC Mainland Broker(s);

(c) the assets held/credited in the cash account(s) (i) become an unsecured debt owing from the PRC Custodian to the CSOP ChiNext ETF, and (ii) are segregated and independent from the proprietary assets of the Manager (as the RQFII holder) and any PRC Mainland Broker(s), and from the assets of other clients of the Manager (as the RQFII holder) and any PRC Mainland Broker(s);

(d) the Trustee, for and on behalf of the CSOP ChiNext ETF is the only entity which has a valid claim of ownership over the assets in the securities account(s) and the debt in the amount deposited in the cash account(s) of the CSOP ChiNext ETF;

(e) if the Manager or any PRC Mainland Broker is liquidated, the assets contained in the securities account(s) and the cash account(s) of the CSOP ChiNext ETF will not form part of the liquidation assets of the Manager or such PRC Mainland Broker(s) in liquidation in the PRC mainland; and

(f) if the PRC Custodian is liquidated, (i) the assets contained in the securities account(s) of the CSOP ChiNext ETF will not form part of the liquidation assets of the PRC Custodian in liquidation in the PRC mainland, and (ii) the assets contained in the cash account(s) of the CSOP ChiNext ETF will form part of the liquidation assets of the PRC Custodian in liquidation in the PRC mainland and the CSOP ChiNext ETF will become an unsecured creditor for the amount deposited in the cash account(s).

Further, in connection with the investment in securities issued within the PRC mainland using the Manager's QFI status, the Trustee has put in place proper arrangements to ensure that:

(a) the Trustee takes into its custody or under its control the assets of the CSOP ChiNext ETF, including onshore PRC assets of the CSOP ChiNext ETF acquired by the CSOP ChiNext ETF through the Manager's QFI status and such PRC assets will be maintained by the PRC Custodian in electronic form via the securities account(s) with the CSDCC and cash held in the cash account(s) with the PRC Custodian ("**Onshore PRC Assets**"), and holds the same in trust for the Unitholders;

(b) cash and registrable assets of the CSOP ChiNext ETF, including the Onshore PRC Assets are registered or held to the order of the Trustee; and

(c) the Custodian and the PRC Custodian will look to the Trustee for instructions and solely act in accordance with such instructions as provided under the RQFII participation agreement between the Custodian, the PRC Custodian, the Manager and the Trustee, as amended from time to time ("**RQFII Participation Agreement**").

8. Overview of the Offshore RMB MarkeT

What Led to RMB Internationalisation?

RMB is the lawful currency of the PRC mainland. RMB is not currently a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC mainland government. Since July 2005, the PRC mainland government began to implement a controlled floating exchange rate system based on the supply and

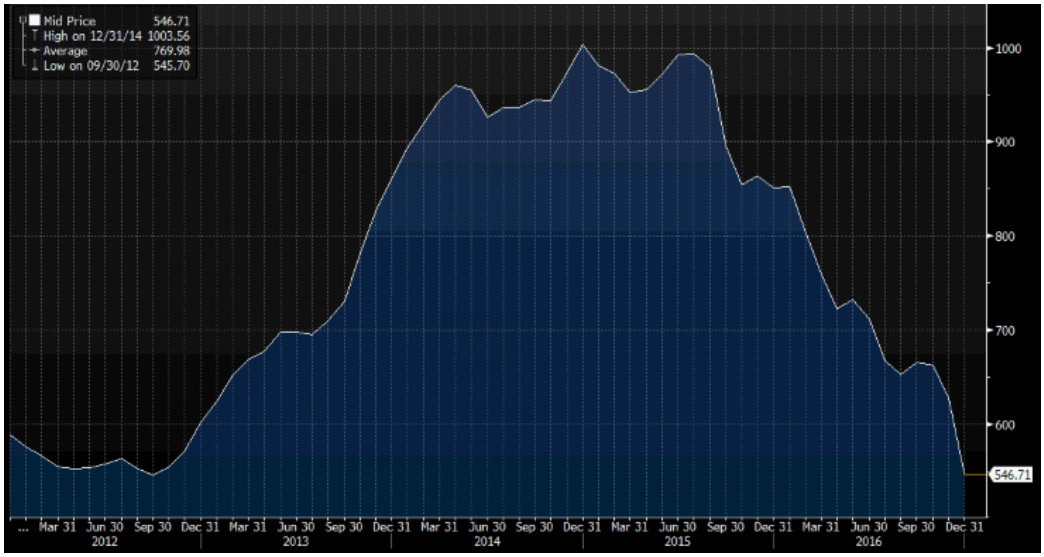
demand in the market and adjusted with reference to a portfolio of currencies. The exchange rate of RMB is no longer pegged to US dollars, resulting in a more flexible RMB exchange rate system.

Over the past two decades, the PRC mainland's economy grew rapidly at an average annual rate of 10.5% in real terms. This enables it to overtake Japan to become the second largest economy and trading country in the world. The International Monetary Fund has projected that the PRC mainland will contribute to more than one-third of global growth by 2015. As the PRC mainland's economy becomes increasingly integrated with the rest of the world, it is a natural trend for its currency – the RMB, to become more widely used in the trade and investment activities.

Accelerating the Pace of the RMB Internationalisation

The PRC mainland has been taking gradual steps to increase the use of RMB outside its borders by setting up various pilot programmes in Hong Kong and neighbouring areas in recent years. For instance, banks in Hong Kong were the first permitted to provide RMB deposits, exchange, remittance and credit card services to personal customers in 2004. Further relaxation occurred in 2007 when the authorities allowed PRC mainland financial institutions to issue RMB bonds in Hong Kong, subject to regulatory approval. As of 31 December 2016, RMB deposits amounted to about RMB 546.7 billion, as compared to just about RMB 63 billion in the end of 2009. Up to 28 February 2017, there had been RMB 433.5 billion outstanding amount of offshore RMB denominated bonds.

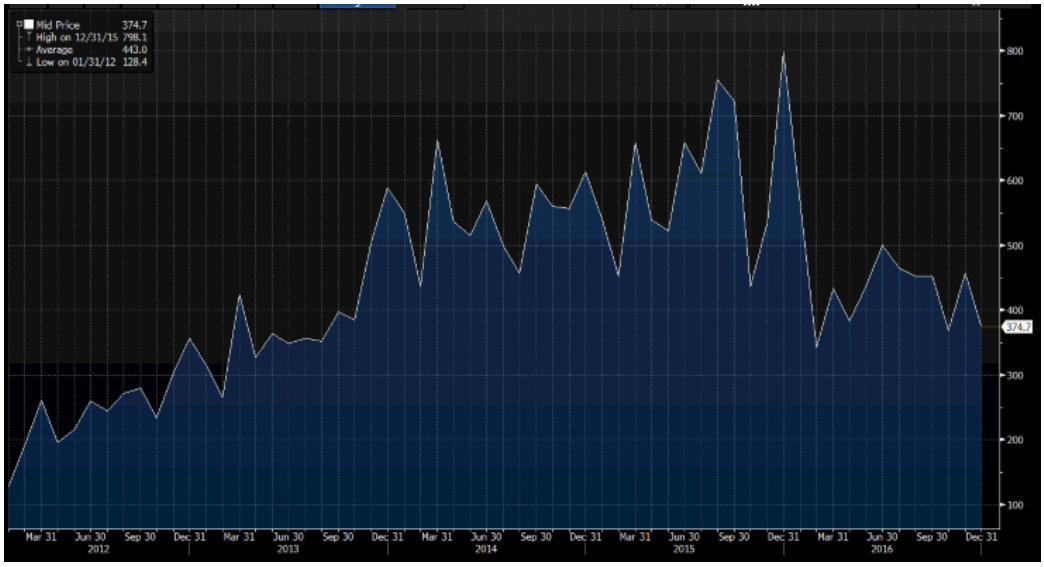
The chart below shows the trend of RMB deposits in Hong Kong.



Data source: Bloomberg as at 31 December 2016

The pace of RMB internationalisation has accelerated since 2009 when the PRC mainland 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 in the PRC mainland and to all countries / regions overseas.

The chart below shows the trend of RMB cross-border settlement.



Data source: Bloomberg as at 31 December 2016

Effective from 17 March 2014 onwards, the floating band of RMB against US dollar on the inter-bank spot foreign exchange market is enlarged from 1 percent to 2 percent, i.e., on every trading day on the inter-bank spot market, the trading prices of RMB against US dollar will fluctuate within a band of ±2 percent below and above the central parity as released by the China Foreign Exchange Trade System on that day.

Onshore versus Offshore RMB Market

Following a series of policies introduced by the PRC mainland authorities, a RMB market outside the PRC mainland has gradually developed and started to expand rapidly since 2009. RMB traded outside the PRC mainland is often referred as “offshore RMB” with the denotation “CNH”, which distinguishes it from the “onshore RMB” or “CNY”.

Both onshore and offshore RMB are the same currency but are traded in different markets. Since the two RMB markets operate independently where the flow between them is highly restricted, onshore and offshore RMB are traded at different rates and their movement may not be in the same direction. Due to the strong demand for offshore RMB, CNH used to be traded at a premium to onshore RMB, although occasional discount may also be observed. The relatively strength of onshore and offshore RMB may change significantly, and such change may occur within a very short period of time.

Notwithstanding that the offshore RMB market showed a meaningful growth during the past 2 years, it is still at an early stage of the development and is relatively sensitive to negative factors or market uncertainties. For instance, the value of offshore RMB had once dropped by 2% against the US dollars in the last week of September 2011 amidst the heavy selloff of the equities market. In general, the offshore RMB market is more volatile than the onshore one due to its relatively thin liquidity.

There have been talks on the potential convergence of the two RMB markets but that is believed to be driven by political decisions rather than just economics. It is widely expected that the onshore and offshore RMB markets would remain two segregated, but highly related, markets for the next few years.

Recent Measures

More measures to relax the conduct of offshore RMB business were announced in 2010. On 19 July 2010, interbank transfer of RMB funds was permitted for any purposes and corporate customers of banks in Hong Kong (including those not directly involved in trade with Chinese Mainland) may exchange foreign currencies for RMB without limit. One month later, the PRC mainland authorities announced the partial opening up of PRC mainland's interbank bond market for foreign central banks, RMB clearing banks in Hong Kong and Macau and other foreign banks participating in the RMB offshore settlement programme.

The National Twelfth Five-Year Plan adopted in March 2011 explicitly supports the development of Hong Kong as an offshore RMB business centre. In August 2011, PRC mainland Vice Premier Li Keqiang has announced more new initiatives during his visit, such as allowing investments on the PRC mainland equity market through the RMB Qualified Foreign Institutional Investor scheme and the launch of an exchange-traded fund with Hong Kong stocks as the underlying constituents in the PRC mainland. Also the PRC mainland Government has given approval for the first non-financial PRC mainland firm to issue RMB-denominated bonds in Hong Kong.

RMB Internationalisation is a Long-Term Goal

Given the PRC mainland's economic size and growing influence, RMB has the potential to become an international currency in the same ranks as US dollars and euro. But the PRC mainland has to first accelerate the development of its financial markets and gradually make RMB fully convertible on the capital account. Although the internationalisation of RMB will bring benefits such as increasing political influence and reduced exchange rate risks, it also entails risks including rising volatility of RMB exchange rate.

The process of RMB internationalisation is a long and gradual one. It took US dollars many decades to replace the British pound to become a dominant reserve currency; it will also take time for RMB to gain importance in coming years, it will not be in a position to challenge the US dollar's main reserve currency status for some time to come.

9. CHINA A-SHARE MARKET IN THE PRC mainland

9.1 The Stock Exchanges in Chinese Mainland

Chinese Mainland has two stock exchanges, located in Shanghai and Shenzhen respectively. Shanghai Stock Exchange ("**SSE**") was established in November 26, 1990 and started trading in December 19 of the same year. SZSE was established in December 1, 1990. The two exchanges are under the direct management of the CSRC. Their main functions include: to provide premises and facilities for securities trading; to develop the business rules of the exchanges; to accept listing applications and arrange for the listing of securities; to organize and supervise securities trading; to regulate exchange members and listed companies; to manage and disclose market information.

SSE adopts an electronic trading platform. The trading of all exchange-traded securities are required to be submitted to the exchange's matching engine which automatically matches orders based on price priority and time priority. The SSE's new trading system has a peak order processing capacity of 80,000 transactions per second. It has a bilateral transactions capacity of over 120 million which is equivalent to the size of daily turnover of RMB1.2 trillion by a single market. The system also has parallel scalability.

The SZSE, assuming the mission to build Chinese Mainland's multi-level capital market system, has fully supported small and middle size enterprise development, and promoted the implementation of the national strategy of independent innovation. In May 2004, it officially launched the Small and Medium Enterprise ("**SME**") board; in January 2006, it started a pilot program for shares trading of non-listed companies of the Zhongguancun Science Park; it officially launched Growth Enterprises Market ("**GEM**") board in October 2009.

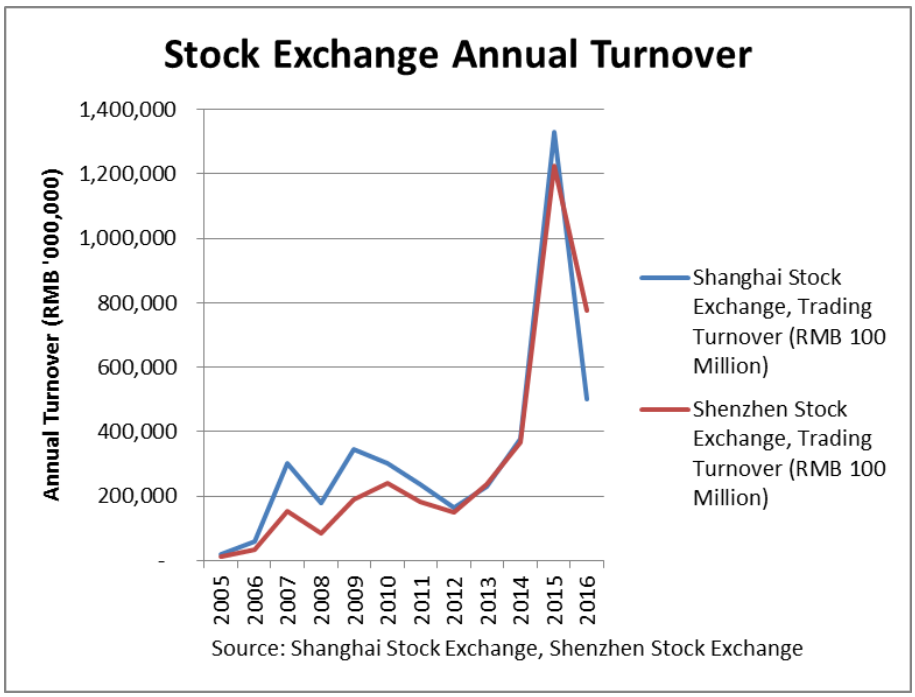
In August 1999, the CPC Central Committee and the State Council proposed the establishment of a hi-tech board. In August 2000, with the approval of the State Council, the CSRC decided that SZSE took on the task of preparing for second board. After ten years of exploration, Chinese Mainland's second board market---ChiNext was inaugurated in Shenzhen on 23 October 2009. ChiNext is an important component of Chinese Mainland's multi-tier capital market system. As an independent market, ChiNext offers a new capital platform tailor-made for the needs of enterprises engaged in independent innovation and other growing venture enterprises. The difference between ChiNext and the main board lies in their mechanisms of financing, investment and risk management for issuers at various stages of development, rather than simply the sizes. The launch of ChiNext marks an important milestone for the nation's independent innovation strategy based on the approach of scientific development. It is also a critical move for improving the level and structure, enhancing the depth and extent of Chinese Mainland's capital market. ChiNext is also of remarkable significance for promoting SME and creating sound interactions among independent innovators, venture capital and capital market. ChiNext is favorable for: (i) perfecting the financing chain for SME engaged in independent innovation and facilitating industrial upgrade; (ii) promoting demonstrative and multiplier effects of capital market in driving economic growth, and enhancing development in venture capital investment; (iii) stimulating public enthusiasm for entrepreneurship, innovation, and employment; (iv) enriching capital market products and providing investors with a wider range of financial instruments for wealth management and risk hedges. Fully independent from the main board market, ChiNext takes into consideration the actual situation of Chinese Mainland's economy and capital market in its institutional design. A series of targeted institutional innovations have been made in such areas as securities offering, listing, trading and oversight, highlighting the growth potential, capability of innovation and industrial diversity of Chinese Mainland's venture enterprises community. Such innovations include: (i) lower market access threshold for growth venture firms, strengthened responsibilities of intermediary institutions and improved market restraint mechanism (ii) investor suitability system for a rational and efficient investment market and protection of investors' interests; (iii) reforms and innovation introduced to continuing compliance of listed enterprises with regard to information disclosure, continuing supervision, trading system, surveillance system, delisting system based on the distinct characteristics of venture enterprises. Please refer to the risk factor headed "***11.1 Risks associated with the ChiNext market***" for further details on the risks associated with investing in the ChiNext market.

After years of development, the SZSE has basically established a multi-level capital market system architecture consisting the above market boards and systems.

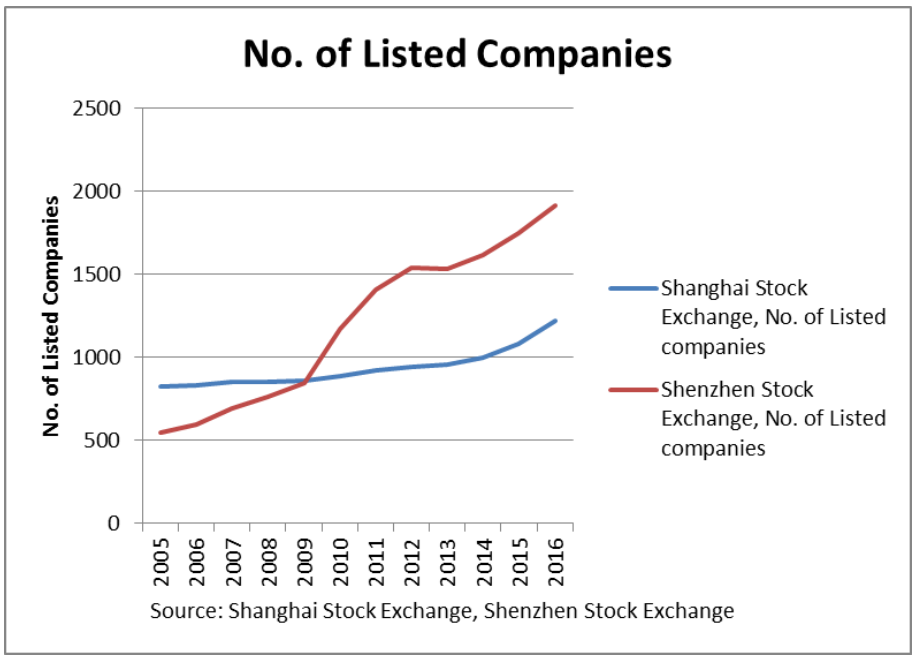
After years of sustained development, the SSE and SZSE have made great achievements in terms of products and quantity listed. Now the listed products include:

China A-Shares, China B-Shares, open-ended funds, close-ended funds, exchange traded funds and bonds. As of 07 March 2017, the number of listed companies amounted to 3,145, including 1,227 in Shanghai and 1,918 in Shenzhen. The combined market capitalization of the two exchanges amounted to RMB 53.7 trillion of which RMB 41.2 trillion is free float. Currently, there are derivatives such as warrants and index futures and fixed income products listed on the SSE and SZSE. As of 7 March 2017, there were 605 companies listed on the ChiNext and the total market capitalization of ChiNext listed companies amounted to RMB5.46 trillion.

The chart below shows the annual trading turnover in the SSE and SZSE.



The chart below shows the number of listed company in the SSE and SZSE.



The chart below shows the market capitalisation of the SSE and SZSE.

The chart below shows the Shanghai and Shenzhen Composite Index Price and the Index Price of the Underlying Index in the past 10 years.

The regulatory agency of each stock exchange is its Stock Exchange Council. The Council consists of member directors and non-member directors. The highest decision-making body of an exchange is the General Assembly; however, the Council decides the business agenda of the exchange. The Council reports to the General Assembly, and assumes the following powers:

- To convene the General Assembly, report to the General Assembly, the implementation of the resolutions of the General Assembly;
- To enact, amend the relevant business rules of the Stock Exchange;
- To approve the general work plan submitted by its Chief Executive Officer, budget plan and the draft final financial report;
- To approve the membership admission and approve the sanction of members;
- To decide the stock exchange's internal structure;
- Other powers conferred by the General Assembly.

9.2 Development of the China A-Share market

In the 80s of last century, with huge demand of public capital from the national economic development, the State started a pilot reform program adopting the joint-stock system, commencing first in Shanghai, Shenzhen and several other cities. After the Reform and Opening up China's first stock - "Shanghai Feile Audio-Visual" was born in November 1984.

Then in 1990, the SSE and SZSE officially opened, marking the official start of the rapid development of the Chinese stock market. The China A-Share markets in SSE and SZSE commenced on 19 December 1990 and 1 December 1990 respectively. Initially, trading in China A-Shares are restricted to domestic investors only while China B-Shares are available to both domestic (since 2001) and foreign investors. However, after reforms were implemented in December 2002, foreign investors are now allowed (with limitations) to trade in China A-Shares under the QFII program which was launched in 2003 and the RQFII program which was launched in 2011.

After 20 years of development, the China A-Share market has since grown to become influential on the global market. The participants in the China A-Share market include retail investors, institutional investors and listed companies. The total market capitalization of the two exchanges combined as at 11 December 2014 has reached RMB 35.2 trillion, and the floating market capitalization has reached RMB 29.4 trillion. As of 11 December 2014, there were 2,603 China A-Share companies listed on the SSE and SZSE.

9.3 The major differences between the China A-Share market and the Hong Kong market

The table below summarises the differences between the China A-Share market and the Hong Kong market:

		SEHK	SSE	SZSE
(a)	Key Market Index	Hang Seng Index ("**HSI**")	SSE Composite Index	SZSE Composite Index
(b)	Trading Hours • Morning session • Afternoon session	• 9:30 a.m. – 12:00 p.m. • 13:00 – 16:00	• 9:30 a.m. – 11:30 a.m. • 13:00 – 15:00	• 9:30 a.m. – 11:30 a.m. • 13:00 – 15:00
	China A-Share market and Hong Kong market have different schedule of holidays.			
(c)	Pre-opening session / pre-order input /order matching times • Pre-opening session • Order matching times • Close matching times	• 9:00 a.m. to 9:15 a.m. • 9:15 a.m. to 9:20 a.m. (pre-order matching period) • 9:20 a.m. to 9:28 a.m. (order matching period) • 9:28 a.m. to 9:30 a.m. (blocking period) • N/A	• 9:15 a.m. to 9:25 a.m. • 9:30 a.m. to 11:30 a.m. and 13:00 to 15:00 • N/A	• 9:15 a.m. to 9:25 a.m. • 9:30 a.m. to 11:30 a.m. and 13:00 to 14:57 • 14:57 to 15:00
(d)	Trading Band Limits	No trading band limit	Daily trading band limits of 10% (Starting from 24 August 2020, Daily trading band limits for	

			ChiNext is changed to 20%). Where a listed company is under circumstances deemed abnormal by the SSE and SZSE, the short name of the listed company will be prefixed by "ST" and the daily up and down limit will be reduced to 5%.
(e)	Trading Rule	The T+1 trading rule do not apply except that some stocks cannot be sold short in Hong Kong market.	The T+1 trading rule applies which means a stock bought on T day (i.e. trading day) can only be sold on T+1 (i.e. one business day after the relevant trading day), and no short-selling is allowed with a few exception (mostly ETFs) permitted by a pilot program.
(f)	Round Lot	Stocks are generally traded at round lots and odd lots trading have to be facilitated by a broker through a special board.	Stocks can only be bought at the multiples of 100 shares but cannot be bought in odd lots. However, one can sell the shares of any number i.e. even in odd lots.
(g)	Settlement cycle	The settlement period is 2 business days (i.e. T+2)	The settlement period is one business day (i.e. T+1)
(h)	Earnings report disclosure requirement	A listed company has to disclose fiscal information twice a year. The annual financial reports have to be published within four months from the financial year end and the interim financial reports have to be published within three months of the end of the period it covers.	A listed company on the SSE and SZSE is required to prepare and disclose the annual financial report within four months as of the end date of each fiscal year, the semi-annual financial report within two months as of the end date of the first half of each fiscal year, and the quarterly financial report within one month as of the end of the first three months and the end of the first nine months of each fiscal year respectively. The time for disclosing the first-quarter financial report shall not be earlier than the time for disclosing the annual financial report of the previous year. H-Share listed companies also disclose fiscal information quarterly for consistency with the corresponding A -Share schedules.
(i)	Suspension	There is no requirement to suspend stocks for general assembly or important information disclosure.	Stocks in the China A-Share market will be suspended for general assembly or important information disclosure.

Investors should inform themselves of the risks associated with the differences between the China A-Share market and the Hong Kong market, as set out in the risk factor headed "***Risks relating to the differences between the Hong Kong and Chinese Mainland stock markets***" in section ***"11.4 Chinese Mainland market / China A-Share market risks"*** in this Appendix.

9.4 Overview of the SZSE and the ChiNext market

Major statistics. The SZSE comprises the main board, small and medium enterprise ("**SME**") board and the ChiNext. The table below summarises the market data of each board as of 31 July 2020:

	Main Board	**SME Board**	**ChiNext**
No. of stocks	469	959	833

Market capitalisation (RMB million)	9,114,460	13,212,527	9,397,911
Average daily turnover for July 2020 (RMB million)	175,485	317,772	242,751
Average price-earnings ratio	20.64	35.63	60.17
Average intra-day volatility / average turnover ratio	1.74%	2.76%	3.51%

Listing requirements. Generally, the requirements for companies seeking to list on the ChiNext are less stringent than the requirements for companies seeking to list on the main board and SME board.

The requirements for listing on the main board and SME board are set out under the Measures on the Administration of Initial Public Offerings and Listings of Shares, effective as of 18 May 2006. The listing requirements for listing on the ChiNext are set out under the Rules Governing the Listing of Shares on the ChiNext of Shenzhen Stock Exchange (Revised in 2020) (深圳証券交易所創業板股票上市規則 （2020 年修訂）). The key differences in the respective listing requirements are summarised below:

	Main Board / SME Board	**ChiNext**
Profitability	(a) Profitable in the last 3 consecutive financial years, with aggregate net profits more than RMB 30 million; (b) The aggregate operating cash flow for the last 3 consecutive financial years exceeds RMB 50 million; or the aggregate operating income over the last 3 financial years exceeds RMB 300 million.	For onshore companies without weighted voting rights structure: Profitable in the last 2 consecutive years, with aggregate net profits no less than RMB 50 million and in continued growth; Or If expected market value no less than RMB 1 billion, profitable in the latest year with revenue no less than RMB 100 million. Or If expected market value no less than RMB 5 billion, the revenue for the latest year is not less than RMB 300 million For onshore companies with leading technology against peer companies and rapid growth of revenue, or with weighted voting rights structure: If expected market value no less than RMB 10 billion, profitable in the latest year Or If expected market value no less than RMB 5 billion, profitable in the latest year with revenue no less than RMB 500

		million
Share capital	The pre-initial offer period ("**IPO**") share capital is not less than RMB 30 million and the post-IPO share capital is not less than RMB 50 million.	The post-IPO share capital is not less than RMB 30 million.
Years for review of operation	In the last 3 years, there has been no significant change in the principal business, directors and senior management, nor any change of the de facto controller.	No specific requirement
Intangible assets as at the end of the last reporting period (after deducting land use rights, aquaculture rights, mining rights, etc.) as a percentage to the net assets	No more than 20%	No specific requirement

Index compilation. Major index compilers, such as MSCI, FTSE and HSI, when compiling their A-Share indices, usually exclude the stocks listed on the ChiNext market. As such, the performance of such other A-Shares indices may not reflect the performance of stocks listed on ChiNext.

Price fluctuations. As set out in section "***9.3 The major differences between the China A-Share market and the Hong Kong market***" in this Appendix, a trading band limit is imposed by the stock exchanges in Chinese Mainland on China A-Shares, where trading in any China A-Share security on the relevant stock exchange may be suspended if the trading price of the security has hit the trading band limit. Since the companies listed on the ChiNext market usually have a smaller scale and shorter operating history, the stock prices of the ChiNext-listed companies generally experience a higher fluctuation than that of the companies listed on the main board and SME board. The trading price of the ChiNext-listed companies may therefore be more prone to hitting the trading band limit compared with the companies listed on the main board and SME board.

IPO underperformance. Compared to the main board and SME board, the IPO long-run performance of the ChiNext market is generally lower. This underperformance is more significant during the first year of listing of the relevant stock on the ChiNext. This may be due to factors such as a decrease in the operating performance in the year following its listing. In this circumstance, the price of the stock listed on the ChinNext one year after its listing will generally be lower than the price at the IPO.

9.5 Measures Adopted by the Manager to Address the Differences between the China A-Share Market and the Hong Kong Market

The Manager has adopted the following measures to address the difference between the China A-Share market and the Hong Kong market:

(a) Trading hours: As regards the difference in trading hours, the shorter trading hours in the China A-Share market is not considered to present a major risk, as

it is expected that there is a sufficient level of liquidity for the China A-Shares constituting the CSOP ChiNext ETF's portfolio.

(b) Trading days: There is a difference in trading days between the China A-Share market and the Hong Kong market. It should be noted that Applications are accepted only on a Business Day (normally a day on which both markets are open).

If the Hong Kong market is open while the China A-Share market is closed, Units of the CSOP ChiNext ETF will be traded in the Hong Kong market and the Manager will continue to publish information including prices in the manner set out in section "***14.14 Publication of Information Relating to the Sub-Funds***" in Part 1 of the Prospectus. If the China A-Share market is open while Hong Kong market is closed, the Manager will trade the China A-Shares when it is necessary, in order to limit the risk to investors. These trades will be properly settled even when the Hong Kong market is closed for holiday by the Trustee's arrangements in place.

(c) Trading band limits: The Manager will be prevented from trading China A-Shares when they hit the "trading band limit". If this happens on a particular trading day, the Manager will continue to trade that stock on the subsequent two trading days if necessary. However if the Manager is still unable to trade that China A-Share on the second trading day after the original trading day due to the trading band limit, the Manager will settle the China A-Share on the latest closing price and the CSOP ChiNext ETF will make up the trade whenever that China A-Share resumes trading again. The Manager believes that the average impact to the CSOP ChiNext ETF in such situations is immaterial.

9.6 The Stock Connect

The Stock Connect is a securities trading and clearing linked program developed by the HKEX, the SSE, the SZSE and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**"), with an aim to achieve mutual stock market access between Chinese Mainland and Hong Kong. It comprises of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Manager intends to utilise such channels to invest in A Shares.

Through the Stock Connect, the SSE, the SZSE and the SEHK enable investors to trade eligible securities listed on the other's market through local securities firms or brokers. Each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, investors, through their Hong Kong brokers and securities trading service companies (in Shanghai and in Shenzhen respectively) establish by the SEHK and the HKSCC, are able to place orders to trade eligible securities listed on the SSE or the SZSE by routing orders to the SSE or the SZSE (as the case may be). Under the Southbound Trading Link, eligible investors, through PRC mainland securities firms and securities trading service companies established by the SSE and the SZSE, are able to place orders to trade eligible securities listed on the SEHK by routing orders to SEHK.

All Hong Kong and overseas investors (including the CSOP ChiNext ETF) are allowed

to trade SSE Securities and SZSE Securities (as described below) through the Stock Connect (through the Northbound Trading Link), subject to rules and regulations issued from time to time.

The following summary presents some key points about the Northbound Trading Link (which may be utilized by the CSOP ChiNext ETF to invest in the PRC mainland):

Eligible securities

Among the different types of SSE-or SZSE-listed securities, only China A-Shares and exchange traded funds ("**ETFs**") are currently permitted for Northbound trading under the Stock Connect.

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

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

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

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

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

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

In addition, Hong Kong and overseas investors are able to trade eligible SSE-listed and SZSE-listed ETFs that satisfy the relevant criteria at a regular review and are accepted as eligible ETFs for Northbound trading in Stock Connect. Regular reviews will be performed to determine the eligible ETFs for Northbound trading every six months.
The list of eligible securities may be subject to review and approval by the relevant Chinese Mainland regulators from time to time.

Trading day

Due to differences in public holidays between Hong Kong and Chinese Mainland, there may be differences in the trading days in the two markets. Even if the Chinese Mainland markets are open on a certain day, the CSOP ChiNext ETF may not necessarily be able to invest in SSE Securities and/or SZSE Securities through Northbound trading. For example, the Hong Kong market closes on Easter and Christmas every year, but those are trading days in Chinese Mainland.

Likewise, during Lunar New Year and the National Day golden week periods, Chinese Mainland will usually arrange for seven-day consecutive holidays by reshuffling workdays and weekends. Even for days both markets are open for business, there could be differences because of other reasons such as bad weather conditions. Investors (including the CSOP ChiNext ETF) are only allowed to trade on the other market on days where both markets are open for trading, and banking services are available in both markets on the corresponding settlement days.

Trading quota

Trading under the Stock Connect is subject to a daily quota ("**Daily Quota**") presently set at RMB52 billion for each of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, which is separate for Northbound and Southbound trading. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day.

The quotas do not belong to the CSOP ChiNext ETF and are utilized on a first-come-first-serve basis. The SEHK publishes the remaining balance of the Northbound Daily Quota at scheduled times on the HKEX's website. Should there be any change in the Daily Quota, the Manager will not inform the Unitholders.

Settlement and Custody

The Hong Kong Securities Clearing Company Limited ("**HKSCC**"), also a wholly-owned subsidiary of HKEX, is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The SSE Securities and SZSE Securities traded through the Stock Connect are issued in scripless form, so investors will not hold any physical securities. In the operation of the Stock Connect, Hong Kong and overseas investors who have acquired SSE Securities and SZSE Securities through Northbound trading should maintain the SSE Securities and SZSE Securities with their brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

Corporate actions and shareholders' meetings

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

HKSCC monitors the corporate actions affecting SSE Securities or SZSE Securities and keep the relevant brokers or custodians participating in CCASS ("CCASS participants") informed of all such corporate actions that require CCASS participants

to take steps in order to participate in them.

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

Foreign shareholding restrictions

The CSRC stipulates that, when holding China A-Shares through the Stock Connect, Hong Kong and overseas investors are subject to the following shareholding restrictions:

- Single foreign investors' shareholding by any Hong Kong or overseas investor in a China A-Share must not exceed 10% of the total issued shares; and
- Aggregate foreign investors' shareholding by all Hong Kong and overseas investors in a China A-Share must not exceed 30% of the total issue shares.
- When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the rules, the shareholding of the strategic investments is not capped by the above-mentioned percentages.

Should the shareholding of a single investor in a China A-Share listed company exceed the above restriction, the investor may be required to unwind his position on the excessive shareholding according to a last-in- first-out basis within a specific period. The SSE, the SZSE and the SEHK will issue warnings or restrict the buy orders for the related China A- Shares if the percentage of total shareholding is approaching the upper limit.

SSE and SZSE-listed ETFs are not subject to the aforementioned shareholding restrictions.

Currency

Hong Kong and overseas investors will trade and settle SSE Securities and SZSE Securities in RMB only. Hence, the CSOP ChiNext ETF needs to use its RMB funds to trade and settle SSE Securities and SZSE Securities.

Trading fees

In addition to paying trading fees and stamp duties in connection with SSE Securities and/or SZSE Securities, the CSOP ChiNext ETF may be subject to new portfolio fees, dividend tax and tax concerned with income arising from transfers of SSE Securities and/or SZSE Securities which are yet to be determined by the relevant authorities.

Coverage of Investor Compensation Fund

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund covers investors' losses in relation to securities traded on a stock market operated by the SSE and the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the CSOP ChiNext ETF is carrying out northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, such trading is not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland.

Further information about the Stock Connect is available at the website: https://www.hkex.com.hk/mutual-market/stock-connect?sc_lang=en.

10. RMB payment and account procedures

Investors may unless otherwise agreed by relevant Participating Dealer, apply for Units through Participating Dealers only if they have sufficient RMB to pay the application monies and the related fees. Investors should note that RMB is the only official currency of the PRC mainland. While both onshore RMB ("**CNY**") and offshore RMB ("**CNH**") are the same currency, they are traded in different and separated markets. Since the two RMB markets operate independently where the flow between them is highly restricted, CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there is a significant amount of RMB held offshore (i.e. outside the PRC mainland), CNH cannot be freely remitted into the PRC mainland and is subject to certain restrictions, and vice versa. As such whilst CNH and CNY are both the same currency, certain special restrictions do apply to RMB outside the PRC mainland. The liquidity and trading price of the CSOP ChiNext ETF may be adversely affected by the limited availability of, and restrictions applicable to, RMB outside the PRC mainland.

Application monies from Participating Dealers to the CSOP ChiNext ETF will be paid in RMB only. Accordingly a Participating Dealer may require an investor (as its client) to pay CNH to it. (Payment details will be set out in the relevant Participating Dealer's documentation such as the application form for its clients.) As such, an investor may need to have opened a bank account (for settlement) and a securities dealing account if a Participating Dealer is to subscribe for Units on his behalf as such investor will need to have accumulated sufficient CNH 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 such investor by the Participating Dealer by crediting such amount into such investor's CNH bank account. Similarly, if investors wish to buy and sell Units in the secondary market on the SEHK, they may need to open a securities dealing account with their broker. Investors will need to check with the relevant Participating Dealer and/or their broker for payment details and account procedures.

If any investors wish to buy or sell RMB traded Units on the secondary market, they should contact their brokers and they are reminded to confirm with their brokers' in respect of Units traded in RMB their brokers' readiness for dealing and/or clearing transactions in RMB securities

and to check other relevant information published by the SEHK regarding readiness of its participants for dealing in RMB securities from time to time. CCASS Investor Participants who wish to settle the payment in relation to their trades in the RMB traded Units using their CCASS Investor Participant account or to receive distributions in RMB should make sure that they have set up an RMB designated bank account with CCASS.

Investors intending to purchase RMB traded Units from the secondary market should consult their stockbrokers as to the RMB funding requirement and settlement method for such purchase. Investors may need to open and maintain securities dealing accounts with the stockbroker first before any dealing in Units traded in either HKD or RMB can be effected.

Investors should ensure they have sufficient CNH to settle the trades of Units traded in RMB. 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 transfer 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.

The transaction costs of dealings in the Units on the SEHK include the trading fee payable to HKEX, Commission's transaction levy and Accounting and Financial Reporting Council ("AFRC") transaction levy. All these secondary trading related fees and charges will be collected in Hong Kong dollars and in respect of Units traded in RMB calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.

Investors should consult their own brokers or custodians as to how and in what currency the trading related fees and charges and brokerage commission should be paid by the investors.

Where payment in RMB is to be made by cheque, investors are advised to consult the bank at which their respective RMB bank accounts are opened in advance whether there are any specific requirements in relation to the issue of RMB cheques. In particular, investors should note that some banks have imposed an internal limit (usually RMB80,000) on the balance of RMB cheque account of their clients or the amount of cheques that their clients can issue in a day and such limit may affect an investor's arrangement of funding for an application (through a Participating Dealer) for creation of Units.

When an individual investor who is a Hong Kong resident opens an RMB bank account or settle RMB payments, he or she will be subject to the daily maximum remittance amount to the PRC mainland which is 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 mainland and provided that the account name of the account in the PRC mainland is identical with that of the RMB bank account with the bank in Hong Kong.

On the other hand, an individual investor who is a non-Hong Kong resident may open an RMB bank account in Hong Kong and may exchange other currencies for RMB without any limit. However, non-Hong Kong residents may not remit RMB to the PRC mainland unless approval is obtained pursuant to PRC mainland rules and regulations.

Please refer to section "***11.5 Renminbi related risks***" of this Appendix on risks associated with Renminbi.

10A RENMINBI EQUITY TRADING SUPPORT FACILITY ("TSF")

The TSF was launched on 24 October 2011 by the HKEX to provide a facility to enable investors who wish to buy RMB-traded shares (RMB shares) in the secondary market with Hong Kong dollars if they do not have sufficient RMB or have difficulty in obtaining RMB from other channels. The coverage of TSF has been extended to equity-related exchange traded funds and real estate investment trusts traded in RMB with effect from 6 August 2012. As such, the TSF is currently available to investors who wish to invest in the CSOP ChiNext ETF and trading in RMB on the SEHK. For further details on the TSF, please refer to the website of HKEX at https://www.hkex.com.hk/Global/Exchange/FAQ/Featured/RMB-Readiness-and-Services/RMB-Equity-Trading-Support-Facility?sc_lang=en. Investors should consult their advisers if they have any query on the TSF.

11. Risk Factors Relating to the CSOP ChiNext ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP ChiNext ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP ChiNext ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP ChiNext ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

11.1 Risks associated with the ChiNext market

Since the CSOP ChiNext ETF seeks exposure to securities in the ChiNext market, it will be subject to the following risks associated with the ChiNext market:

Risk relating to overvaluation of stocks. Currently, stocks listed on ChiNext are generally considered overvalued. The ChiNext market has a price-earnings ratio of 98.94 (compared to the price-earnings ratio of 33.99 in the main board of SZSE and 59.20 in the SME board of SZSE) as at 30 April 2015. Such exceptionally high valuation may not be sustainable.

Higher fluctuation on stock prices: Listed companies on the ChiNext market are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board.

Risk relating to the differences in regulations. The rules and regulations in relation to the issuance and listing of the securities in the ChiNext market are less stringent in terms of profitability and share capital than those in the main board market and SME board market of SZSE. For example, a company seeking listing on the main board or the SME board market of SZSE must have been profitable in the last three consecutive years with net profits no less than RMB 30 million in aggregate whereas for a company seeking listing on the ChiNext market, it is only required to be profitable in the most recent two consecutive years, with accumulated profits no less than RMB 10 million and

in continued growth; or the issuer must have been profitable in the most recent year with net profits of no less than RMB 5 million and revenues of no less than RMB 50 million, and its revenue growth rate for either of the most recent two years must have been no less than 30%. Companies listed on the ChiNext market thus, have less track record of profitability than companies listed on the main board and SME board of SZSE. At present, major index compilers such as MSCI, FTSE and HSI exclude ChiNext stocks from their index universe of A-Share indices. Please refer to the section "***9.4 Overview of the SZSE and the ChiNext market***" in this Appendix for more details on the differences in the listing requirements between the ChiNext market and the main board and SME board. Given the emerging nature of companies listed on the ChiNext market, there is a risk that the securities traded on ChiNext market may be susceptible to higher market volatility compared to securities traded on the main board market and SME board market of SZSE.

Risk of delisting. Under the delisting rules governing ChiNext-listed companies which came into effect on 1 May 2012, companies will be delisted from the ChiNext market if (i) their stock trade below their original offer price for 20 consecutive days, (ii) if they receive 3 warnings from the SZSE within the most recent 3 years, or (iii) if after correcting any material errors or false representations the adjusted net asset value is negative for the most recent 2 years. For reasons disclosed below, the companies listed in the ChiNext market are generally less resistant to market risks and may experience more fluctuations in their performance. Hence, in more extreme circumstances, they are more susceptible to falling within one of the above scenarios for delisting and consequently being de-listed by the SZSE. It may be more common and faster for companies listed on the ChiNext market to delist. This may have an adverse impact on the Sub-Fund if the companies that it invests in are delisted. Investments in the ChiNext market may result in significant losses for the Sub-Fund and its investors.

Operational risk. Listed companies in the ChiNext market (e.g. innovative or SME) are usually in their preliminary stage of development with smaller operating scale and shorter operating history, less mature business model and weaker risk management capacity, and their businesses are usually subject to higher uncertainty and more fluctuations in their performance. Therefore its stability and resistance to market risks may be lower. These instability and uncertainties may have an adverse impact on the Sub-Fund which seeks exposure to companies that are listed on the ChiNext market.

Risk associated with the fluctuation in stock prices. Since the companies listed on the ChiNext market usually have a smaller scale and shorter operating history, their ability to resist market risks is lower, and hence their stock prices may experience a higher fluctuation as the performance of these companies changes. In extreme circumstances where the trading price of the stock has hit the trading band limit, trading of the stock will be suspended. A suspension will render it impossible for the CSOP ChiNext ETF to liquidate positions and will therefore expose the CSOP ChiNext ETF to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the CSOP ChiNext ETF to liquidate positions at a favourable price. Conventional valuation methods may not be entirely applicable to companies listed on the ChiNext market due to the risky nature of the industries that these companies operate in. There are fewer circulating shares on the ChiNext market, hence stock prices may be relatively more easily manipulated and may experience higher fluctuation upon market speculation.

Risk associated with the technical failures. The companies listed on the ChiNext market have an industries focus on scientific development, innovation and media industries. Since this is an area with rapid development, if there are failures in the process of the scientific development which such companies are involved in and/or any major adverse events happening in the industries or their development, this may result in losses in such companies and hence may have an adverse impact on the Sub-Fund if the Sub-Fund is exposed to those companies.

Concentration risk. Investment of the CSOP ChiNext ETF is concentrated on securities listed on the ChiNext market (which mainly comprises of companies engaged in independent innovation and other growing venture enterprises such as high technology companies). Companies listed on the ChiNext market are usually in their preliminary stage of development with smaller operating scale and shorter operating history (e.g. innovative or SME), therefore its stability and resistance to market risks may be lower. As such, it may be subject to greater volatility than broad-based funds.

11.2 Risks associated with investment in FDIs

The CSOP ChiNext ETF invests more than 50% and up to 100% of its NAV in FDIs (funded total return swaps) through one or more counterparty(ies). As such, the CSOP ChiNext ETF may suffer significant loss if a counterparty to the funded total return swaps fails to perform its obligations, or in case of insolvency or default of the counterparty(ies).

Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the CSOP ChiNext ETF. Exposure to FDIs may lead to a high risk of significant loss by the CSOP ChiNext ETF.

Please refer to the risk factor under section "***4.2 Investment risks***" under the heading "***Financial Derivative Instruments and Collateral Risks***" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the CSOP ChiNext ETF will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the CSOP ChiNext ETF. Please also refer to the headings "***Financial Derivative Instruments***" and "***Collateral***" under Schedule 1 in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

11.3 Risks associated with investing in swaps

Limited availability of swaps risk. The Manager's ability to manage the CSOP ChiNext ETF in accordance with its stated investment objective will depend upon the willingness and ability of potential swap counterparties to engage in swaps with the CSOP ChiNext ETF linked to the performance of the underlying Securities of the Underlying Index. A swap counterparty's ability to continue to enter into swaps or other derivative transactions with the CSOP ChiNext ETF may be reduced or eliminated, which could

have a material adverse effect on the CSOP ChiNext ETF. Furthermore, swaps are of limited duration and there is no guarantee that swaps entered into with a swap counterparty will continue indefinitely. Accordingly, the duration of as depends on, among other factors, the ability of the CSOP ChiNext ETF to renew the expiration period of the relevant swap at agreed upon terms. If the CSOP ChiNext ETF is unable to obtain sufficient exposure to the performance of the Underlying Index because of the limited availability of swaps linked to the performance of the underlying Securities of the Underlying Index, the CSOP ChiNext ETF could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the CSOP ChiNext ETF could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the CSOP ChiNext ETF's swaps, the risks related to the limited availability of swaps would be compounded and the CSOP ChiNext ETF may be adversely affected.

Counterparty risk. Because a swap is an obligation of the swap counterparty rather than a direct investment in the Underlying Index constituents, the CSOP ChiNext ETF may suffer losses potentially equal to, or greater than, the full value of the swap if the swap counterparty fails to perform its obligations under the swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the CSOP ChiNext ETF and will likely impair the CSOP ChiNext ETF's ability to achieve its investment objective. The counterparty risk associated with the CSOP ChiNext ETF's investments is expected to be greater than that may be encountered by most other funds because the CSOP ChiNext ETF expects to use swaps as the principal means to gain exposure to the Underlying Index. Despite the counterparty risk management measures in place, the management of the CSOP ChiNext ETF's net exposure to each swap counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the swap counterparty to the CSOP ChiNext ETF) as set out in the terms of the swap transactions. The CSOP ChiNext ETF's net exposure to each swap counterparty may exceed zero if any such risks eventuate. The extent of the CSOP ChiNext ETF's potential loss arising in this regard is likely to be the amount of the CSOP ChiNext ETF's net counterparty exposure.

Intra-day counterparty risk. The Manager will manage the CSOP ChiNext ETF to ensure that the collateral held by the CSOP ChiNext ETF will represent at least 100% of the CSOP ChiNext ETF's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the CSOP ChiNext ETF is not at least 100% of the CSOP ChiNext ETF's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each swap counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the CSOP ChiNext ETF's net exposure to each swap counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the swap counterparty to the CSOP ChiNext ETF). Any delay in the cash payment by the swap counterparty to the CSOP ChiNext ETF prior to the end of

the relevant trading day T+2 may cause the CSOP ChiNext ETF's exposure to a swap counterparty to be larger than zero from time to time.

This may result in significant losses for the CSOP ChiNext ETF in the event of the insolvency or default of that swap counterparty

Early termination of swaps risk. In some circumstances, a swap counterparty can terminate the swap agreements early which may adversely impact the CSOP ChiNext ETF's performance. Such early termination can also impair the CSOP ChiNext ETF's ability to achieve its investment objective and may subject the CSOP ChiNext ETF to substantial loss. Also, the CSOP ChiNext ETF may face an increase in the cost to enter into a similar swap agreement with additional swap counterparties.

Change of swap fees risk. The CSOP ChiNext ETF will bear the swap fees, which are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. In extreme market conditions and exceptional circumstances, the brokerage commission and swap counterparty's costs of financing the underlying hedge may increase significantly and in return cause negative impact on the Net Asset Value of the CSOP ChiNext ETF.

Liquidity risk. Swaps may be subject to liquidity risk, which exists when a particular swap is difficult to purchase or sell. If a swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the CSOP ChiNext ETF. In addition, a swap may be subject to the CSOP ChiNext ETF's limitation on investments in illiquid Securities. Swaps may be subject to pricing risk, which exists when a particular swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the CSOP ChiNext ETF's ability to terminate existing swaps or to realise amounts to be received under such agreements. There may also be no active market in certain FDIs and therefore investment in such FDIs can be illiquid. In order to meet requests, the CSOP ChiNext ETF relies upon the issuer of the FDIs to quote a market to unwind any part of the FDIs that will reflect the market liquidity conditions and the size of the transaction.

Valuation risk. The CSOP ChiNext ETF's assets, in particular swaps entered into by the CSOP ChiNext ETF, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under the section "***8.1 Determination of the Net Asset Value***" in Part 1 of the Prospectus.

Legal risk. The characterisation of a transaction or a party's legal capacity to enter into it could render the swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Short selling by swap counterparty risk. The swap counterparty to the CSOP ChiNext ETF may need to short sell the constituents of the Underlying Index or Securities relating to the Underlying Index for the purposes of hedging. Many regulators have banned "naked" short selling (a practice that has been prohibited in Hong Kong since short selling was first introduced) or completely suspended short selling for certain stocks. Any such bans with the effect of prohibiting the short selling of Securities, in particular Securities relating to the Underlying Index, may affect a swap counterparty's ability to hedge its position and may trigger an early termination of the OTC swap transaction. Such early termination could impair the CSOP ChiNext ETF's ability to achieve its investment objective and subject the CSOP ChiNext ETF to substantial loss.

Mandatory measures imposed by relevant parties risk. Regarding the CSOP ChiNext ETF's swaps, relevant parties (such as swap counterparties, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include early termination of the swaps, no further swap contracts signed and having limited or no access to exposure. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the CSOP ChiNext ETF's Unitholders and in accordance with the CSOP ChiNext ETF's constitutive documents, including suspension of creation of the CSOP ChiNext ETF's units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the CSOP ChiNext ETF. These corresponding actions may have an adverse impact on the operation, secondary market trading, index-tracking ability and the Net Asset Value of the CSOP ChiNext ETF. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Capacity limit risk. The swap counterparties may also be subject to a capacity limit representing the commitment of the swap counterparty to conduct the swap transactions to provide the required exposure to the Index for the CSOP ChiNext ETF. Accordingly, the CSOP ChiNext ETF's exposure to the Index may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the CSOP ChiNext ETF, if any swap counterparty reaches its capacity limit or if the Net Asset Value of the CSOP ChiNext ETF grows significantly this may affect creations of units due to the inability of the CSOP ChiNext ETF to conduct swap transactions. This may cause a divergence between the trading price of a unit on the SEHK and the Net Asset Value per unit. The investment exposure could also deviate from the target exposure which adds tracking error to the CSOP ChiNext ETF.

11.4 Chinese Mainland market / China A-Share market risks

Chinese Mainland market / Single country investment. Insofar as the CSOP ChiNext ETF seeks exposure and/or invests in securities issued in Chinese Mainland, it will be subject to risks inherent in the Chinese Mainland market and additional concentration risks. Please refer to the risk factors under section "***4.1 Risk Factors relating to Chinese Mainland***" and section "***4.2 Investment risks***" under headings "***Restricted markets risk***", "***Emerging Market Risk***" and "***Single country risk***" in Part 1 of this Prospectus.

Risks relating to dependence upon trading on China A-Share market. The existence of a liquid trading market for China A-Shares may depend on whether there is supply of,

and demand for, such China A-Shares. The price at which the China A-Shares may be purchased or sold by the CSOP ChiNext ETF and the Net Asset Value of the CSOP ChiNext ETF may be adversely affected if trading markets for China A-Shares are limited or absent. Investors should note that the SZSE and the SSE on which China A-Shares are traded are undergoing development and the market capitalisation of those stock exchanges are lower than those in more developed markets. The China A-Share market may be more volatile and unstable (for examples due to the risk of suspension of a particular stock or government intervention) than those in more developed markets. A Participating Dealer may not be able to create and redeem Units if any China A-Shares constituting the portfolio of the CSOP ChiNext ETF are not available. Market volatility and settlement difficulties in the China A-Share markets may also result in significant fluctuations in the prices of the China A-Shares traded on such markets and thereby may affect the value of the CSOP ChiNext ETF.

Risks relating to suspension of the China A-Share market. Securities exchanges in Chinese Mainland typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible for the Manager to liquidate positions and can thereby expose the CSOP ChiNext ETF to losses. Under such circumstances, while creation/redemption of the CSOP ChiNext ETF's Units may be suspended, subject to the Manager's discretion, the trading of the CSOP ChiNext ETF on the SEHK may or may not be suspended. If some of the China A-Shares comprising the portfolio of the CSOP ChiNext ETF are suspended, it may be difficult for the Manager to determine the Net Asset Value of the CSOP ChiNext ETF. Where a significant number of the China A-Shares comprising the portfolio of the CSOP ChiNext ETF are suspended, the Manager may determine to suspend the creation and redemption of Units of the CSOP ChiNext ETF, and/or delay the payment of any monies in respect of any Redemption Application. If the trading of the CSOP ChiNext ETF on the SEHK continues when the China A-Share market is suspended, the trading price of the CSOP ChiNext ETF may deviate away from the Net Asset Value.

As a result of the trading band limits imposed by the stock exchanges in Chinese Mainland on China A-Shares, it may not be possible for Participating Dealers to create and/or redeem Units on a Business Day, because the China A-Shares constituting the portfolio of the CSOP ChiNext ETF may not be available if the trading band limit has been exceeded for such China A-Shares or it is impossible to liquidate positions. This may lead to higher tracking error and may expose the CSOP ChiNext ETF to losses. Further, the price of the Units of the CSOP ChiNext ETF may be traded at a premium or discount to its Net Asset Value. The Manager has put in place measures to tackle the trading band limit as disclosed under section "***9.5 Measures Adopted by the Manager to Address the Differences between the China A-Share Market and the Hong Kong Market"*** in this Appendix.

Risks relating to the differences between the Hong Kong and Chinese Mainland stock markets. As the SZSE may be open when Units in the CSOP ChiNext ETF are not priced, the value of the China A-Shares in the CSOP ChiNext ETF's portfolio may change on days when investors will not be able to purchase or sell the CSOP ChiNext ETF's Units. Furthermore, the market prices of China A-Shares listed on the above stock exchanges may not be available during part of or all of the SEHK trading sessions due to trading hour differences which may result in Units of the CSOP ChiNext ETF being traded at a premium or discount to its Net Asset Value.

In addition, differences in trading hours between the SZSE and the SEHK may increase the level of premium/discount of the price of Units of the CSOP ChiNext ETF to its Net Asset Value because if the SZSE is closed while the SEHK is open, the Underlying Index level may not be available. The prices quoted by the market maker would therefore be adjusted to take into account any accrued market risk that arises from such unavailability of the Underlying Index level and as a result, the level of premium or discount of the Unit price of the CSOP ChiNext ETF to its Net Asset Value may be higher.

There are no trading band limits in Hong Kong. However, trading band limits are imposed by the stock exchanges in Chinese Mainland on China A-Shares, where trading in any China A-Share security on the relevant stock exchange may be suspended if the trading price of the security has hit the trading band limit during the day. Any dealing suspension of a China A-Share security will render it impossible for the CSOP ChiNext ETF to acquire China A-Shares or liquidate positions to reflect creation/redemption of the Units. This may result in higher tracking error and may expose the CSOP ChiNext ETF to losses. Units of the CSOP ChiNext ETF may also be traded at a significant premium or discount to its Net Asset Value.

11.5 Renminbi related risks

Renminbi currency risk. RMB is currently not a freely convertible currency and is subject to foreign exchange control and fiscal policies of and repatriation restrictions imposed by the Chinese government. If such policies change in future, the CSOP ChiNext ETF's or the investors' position may be adversely affected. Please refer to the risk factor headed "***Renminbi Exchange Risk***" under section "***4.1 Risk Factors relating to Chinese Mainland***" in Part 1 of the Prospectus.

Primary market investors must subscribe for Units of the CSOP ChiNext ETF and will receive redemption proceeds in RMB. Since the CSOP ChiNext ETF is denominated in RMB, non-RMB based investors are exposed to fluctuations in the RMB exchange rate against their base currencies and may incur substantial capital loss due to foreign exchange risk. There is no assurance that RMB will not be subject to devaluation, in which case the value of their investments will be adversely affected. If investors wish or intend to convert the redemption proceeds or dividends (in RMB on both HKD traded Units and RMB traded Units) paid by the CSOP ChiNext ETF or sale proceeds (in RMB on RMB traded units) into a different currency, they are subject to the relevant foreign exchange risk and may suffer losses from such conversion as well as associated fees and charges.

Offshore RMB Market risk. The onshore RMB ("**CNY**") is the only official currency of the PRC mainland and is used in all financial transactions between individuals, state and corporations in the PRC mainland ("**Onshore RMB Market**"). Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC mainland ("**Offshore RMB Market**"). Since June 2010, the offshore RMB ("**CNH**") is traded officially, regulated jointly by the Hong Kong Monetary Authority and the PBOC. As a result of the controls on cross-border transfers of Renminbi between Hong Kong and Chinese Mainland, the Onshore RMB Market and the Offshore RMB Market are, to an extent, segregated, and each market may be subject to different regulatory requirements that are applicable to the Renminbi. The CNY may therefore trade at a different foreign exchange rate compared to the CNH. Due to the strong demand for offshore RMB, CNH used to be traded at a premium to onshore RMB, although

occasional discount may also be observed. The CSOP ChiNext ETF's investments may potentially be exposed to both the CNY and the CNH, and the CSOP ChiNext ETF may consequently be exposed to greater foreign exchange risks and/or higher costs of investment (for example, when converting other currencies to the Renminbi at the CNH rate of exchange).

However, the current size of RMB-denominated financial assets outside the PRC mainland is limited. At the end of 31 October 2014, the total amount of RMB (CNH) deposits held by institutions authorised to engage in RMB banking business in Hong Kong amounted to approximately RMB943.6 billion. In addition, participating authorised institutions are required by the Hong Kong Monetary Authority to maintain a total amount of RMB assets (in the form of, inter alia, cash and the institution's settlement account balance with the Renminbi clearing bank, holding of RMB sovereign bonds issued in Hong Kong by the PRC Ministry of Finance and bond investment through the PRC mainland interbank bond market) 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. The Renminbi clearing bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions.

Although it is expected that the Offshore RMB Market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC mainland laws and regulations on foreign exchange. There is no assurance that new PRC mainland laws and regulations will not be promulgated, terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC mainland may affect the liquidity of the CSOP ChiNext ETF. 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.

*Offshore RMB ("**CNH**") Remittance Risk.* RMB is not freely convertible at present. The PRC mainland government continues to regulate conversion between RMB and foreign currencies despite the significant reduction over the years by the PRC mainland government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in June 2010 to cover 20 provinces and municipalities in the PRC mainland and to make RMB trade and other current account item settlement available in all countries worldwide. On 25 February 2011, the Ministry of Commence ("**MOFCOM**") promulgated the Circular on Issues concerning Foreign Investment Management (商務部關於外商投資管理工作有關問題的通知) (the "**MOFCOM Circular**"). The MOFCOM Circular states that if a foreign investor intends to make investments in the PRC mainland (whether by way of establishing a new enterprise, increasing the registered capital of an existing enterprise, acquiring an onshore enterprise or providing loan facilities) with RMB that it has generated from cross-border trade settlement or that

is lawfully obtained by it outside the PRC mainland, MOFCOM's prior written consent is required. While the MOFCOM Circular expressly sets out the requirement of obtaining MOFCOM's prior written consent for remittance of RMB back in the PRC mainland by a foreign investor, the foreign investor may also be required to obtain approvals from other PRC mainland regulatory authorities, such as the PBOC and SAFE, for transactions under capital account items. As the PBOC and SAFE have not promulgated any specific PRC mainland regulation on the remittance of RMB into the PRC mainland for settlement of capital account items, foreign investors may only remit offshore RMB into the PRC mainland for capital account purposes such as shareholders' loan or capital contribution upon obtaining specific approvals from the relevant authorities on a case-by-case basis. There is no assurance that the PRC mainland government will continue to gradually liberalise the control over cross-border RMB remittances in the future, that the pilot scheme introduced in July 2009 (as extended in June 2010) will not be discontinued or that new PRC mainland regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of RMB into or outside the PRC mainland. Such an event could have a severe adverse effect on the operations of the CSOP ChiNext ETF, including limiting the ability of the CSOP ChiNext ETF to redeem and pay the redemption proceeds in RMB and the ability of Participating Dealers to create or redeem in cash and so to settle in RMB to their underlying clients. In addition, such restrictions could cause Units to trade on the SEHK at a significant discount to the Net Asset Value per Unit.

Currently the Bank of China (Hong Kong) Limited is the only clearing bank for offshore RMB in Hong Kong. A clearing bank is an offshore bank that can obtain RMB funding from the PBOC to square the net RMB positions of other participating banks. In February 2004, Bank of China (Hong Kong) Limited launched its RMB clearing services following its appointment by the PBOC. Remittance of RMB funds into Chinese Mainland may be dependent on the operational systems developed by the Bank of China (Hong Kong) Limited for such purposes, and there is no assurance that there will not be delays in remittance.

11.6 Risks relating to the QFI regime

QFI risk. The CSOP ChiNext ETF is not a QFI but may obtain access to China A-Shares, or other permissible investments directly using QFI status of a QFI. The CSOP ChiNext ETF may invest directly in QFI eligible securities investment via the QFI status of the Manager. The swap counterparties may hedge their swap exposure by investing in A-Shares through QFI of itself or a third party/affiliate. Investments through QFI will also be subject to the following risks.

Investors should note that QFI status could be suspended or revoked, which may have an adverse effect on the CSOP ChiNext ETF's performance as the CSOP ChiNext ETF may be required to dispose of its securities holdings. In addition, certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on the CSOP ChiNext ETF's liquidity and performance.

SAFE regulates and monitors the repatriation of funds out of the PRC mainland by the QFI pursuant to the "Regulations on Funds of Domestic Securities and Futures Investment by Foreign Institutional Investors" issued by the PBOC and the SAFE on 7 May 2020 and effective from 6 June 2020 (《境外機構投資者境內證券期貨投資資金管理規定》) (the "**QFI Fund Regulations**"). Repatriations by QFIs in respect of an open-

ended fund utilizing the QFI status (such as the CSOP ChiNext ETF) conducted in RMB are currently permitted daily and are not subject to repatriation restrictions or prior approval from the SAFE, although authenticity and compliance reviews will be conducted by the PRC Custodian, and monthly reports on remittances and repatriations will be submitted to SAFE by the PRC Custodian. There is no assurance, however, that PRC mainland rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Further, such changes to the PRC mainland rules and regulations may take effect retrospectively. Any restrictions on repatriation of the invested capital and net profits may impact on the CSOP ChiNext ETF's ability to meet redemption requests from the Unitholders. Furthermore, as the Custodian's or the PRC Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the Custodian or the PRC Custodian in case of non-compliance with the QFI Regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Unitholder as soon as practicable, and within 3 Business Days, and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Manager's control.

SAFE is vested with the power to impose regulatory sanctions if the QFI or the PRC Custodian violates any provision of the QFI Fund Regulations. Any violations could result in the revocation of the QFI status or other regulatory sanctions. Therefore in the event that the QFI status of the Manager is revoked or cancelled due to violation of the QFI Fund Regulations in relation to any funds under the management of the Manager, this will have an adverse impact on all the funds (including the CSOP ChiNext ETF) under the Manager's management as a whole.

Investors should note that there can be no assurance that a QFI will continue to maintain its QFI status, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations, or that dealings of the CSOP ChiNext ETF will not be suspended. In extreme circumstances, the CSOP ChiNext ETF may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to QFI investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The current QFI laws, rules and regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the QFI laws, rules and regulations will not be abolished. The CSOP ChiNext ETF, which may invest in the PRC mainland markets through a QFI, may be adversely affected as a result of such changes.

Application of QFI rules. The application of the QFI Regulations described under section "**7*. Qualified Foreign Investor (QFI)***" in this Appendix may depend on the interpretation given by the relevant Chinese authorities. The Chinese authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future.

Any changes to the relevant rules may have an adverse impact on investors' investment in the CSOP ChiNext ETF. In the worst scenario, the Manager may determine that the CSOP ChiNext ETF shall be terminated if it is not legal or viable to operate the CSOP ChiNext ETF because of changes to the application of the relevant rules.

QFI systems risk. The current QFI Regulations include rules on investment restrictions applicable to the CSOP ChiNext ETF.

In the event of any default of the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC mainland, the CSOP ChiNext ETF may encounter delays in recovering its assets which may in turn impact the Net Asset Value of the CSOP ChiNext ETF.

Risks relating to liquidity of China A-Shares. Due to the potential liquidity constraint of the underlying China A-Shares, the Manager may not be able to efficiently process the transactions for the Creation and Redemption Applications without adverse impact on the fund value of the CSOP ChiNext ETF, therefore the existing investors' interest. If 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 underlying China A-Shares in which the CSOP ChiNext ETF invests, the Manager, acting reasonably and in good faith, may reject Creation and Redemption Applications.

PRC Custodian risk. The Trustee shall take into its custody or under its control property of the CSOP ChiNext ETF and hold it on trust for Unitholders. The assets held/credited in the securities account(s) are segregated and independent from the proprietary assets of the PRC Custodian. However, investors should note that, under PRC mainland law, cash deposited in the cash account(s) of the CSOP ChiNext ETF with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the CSOP ChiNext ETF as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the CSOP ChiNext ETF will not have any proprietary rights to the cash deposited in such cash account(s), and the CSOP ChiNext ETF will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the PRC Custodian. Please refer to the disclosure on the opinion from PRC mainland legal counsel in section "***7. Qualified Foreign Investor (QFI)***" in this Appendix. Whilst the opinion from PRC mainland legal counsel indicates the legal position based on understanding of current PRC mainland laws, such opinion may not be conclusive; and ultimately the interpretation and operation of the relevant PRC mainland laws and regulations depend on the judicial and/or regulatory authorities of the PRC mainland.

The CSOP ChiNext ETF may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the CSOP ChiNext ETF will suffer.

PRC mainland brokerage risk. The execution of transactions may be conducted by PRC Mainland Broker(s) appointed by the Manager as a QFI. More than one PRC Mainland Broker can be appointed in respect of each stock exchange in the PRC mainland. If any of the designated PRC Mainland Broker in the PRC mainland cannot be used, the operation of the CSOP ChiNext ETF will be adversely affected and may cause Units of the CSOP ChiNext ETF to trade at a premium or discount to its NAV or the CSOP ChiNext ETF may not be able to track the Underlying Index. Further, the operation of the CSOP ChiNext ETF may be adversely affected in case of any acts or omissions of the PRC Mainland Brokers, which may result in a higher tracking error or the CSOP ChiNext ETF being traded at a significant premium or discount to its NAV.

If only a limited number of PRC Mainland Brokers may be appointed, the CSOP ChiNext ETF may not necessarily pay the lowest commission available in the market. The Manager however, in the selection of PRC Mainland Brokers will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards.

There is a risk that the CSOP ChiNext ETF may suffer losses from the default, bankruptcy or disqualification of the PRC Mainland Brokers. In such event, the CSOP ChiNext ETF may be adversely affected in the execution of any transaction. As a result, the net asset value of the CSOP ChiNext ETF may also be adversely affected.

Subject to the applicable laws and regulations, the Manager will make arrangements to satisfy itself that the PRC Mainland Brokers have appropriate procedures to properly segregate the CSOP ChiNext ETF's securities from those of the relevant PRC Mainland Brokers.

11.7 Dual Counter Trading risks

Dual Counter risk. Investors without RMB accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell RMB traded Units and should note that distributions are made in RMB only. As such investors may suffer a foreign exchange loss and incur foreign exchange associated fees and charges to receive their dividend.

Inter-counter trading risk. Although an investor may buy from one counter and sell the same on the other counter in the same day, it is possible that some brokers/intermediaries and CCASS Participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade units in both RMB counter and HKD counter at the same time. In such case (i) to (ii), another broker, intermediary or CCASS Participant may need to be used. This may inhibit or delay dealing in both RMB traded Units and HKD traded Units and may mean investors may only be able to trade their Units in one currency. Investors are recommended to check the readiness of their brokers / intermediaries in respect of the Dual Counter trading and inter-counter trading.

Investors should therefore consult their brokers/intermediaries on the services that the brokers/intermediaries may provide in this regard along with the associated risks and fees. In particular, some brokers/intermediaries may not have in place systems and controls to facilitate inter-counter trading and/or inter-counter day trades.

Difference in trading prices risk. There is a risk that due to different factors such as market liquidity, market supply and demand in the respective counters and the exchange rate between RMB and HKD (in both onshore and offshore markets), the market price on the SEHK of Units traded in HKD may deviate significantly from the market price on the SEHK of Units traded in RMB. The trading price of HKD traded Units or RMB traded Units 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 HKD or buying Units traded in HKD, an investor may receive less or pay more than the equivalent amount in RMB if the trade of the relevant Units is in RMB and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Currency exchange risk. Investors who bought Units on the HKD counter may be subject to currency exchange risk as the assets of the CSOP ChiNext ETF are denominated in RMB and the Net Asset Value of the CSOP ChiNext ETF will be calculated in RMB.

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.

11.8 Risks relating to RMB dealing, trading and settlement

Primary market:

Non-RMB or Late Settlement Redemption Risk. Currently, RMB cannot be freely remitted into the PRC mainland and such remittance is subject to certain restrictions. In the event that the remittance of RMB from Hong Kong to the PRC mainland is disrupted, this may impact on the ability of the CSOP ChiNext ETF to acquire China A-Shares. This in turn may result in tracking error and the CSOP ChiNext ETF may not be able to fully replicate the Underlying Index in such circumstance.

On the other hand, 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 Hong Kong dollars 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 receive settlement in RMB on a delayed basis or may not be able to receive redemption proceeds in RMB (i.e. such proceeds may be paid in US dollars or Hong Kong dollars).

Secondary market:

RMB Trading and Settlement of Units Risk. There is no assurance that there will not be any problem with the trading and settlement systems of RMB-denominated securities in Hong Kong or that other logistical problems will not arise. The trading of the RMB traded Units and settlement in RMB, may not be capable of being implemented as envisaged.

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, some stockbrokers 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, there is no assurance of their readiness for dealing in RMB denominated securities. Investors should note that not all stockbrokers may be ready and able to carry out trading of RMB traded Units of the CSOP ChiNext ETF and settlement in RMB and thus they may not be able to deal in the Units through some stockbrokers. Investors should check with their brokers / intermediaries in advance if they intend to engage Dual Counter trading or in inter-counter trading and should fully

understand the services which the relevant broker / intermediary is able to provide (as well as any associated fees). Some exchange participants may not provide inter-counter trading or Dual Counter trading services.

In addition, the liquidity and trading price of the RMB traded Units of the CSOP ChiNext ETF may be adversely affected by the limited availability of RMB outside the PRC mainland and the restrictions on the conversion between foreign currency and the RMB. This may result in the CSOP ChiNext ETF trading at a significant premium / discount to its Net Asset Value.

11.9 Risks relating to the nature of product

Risks in light of the cross-border nature of the CSOP ChiNext ETF. In light of the cross-border nature of the CSOP ChiNext ETF, it is more risky than traditional exchange traded funds which invest directly in markets other than the China A-Share market and therefore, is subject to operational and settlement risks. Operational risks may arise from technical failures of communication and trading systems, and any breaches of the relevant operational policies or guidelines by the relevant staff of the Manager. Whilst the Manager has in place internal control systems, operational guidelines and contingency procedures to reduce the chances of such operational risks, there is no guarantee that events beyond the control of the Manager (e.g. trading errors or system errors) will not occur. The occurrence of such events may adversely affect the value of the CSOP ChiNext ETF.

To the extent that the CSOP ChiNext ETF transacts in the China A-Share market, the CSOP ChiNext ETF may also be exposed to risks associated with settlement procedures. Any significant delays in the settlement of transactions or the registration of a transfer may affect the ability to ascertain the value of the CSOP ChiNext ETF's portfolio and adversely affect the CSOP ChiNext ETF.

11.10 Risks relating to the Underlying Index of CSOP ChiNext ETF

Risks relating to the Underlying Index. The CSOP ChiNext ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's license from the Index Provider under the relevant licence agreement is terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. Please refer to section "***16. Replacement of Underlying Index***" below on the circumstances in which the Underlying Index may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP ChiNext ETF's investment objective.

The Manager has been granted a licence by SSICL to use the Underlying Index as a basis for determining the composition of the CSOP ChiNext ETF and to use certain trade marks in the Index. Under the Licence Agreement, SSICL shall use its reasonable endeavours to provide the data services as set out in the Licence Agreement. The licence granted commenced on 1 July 2014 and shall continue

in full force and effect unless terminated earlier. The Licence Agreement is subject to an initial fixed term of one year from 1 July 2014, and can thereafter be renewed perpetually for a period of one year, unless either party raises an objection for such renewal prior to the expiry of the term of the Licence Agreement. Please refer to section "***14. Index Licence Agreement***" below on the circumstances in which the Licence Agreement may be terminated. There is no guarantee that the Licence Agreement will not be terminated. In addition, there is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

The CSOP ChiNext ETF may be terminated if the Underlying Index is discontinued and/or the Licence Agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria under Chapter 8.6(e) of the Code. Any such replacement index will be subject to the prior approval of the Commission under the Code and Unitholders will be duly notified of the same. Accordingly, investors should note that the ability of the CSOP ChiNext ETF to track the Underlying Index and the viability of the CSOP ChiNext ETF depend on the continuation in force of the Licence Agreement in respect of the Underlying Index or a suitable replacement.

For further information on the grounds for terminating the Licence Agreement in respect of the Underlying Index, please refer to section "***14. Index Licence Agreement***" in this Appendix.

(ii) There may be changes in the constituent securities of the Underlying Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the CSOP ChiNext ETF, the Manager may rebalance the composition of a Basket. The price of the Units may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to the section "***17. The Underlying Index***" of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

11.11 Risks associated with Stock Connect

The CSOP ChiNext ETF may invest through the Stock Connect and is subject to the following additional risks:

Quota limitations risk. The Stock Connect is subject to quota limitations. In

particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the CSOP ChiNext ETF's ability to invest in the eligible securities through the Stock Connect on a timely basis, and the CSOP ChiNext ETF may not be able to effectively pursue its investment strategies.

Suspension risk. It is contemplated that each of the SEHK, the SSE and the SZSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the Stock Connect is effected, the CSOP ChiNext ETF's ability to access the PRC mainland market will be adversely affected.

Differences in trading day. The Stock Connect only operates on days when both the PRC mainland (SSE and SZSE) and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC mainland market but Hong Kong investors (such as CSOP ChiNext ETF) cannot carry out any trading via the Stock Connect. The CSOP ChiNext ETF may be subject to a risk of price fluctuations in the relevant securities during the time when the Stock Connect is not trading as a result.

Operational risk. The Stock Connect provides a channel for investors from Hong Kong and overseas to access the Chinese Mainland stock market directly.

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("**China Stock Connect System**") was set up by the SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The CSOP ChiNext ETF's ability to access the Chinese Mainland

market (and hence to pursue its investment strategy) will be adversely affected.

Restrictions on selling imposed by front-end monitoring risk. PRC mainland regulations require that before an investor sells any SSE Securities and/or SZSE Securities, there should be sufficient SSE Securities or SZSE Securities (as the case may be) in the account; otherwise the SSE or the SZSE will reject the sell order concerned. The SEHK will carry out pre-trade checking on SSE Securities and SZSE Securities sell orders of its participants (i.e. the stock brokers) to ensure there is no over- selling.

If the CSOP ChiNext ETF desires to sell certain SSE Securities and/or SZSE Securities it holds, it must transfer such SSE Securities or SZSE Securities (as the case may be) to the respective accounts of its brokers before the market opens on the day of selling ("**trading day**"). If it fails to meet this deadline, it will not be able to sell SSE Securities or SZSE Securities on the trading day. Because of this requirement, the CSOP ChiNext ETF may not be able to dispose of holdings of SSE Securities or SZSE Securities in a timely manner.

Recalling of eligible securities risk. When a security is recalled from the scope of eligible securities for trading via the Stock Connect, the security can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the CSOP ChiNext ETF, for example, when the Manager wishes to purchase a security which is recalled from the scope of eligible securities.

Clearing and settlement risk. The HKSCC and ChinaClear have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross- boundary trades initiated in a market, the clearing house of that market would on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC mainland's securities market, ChinaClear operates a comprehensive network of clearing, settlement and security holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding securities and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the CSOP ChiNext ETF may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Nominee arrangements in holding SSE Securities and SZSE Securities risk. HKSCC

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

The CSRC Stock Connect Rules expressly provide that investors enjoy the rights and benefits of SSE Securities and SZSE Securities acquired through the Stock Connect in accordance with applicable laws.

The CSRC Stock Connect Rules are departmental regulations having legal effect in the PRC mainland. However, the application of such rules is untested, and there is no assurance that PRC mainland courts will recognise such rules, e.g. in liquidation proceedings of PRC mainland companies.

It should be noted that, under the HKSCC Rules, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE Securities and the SZSE Securities in the PRC mainland or elsewhere. Therefore, although the CSOP ChiNext ETF's ownership may be ultimately recognised, the CSOP ChiNext ETF may suffer difficulties or delays in enforcing its rights in SSE Securities and SZSE Securities.

Participation in corporate actions and shareholders' meetings risk. HKSCC will keep CCASS participants informed of corporate actions of SSE Securities and SZSE Securities. Hong Kong and overseas investors (including the CSOP ChiNext ETF) 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 CSOP ChiNext ETF may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the CSOP ChiNext ETF) are holding SSE Securities and SZSE Securities traded via the Stock Connect program through their brokers or custodians. According to existing mainland practice, multiple proxies are not available. Therefore, the CSOP ChiNext ETF may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE Securities and the SZSE Securities.

No Protection by Investor Compensation Fund. Investment through Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers in their obligations. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund also covers investors' losses in relation to securities traded on a stock market operated by the SSE and the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the CSOP ChiNext ETF is carrying out Northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland. Therefore the

CSOP ChiNext ETF is exposed to the risks of default of the broker(s) it engages in its trading in SSE Securities and SZSE Securities through the programme.

Regulatory risk. The Stock Connect is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC mainland and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The CSOP ChiNext ETF, which may invest in the PRC mainland markets through the Stock Connect, may be adversely affected as a result of such changes.

Taxation risk. On 14 November 2014, the Ministry of Finance and the State of Administration of Taxation have jointly promulgated Caishui [2014] No.81 ("**Notice No.81**") in relation to the taxation rule on the Stock Connect. Under Notice No.81, with effect from 17 November 2014, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the CSOP ChiNext ETF) on the trading of China A-Shares through the Stock Connect. However, dividends will be subject to 10% withholding tax and the company distributing the dividend has the withholding obligation. If the recipient of the dividend is entitled to a lower treaty rate, it can apply to the in-charge tax bureau of the payor for a refund. Investments in the CSOP ChiNext ETF may be subject to the risks associated with changes in the PRC mainland tax laws and such changes may have retrospective effect and may adversely affect the CSOP ChiNext ETF.

11.12 Securities Lending Transactions Risks

Counterparty risk. The borrower may fail to return the securities in a timely manner or at all. The CSOP ChiNext ETF may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the CSOP ChiNext ETF's ability in meeting delivery or payment obligations from redemption requests.

Collateral risk. As part of the securities lending transactions, the CSOP ChiNext ETF 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 CSOP ChiNext ETF if the borrower fails to return the securities lent out. The CSOP ChiNext ETF may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.

Operational risk. By undertaking securities lending transactions, the CSOP ChiNext ETF is exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the CSOP ChiNext ETF's ability in meeting delivery or payment obligations from redemption requests."

11.13 Other risks

Operating risk. There is no assurance that the performance of the CSOP ChiNext ETF will be identical to the performance of the Underlying Index. The level of fees, taxes and expenses payable by the CSOP ChiNext ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP ChiNext ETF can be estimated, the growth rate of the CSOP ChiNext ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP ChiNext ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under the section headed "***14.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP ChiNext ETF. On the termination of the CSOP ChiNext ETF, the CSOP ChiNext ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

Reliance on RMB Market Makers. Investors should note that Units of the CSOP ChiNext ETF on the RMB counter are traded and settled in RMB. There may be less interest by potential market makers making a market in Units denominated and traded in RMB. Furthermore, any disruption to the availability of RMB may adversely affect the capability of market makers in providing liquidity for the Units.

No Market in the Units Risk. Although the Units are to be listed on the SEHK and 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 traded in the RMB counter and one market maker for Units traded in the HKD counter, investors should be aware that 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 other exchange traded fund which are traded on the SEHK and which are based upon indices.

Termination of Market Maker Risk. A market maker may cease to act as a market maker for any counter of the CSOP ChiNext ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Units of the CSOP ChiNext ETF for each counter will be ninety (90) days. The liquidity for the RMB traded Units and HKD traded Units of the CSOP ChiNext ETF may be affected if there is no market maker for the RMB traded Units and the HKD traded Units respectively. The Manager will use its best endeavours to put in place arrangements so there is at least one market maker for each counter (although these market makers may be the same entity) to facilitate efficient trading of Units of the relevant trading currency (i.e. RMB and HKD). It is possible that there is only one SEHK market maker for each counter of the CSOP ChiNext ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity Risk. Units will be a new security and following listing on the SEHK, it is unlikely that the Units will initially be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. There are also a number of limitations on the conversion of RMB. These factors may affect the amount of RMB available for investors to invest in Units on the SEHK and accordingly adversely

affect the market demand for the Units. In turn this may affect the liquidity and trading price of the Units in the secondary market. Therefore, Unitholders may not be able to sell their Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Units.

Risk relating to distributions paid out of capital. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP ChiNext ETF are charged to/paid out of the capital of the CSOP ChiNext ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP ChiNext ETF and therefore, the CSOP ChiNext ETF may effectively pay dividend out of the capital. **Investors should note that the payment of distributions out of or effectively out of capital represents a return or a withdrawal of part of the amount they originally invested or capital gain attributable to that amount. Any such distributions may result in an immediate reduction in the Net Asset Value per Unit of the CSOP ChiNext ETF**.

12. FEES AND CHARGES

12.1 Management Fees and Servicing Fees

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum of the Net Asset Value of the CSOP ChiNext ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

12.2 Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and the Registrar out of the management fee.

The Trustee's fee is inclusive of fees payable to the Custodian and the PRC Custodian.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP ChiNext ETF all out-of-pocket expenses incurred.

12.3 Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HK$5,000 from the Manager. For any period less than a month, the reconciliation fee is payable by the Manager on a pro-rata basis and accrues on a daily basis.

12.4 Other Charges and Expenses of CSOP ChiNext ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP ChiNext ETF.

12.4A Swap fees of CSOP ChiNext ETF

Details of the swap fees and indirect costs are set out in the sub-section "***Swap fees***" in the section "***3. Investment Objective and Strategy***" in this Appendix.

12.5 Establishment costs of CSOP ChiNext ETF

The costs and expenses incurred by the Manager and the Trustee in establishing the CSOP ChiNext ETF are estimated to be HK$1,110,000; such costs shall be borne by the CSOP ChiNext ETF (unless otherwise determined by the Manager) and amortised over the first 5 financial years of the CSOP ChiNext ETF (unless the Manager decides a shorter period is appropriate).

12.6 Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarized in the respective tables below:

12.6.1 Participating Dealers

Creation of Units by a Participating Dealer

Application Cancellation Fee	RMB8,500 per cancellation (See Note 1)
Extension Fee	RMB8,500 per extension (See Note 1)
Transaction Fee	RMB3,000 per Application (See Note 2)
Service Agent's Fee	See Note 3
Stamp duty	Nil

Redemption of Units by a Participating Dealer

Application Cancellation Fee	RMB8,500 per cancellation (See Note 1)
Extension Fee	RMB8,500 per extension (See Note 1)
Transaction Fee	RMB3,000 per Application (See Note 2)
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges, and the market risks in constituting and liquidating the Basket(s) in relation to an Application.

12.6.2 Primary Market Investors creating or redeeming Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

12.6.3 Secondary Market Investors Dealing in Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% (see Note 4 and Note 9)
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015% (see Note 5)
Trading fee	0.00565% (see Note 6 and Note 9)
Stamp duty	Nil (see Note 7)
Investor compensation levy	0.002% (currently suspended) (see Note 8)

Note:

1. *The Application Cancellation Fee of RMB8,500 and the Extension Fee of RMB8,500 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.*

2. *A Transaction Fee of RMB3,000 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.*

3. *A Service Agent's Fee of HK$1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.*

4. *A transaction levy of 0.0027% of the trading price of the Units, payable by the buyer and the seller.*

5. *AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.*

6. *A trading fee of 0.00565% of the trading price of the Units, payable by the buyer and the seller.*

7. *For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the CSOP ChiNext ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.*

8. *The investor compensation levy of the trading price of the Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.*

9. *The transaction levy and trading fee will be paid by intermediaries to HKEX in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.*

   Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of documents that are available for inspection.

13A. PUBLICATION OF INFORMATION RELATING TO CSOP ChiNext ETF

The following information relating to CSOP ChiNext ETF will be published on the Manager's website http://www.csopasset.com/en/products/chinext-etf (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission):-

- the near real-time indicative Net Asset Value per Unit of the CSOP ChiNext ETF during normal trading hours on the SEHK in RMB and HKD;
- the last Net Asset Value of the CSOP ChiNext ETF in RMB only and, the last Net Asset Value per Unit of the CSOP ChiNext ETF in RMB and HKD;
- the CSOP ChiNext ETF's gross and net exposure to each swap counterparty (updated on a daily basis);
- pictorial presentation of collateral information by way of pie charts (updated on a weekly basis) showing the following (if applicable): a) a breakdown by asset type, e.g. equity, bond and cash and cash equivalents; b) for equity, further breakdown by (1) primary listing (i.e. stock exchanges), (2) index constituents, and (3) sector; c) for bond, further breakdown by (1) types of bonds, (2) countries of issuers/guarantors, and (3) credit rating;
- top 10 holdings in the collateral (including name, percentage of the CSOP ChiNext ETF's Net Asset Value, type, primary listing for equities, country of issuers, credit rating if applicable) (updated on a weekly basis);
- the list of swap counterparties (including hyperlinks to the websites of swap counterparties and their guarantors (if applicable)) (updated on a weekly basis);
- the overall collateralization level (expressed as a percentage of the CSOP ChiNext ETF's NAV, updated on a daily basis).

The near real-time indicative Net Asset Value per Unit of CSOP ChiNext ETF in HKD denomination is indicative and for reference purposes only. This is updated during SEHK trading hours. The near real-time indicative Net Asset Value per Unit in HKD uses a real-time HKD:CNH 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:CNH foreign exchange rate provided by ICE Data Indices when the SEHK is opened for trading. The near real-time indicative Net Asset Value per Unit in HKD is updated every 15 seconds throughout the SEHK trading hours. Since the indicative NAV per Unit in RMB will not be updated when the underlying China A-Shares market is closed, any change in the indicative NAV per Unit in HKD (if any) during such period is solely due to the change in the foreign exchange rate.

The last Net Asset Value per Unit of CSOP ChiNext ETF in HKD is indicative and for reference purposes only and is calculated using the last Net Asset Value per Unit in RMB multiplied by an assumed foreign exchange rate using the CNH exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day. The official last Net Asset Value per Unit in RMB and the indicative last Net Asset Value per unit in HKD will not be updated when the underlying China A-Shares market is closed.

Please refer to the section headed "***14.14 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for other information that will be published on the Manager's website http://www.csopasset.com/en/products/chinext-etf (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission).

14. INDEX LICENCE AGREEMENT

The Manager has been granted a non-exclusive, non-assignable and non-transferable licence pursuant to index licence agreement dated 1 July 2014 (the "**Licence Agreement**") entered into between the Manager and SSICL, to use the Underlying Index (i.e. ChiNext Index) in connection with the creation, issue, offering, marketing, promotion, sale, management, administration and listing of the CSOP ChiNext ETF. Under the Licence Agreement, SSICL shall use its reasonable endeavours to provide the data services as set out in the Licence Agreement.

The Licence Agreement is subject to an initial fixed term of one year, and can thereafter be renewed perpetually for a period of one year, unless either party raises an objection for such renewal 6 months prior to the expiry of the term of the Licence Agreement. In the event that upon expiry of the term of the Licence Agreement the Manager decides not to continue developing fund products, the Licence Agreement shall be terminated.

The Licence Agreement may be terminated in the following manner:

(a) SSICL may terminate the Licence Agreement by giving the Manager 60 days' prior written notice if:

i. the Manager fails to make timely payment of the index licence fee agreed between the Manager and SSICL in accordance with the provisions of the Licence Agreement;

ii. the Manager has delegated the right of use of the Underlying Index to a third party without the permission from SSICL;

iii. other circumstances have occurred under which SSICL is entitled to the right of termination pursuant to the laws and regulations of the PRC mainland.

(b) The Manager may terminate the Licence Agreement by giving SSICL 30 days' prior written notice if:

i. there are material changes to the methodology for compiling and calculating the Underlying Index, such that the Underlying Index is no longer suitable as the underlying index or the benchmark for comparing performance for the CSOP ChiNext ETF;

ii. the Manager has changed the Underlying Index in accordance with the provisions under the Trust Deed or this Prospectus in respect of the CSOP ChiNext ETF;

iii. the Trust Deed has been terminated or the Manager is no longer managing the CSOP ChiNext ETF;

iv. the Manager is in material breach of the relevant laws and regulations of the place of establishment of the CSOP ChiNext ETF or the operational rules of the stock

exchange on which the CSOP ChiNext ETF is listed, such that the Manager has passively ceased the development and management of the CSOP ChiNext ETF, and as a result the Trust Deed cannot be performed.

15. MATERIAL CHANGES TO THE INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology / rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

16. REPLACEMENT OF UNDERLYING INDEX

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;

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

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

(e) investing in the Index Securities comprised within the Underlying 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 Underlying Index having in the opinion of the Manager, deteriorated;

(h) a significant modification of the formula or calculation method of the Underlying 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 CSOP ChiNext ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to (i) the use by CSOP ChiNext ETF of the Underlying Index and/or (ii) the name of CSOP ChiNext ETF will be notified to investors.

17. THE UNDERLYING INDEX

The Underlying Index of the CSOP ChiNext ETF is the ChiNext Index.

The Underlying Index is an adjusted free-float market capitalisation weighted index and is designed to represent the performance of the top 100 A-Share companies listed on the ChiNext board of the SZSE ranked by total market capitalisation, free-float market capitalisation and turnovers.

The Underlying Index is owned by the SZSE. The SZSE has appointed SSICL to be its index business agency to perform services including index research and development, maintenance and operation as well as marketing and sales. The Underlying Index is developed and operated by SSICL. SSICL will maintain records of the market capitalisation of all constituents and will make changes to the constituents and their weightings in accordance with the ground rules of the Underlying Index. SSICL will carry out reviews and implement the resulting constituent changes as required by the ground rules of the Underlying Index.

The Underlying Index is a price return index which means that it does not include the reinvestment of dividends from the Index Securities, such dividends being net of any withholding tax. The Underlying Index is denominated and quoted in RMB (CNY).

The Underlying Index was launched on 1 June 2010 and had a base level of 1000 on 31 May 2010.

The Manager and each of its Connected Persons are independent of the Index Provider (i.e. SSICL).

Index Methodology

Eligible Securities

The selection universe of the Underlying Index includes all the A-Shares (each a "**Stock**") listed on the ChiNext market of the SZSE satisfying the following conditions:

(a) The Stock has been listed for more than three months unless its total market capitalisation and free-float market capitalisation both rank within the top 10 on the ChiNext market.

(b) The Stock has not been issued with a de-listing alert or the alert for "special treatment for other reasons" by SZSE (i.e. the short name of the company shall not be prefixed by ST or *ST).

(c) The Stock has not been penalised, either economically or administratively, by the CSRC due to any violation of laws and regulations in the most recent year.

The following securities are not eligible for inclusion in the Underlying Index:-

(i) Convertible preference shares and loan stocks are excluded until converted.

(ii) Companies whose business is that of holding equity and other investments (e.g. investment trusts) which are assumed as equity investment instruments sector and non-equity investment instruments which are assumed as non-equity investment instruments sector will not be eligible for inclusion.

Selection methodology and procedures

The Underlying Index constituents are selected as follows:

(a) Calculate the daily average total market capitalization ratio ('individual daily average total market capitalization / the ChiNext market's daily average total market capitalization') of each eligible security in the most recent 6 months.

The total market capitalization is the total market capitalization of the company's A-share stocks. Other tiers of stocks, for example B shares or H shares, are not considered.

(b) Calculate the daily average free-float market capitalization ratio ('individual daily average free-float market capitalization / the ChiNext market's daily average free-float market capitalization') of each eligible security in the most recent 6 months.

(c) Calculate the daily average turnover ratio ('individual daily average turnover / the ChiNext market's daily average turnover') of each eligible security in the most recent 6 months.

(d) Calculate the aggregate ratio ('aggregate the above three ratios in paragraphs (a), (b) and (c) above, weighted by 1:1:1') of each eligible security.

(e) Rank the eligible stocks according to the aggregate ratio in paragraph (d) above in descending order, and the top 100 stocks are selected as the constituents of the Underlying Index.

Index calculation

The Underlying Index is a Paasche weighted price index which means that the Underlying Index is based on its base period for its calculations, and is calculated by reference to the aggregate market capitalisation of the free float shares of the constituent companies. Base period refers to time or period of time on which an index is based and in the context of the Underlying Index, its base period is 2010.

Free Float

To reflect the price fluctuation of tradable shares in the ChiNext market, the Underlying Index uses free float shares as a reference to calculate the Underlying Index. The free float shares are the amount of tradable shares outstanding in the open stock market. A company's free float shares equal the total number of A-Shares in the company minus the number of non-negotiable shares held by the following 3 types of shareholders with holding proportion exceed 5% of the company's total shares:

(a) the government holdings,
(b) strategic holdings, or
(c) long term holdings by founders, families or senior executives.

Capping Methodology

The capping factor for the Underlying Index is equivalent to 1, therefore in effect the Underlying Index does not implement capping methodology.

Calculation Formula

The Underlying Index is calculated using the following Paasche-weighted formula:

$$index_{\mathrm{t}} = \mathrm{Index}_{\mathrm{t-1}} \times \frac{\sum\left(p_{\mathrm{i,t}} \times \omega_{\mathrm{i,t}} \times \mathrm{c_{i,t}}\right)}{\sum\left[\left(\mathrm{P_{i,t-1}} + \frac{\mathrm{Div_i}}{1+\Delta \mathrm{F_i}}\right) \times \omega_{\mathrm{i,t}} \times \mathrm{c_{i,t}}\right]}$$

Where –

- $index_{\mathrm{t}}$ is the latest index value on day t.
- $\mathrm{Index}_{\mathrm{t-1}}$ is the closing value of the index on previous business day.
- $p_{\mathrm{i,t}}$ is the latest price of constituent i on day t.
- $\omega_{\mathrm{i,t}}$ is the free float shares of constituent i on day t.
- $\mathrm{c_{i,t}}$ is the capping factor of constituent i on day t.
- $\mathrm{P_{i,t-1}}$ is the closing price constituent i on previous business day t-1.
  When companies implement ex-right/ex-dividend activities such as dividend payment, split and bonus, the closing price will be replaced by the ex-right/ex-dividend reference price offered by SZSE.
- $\mathrm{Div_i}$ is the cash dividend per share paid by constituent i.
- $\Delta \mathrm{F_i}$ is the percentage of change in free float shares of constituent i.
- $\sum$ means to aggregate.

Changes to constituents of the Underlying Index

New Issues

- When a Stock is newly listed and its daily average total market capitalisation and free-float market capitalisation for first 5 trading days comprehensively ranks within the top 10 in the ChiNext market, it will be added into the Underlying Index on its 15th trading day to replace the constituent stock with the smallest free float market capitalization.

- If a non-constituent and eligible company's daily average total market capitalisation and free-float market capitalisation for the first 5 trading days comprehensively ranks within the top 10 in the ChiNext market after merger or takeover or restructuring, it will be added into the Underlying Index on 15th trading day to replace the constituent with the smallest market capitalisation.

Deletions and Replacements

- If a constituent is de-listed, suspended from listing, ceases to have a firm quotation, is subject to a take-over or has ceased to be a viable constituent as defined by the ground rules of the Underlying Index, it will be removed from the Underlying Index.

- In cases of delisting and suspension of listing, the constituent will be removed from the Underlying Index at the end of the last trading day before the constituent is delisted or suspended from listing.

- When a company is removed from the Underlying Index, the vacancy will be filled by the non-constituent and eligible stock in the index universe with the highest aggregate ratio

according to paragraph (d) under the heading "*Selection methodology and procedures"* above.

Mergers, Restructuring and Complex Takeovers

- If the effect of a merger or takeover is that one constituent in the Underlying Index is absorbed by another constituent in the Underlying Index, the resulting company will remain a constituent of the Underlying Index, and a vacancy will be created. This vacancy will be filled by the non-constituent and eligible stock in the Underlying Index universe with the highest aggregate ratio according to paragraph (d) under the heading "*Selection methodology and procedures"* above.

- If the effect of a merger or takeover is that a non-constituent company is absorbed by a constituent in the Underlying Index, the resulting company will remain a constituent of the Underlying Index.

- If a constituent company in the Underlying Index is taken over by a non-constituent company, the original constituent will be removed and a vacancy will be created. If the aggregate ratio (according to paragraph (d) under the heading "*Selection methodology and procedures"* above) of the new company after the merger is still higher than any non-constituent and eligible stock in the Underlying Index universe, then the vacancy will be filled by the new company. Otherwise, the vacancy will be filled by the non-constituent and eligible stock in the Underlying Index universe with the highest aggregate ratio.

- If a constituent company is split to form two or more companies, a vacancy will be created. Whether the resulting companies will be included as index constituents depends on their aggregate ratios (according to paragraph (d) under the heading "*Selection methodology and procedures"* above).

    - If the aggregate ratio of every resulting company is higher than the lowest constituent, then every resulting company will be added to the Underlying Index, and the lowest constituent(s) will be removed to keep the number of the index constituents constant.

    - If the aggregate ratios of some resulting companies are higher than the lowest constituent, then those resulting companies will be added to the Underlying Index, and the lowest constituent(s) will be removed to keep the number of the index constituents constant.

    - If the aggregate ratio of every resulting company is lower than the lowest constituent, but the aggregate ratio of every resulting company (or some resulting companies) is higher than the highest non-constituent in the Underlying Index universe, then the resulting company with the highest aggregate ratio will be added to the Underlying Index.

    - If the aggregate ratio of every resulting company is lower than both the lowest constituent and the highest non-constituent in Underlying Index universe, then the highest non-constituent in the Underlying Index universe will be added to the Underlying Index.

Suspension of Trading

- If a constituent is suspended from trading it may remain in the Underlying Index at its suspension price until the next periodic review is applied.

Periodic review of constituents

Review Dates

The Underlying Index is reviewed semi-annually. The periodic reviews are semi-annually implemented on the next trading day of the second Friday in June and December each year.

Rules for Insertion and Deletion at the Periodic Review

Constituent adjustments are made on the basis of the following rules:

- A non-constituent stock will be included in the Underlying Index at the periodic review if it rises above the position stated below when the eligible securities are ranked by the aggregate ratio noted in paragraph (d) under the heading "*Selection methodology and procedures"* above:

  The Underlying Index - risen to 70th or above

- A current constituent company will be removed from the Underlying Index during the periodic review if it falls below the position stated below when the eligible securities are ranked by the aggregate ratio noted in paragraph (d) under the heading "*Selection methodology and procedures"* above:

  SME-ChiNext 100 Index - fallen to 130th or below

- The number of constituent adjusted shall not exceed 10% of the sample size, or 10 constituents per time.

- A constant number of 100 constituents will be maintained for the Underlying Index after each periodic adjustment.

Information disclosure

Copies of the ground rules of the Underlying Index are available from the website of SSICL at www.cnindex.com.cn.

Index Code

Index Name	Index Code	Bloomberg Ticker	Reuters Index Code
ChiNext Index	SZ399006	SZ399006	.CHINEXTP

The Underlying Index is published daily through the websites of SZSE (www.szse.cn) and the Index Department of the SSICL (http://www.cnindex.com.cn/en).).

Index Securities of the Underlying Index

The list of constituent stocks of the Underlying Index (with their respective weightings) and additional information of the Underlying Index (including its fact sheets, methodology, end of day index levels and index performance) is available on the website of Index Department of the SSICL (http://www.cnindex.com.cn/en).

SSCIL Disclaimer

The Shenzhen Stock Exchange has appointed Shenzhen Securities Information Company Limited ("**SSICL**") to manage the ChiNext Index. The Shenzhen Stock Exchange and the SSICL are independent of the Manager.

The CSOP ChiNext ETF is not in any way endorsed, sold, sponsored or promoted by the Shenzhen Stock Exchange, SSICL or the SEHK. The Shenzhen Stock Exchange, SSICL or the SEHK makes no warranty or representation whatsoever, expressly or impliedly, as to the results of the use of the ChiNext Index. The ChiNext Index is calculated by or on behalf of SSICL, which will adopt all necessary measures to ensure the accuracy of the ChiNext Index. However, the Shenzhen Stock Exchange, the SSICL and the SEHK shall not be liable (whether in negligence or otherwise) to any person for any error in the ChiNext Index and shall not be under any obligation to advise any person or any error therein. The ChiNext Index is owned by the Shenzhen Stock Exchange.

The above is a brief summary of the basic information, selection criteria, selection methodology and maintenance of the ChiNext Index as at the date of this Prospectus. Such information is subject to revision from time to time by the Shenzhen Stock Exchange and the SSICL. Before making investment decisions, investors should refer to the website of the Shenzhen Stock Exchange (www.szse.cn) and the Index Department of SSICL (www.cnindex.com.cn) for the latest version of such information.

APPENDIX 3

ICBC CSOP S&P NEW CHINA SECTORS ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODES:
03167 (HKD counter)
83167 (RMB counter)
9167 (USD counter)

MANAGER

CSOP Asset Management Limited

INVESTMENT ADVISER

ICBC Asset Management (Global) Company Limited

15 June 2026

ICBC CSOP S&P NEW CHINA SECTORS ETF

Stock Codes:
03167 (HKD counter), 83167 (RMB counter) and 9167 (USD counter)

1. KEY INFORMATION

1.1 General

This Appendix sets out information specific to ICBC CSOP S&P New China Sectors ETF (the "**CSOP New China ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in the CSOP New China ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***10. Risk Factors relating to CSOP New China ETF***" of this Appendix, before investing in the CSOP New China ETF.

Application has been made to the SEHK for the listing of, and permission to deal in, the Units of the CSOP New China ETF. Subject to the compliance with the relevant admission requirements of HKSCC, Units in the CSOP New China ETF will be accepted as eligible securities by HKSCC for deposit, clearing and settlement in the CCASS with effect from the date of commencement of dealings in Units on the SEHK or such other date as may be determined by HKSCC. Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP New China ETF, and should be read in conjunction with the full text of this Prospectus.

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapter 8.6 of the Code
Underlying Index	S&P New China Sectors (A-shares Capped) Index Inception Date: 24 December 2018 Number of constituents: 248 (27 February 2026) Base Currency of Underlying Index: HKD
Type of Underlying Index	A net total return index which means that the performance of the index constituents is calculated on the basis that any dividends or distributions are reinvested after withholding tax deduction (if any).

Index Provider	S&P Dow Jones Indices LLC ("**SPDJI**" or "**Index Provider**")
Investment Strategy	Primarily full replication. The CSOP New China ETF may also invest not more than 5% of its Net Asset Value in securities other than Index Securities but which have investment profile that aims to reflect the profile of the Underlying Index. Please refer to section ***"3. Investment Objective and Strategy***" of this Appendix for further details.
Listing Date	8 December 2016* **For HKD-traded Units. Trading for RMB and USD-traded Units commenced on 3 April 2018.*
Dealing on SEHK Commencement Date	HKD counter: 8 December 2016 RMB counter: 3 April 2018 USD counter: 3 April 2018
Exchange Listing	SEHK - Main Board
Stock Codes	HKD counter: 03167 RMB counter: 83167 USD counter: 9167
Stock Short Name	HKD counter: ICBCCSOPCHINA RMB counter: ICBCCSOPCHINA-R USD counter: ICBCCSOPCHINA-U
Trading Board Lot Size	HKD counter: 50 Units RMB counter: 50 Units USD counter: 50 Units
Base Currency	Hong Kong dollars (HKD)
Trading Currency	HKD counter: Hong Kong dollars (HKD) RMB counter: RMB (CNH) USD counter: US dollars (USD)
Dividend Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP New China ETF's net income after fees and costs. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP New China ETF are charged to/paid out of the capital of the CSOP

	New China ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP New China ETF and therefore, the CSOP New China ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of the CSOP New China ETF's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP New China ETF. Please refer to section "***6. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP New China ETF and the risk factor headed "***Risk relating to distributions paid out of capital***" under sub-section "***10.9 Other risks***" in this Appendix for the risk associated with distributions paid out of capital. **Distributions on all Units (whether traded in HKD, RMB or USD counter) will be in HKD only.***
Application Unit size for Creation/Redemption (only by or through Participating Dealers)	Minimum 100,000 Units (or multiples thereof)
Method of Creation/Redemption	In-Cash (HKD, RMB and USD) or In-Kind (or a combination of both) as determined by the Manager at its discretion

** All Units regardless of their trading currency (i.e. HKD, RMB or USD) will receive distributions in the Base Currency (HKD) only. In the event that the relevant Unitholder has no HKD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from HKD into RMB or USD or any other currency. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning distributions. Please refer to section "6. Distribution Policy" and risk factor "Other Currencies Distributions Risk" in this Appendix for further details.*

Parties	Manager/QFI Holder	CSOP Asset Management Limited

	Investment Adviser	ICBC Asset Management (Global) Company Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
	PRC Custodian	HSBC Bank (China) Company Limited
	Participating Dealers	Please refer to the Manager's website set out below for the latest list
	Market Makers	Please refer to the Manager's website set out below for the latest list
	Service Agent	HK Conversion Agency Services Limited
Financial Year		Ending 31 December each year
Management Fee		Up to 2% per annum of the Net Asset Value accrued daily and calculated as of each Dealing Day, with the current rate being 0.99% per annum of the Net Asset Value accrued daily and calculated as of each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Website		http://www.csopasset.com/en/products/new-china-sectors-etf

1.3 Investment Adviser of CSOP New China ETF

The Manager has appointed ICBC Asset Management (Global) Company Limited (the "**Investment Adviser**") as its Investment Adviser of the CSOP New China ETF pursuant to an investment advisory agreement entered into between the Manager and the Investment Adviser. The Manager has delegated its investment management duties in relation to shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange and traded in Renminbi (regardless of through the Stock Connect and/or the QFI status of the Manager) ("**China A-shares**") to the Investment Adviser and the Investment Adviser will exercise investment discretion in respect of the investments in China A-shares of the CSOP New China ETF, in pursuit of the investment objective and in accordance with the investment approach and restrictions described in the Prospectus of the Trust and this Appendix, subject to the control and

review of the Manager. The Investment Adviser will not provide investment management and advisory services in relation to securities issued outside of the PRC mainland.

ICBC Asset Management (Global) Company Limited is an asset management company incorporated in Hong Kong. The Investment Adviser is registered as a licensed corporation by the Commission in Hong Kong to carry out advising on securities (Type 4), advising on futures contracts (Type 5) and asset management (Type 9).

The Investment Adviser provides professional investment management and advisory services to unit trusts, institutional clients as well as high net worth private individuals. Directors and senior management of the Investment Adviser are reputable and experienced investment professionals with in-depth international financial market knowledge.

The Investment Adviser is a wholly owned subsidiary of Industrial and Commercial Bank of China (Asia) Limited. Industrial and Commercial Bank of China (Asia) Limited is the Hong Kong banking business of Industrial and Commercial Bank of China Limited, the largest commercial bank in the PRC mainland. Industrial and Commercial Bank of China (Asia) Limited is principally engaged in banking, financial and other financial related services with focus on retail banking, commercial banking as well as corporate banking business.

The fees of the Investment Adviser, if any, will be paid by the Manager.

1.4 Custodian and PRC Custodian for CSOP New China ETF

The CSOP New China ETF invests directly in China A-Shares through the Stock Connect and/or the QFI status granted to the Manager. The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee and the Manager as custodian ("**Custodian**") to act through its delegate, the PRC Custodian and will be responsible for the safe custody of the CSOP New China ETF's assets acquired through investment by remitting offshore RMB utilizing the QFI status of the Manager within the PRC mainland under the QFI scheme in accordance with the RQFII Custody Agreement (as defined below).

According to the RQFII Custody Agreement, the Custodian is entitled to appoint its subsidiary or associates within the HSBC group of companies as delegate for the performance of its services under the RQFII Custody Agreement. As of the date of this Prospectus, the Custodian has appointed HSBC Bank (China) Company Limited ("**PRC Custodian**") as the PRC Custodian. The PRC Custodian is incorporated in Chinese Mainland and is a wholly-owned subsidiary of the Custodian. The PRC Custodian possesses the applicable qualification to provide custody services to QFIs.

According to the terms of the RQFII Custody Agreement, the Custodian shall remain responsible for any omission or wilful default of the PRC Custodian, as if no such appointment had been made.

The "**RQFII Custody Agreement**" is the custody agreement entered into between the Custodian, the PRC Custodian, the Manager and the Trustee, as amended from time to time.

Please refer to section "***2.3 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the PRC Custodian.

Neither the Custodian nor its delegate is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "***1.4 Custodian and PRC Custodian for CSOP New China ETF***".

1.5 Market Maker

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 of the CSOP New China ETF traded in each of the HKD counter, the RMB counter, and the USD counter, although these market makers may be the same entity. 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 counter to facilitate the efficient trading of Units of the CSOP New China ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker per counter is required to give not less than 90 days' prior notice to terminate market making under the relevant market making agreement.

The list of market markers in respect of the CSOP New China ETF is available on http://www.csopasset.com/en/products/new-china-sectors-etf and from time to time will be displayed on www.hkex.com.hk.

2. DEALING

2.1 Exchange Listing and Trading

Dealings in Units of the CSOP New China ETF in HKD, RMB and USD have already commenced.

Currently, Units are listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as of the date of this Prospectus. The Manager has however, applied and obtained approval to cross-list the CSOP New China ETF on the Shenzhen Stock Exchange ("SZSE") under the Hong Kong-Mainland ETF Cross-listing Scheme, the cross-listed ETF approved by the CSRC on 28 Aug 2020 invests at least 90% of its assets in CSOP New China ETF through the Qualified Domestic Institutional Investor (QDII) status. Application may be made in the future for a listing of Units on other stock exchanges subject to the applicable QFI Regulations (as defined in section "***8. Qualified Foreign Investor (QFI)***" in this Appendix).

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

2.2 Buying and Selling of Units of CSOP New China ETF on SEHK

A Secondary Market Investor can buy and sell the Units of the CSOP New China ETF on the SEHK through his stockbroker at any time the SEHK is open. Units of the CSOP New China ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size for each of the HKD counter, the RMB counter and the USD counter is currently 50 Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the CSOP New China ETF 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 of the CSOP New China ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the CSOP New China ETF.

Please refer to section "***9. Trading of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of Units on the SEHK.

2.3 Multi-Counter Trading

2.3.1 Introduction of Multi-Counter Trading (Secondary Market)

The Manager has arranged for the Units of the CSOP New China ETF to be available for trading on the secondary market on the SEHK under a Multi-Counter arrangement, whereby the Units of the CSOP New China ETF traded in HKD, RMB and USD are each assigned a separate stock code on the SEHK. Units are denominated in HKD. The CSOP New China ETF will offer three trading counters on the SEHK i.e. HKD counter, RMB counter and USD counter to investors for secondary trading purposes.

Units of the CSOP New China ETF traded under the Multi-Counter sharing the same ISIN can be distinguished by their stock codes and their stock short names as follows:-

Counter	Stock code	Stock Short Name	Trading Currency	ISIN Number
HKD counter	3167	ICBCCSOPCHINA	HKD	HK0000316767
RMB counter	83167	ICBCCSOPCHINA-R	RMB	
USD counter	9167	ICBCCSOPCHINA-U	USD	

Units of the CSOP New China ETF traded in the HKD counter will be settled in HKD, Units traded in the RMB counter will be settled in RMB, and Units traded in the USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units of the CSOP New China ETF in the Multi-Counter may be different.

Under the Multi-Counter arrangement, creations and redemptions of new Units for the CSOP New China ETF in the primary market will be made in HKD, RMB and USD only.

Investors can buy and sell Units of the CSOP New China ETF traded in the same counter. Alternatively, they can buy in one counter and sell in any of the other two counters provided their brokers/intermediaries or CCASS participants provide HKD, RMB and USD trading services (as the case may be) at the same time. However, investors should note that the trading price of Units of the CSOP New China ETF traded in the HKD counter, RMB counter and USD counter may be different and there is a risk that due to different factors such as market liquidity, market demand and supply in the respective counters and the exchange rate among HKD and RMB (in both onshore and offshore markets) and USD, the market price on the SEHK of Units traded in RMB and USD may deviate significantly from the market price on the SEHK of Units traded in HKD.

Inter-counter buy and sell is permissible even if the trades take place within the same trading day. Investors should also note that some brokers/intermediaries may not provide inter-counter day trade services due to various reasons including operations, system limitations, associated settlement risks and other business considerations. Even if a broker/intermediary is able to provide such service, it may impose an earlier cut-off time, other procedures and/or fees.

More information with regard to the HKD counter and RMB counter is available in the frequently asked questions in respect of the HKD counter and RMB counter published on the HKEx's website https://www.hkex.com.hk/Global/Exchange/FAQ/Featured/RMB-Readiness-and-Services?sc_lang=en.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Multi-Counter, including inter-counter trading. Investors' attention is also drawn to the risk factors under the section headed "***10.7 Multi-Counter Trading risks***" in this Appendix.

2.3.2 Unitholders' rights

Units of the HKD, RMB and USD counters belong to the same class in CSOP New China ETF and Unitholders of Units traded on the three counters are entitled to identical rights and are therefore treated equally.

2.3.3 Fees and Other Transaction Costs

The fees and costs payable by a Secondary Market Investor for buying and selling Units of the CSOP New China ETF on the SEHK are the same for the HKD, RMB and USD counters.

2.4 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***2. Creation and Redemption of Application Units (Primary Market)***" in Schedule 2 of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP New China ETF only.

The Manager currently allows Cash or In-Kind (or a combination of both, as determined by the Manager at its discretion) Creations and Redemptions for Units of the CSOP New China ETF. Under the Multi-Counter arrangement, any cash payable by Participating Dealers in Cash Application must be in HKD, RMB or USD.

The Application Unit size for CSOP New China ETF is 100,000 Units. Creation Applications submitted in respect of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP New China ETF is one Application Unit.

Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Under the Multi-Counter arrangement, the process of redemption is the same and any cash proceeds received by Participating Dealers in a Cash Redemption shall be paid only in HKD, RMB or USD.

2.4.1 Dealing Period

The dealing period on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP New China ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 2:00 p.m. (Hong Kong time) (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

The cleared funds in respect of Creation Applications must be received by 3:30 p.m. on the relevant Dealing Day or such other time as may be agreed by the Trustee, the Manager and the relevant Participating Dealer.

2.4.2 Issue Price and Redemption Price

The Issue Price of a Unit of any class in the CSOP New China ETF shall be the Net Asset Value per Unit of the relevant class calculated as of the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units of any class redeemed shall be the Net Asset Value per Unit of the relevant class calculated as of the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP New China ETF.

The "**Valuation Day**" of the CSOP New China ETF, coincides with, and shall mean, the Dealing Day of the CSOP New China ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's website at http://www.csopasset.com/en/products/new-china-sectors-etf or published in such other publications as the Manager decides.

2.4.3 Dealing Day

In respect of the CSOP New China ETF, "**Dealing Day**" means each Business Day.

2.4.4 Rejection of Creation of Applications relating to CSOP New China ETF

In addition to the circumstances set out in section "***2.3.5 Rejection of Creation Applications***" in Schedule 2 of Part 1 of this Prospectus, the Manager, acting reasonably and in good faith, has the absolute discretion to reject a Creation Application in relation to the CSOP New China ETF, in any of the following circumstances:-

(a) where the acceptance of the Creation Application will have a material adverse impact on the China A-Shares market; or

(b) where the QFI status of the Manager relating to the CSOP New China ETF is cancelled or withdrawn.

3. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP New China ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Underlying Index, namely, the S&P New China Sectors (A-shares Capped) Index. There is no assurance that the CSOP New China ETF will achieve its investment objective.

Investment Strategy

In order to achieve the investment objective of the CSOP New China ETF, the Manager and the Investment Adviser (as applicable) will primarily use a full replication strategy by directly investing all, or substantially all, of the assets of the CSOP New China ETF in Index Securities constituting the Underlying Index in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index, as set out in section "***18. The Underlying Index***" of this Appendix.

The CSOP New China ETF may also invest not more than 5% of its Net Asset Value in Non-Index Securities which have investment profile that aims to reflect the profile of the Underlying Index.

The CSOP New China ETF may also invest not more than 5% of its Net Asset Value in money market funds and in cash deposits for cash management purpose.

The Manager and the Investment Adviser (as applicable) reviews the Index Securities held in the CSOP New China ETF's portfolio each Business Day. In order to minimise tracking error*, it closely monitors factors such as any changes in the weighting of each Index Security in the Underlying Index, suspension, dividend distributions and the liquidity of the CSOP New China ETF's portfolio. The Manager and the Investment Adviser (as applicable) will also conduct

adjustment on the portfolio of the CSOP New China ETF regularly, taking into account tracking error reports, the index methodology and any rebalance notification of the Underlying Index.

The Manager may invest in financial derivative instruments ("FDIs") (mainly swaps with one or more counterparties) with no more than 15% of the CSOP New China ETF's Net Asset Value for investment and hedging purposes, where the Manager believes such investments will help the CSOP New China ETF achieve its investment objective and are beneficial to the CSOP New China ETF. The swaps which may be invested by the CSOP New China ETF will be funded total return swap transaction(s) whereby the CSOP New China ETF will pass on the relevant portion of cash to the Swap Counterparty(ies) and in return the Swap Counterparty(ies) will provide the CSOP New China ETF with an exposure to the economic gain/loss in the performance of the relevant Securities (net of indirect costs). Exposure of the CSOP New China ETF to the Index Securities (either through direct investment or FDIs) will be in substantially the same weightings (i.e. proportions) as these Index Securities have in the Index.

The CSOP New China ETF will not invest in any sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions. Prior approval of the Commission will be sought and not less than one month's prior notice will be given to the Unitholders of the CSOP New China ETF in the event the Manager and the Investment Adviser (as applicable) wishes to invest in any sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions.

Currently it is intended that the CSOP New China ETF will directly obtain exposure to securities issued within the PRC mainland through the Stock Connect (as explained in section "***9.4 The Stock Connect***" in this Appendix) and/or the QFI status of the Manager (as explained in section "***8. Qualified Foreign Investor (QFI)***" in this Appendix). The CSOP New China ETF may invest up to 100% of the CSOP New China ETF's Net Asset Value through either QFI and/or the Stock Connect.

Prior approval of the Commission will be sought and not less than one month's prior notice will be given to the Unitholders in the event the Manager wishes to change the investment strategy of the CSOP New China ETF unless such changes satisfy the overriding principles and requirements prescribed by the Commission from to time and be considered as immaterial changes.

The investment strategy of the CSOP New China ETF is subject to the investment and borrowing restrictions set out in Schedule 1.

** The Manager intends to limit the annual tracking error to 2% and the daily tracking difference to 0.1% without taking into account the provision of the capital gains tax.*

4. SECURITIES LENDING TRANSACTIONS

The Manager may, on behalf of the CSOP New China ETF, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of the CSOP New China ETF's Net Asset Value. The Manager will be 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 CSOP New China ETF and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1 in Part 1 of the Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the CSOP New China ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "***Collateral***" of Schedule 1 in Part 1 of the Prospectus) of 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 Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of the Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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 by 4p.m. on trading day T+1.

Non-cash collateral received may not be sold, re-invested or pledged. Any reinvestment of cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of the Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent CSOP New China ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP New China ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to section "***10.9 Securities Lending Transactions risks***" for further details.

5. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of the CSOP New China ETF to acquire investments, to settle redemption proceeds or to pay expenses relating to the CSOP New China ETF.

6. DISTRIBUTION POLICY

Net income earned by the CSOP New China ETF will not be re-invested. The Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP New China ETF's net income after fees and costs.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the CSOP New China ETF.

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP New China ETF are charged to/paid out of the capital of the CSOP New China ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP New China ETF and therefore, the CSOP New China ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of the CSOP New China ETF's capital or effectively out of**

capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP New China ETF and will reduce any capital appreciation for the Unitholders of the CSOP New China ETF.

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website http://www.csopasset.com/en/products/new-china-sectors-etf.

The distribution policy may be amended subject to the Commission's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the Base Currency of the CSOP New China ETF (i.e. HKD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website http://www.csopasset.com/en/products/new-china-sectors-etf and on HKEx's website www.hkexnews.hk/listedco/listconews/advancedsearch/ search_active_main.aspx.

There can be no assurance that a distribution will be paid.

Each Unitholder will receive distributions in HKD (whether holding HKD traded Units, RMB traded Units or USD traded Units). In the event that the relevant Unitholder has no HKD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from HKD into RMB, USD or any other currency. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning distributions.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

7. PRC mainland TAX PROVISIONS

In light of the announcement jointly promulgated by the Ministry of Finance, the State Administration of Taxation and the CSRC under Caishui [2014] No.79 and No. 81 which stipulates that trading of China A-Shares through QFIIs, RQFIIs (without an establishment or place of business in the PRC mainland or having an establishment in the PRC mainland but the income so derived in Chinese Mainland is not effectively connected with such establishment) and the Stock Connect will be temporarily exempted from corporate income tax on gains derived from the transfer of PRC mainland equity investment assets (including PRC mainland A-Shares) effective from 17 November 2014, the Manager does not intend to make any WIT provision on the gross unrealised and realised capital gains derived from trading of China A-Shares.

Please refer to the risk factor "***PRC mainland tax considerations***" under section "***4.1 Risk Factors relating to Chinese Mainland***" in Part 1 of this Prospectus for further information on PRC mainland taxation.

8. QUALIFIED FOREIGN INVESTOR (QFI)

The QFI regime is governed by rules and regulations as promulgated by the Chinese Mainland authorities, such as the CSRC, the SAFE and the PBOC. Such rules and regulations may be amended from time to time and include (but are not limited to):

(i) the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors jointly issued by the CSRC, the PBOC and the SAFE on 25 September 2020 and effective from 1 November 2020 (《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》);

(ii) the Provisions on Issues Concerning the Implementation of the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors issued by the CSRC on 25 September 2020 and effective from 1 November 2020 (關於實施《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》有關問題的規定);

(iii) the "Regulations on Funds of Domestic Securities and Futures Investment by Foreign Institutional Investors" issued by the PBOC and the SAFE on 7 May 2020 and effective from 6 June 2020 (《境外機構投資者境內證券期貨投資資金管理規定》); and

(iv) any other applicable regulations promulgated by the relevant authorities. (collectively, "QFI Regulations")

Based on the above prevailing QFI Regulations, the Qualified Foreign Institutional Investors (QFII) regime and RMB Qualified Foreign Institutional Investors (RQFII) regime have been merged and been regulated by the same set of regulations, and the previously separate requirements for QFII and RQFII qualifications are unified. A foreign institutional investor outside the PRC mainland may apply to the CSRC for the QFI License, while there is no need for a foreign institutional investor having held either a QFII or RQFII license to re-apply for the QFI license. Since the Manager has been granted with QFII license and RQFII license by CSRC, it shall be regarded as a QFI, and may freely select to use funds in foreign currencies which can be traded on CFETS (defined below) and/or offshore RMB funds to be remitted in to carry out PRC mainland domestic securities and futures investment as long as separate cash accounts for receiving such cash are duly opened.

For remittance of foreign currencies, the Manager (as a QFI Holder) shall open foreign exchange account(s) for the remitted funds in foreign currencies and a corresponding RMB special deposit account for each relevant foreign exchange account; for remittance of offshore RMB funds, the Manager (as a QFI Holder) shall open RMB special deposit account(s) for the remitted funds in offshore RMB. QFI Holders are not subject to investment quota limits.

Under current regulations in the PRC mainland, generally foreign investors can invest in the domestic securities and/or futures market through (i) certain foreign institutional investors that have obtained status as a QFI from the CSRC to remit foreign freely convertible currencies and RMB into the PRC mainland for the purpose of investing in the PRC mainland's domestic securities and/or futures markets, or (ii) the Stock Connect program (as explained in the section "***9.4 The Stock Connect***" in this Appendix).

The CSOP New China ETF will directly invest in securities issued within the PRC mainland through the QFI status of the Manager and/or the Stock Connect. The Manager has obtained QFI status in the PRC mainland.

The Custodian has been appointed by the Trustee and the Manager to hold (by itself or through its delegate) the assets of the CSOP New China ETF in the PRC mainland invested using the QFI status of the Manager in accordance with the terms of the RQFII Custody Agreement.

Securities including China A-Shares invested through the QFI status of the Manager will be maintained by the Custodian's delegate, the PRC Custodian pursuant to PRC mainland regulations through securities account(s) with the China Securities Depository and Clearing Corporation Limited (the "**CSDCC**") in the joint names of the Manager (as the QFI Holder) and the CSOP New China ETF. An RMB cash account(s) shall be established and maintained with the PRC Custodian in the joint names of the Manager (as the QFI Holder) and the CSOP New China ETF. The PRC Custodian shall, in turn, have a cash clearing account with the CSDCC for trade settlement according to applicable regulations.

Repatriations in RMB conducted by the Manager (as QFI) on behalf of the CSOP New China ETF are permitted daily and not subject to any repatriation restrictions, lock-up periods or prior approval from SAFE.

There are specific risks associated with the QFI regime and investors' attention is drawn to the risk factors "***QFI risk***" and "***PRC mainland brokerage risk***" under section "***10.4 Risks relating to the QFI regime***" in this Appendix.

In the context of investment in securities issued within the PRC mainland using the Manager's QFI status, the Manager will assume dual roles as the Manager of the CSOP New China ETF and the QFI Holder for the CSOP New China ETF. The Manager will be responsible for ensuring that all transactions and dealings will be dealt with in compliance with the Trust Deed (where applicable) as well as the relevant laws and regulations applicable to the Manager as a QFI.

In connection with the investment in securities issued within the PRC mainland by remitting in offshore RMB funds using the Manager's QFI status, the Manager has obtained an opinion from PRC mainland legal counsel to the effect that, as a matter of PRC mainland laws:

(a) securities account(s) with the CSDCC and maintained by the PRC Custodian and RMB special deposit account(s) with the PRC Custodian (respectively, the "**securities account(s)**" and the "**cash account(s)**") have been opened in the joint names of the Manager (as the RQFII holder) and the CSOP New China ETF for the sole benefit and use of the CSOP New China ETF in accordance with all applicable laws and regulations of the PRC mainland and with approval from all competent authorities in the PRC mainland;

(b) the assets held/credited in the securities account(s) (i) belong solely to the CSOP New China ETF, and (ii) are segregated and independent from the proprietary assets of the Manager (as the RQFII holder), the Custodian, the PRC Custodian and any qualified broker(s) registered in the PRC mainland ("**PRC Mainland Broker(s)**") and from the assets of other clients of the Manager (as the RQFII holder), the Custodian, the PRC Custodian and any PRC Mainland Broker(s);

(c) the assets held/credited in the cash account(s) (i) become an unsecured debt owing from the PRC Custodian to the CSOP New China ETF, and (ii) are segregated and independent from the proprietary assets of the Manager (as the RQFII holder) and any PRC Mainland Broker(s), and from the assets of other clients of the Manager (as the RQFII holder) and any PRC Mainland Broker(s);

(d) the Trustee, for and on behalf of the CSOP New China ETF is the only entity which has a valid claim of ownership over the assets in the securities account(s) and the debt in the amount deposited in the cash account(s) of the CSOP New China ETF;

(e) if the Manager or any PRC Mainland Broker(s) is liquidated, the assets contained in the securities account(s) and the cash account(s) of the CSOP New China ETF will not form part of the liquidation assets of the Manager or such PRC Mainland Broker(s) in liquidation in the PRC mainland; and

(f) if the PRC Custodian is liquidated, (i) the assets contained in the securities account(s) of the CSOP New China ETF will not form part of the liquidation assets of the PRC Custodian in liquidation in the PRC mainland, and (ii) the assets contained in the cash account(s) of the CSOP New China ETF will form part of the liquidation assets of the PRC Custodian in liquidation in the PRC mainland and the CSOP New China ETF will become an unsecured creditor for the amount deposited in the cash account(s).

Further, in connection with the investment in securities issued within the PRC mainland using the Manager's QFI status, the Trustee has put in place proper arrangements to ensure that:

(a) the Trustee takes into its custody or under its control the assets of the CSOP New China ETF, including onshore PRC assets of the CSOP New China ETF acquired by the CSOP New China ETF through the Manager's QFI status and such PRC assets will be maintained by the PRC Custodian in electronic form via the securities account(s) with the CSDCC and cash held in the cash account(s) with the PRC Custodian ("**Onshore PRC Assets**"), and holds the same in trust for the Unitholders;

(b) cash and registrable assets of the CSOP New China ETF, including the Onshore PRC Assets are registered in the name of or held to the order of the Trustee; and

(c) the Custodian and the PRC Custodian will look to the Trustee for instructions and solely act in accordance with such instructions as provided under the RQFII participation agreement between the Custodian, the PRC Custodian, the Manager and the Trustee, as amended from time to time ("**RQFII Participation Agreement**").

9. CHINA A-SHARE MARKET IN THE PRC mainland

9.1 The Stock Exchanges in Chinese Mainland

Chinese Mainland has two stock exchanges, located in Shanghai and Shenzhen respectively. Shanghai Stock Exchange ("**SSE**") was established on 26 November 1990 and started trading on 19 December in the same year. Shenzhen Stock Exchange ("**SZSE**") was established on 1 December 1990. The two exchanges are under the direct management of the CSRC. Their main functions include: to provide premises and facilities for securities trading; to develop the business rules of the exchanges; to accept listing applications and arrange for the listing of securities; to organize and supervise

securities trading; to regulate exchange members and listed companies; to manage and disclose market information.

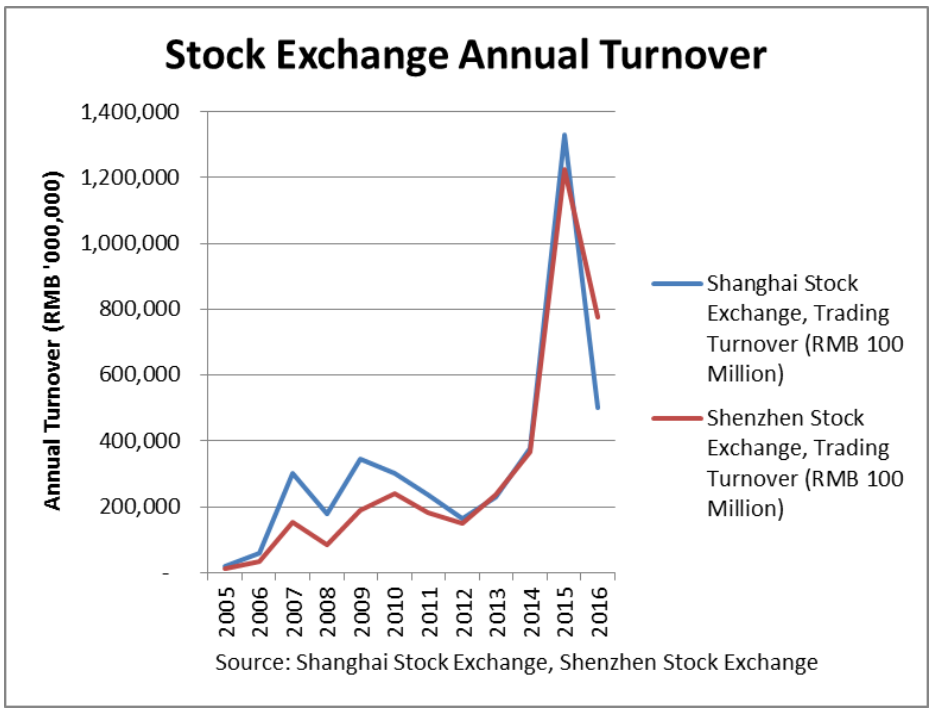
SSE adopts an electronic trading platform. The trading of all exchange-traded securities are required to be submitted to the exchange's matching engine which automatically matches orders based on price priority and time priority. The SSE's new trading system has a peak order processing capacity of 80,000 transactions per second. It has a bilateral transactions capacity of over 120 million which is equivalent to the size of daily turnover of RMB1.2 trillion by a single market. The system also has parallel scalability.

The SZSE, assuming the mission to build Chinese Mainland's multi-level capital market system, has fully supported small and middle size enterprise development, and promoted the implementation of the national strategy of independent innovation. In May 2004, it officially launched the Small and Medium Enterprise ("**SME**") board. In January 2006, it started a pilot program for shares trading of non-listed companies of the Zhongguancun Science Park; it officially launched Growth Enterprises Market ("**GEM**") board in October 2009.

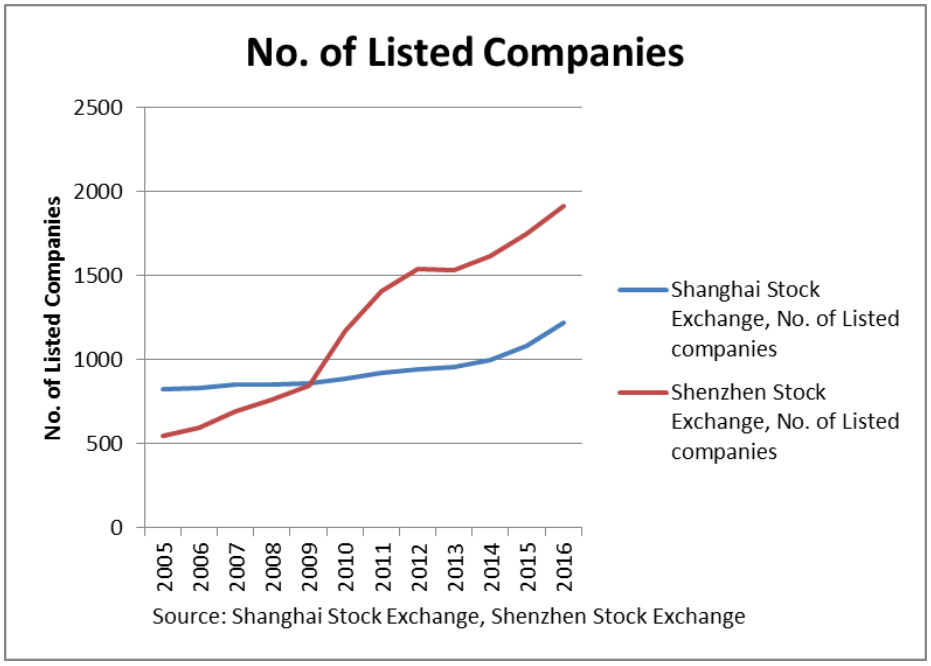
After years of development, the SZSE has basically established a multi-level capital market system architecture consisting the above market boards and systems.

After years of sustained development, the SSE and SZSE have made great achievements in terms of products and quantity listed. Now the listed products include: China A-Shares, China B-Shares, open-ended funds, close-ended funds, exchange traded funds and bonds. As of 07 March 2017, the number of listed companies amounted to 3,145, including 1,227 in Shanghai and 1,918 in Shenzhen. As of 31 December 2016, the combined market capitalisation of the two exchanges amounted to RMB 53.7 trillion of which RMB 41.2 trillion is free float. Currently, there are derivatives such as warrants and index futures and fixed income products listed on the SSE and SZSE.

The chart below shows the annual trading turnover in the SSE and SZSE.



The chart below shows the number of listed company in the SSE and SZSE.



The chart below shows the market capitalisation of the SSE and SZSE.

The regulatory agency of each stock exchange is its Stock Exchange Council. The Council consists of member directors and non-member directors. The highest decision-making body of an exchange is the General Assembly. However, the Council decides the business agenda of the exchange. The Council reports to the General Assembly, and assumes the following powers:

- To convene the General Assembly, report to the General Assembly, to implement the resolutions of the General Assembly;
- To enact and amend the relevant business rules of the Stock Exchange;
- To approve the general work plan submitted by its Chief Executive Officer, budget plan and the draft final financial report;
- To approve the membership admission and approve the sanction of members;
- To decide the stock exchange's internal structure; and
- Any other powers conferred by the General Assembly.

9.2 The major differences between the China A-Share market and the Hong Kong market

The table below summarises the differences between the China A-Share market and the Hong Kong market:-

		SEHK	SSE	SZSE
(a)	Key Market Index	Hang Seng Index ("**HSI**")	SSE Composite Index	SZSE Composite Index
(b)	Trading Hours • Morning session • Afternoon session	• 9:30– 12:00 • 13:00 – 16:00	• 9:30– 11:30 • 13:00 – 15:00	• 9:30 – 11:30 • 13:00 – 15:00

	China A-Share market and Hong Kong market have different schedule of holidays.			
(c)	Pre-opening session/ pre-order input/order matching times • Pre-opening session • Order matching times • Close matching times	• 9:00 to 9:15 • 9:15 to 9:20 (pre-order matching period) • 9:20 to 9:28 (order matching period) • 9:28 to 9:30 (blocking period) • N/A	• 9:15 to 9:25 • 9:30 to 11:30 and 13:00 to 15:00 • N/A	• 9:15 to 9:25 • 9:30 to 11:30 and 13:00 to 14:57 • 14:57 to 15:00
(d)	Trading Band Limits	No trading band limit	Daily trading band limits of 10%. Where a listed company is under circumstances deemed abnormal by the SSE and SZSE, the short name of the listed company will be prefixed by "ST" and the daily up and down limit will be reduced to 5%.	
(e)	Trading Rule	The T+1 trading rule do not apply except that some stocks cannot be sold short in Hong Kong market.	The T+1 trading rule applies which means a stock bought on T day (i.e. trading day) can only be sold on T+1 (i.e. one business day after the relevant trading day), and no short-selling is allowed with a few exception (mostly ETFs) permitted by a pilot program.	
(f)	Round Lot	Stocks are generally traded at round lots and odd lots trading have to be facilitated by a broker through a special board.	Stocks can only be bought at the multiples of 100 shares but cannot be bought in odd lots. However, one can sell the shares of any number i.e. even in odd lots.	
(g)	Settlement cycle	The settlement period is 2 business days (i.e. T+2)	The settlement period is one business day (i.e. T+1)	
(h)	Earnings report disclosure requirement	A listed company has to disclose fiscal information twice a year. The annual financial reports have to be published within four months from the financial year end and the interim financial reports have to be published within three months of the end of the period it covers.	A listed company on the SSE and SZSE is required to prepare and disclose the annual financial report within four months as of the end date of each fiscal year, the semi-annual financial report within two months as of the end date of the first half of each fiscal year, and the quarterly financial report within one month as of the end of the first three months and the end of the first nine months of each fiscal year respectively. The time for disclosing the first-quarter report shall not be earlier than the time for disclosing the annual financial report of the previous year. H-Share listed companies also disclose fiscal information quarterly for consistency with the corresponding A -Share schedules.	
(i)	Suspension	There is no requirement to suspend stocks for general assembly or important information disclosure.	Stocks in the China A-Share market will be suspended for general assembly or important information disclosure.	

Investors should inform themselves of the risks associated with the differences between the China A-Share market and the Hong Kong market, as set out in the risk factor "***Risks***

relating to the differences between the Hong Kong and Chinese Mainland stock markets" in section ***"10.2 Chinese Mainland market/China A-Share market risks"*** in this Appendix.

9.3 Measures Adopted by the Manager to Address the Differences between the China A-Share Market and the Hong Kong Market

The Manager has adopted the following measures to address the differences between the China A-Share market and the Hong Kong market:

(a) Trading hours: As regards the difference in trading hours, the shorter trading hours in the China A-Share market is not considered to present a major risk, as it is expected that there is a sufficient level of liquidity for the China A-Shares constituting the CSOP New China ETF's portfolio.

(b) Trading days: There is a difference in trading days between the China A-Share market and the Hong Kong market. It should be noted that Applications are accepted only on a Business Day (normally a day on which both markets are open).

If the Hong Kong market is open while the China A-Share market is closed, Units of the CSOP New China ETF will be traded in the Hong Kong market and the Manager will continue to publish information including prices in the manner set out in section "***14.14 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus. If the China A-Share market is open while Hong Kong market is closed, the Manager will trade the China A-Shares when it is necessary, in order to limit the risk to investors. These trades will be properly settled even when the Hong Kong market is closed for holiday by the Trustee's arrangements in place.

(c) Trading band limits: The Manager will be prevented from trading China A-Shares when they hit the "trading band limit". If this happens on a particular trading day, the Manager will continue to trade that stock on the subsequent two trading days if necessary. However if the Manager is still unable to trade that China A-Share on the second trading day after the original trading day due to the trading band limit, the Manager will settle the China A-Share on the latest closing price and the CSOP New China ETF will make up the trade whenever that China A-Share resumes trading again. The Manager believes that the average impact to the CSOP New China ETF in such situations is immaterial.

9.4 The Stock Connect

The Stock Connect is a securities trading and clearing linked program developed by the HKEX, the SSE, the SZSE and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**"), with an aim to achieve mutual stock market access between Chinese Mainland and Hong Kong. It comprises of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Manager intends to utilise such channels to invest in A Shares.

Through the Stock Connect, the SSE, the SZSE and the SEHK enable investors to trade eligible securities listed on the other's market through local securities firms

or brokers. Each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, investors, through their Hong Kong brokers and securities trading service companies (in Shanghai and in Shenzhen respectively) establish by the SEHK and the HKSCC, are able to place orders to trade eligible securities listed on the SSE or the SZSE by routing orders to the SSE or the SZSE (as the case may be). Under the Southbound Trading Link, eligible investors, through PRC mainland securities firms and securities trading service companies established by the SSE and the SZSE, are able to place orders to trade eligible securities listed on the SEHK by routing orders to SEHK.

All Hong Kong and overseas investors (including the CSOP New China ETF) are allowed to trade SSE Securities and SZSE Securities (as described below) through the Stock Connect (through the Northbound Trading Link), subject to rules and regulations issued from time to time.

The following summary presents some key points about the Northbound Trading Link (which may be utilized by the CSOP New China ETF to invest in the PRC mainland):

Eligible securities

Among the different types of SSE-or SZSE-listed securities, only China A-Shares and exchange traded funds ("**ETFs**") are currently permitted for Northbound trading under the Stock Connect.

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

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

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

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

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

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

In addition, Hong Kong and overseas investors are able to trade eligible SSE-listed and SZSE-listed ETFs that satisfy the relevant criteria at a regular review and are accepted as eligible ETFs for Northbound trading in Stock Connect. Regular reviews will be performed to determine the eligible ETFs for Northbound trading every six

months.
The list of eligible securities may be subject to review and approval by the relevant Chinese Mainland regulators from time to time.

Trading day

Due to differences in public holidays between Hong Kong and Chinese Mainland, there may be differences in the trading days in the two markets. Even if the Chinese Mainland markets are open on a certain day, the CSOP New China ETF may not necessarily be able to invest in SSE Securities and/or SZSE Securities through Northbound trading. For example, the Hong Kong market closes on Easter and Christmas every year, but those are trading days in Chinese Mainland.

Likewise, during Lunar New Year and the National Day golden week periods, Chinese Mainland will usually arrange for seven-day consecutive holidays by reshuffling workdays and weekends. Even for days both markets are open for business, there could be differences because of other reasons such as bad weather conditions. Investors (including the CSOP New China ETF) are only allowed to trade on the other market on days where both markets are open for trading, and banking services are available in both markets on the corresponding settlement days.

Trading quota

Trading under the Stock Connect is subject to a daily quota ("**Daily Quota**") presently set at RMB52 billion for each of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, which is separate for Northbound and Southbound trading. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day.

The quotas do not belong to the CSOP New China ETF and are utilized on a first-come- first-serve basis. The SEHK publishes the remaining balance of the Northbound Daily Quota at scheduled times on the HKEX's website. Should there be any change in the Daily Quota, the Manager will not inform the Unitholders.

Settlement and Custody

The Hong Kong Securities Clearing Company Limited ("**HKSCC**"), also a wholly-owned subsidiary of HKEX, is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The SSE Securities and SZSE Securities traded through the Stock Connect are issued in scripless form, so investors will not hold any physical securities. In the operation of the Stock Connect, Hong Kong and overseas investors who have acquired SSE Securities and SZSE Securities through Northbound trading should maintain the SSE Securities and SZSE Securities with their brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

Corporate actions and shareholders' meetings

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

HKSCC monitors the corporate actions affecting SSE Securities or SZSE Securities and keep the relevant brokers or custodians participating in CCASS ("CCASS participants") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

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

Foreign shareholding restrictions

The CSRC stipulates that, when holding China A-Shares through the Stock Connect, Hong Kong and overseas investors are subject to the following shareholding restrictions:

- Single foreign investors' shareholding by any Hong Kong or overseas investor in a China A-Share must not exceed 10% of the total issued shares; and
- Aggregate foreign investors' shareholding by all Hong Kong and overseas investors in a China A-Share must not exceed 30% of the total issue shares.
- When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the rules, the shareholding of the strategic investments is not capped by the above-mentioned percentages.

Should the shareholding of a single investor in a China A-Share listed company exceed the above restriction, the investor may be required to unwind his position on the excessive shareholding according to a last-in- first-out basis within a specific period. The SSE, the SZSE and the SEHK will issue warnings or restrict the buy orders for the related China A- Shares if the percentage of total shareholding is approaching the upper limit.

SSE and SZSE-listed ETFs are not subject to the aforementioned shareholding restrictions.

Currency

Hong Kong and overseas investors will trade and settle SSE Securities and SZSE Securities in RMB only. Hence, the CSOP New China ETF needs to use its RMB funds to trade and settle SSE Securities and SZSE Securities.

Trading fees

In addition to paying trading fees and stamp duties in connection with SSE Securities and/or SZSE Securities, the CSOP New China ETF may be subject to new portfolio fees, dividend tax and tax concerned with income arising from transfers of SSE Securities and/or SZSE Securities which are yet to be determined by the relevant authorities.

Coverage of Investor Compensation Fund

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund covers investors' losses in relation to securities traded on a stock market operated by the SSE and the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the CSOP New China ETF is carrying out northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, such trading is not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland.

Further information about the Stock Connect is available at the website: https://www.hkex.com.hk/mutual-market/stock-connect?sc_lang=en.

9.5 American Depositary Receipt (ADR)

An American depositary receipt (ADR) is a negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a foreign stock traded on a U.S. stock exchange. ADRs are denominated in US dollars, with the underlying security held by a U.S. financial institution overseas, and holders of ADRs realize any dividends and capital gains in US dollars, but dividend payments in other currencies are converted to US dollars, net of conversion expenses and foreign taxes. ADRs are listed on the NYSE, AMEX or NASDAQ but they are also sold OTC.

Currency

ADR holders do not have to transact in foreign currencies because ADRs are traded in US dollars and cleared through U.S. settlement systems. The U.S. banks require the foreign companies to provide them with detailed financial information, making it easier for investors to assess the company's financial health compared to a foreign company that only transacts on international exchanges.

Trading of ADRs

To offer ADRs, U.S. banks purchase shares from the international company and reissue them, typically on U.S. stock exchanges. An ADR may represent the underlying shares on a one-for-one basis, or it may represent a fraction of a share or multiple shares. The price of an ADR corresponds to the price of the foreign stock in its home market, adjusted to the ratio of the ADRs to foreign company shares.

10. RISK FACTORS RELATING TO CSOP NEW CHINA ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP New China ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP New China ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP New China ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

10.1 Risks relating to Investments

Consumption sector risk. The performance of PRC mainland and Hong Kong companies active in the consumer discretionary sector are correlated to the growth rate of the consumer market, individual income levels and their impact on levels of domestic consumer spending in the PRC mainland and Hong Kong, which in turn depend on the worldwide economic conditions, which have recently deteriorated significantly in many countries and regions and may remain depressed for the foreseeable future. On the other hand, companies in the consumer staples sector are subject to government regulation affecting the permissibility of using various food additives and production methods, which regulations could affect company profitability. The success of food, beverage, household and personal products companies may be strongly affected by marketing campaigns, performance of the overall domestic and international economy, interest rates, competition and consumer confidence and spending.

There are many factors affecting the level of consumer spending, including but not limited to interest rates, currency exchange rates, economic growth rate, inflation, deflation, political uncertainty, taxation, stock market performance, unemployment level and general consumer confidence. There can be no assurance that historical growth rates of the PRC mainland economy and the PRC mainland consumer market will continue. Any future slowdowns or declines in the PRC mainland or Hong Kong economy or consumer spending may materially and adversely affect the business of the companies in the consumer discretionary sector and/or consumer staples sector and as a result the performance of the CSOP New China ETF.

Health care sector risks. The economic prospects of the health care sector are generally subject to greater influences from governmental policies and regulations than those of many other industries. Certain health care companies may allocate greater than usual financial resources to research and product development and experience above-average price movements associated with the perceived prospects of success of the research and development programs. In addition, certain health care companies may

be adversely affected by lack of commercial acceptance of a new product or process or by technological change and obsolescence.

Software, internet and related services industries risks. Many of the companies in the software, internet and related services industries have a relatively short operating history. Rapid changes could render obsolete the products and services offered by the companies in which the CSOP New China ETF invests and cause severe or complete declines in the prices of the securities of those companies. Additionally, companies in these sectors may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel. Any errors or vulnerabilities that may be discovered in the code of an internet company after release may adversely affect the business and operating results of such company. If the CSOP New China ETF invests in any of these companies, its investment may be adversely affected.

There may be substantial government intervention in the internet industry, including restrictions on investment in internet companies if such companies are deemed sensitive to relevant national interests. Some governments in the world have sought, and may in the future seek, to censor content available through internet, restrict access to products and services offered by internet companies that the CSOP New China ETF invests in from their country entirely or impose other restrictions that may affect the accessibility of such products and services for an extended period of time or indefinitely. In the event that access to the internet products and services is restricted, in whole or in part, in one or more countries, the ability of such internet companies to retain or increase their user base and user engagement may be adversely affected, and their operating results may be harmed. This may in turn affect the value of investment of the CSOP New China ETF.

The internet business is subject to complex laws and regulations including privacy, data protection, content regulation, intellectual property, competition, protection of minors, consumer protection and taxation. These laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to the business practices, monetary penalties, increased cost of operations or declines in user growth, user engagement or advertisement engagement, or otherwise harm the internet business. They may also delay or impede the development of new products and services. Compliance with these existing and new laws and regulations can be costly and may require significant time and attention of management and technical personnel. All these may have impact on the business and/or profitability of the internet companies in which the CSOP New China ETF invests and this may in turn adversely affect the value of investment of the CSOP New China ETF.

Communication Services sector risk. Companies in the communication services sector may be affected by industry competition, substantial capital requirements, government regulation and obsolescence of communication services products and services due to technological advancement.

Infrastructure industry risk. Companies in the infrastructure industry may be subject to a variety of factors that could adversely affect their business or operations, including high interest costs in connection with capital construction programs, high degrees of leverage, costs associated with governmental, environmental and other regulations, the level of government spending on infrastructure projects, and other factors. The stock prices of transportation companies may be affected by supply and demand for their

specific product, government regulation, world events and economic conditions. Utilities companies face intense competition, which may have an adverse effect on their profit margins, and the rates charged by regulated utility companies are subject to review and limitation by governmental regulatory commissions.

Sustainable energy solutions industry risk. The sustainable energy solutions industry can be significantly affected by obsolescence of existing technology, general economic conditions, fluctuations in energy prices and supply and demand of alternative energy fuels, energy conservation, the success of exploration projects and tax and other government regulations and policies. Companies in this industry could be adversely affected by commodity price volatility, imposition of import controls, increased competition, depletion of resources, technological developments and labour relations. Changes in the governments' policies towards sustainable power and energy solutions also may adversely affect the performance of the CSOP New China ETF.

Transportation industry risk. The transportation industry may be adversely affected by economic changes, increases in fuel and operating costs, labour relations, insurance costs and government regulations.

Government intervention and action by governments risk. There may be substantial government intervention in the internet industry, including restrictions on investment in internet companies if such companies are deemed sensitive to relevant national interests. Some governments in the world have sought, and may in the future seek, to censor content available through internet, restrict access to products and services offered by internet companies that the CSOP New China ETF invests in from their country entirely or impose other restrictions that may affect the accessibility of such products and services for an extended period of time or indefinitely. In the event that access to the internet products and services is restricted, in whole or in part, in one or more countries, the ability of such internet companies to retain or increase their user base and user engagement may be adversely affected, and their operating results may be harmed. This may in turn affect the value of investment of the CSOP New China ETF.

Changes in laws and regulations risk. The internet business is subject to complex laws and regulations including privacy, data protection, content regulation, intellectual property, competition, protection of minors, consumer protection and taxation. These laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to the business practices, monetary penalties, increased cost of operations or declines in user growth, user engagement or advertisement engagement, or otherwise harm the internet business. They may also delay or impede the development of new products and services. Compliance with these existing and new laws and regulations can be costly and may require significant time and attention of management and technical personnel. All these may have impact on the business and/or profitability of the internet companies in which the CSOP New China ETF invests and this may in turn adversely affect the value of investment of the CSOP New China ETF.

Concentration risk. The CSOP New China ETF focuses on Chinese Mainland- and Hong Kong-domiciled companies, which subjects it to greater concentration risk. The CSOP New China ETF may be more volatile than a broadly-based fund such as a global or regional investment fund as it is more susceptible to fluctuation in value resulting

from adverse conditions in a single country. The value of the CSOP New China ETF may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events affecting the market in Chinese Mainland and Hong Kong.

US market risks. The US economy has traditionally been considered to be one of the most stable and productive economies in the world. However, the recent financial crisis and/or economic recession, decreasing US imports, new trade regulations, changes in the US dollar exchange rates, and increasing public debt pose concerns on the development of the US economy. This may have adverse impact on the US Securities in which the CSOP New China ETF invests and the Net Asset Value of the CSOP New China ETF. The CSOP New China ETF's investment in the US Securities may also be subject to US taxes and this may reduce the CSOP New China ETF's return.

ADRs associated risks. Exposure to American Depository Receipts (ADRs) may generate additional risks compared to a direct exposure to the corresponding underlying stocks, in particular, the risk of non-segregation under applicable law of the depositary bank who hold the underlying stock as collateral and its own assets. In case of bankruptcy of the depositary bank, there could be a risk that the underlying shares would not be attributed to holders of ADRs, although segregation is an integral part of the depositary agreement regulating the issuance of the ADRs. In such case, the likeliest scenario would be the trading suspension and thereafter a freeze of the price of the ADRs impacted by such bankruptcy event. Bankruptcy events in respect of the depositary banks issuing the ADRs may negatively affect the performance and/or the liquidity of the CSOP New China ETF. There are fees related to ADRs, for example fees charged by banks for the custody of underlying assets of ADRs, which may impact the performance of the ADRs. Also, holders of ADRs are not direct shareholders of the underlying company and generally do not have voting and other shareholder rights as shareholders do. The CSOP New China ETF may also be subject to liquidity risk as ADRs are often less liquid than the corresponding underlying stocks.

Foreign exchange risk. The base currency of the CSOP New China ETF is HKD but a portion of the CSOP New China ETF's assets are invested in securities denominated in currency other than HKD (e.g. USD and RMB). If a substantial portion of the revenue and income of the CSOP New China ETF is received in a currency other than HKD, any fluctuation in the exchange rate of the HKD relative to the relevant foreign currency will affect the Net Asset Value of the CSOP New China ETF denominated in HKD regardless of the performance of its underlying portfolio. Investors are therefore, subject to the fluctuation of the exchange rate of the HKD and the currency of denomination of the underlying assets of the CSOP New China ETF.

Trading differences risk. As the relevant PRC mainland or US stock exchanges may be open when Units in the Sub-Fund are not priced, the value of the securities China A-Shares and ADRs 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. Further the price of China A-Shares and ADRs listed on the above stock exchanges may not be available during part of or all of the SEHK trading sessions due to trading hour differences which may result in Units of CSOP New China ETF being traded at a premium or discount to its Net Asset Value.

10.2 Chinese Mainland market/China A-Share market risks

Chinese Mainland market/Single country investment risk. Insofar as the CSOP New China ETF invests substantially in securities issued in Chinese Mainland, or issued by Chinese Mainland-based issuers, or otherwise relating to the Chinese Mainland market, it may be subject to risks inherent in the Chinese Mainland market and additional concentration risks. Please refer to the risk factors under section "***4.1 Risk Factors relating to Chinese Mainland***" and section "***4.2 Investment risks***" under headings "***Restricted markets risk***", "***Emerging market risk***" and "***Single country risk***" in Part 1 of this Prospectus.

Dependence upon trading on China A-Share market risk. The existence of a liquid trading market for China A-Shares may depend on whether there is supply of, and demand for, such China A-Shares. The price at which the China A-Shares may be purchased or sold by the CSOP New China ETF and the Net Asset Value of the CSOP New China ETF may be adversely affected if trading markets for China A-Shares are limited or absent. Investors should note that the SZSE and the SSE on which China A-Shares are traded are undergoing development and the market capitalisation of those stock exchanges are lower than those in more developed markets. The China A-Share market may be more volatile and unstable (for examples due to the risk of suspension of a particular stock or government intervention) than those in more developed markets. A Participating Dealer may not be able to create and redeem Units if any China A-Shares constituting the portfolio of the CSOP New China ETF are not available. Market volatility and settlement difficulties in the China A-Share markets may also result in significant fluctuations in the prices of the China A-Shares traded on such markets and thereby may affect the value of the CSOP New China ETF.

Suspension of the China A-Share market risk. Securities exchanges in Chinese Mainland typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible for the Manager to liquidate positions and can thereby expose the CSOP New China ETF to losses. Under such circumstances, while creation/redemption of the CSOP New China ETF's Units may be suspended, subject to the Manager's discretion, the trading of the CSOP New China ETF on the SEHK may or may not be suspended. If some of the China A-Shares comprising the portfolio of the CSOP New China ETF are suspended, it may be difficult for the Manager to determine the Net Asset Value of the CSOP New China ETF. Where a significant number of the China A-Shares comprising the portfolio of the CSOP New China ETF are suspended, the Manager may determine to suspend the creation and redemption of Units of the CSOP New China ETF, and/or delay the payment of any monies in respect of any Redemption Application. If the trading of the CSOP New China ETF on the SEHK continues when the China A-Share market is suspended, the trading price of the CSOP New China ETF may deviate away from the Net Asset Value.

As a result of the trading band limits imposed by the stock exchanges in Chinese Mainland on China A-Shares, it may not be possible for Participating Dealers to create and/or redeem Units on a Business Day, because the China A-Shares constituting the portfolio of the CSOP New China ETF may not be available if the trading band limit has been exceeded for such China A-Shares or it is impossible to liquidate positions. This may lead to higher tracking error and may expose the CSOP New China ETF to losses. Further, the price of the Units of the CSOP New China ETF may be traded at a premium or discount to its Net Asset Value. The Manager has put in place measures to tackle

the trading band limit as disclosed under section "***9.3 Measures Adopted by the Manager to Address the Differences between the China A-Share Market and the Hong Kong Market"*** in this Appendix.

10.3 Risks associated with investing in FDIs

The Manager may invest no more than 15% of the NAV of the Sub-Fund in FDIs through one or more counterparty(ies). As such, the Sub-Fund may suffer significant loss if a counterparty to the FDIs failed to perform its obligations, or in case of insolvency or default of the counterparty(ies).

Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Exposure to FDIs may lead to a high risk of significant loss by the Sub-Fund.

Please refer to the risk factor under subsection headed "***4.2 Investment risks***" under the section headed "***Financial Derivative Instruments and Collateral Risks***" in Part 1 of the Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the Sub-Fund will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the Sub-Fund. Please also refer to the headings "Financial Derivative Instruments" and "Collateral" under Schedule 1 in Part 1 of the Prospectus for a description of the Manager's policy regarding FDIs and collateral.

10.4 Renminbi related risks

Renminbi currency risk. RMB is currently not a freely convertible currency and is subject to foreign exchange control and fiscal policies of and repatriation restrictions imposed by the Chinese government. If such policies change in future, the CSOP New China ETF's or the investors' position may be adversely affected. Please refer to the risk factor "***Renminbi Exchange Risk***" under section "***4.1 Risk Factors relating to Chinese Mainland***" in Part 1 of this Prospectus.

Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the fund.

Offshore RMB market risk. The onshore RMB ("**CNY**") is the only official currency of the PRC mainland and is used in all financial transactions between individuals, state and corporations in the PRC mainland ("**Onshore RMB Market**"). Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC mainland ("**Offshore RMB Market**"). Since June 2010, the offshore RMB ("**CNH**") is traded officially, regulated jointly by the Hong Kong Monetary Authority and the PBOC. As a

result of the controls on cross-border transfers of Renminbi between Hong Kong and Chinese Mainland, the Onshore RMB Market and the Offshore RMB Market are, to an extent, segregated, and each market may be subject to different regulatory requirements that are applicable to the Renminbi. The CNY may therefore trade at a different foreign exchange rate compared to the CNH. Due to the strong demand for offshore RMB, CNH used to be traded at a premium to onshore RMB, although occasional discount may also be observed. The CSOP New China ETF's investments may potentially be exposed to both the CNY and the CNH, and the CSOP New China ETF may consequently be exposed to greater foreign exchange risks and/or higher costs of investment (for example, when converting other currencies to the Renminbi at the CNH rate of exchange).

However, the current size of RMB-denominated financial assets outside the PRC mainland is limited. At the end of 31 July 2016, the total amount of RMB (CNH) deposits held by institutions authorised to engage in RMB banking business in Hong Kong amounted to approximately RMB 667.11 billion. In addition, participating authorised institutions are required by the Hong Kong Monetary Authority to maintain a total amount of RMB assets (in the form of, inter alia, cash and the institution's settlement account balance with the Renminbi clearing bank, holding of RMB sovereign bonds issued in Hong Kong by the PRC Ministry of Finance and bond investment through the PRC mainland interbank bond market) 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. The Renminbi clearing bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions.

Although it is expected that the Offshore RMB Market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC mainland laws and regulations on foreign exchange. There is no assurance that new PRC mainland laws and regulations will not be promulgated, terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC mainland may affect the liquidity of the CSOP New China ETF. 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.

*Offshore RMB ("**CNH**") remittance risk.* RMB is not freely convertible at present. The PRC mainland government continues to regulate conversion between RMB and foreign currencies despite the significant reduction over the years by the PRC mainland government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in June 2010 to cover 20 provinces and municipalities in the PRC mainland and to make RMB trade and other current account item settlement available in all countries worldwide. On 25 February 2011, the Ministry of Commence (the "**MOFCOM**") promulgated the Circular

on Issues concerning Foreign Investment Management (商務部關於外商投資管理工作有關問題的通知) (the "**MOFCOM Circular**"). The MOFCOM Circular states that if a foreign investor intends to make investments in the PRC mainland (whether by way of establishing a new enterprise, increasing the registered capital of an existing enterprise, acquiring an onshore enterprise or providing loan facilities) with RMB that it has generated from cross-border trade settlement or that is lawfully obtained by it outside the PRC mainland, MOFCOM's prior written consent is required. While the MOFCOM Circular expressly sets out the requirement of obtaining MOFCOM's prior written consent for remittance of RMB back in the PRC mainland by a foreign investor, the foreign investor may also be required to obtain approvals from other PRC mainland regulatory authorities, such as the PBOC and SAFE, for transactions under capital account items. As the PBOC and SAFE have not promulgated any specific PRC mainland regulation on the remittance of RMB into the PRC mainland for settlement of capital account items, foreign investors may only remit offshore RMB into the PRC mainland for capital account purposes such as shareholders' loan or capital contribution upon obtaining specific approvals from the relevant authorities on a case-by-case basis. There is no assurance that the PRC mainland government will continue to gradually liberalise the control over cross-border RMB remittances in the future, that the pilot scheme introduced in July 2009 (as extended in June 2010) will not be discontinued or that new PRC mainland regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of RMB into or outside the PRC mainland. Such an event could have an adverse effect on the operations of the CSOP New China ETF, including limiting the ability of the CSOP New China ETF to remit RMB in relation to its investment in the PRC mainland domestic markets into or outside the PRC mainland.

Currently the Bank of China (Hong Kong) Limited is the only clearing bank for offshore RMB in Hong Kong. A clearing bank is an offshore bank that can obtain RMB funding from the PBOC to square the net RMB positions of other participating banks. In February 2004, Bank of China (Hong Kong) Limited launched its RMB clearing services following its appointment by the PBOC. Remittance of RMB funds into Chinese Mainland may be dependent on the operational systems developed by the Bank of China (Hong Kong) Limited for such purposes, and there is no assurance that there will not be delays in remittance.

10.5 Risks relating to the QFI regime

QFI risk. The CSOP New China ETF is not a QFI but may obtain access to China A-Shares, or other permissible investments directly using QFI status of a QFI. The CSOP New China ETF may invest directly in QFI eligible securities investment via the QFI status of the Manager.

Investors should note that QFI status could be suspended or revoked, which may have an adverse effect on the CSOP New China ETF's performance as the CSOP New China ETF may be required to dispose of its securities holdings. In addition, certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on the CSOP New China ETF's liquidity and performance.

SAFE regulates and monitors the repatriation of funds out of the PRC mainland by the QFI pursuant to the "Regulations on Funds of Domestic Securities and Futures Investment by Foreign Institutional Investors" issued by the PBOC and the SAFE on 7

May 2020 and effective from 6 June 2020 (《境外機構投資者境內證券期貨投資資金管理規定》) (the "**QFI Fund Regulations**"). Repatriations by QFIs in respect of an open-ended fund utilizing the QFI status (such as the CSOP New China ETF) conducted in RMB are currently permitted daily and are not subject to repatriation restrictions or prior approval from SAFE, although authenticity and compliance reviews will be conducted by the PRC Custodian, and monthly reports on remittances and repatriations will be submitted to SAFE by the PRC Custodian. There is no assurance, however, that PRC mainland rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Further, such changes to the PRC mainland rules and regulations may take effect retrospectively. Any restrictions on repatriation of the invested capital and net profits may impact on the CSOP New China ETF's ability to meet redemption requests from the Unitholders. Furthermore, as the Custodian's or the PRC Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the Custodian or the PRC Custodian in case of non-compliance with the QFI Regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Unitholder as soon as practicable, and within 3 Business Days, and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Manager's control.

SAFE is vested with the power to impose regulatory sanctions if the QFI or the PRC Custodian violates any provision of the QFI Fund Regulations. Any violations could result in the revocation of the QFI status or other regulatory sanctions. Therefore in the event that the QFI status of the Manager is revoked or cancelled due to violation of the QFI Fund Regulations in relation to any funds under the management of the Manager, this will have an adverse impact on all the funds (including the CSOP New China ETF) under the Manager's management as a whole.

Investors should note that there can be no assurance that a QFI will continue to maintain its QFI status, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations, or that dealings of the CSOP New China ETF will not be suspended. In extreme circumstances, the CSOP New China ETF may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to QFI investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The current QFI laws, rules and regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the QFI laws, rules and regulations will not be abolished. The CSOP New China ETF, which invests in the PRC mainland markets through a QFI, may be adversely affected as a result of such changes.

Application of QFI rules risk. The application of the QFI Regulations described under section "**8*. Qualified Foreign Investor (QFI)***" in this Appendix may depend on the interpretation given by the relevant Chinese authorities. The Chinese authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future.

Any changes to the relevant rules may have an adverse impact on investors' investment in the CSOP New China ETF. In the worst scenario, the Manager may determine that

the CSOP New China ETF shall be terminated if it is not legal or viable to operate the CSOP New China ETF because of changes to the application of the relevant rules.

QFI systems risk. The current QFI Regulations include rules on investment restrictions applicable to the CSOP New China ETF.

In the event of any default of the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC mainland, the CSOP New China ETF may encounter delays in recovering its assets which may in turn impact the Net Asset Value of the CSOP New China ETF.

Liquidity of China A-Shares risk. Due to the potential liquidity constraint of the underlying Index Securities, the Manager may not be able to efficiently process the transactions for the Creation and Redemption Applications without adverse impact on the fund value of the CSOP New China ETF therefore the existing investors' interest. Accordingly, the Manager may impose a limit on the total number of Units to be created or redeemed each day.

PRC Custodian risk. The Trustee shall take into its custody or under its control property of the CSOP New China ETF and hold it on trust for Unitholders. The assets held/credited in the securities account(s) are segregated and independent from the proprietary assets of the PRC Custodian. However, investors should note that, under PRC mainland law, cash deposited in the cash account(s) of the CSOP New China ETF with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the CSOP New China ETF as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the CSOP New China ETF will not have any proprietary rights to the cash deposited in such cash account(s), and the CSOP New China ETF will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the PRC Custodian. Please refer to the disclosure on the opinion from PRC mainland legal counsel in section "***8. Qualified Foreign Investor (QFI)***" in this Appendix. Whilst the opinion from PRC mainland legal counsel indicates the legal position based on understanding of current PRC mainland laws, such opinion may not be conclusive; and ultimately the interpretation and operation of the relevant PRC mainland laws and regulations depend on the judicial and/or regulatory authorities of the PRC mainland.

The CSOP New China ETF may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the CSOP New China ETF will suffer.

PRC mainland brokerage risk. The execution of transactions may be conducted by PRC Mainland Broker(s) appointed by the Manager as a QFI. More than one PRC Mainland Brokers can be appointed in respect of each stock exchange in the PRC mainland. If any of the designated PRC Mainland Broker in the PRC mainland cannot be used, the operation of the CSOP New China ETF will be adversely affected and may cause Units of the CSOP New China ETF to trade at a premium or discount to its Net Asset Value or the CSOP New China ETF may not be able to track the Underlying Index. Further, the operation of the CSOP New China ETF may be adversely affected in case of any acts or omissions of the PRC Mainland Brokers, which may result in a higher tracking

error or the CSOP New China ETF being traded at a significant premium or discount to its Net Asset Value.

If only a limited number of PRC Mainland Brokers may be appointed, the CSOP New China ETF may not necessarily pay the lowest commission available in the market. The Manager however, in the selection of PRC Mainland Brokers will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards.

There is a risk that the CSOP New China ETF may suffer losses from the default, bankruptcy or disqualification of the PRC Mainland Brokers. In such event, the CSOP New China ETF may be adversely affected in the execution of any transaction. As a result, the Net Asset Value of the CSOP New China ETF may also be adversely affected.

Subject to the applicable laws and regulations, the Manager will make arrangements to satisfy itself that the PRC Mainland Brokers have appropriate procedures to properly segregate the CSOP New China ETF's securities from those of the relevant PRC Mainland Brokers.

10.6 Risks associated with Stock Connect

The CSOP New China ETF may invest through the Stock Connect and is subject to the following additional risks:

Quota limitations risk. The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the CSOP New China ETF's ability to invest in the eligible securities through the Stock Connect on a timely basis, and the CSOP New China ETF may not be able to effectively pursue its investment strategies.

Suspension risk. It is contemplated that each of the SEHK, the SSE and the SZSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the Stock Connect is effected, the CSOP New China ETF's ability to access the PRC mainland market will be adversely affected.

Differences in trading day. The Stock Connect only operates on days when both the PRC mainland (SSE and SZSE) and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC mainland market but Hong Kong investors (such as CSOP New China ETF) cannot carry out any trading via the Stock Connect. The CSOP New China ETF may be subject to a risk of price fluctuations in the relevant securities during the time when the Stock Connect is not trading as a result.

Operational risk. The Stock Connect provides a channel for investors from Hong Kong and overseas to access the Chinese Mainland stock market directly.

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("**China Stock Connect System**") was set up by the SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The CSOP New China ETF's ability to access the Chinese Mainland market (and hence to pursue its investment strategy) will be adversely affected.

Restrictions on selling imposed by front-end monitoring risk. PRC mainland regulations require that before an investor sells any SSE Securities and/or SZSE Securities, there should be sufficient SSE Securities or SZSE Securities (as the case may be) in the account; otherwise the SSE or the SZSE will reject the sell order concerned. The SEHK will carry out pre-trade checking on SSE Securities and SZSE Securities sell orders of its participants (i.e. the stock brokers) to ensure there is no over- selling.

If the CSOP New China ETF desires to sell certain SSE Securities and/or SZSE Securities it holds, it must transfer such SSE Securities or SZSE Securities (as the case may be) to the respective accounts of its brokers before the market opens on the day of selling ("**trading day**"). If it fails to meet this deadline, it will not be able to sell SSE Securities or SZSE Securities on the trading day. Because of this requirement, the CSOP New China ETF may not be able to dispose of holdings of SSE Securities or SZSE Securities in a timely manner.

Recalling of eligible securities risk. When a security is recalled from the scope of eligible securities for trading via the Stock Connect, the security can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the CSOP New China ETF, for example, when the Manager wishes to purchase a security which is recalled from the scope of eligible securities.

Clearing and settlement risk. The HKSCC and ChinaClear have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross- boundary trades initiated in a market, the clearing house of that market would on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC mainland's securities market, ChinaClear operates a comprehensive network of clearing, settlement and security holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding securities and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the CSOP New China ETF may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Nominee arrangements in holding SSE Securities and SZSE Securities risk. HKSCC is the "nominee holder" of the SSE Securities and the SZSE Securities acquired by Hong Kong and overseas investors through the Stock Connect.

The CSRC Stock Connect Rules expressly provide that investors enjoy the rights and benefits of SSE Securities and SZSE Securities acquired through the Stock Connect in accordance with applicable laws.

The CSRC Stock Connect Rules are departmental regulations having legal effect in the PRC mainland. However, the application of such rules is untested, and there is no assurance that PRC mainland courts will recognise such rules, e.g. in liquidation proceedings of PRC mainland companies.

It should be noted that, under the HKSCC Rules, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE Securities and the SZSE Securities in the PRC mainland or elsewhere. Therefore, although the CSOP New China ETF's ownership may be ultimately recognised, the CSOP New China ETF may suffer difficulties or delays in enforcing its rights in SSE Securities and SZSE Securities.

Participation in corporate actions and shareholders' meetings risk. HKSCC will keep CCASS participants informed of corporate actions of SSE Securities and SZSE Securities. Hong Kong and overseas investors (including the CSOP New China ETF) 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 CSOP New China ETF may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the CSOP New China ETF) are holding SSE Securities and SZSE Securities traded via the Stock Connect program through their brokers or custodians. According to existing mainland practice, multiple proxies are not available. Therefore, the CSOP New China ETF may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE Securities and the SZSE Securities.

No Protection by Investor Compensation Fund. Investment through Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers in their obligations. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund also covers investors' losses in relation to securities traded on a stock market operated by the SSE and the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the CSOP New China ETF is carrying out Northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland. Therefore the CSOP New China ETF is exposed to the risks of default of the broker(s) it engages in its trading in SSE Securities and SZSE Securities through the programme.

Regulatory risk. The Stock Connect is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC mainland and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The CSOP New China ETF, which may invest in the PRC mainland markets through the Stock Connect, may be adversely affected as a result of such changes.

Taxation risk. On 14 November 2014, the Ministry of Finance and the State of Administration of Taxation have jointly promulgated Caishui [2014] No.81 ("**Notice No.81**") in relation to the taxation rule on the Stock Connect. Under Notice No.81, with effect from 17 November 2014, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the CSOP New China ETF) on the trading of China A-Shares through the Stock Connect. However, dividends will be subject to 10% withholding tax and the company distributing the dividend has the withholding

obligation. If the recipient of the dividend is entitled to a lower treaty rate, it can apply to the in-charge tax bureau of the payor for a refund. Investments in the CSOP New China ETF may be subject to the risks associated with changes in the PRC mainland tax laws and such changes may have retrospective effect and may adversely affect the CSOP New China ETF.

10.7 Multi-Counter Trading risks

Multi-Counter risk. Investors without RMB accounts or USD accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell RMB traded Units or USD traded Units and should note that distributions are made in HKD only.

Inter-counter trading risk. Although an investor may buy from one counter and sell the same on the other counter in the same day, it is possible that some brokers/intermediaries and CCASS Participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade units in the HKD counter, RMB counter and USD counter at the same time. In such case (i) to (ii), another broker, intermediary or CCASS Participant may need to be used. This may inhibit or delay dealing in the HKD traded Units, RMB traded Units and USD traded Units and may mean investors may only be able to trade their Units in one currency. Investors are recommended to check the readiness of their brokers/intermediaries in respect of the Multi-Counter trading and inter-counter trading.

Investors should therefore consult their brokers/intermediaries on the services that the brokers/intermediaries may provide in this regard along with the associated risks and fees. In particular, some brokers/intermediaries may not have in place systems and controls to facilitate inter-counter trading and/or inter-counter day trades.

Difference in trading prices risk. There is a risk that due to different factors such as market liquidity, market supply and demand in the respective counters and the exchange rate among HKD and RMB and USD, the market price on the SEHK of Units traded in RMB or USD may deviate significantly from the market price on the SEHK of Units traded in HKD. The trading price of HKD traded Units, RMB traded Units or USD traded Units 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 RMB or USD or buying Units traded in RMB or USD, an investor may receive less or pay more than the equivalent amount in HKD if the trade of the relevant Units is in HKD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Currency exchange risk. Investors who bought Units on the RMB counter or USD counter may be subject to currency exchange risk as the assets of the CSOP New China ETF are denominated in HKD and the Net Asset Value of the CSOP New China ETF will be calculated in HKD.

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

Unitholders are advised to check with their brokers concerning arrangements for distributions.

10.8 Risks relating to the nature of product

Risks in light of the cross-border nature of the CSOP New China ETF. CSOP New China ETF is a HKD-denominated physical exchange traded fund that directly invests in China A-Share market (which is a market with restricted access) under the Stock Connect and QFI regime. In light of the cross-border nature of the CSOP New China ETF, it is riskier than traditional exchange traded funds which invest directly in markets other than the China A-Share market and therefore, is subject to operational and settlement risks. Operational risks may arise from technical failures of communication and trading systems, and any breaches of the relevant operational policies or guidelines by the relevant staff of the Manager and the Investment Adviser (as applicable). Whilst the Manager and the Investment Adviser (as applicable) has in place internal control systems, operational guidelines and contingency procedures to reduce the chances of such operational risks, there is no guarantee that events beyond the control of the Manager and the Investment Adviser (as applicable) (e.g. trading errors or system errors) will not occur. The occurrence of such events may adversely affect the value of the CSOP New China ETF.

To the extent that the CSOP New China ETF transacts in the China A-Share market, the CSOP New China ETF may also be exposed to risks associated with settlement procedures. Any significant delays in the settlement of transactions or the registration of a transfer may affect the ability to ascertain the value of the CSOP New China ETF's portfolio and adversely affect the CSOP New China ETF.

10.9 Risks relating to the Underlying Index of CSOP New China ETF

New index risk. The Underlying Index is a new index having only been launched on 24 December 2018. Given the Underlying Index is relatively new, the CSOP New China ETF may be riskier than other exchange traded funds tracking more established indices with a longer operating history.

Underlying Index risk. The CSOP New China ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the licence from the Index Provider is terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. Please refer to section "***17. Replacement of Underlying Index***" below on the circumstances in which the Underlying Index may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission under the Code, and Unitholders will be duly notified of the same. For the avoidance of doubt, index-tracking will remain the CSOP New China ETF's investment objective.

The Manager has been granted a licence by the Index Provider to use the Underlying Index in connection with the CSOP New China ETF. The licence granted commenced on 16 August 2016 and is subject to an initial term of five

years, and can thereafter be automatically renewed for successive terms of three years unless either party provides written notice to the other party of its intent not to renew at least 90 days prior to the end of the then current term, or unless otherwise terminated in accordance with the Licence Agreement. Please refer to section "***16. Index Licence Agreement***" on the circumstances in which the Licence Agreement may be terminated. There is no guarantee that the Licence Agreement shall not be terminated. In addition, there is no guarantee or assurance of exact or identical replication at any time of the performance of the Underlying Index.

The CSOP New China ETF may be terminated if the Underlying Index is discontinued and/or the Licence Agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria under Chapter 8.6(e) of the Code. Accordingly, investors should note that the ability of the CSOP New China ETF to track the Underlying Index and the viability of the CSOP New China ETF depend on the continuation in force of the Licence Agreement in respect of the Underlying Index or a suitable replacement.

(ii) There may be changes in the constituent securities of the Underlying Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the CSOP New China ETF, the Manager may rebalance the composition of a Basket. The price of the Units may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to section "***19. The Underlying Index***" of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

10.9A Risks relating to change of Index

Past performance risk. As a result of the change in Underlying Index, past performance of the CSOP New China ETF prior to 8 April 2019 was achieved under circumstances which no longer apply. Investors should exercise caution when considering the past performance of the CSOP New China ETF prior to 8 April 2019.

10.10 Securities Lending Transactions risks

Counterparty risk. The borrower may fail to return the securities in a timely manner or at all. The CSOP New China ETF may as a result suffer from a loss or delay when

recovering the securities lent out. This may restrict the CSOP New China ETF's ability in meeting delivery or payment obligations from redemption requests.

Collateral risk. As part of the securities lending transactions, the CSOP New China ETF 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, or change of value of securities lent. This may cause significant losses to the CSOP New China ETF if the borrower fails to return the securities lent out. The CSOP New China ETF may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.

Operational risk. By undertaking securities lending transactions, the CSOP New China ETF is exposed to operational risks such as delay or failure of settlement. Any such delay or failure may restrict the CSOP New China ETF's ability in meeting delivery or payment obligations from redemption requests.

10.11 Reliance on the Investment Adviser risk

The Manager has delegated the investment discretion in relation to China A-Shares of the CSOP New China ETF to the Investment Adviser and will rely on the Investment Adviser's expertise and systems for the CSOP New China ETF's investments in China A-shares. Any disruption in the communication with or assistance from the Investment Adviser or a loss of service of the Investment Adviser or any of its key personnel may adversely affect the operations of the CSOP New China ETF.

10.12 Other risks

Operating risk. There is no assurance that the performance of the CSOP New China ETF will be identical to the performance of the Underlying Index. The level of fees, taxes and expenses payable by the CSOP New China ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP New China ETF can be estimated, the growth rate of the CSOP New China ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP New China ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under section "***14.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP New China ETF. On the termination of the CSOP New China ETF, the CSOP New China ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

No market in the Units risk. Although the Units are to be listed on the SEHK and 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 traded in each of the HKD counter, the RMB counter and the USD counter, investors should be aware that 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 other exchange traded fund which are traded on the SEHK and which are based upon indices.

Termination of Market Maker risk. A market maker may cease to act as a market maker

for the Units of the CSOP New China ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Units of the CSOP New China ETF for each counter will be ninety (90) days. The liquidity for the HKD traded Units, RMB traded Units and USD traded Units of the CSOP New China ETF may be affected if there is no market maker for the HKD traded Units, RMB traded Units and USD traded Units respectively. The Manager will use its best endeavours to put in place arrangements so that there is at least one market maker for each counter (although these market makers may be the same entity) to facilitate efficient trading of Units of the relevant trading currency (i.e. HKD, RMB and USD). It is possible that there is only one SEHK market maker for each counter of the CSOP New China ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. Units will be a new security and following listing on the SEHK, it is unlikely that the Units will initially be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Units in the secondary market. Therefore, Unitholders may not be able to sell their Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Units.

Distributions paid out of capital risk. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP New China ETF are charged to/paid out of the capital of the CSOP New China ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP New China ETF and therefore, the CSOP New China ETF may effectively pay dividend out of the capital. **Investors should note that the payment of distributions out of or effectively out of capital represents a return or a withdrawal of part of the amount they originally invested or capital gain attributable to that amount. Any such distributions may result in an immediate reduction in the Net Asset Value per Unit of the CSOP New China ETF.**

11. FEES AND CHARGES

11.1 Management Fees and Servicing Fees

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum of the Net Asset Value of the CSOP New China ETF accrued daily and calculated as of each Dealing Day and payable monthly in arrears.

11.2 Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and the Registrar out of the management fee.

The Trustee's fee is inclusive of fees payable to the Custodian and the PRC Custodian.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP New China ETF all out-of-pocket expenses incurred.

11.3 Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP New China ETF. For any period less than a month, the reconciliation fee is payable by the CSOP New China ETF on a pro-rata basis and accrues on a daily basis.

11.4 Investment Adviser's Fee

The management fee is inclusive of the Investment Adviser's fee and the Manager will pay the fees of the Investment Adviser (if any) out of the management fee.

11.5 Other Charges and Expenses of CSOP New China ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP New China ETF.

11.6 Establishment costs of CSOP New China ETF

The costs and expenses incurred by the Manager and the Trustee in establishing the CSOP New China ETF are estimated to be HKD700,000; such costs shall be borne by the CSOP New China ETF (unless otherwise determined by the Manager) and amortised over the first 3 financial years of the CSOP New China ETF (unless the Manager decides a shorter period is appropriate).

11.7 Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarized in the respective tables below:

11.7.1 Participating Dealers

Creation of Units by a Participating Dealer

Application Cancellation Fee	HKD10,000 per cancellation (See Note 1)
Extension Fee	HKD10,000 per extension (See Note 1)
Transaction Fee	HKD4,000 per Application (See Note 2)
Service Agent's Fee	See Note 3
Stamp duty	Nil

Redemption of Units by a Participating Dealer

Application Cancellation Fee	HKD10,000 per cancellation (See Note 1)

Extension Fee	HKD10,000 per extension (See Note 1)
Transaction Fee	HKD4,000 per Application (See Note 2)
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges, and the market risks in constituting and liquidating the Basket(s) in relation to an Application.

11.7.2 Primary Market Investors creating or redeeming Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

11.7.3 Secondary Market Investors Dealing in Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% (see Note 4)
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015% (see Note 5)
Trading fee	0.00565% (see Note 6)
Stamp duty	Nil (see Note 7)
Investor compensation levy	0.002% (currently suspended) (see Note 8)

Note:

1. *The Application Cancellation Fee of HKD10,000 and the Extension Fee of HKD10,000 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.*

2. *A Transaction Fee of HKD4,000 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.*

3. *A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.*

4. *A transaction levy of 0.0027% of the trading price of the Units, payable by the buyer and the seller.*

5. *AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.*

6. *A trading fee of 0.00565% of the trading price of the Units, payable by the buyer and the seller.*

7. *For a transfer executed for a transaction by which a Unit of the CSOP New China ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.*

8. *The investor compensation levy of the trading price of the Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.*

12. Documents Available for Inspection

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of documents that are available for inspection.

13. TERMINATION OF CSOP NEW CHINA ETF

Without prejudice to the grounds of termination as set out in the section headed "***14.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP New China ETF shall be less than HKD100 million, the CSOP New China ETF and/or any classes of Units relating to the CSOP New China ETF may be terminated by the Manager in its absolute discretion by notice in writing.

14. PUBLICATION OF INFORMATION RELATING TO CSOP New China ETF

The following information relating to the CSOP New China ETF will be published on the Manager's website http://www.csopasset.com/en/products/new-china-sectors-etf:

- the near real-time indicative Net Asset Value per Unit of the CSOP New China ETF during normal trading hours on the SEHK in HKD, RMB and USD; and

- the last Net Asset Value of the CSOP New China ETF in HKD only, and the last Net Asset Value per Unit of the CSOP New China ETF in HKD, RMB and USD, which in respect of a Dealing Day will be published by 12:00 p.m. (Hong Kong time) on the day following the relevant Dealing Day.

The near real-time indicative Net Asset Value per Unit of CSOP New China ETF in RMB denomination and USD denomination is indicative and for reference purposes only. This is updated during SEHK trading hours. The near real-time indicative Net Asset Value per Unit in RMB uses a real-time CNH:HKD foreign exchange rate – it is calculated using a near real-time indicative Net Asset Value per Unit in HKD multiplied by a real-time CNH:HKD foreign exchange rate provided by ICE Data Indices when the SEHK is opened for trading. The near real-time indicative Net Asset Value per Unit in USD uses a real-time USD:HKD foreign exchange rate – it is calculated using the near real-time indicative Net Asset Value per Unit in HKD multiplied by a real-time USD:HKD foreign exchange rate provided by ICE Data Indices when the SEHK is opened for trading. The near real-time indicative Net Asset Value per Unit in HKD, RMB and USD is updated every 15 seconds throughout the SEHK trading hours.

The last Net Asset Value per Unit of CSOP New China ETF in RMB and USD is indicative and for reference purposes only and is calculated using the last Net Asset Value per Unit in HKD multiplied by an assumed foreign exchange rate using the HKD exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day.

Please refer to section "***14.14 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for other information that will be published on the Manager's website http://www.csopasset.com/en/products/new-china-sectors-etf.

15. INDEX LICENCE AGREEMENT

The Manager has been granted a non-exclusive and non-transferable licence by S&P Dow Jones Indices LLC and S&P Opco, LLC ("**S&P**") pursuant to an index licence agreement dated 16 August 2016, together with the Amendment No.1 dated 10 October 2017 and Amendment No.2 dated 15 December 2018 (the "**Licence Agreement**") entered into between the Manager and S&P to use the Underlying Index (i.e. S&P New China Sectors (A-shares Capped) Index) in connection with the creation, issue, offering, marketing, promotion, sale, management, administration and listing of the CSOP New China ETF.

The Licence Agreement is subject to an initial term of 5 years from 16 August 2016, and can thereafter be automatically renewed for successive terms of 3 years at a time, unless either party provides written notice to the other party of its intent not to renew at least 90 days prior to the end of the then current term, or unless otherwise terminated in accordance with the Licence Agreement.

The Licence Agreement may be terminated in circumstances as summarised below:

(a) there is a breach of any of the material terms or conditions of the Licence Agreement, or a persistent breach of any terms and conditions thereunder, by the Manager or S&P;

(b) the Underlying Index has been discontinued by S&P and no substitute Index is made available by S&P or the Manager does exercise the option to use any substitute index;

(c) there is any legislation or regulation that materially impairs the Manager's ability to market and/or promote the CSOP New China ETF or there is material litigation or regulatory proceeding regarding the CSOP New China ETF;

(d) there is legislation or regulation or material litigation or regulatory proceeding that materially impairs S&P's ability to license and provide the Underlying Index;

(e) there is a change in control of the Manager; and

(f) the Manager elects to terminate the public offering or other distribution of the CSOP New China ETF.

16. MATERIAL CHANGES TO UNDERLYING INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

17. REPLACEMENT OF UNDERLYING INDEX

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;

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

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

(e) investing in the Index Securities comprised within the Underlying 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 Underlying Index having in the opinion of the Manager, deteriorated;

(h) a significant modification of the formula or calculation method of the Underlying 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 the CSOP New China ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to (i) the use by the CSOP New China ETF of the Underlying Index and/or (ii) the name of the CSOP New China ETF will be notified to investors.

18. THE UNDERLYING INDEX

The Underlying Index of the CSOP New China ETF is the S&P New China Sectors (A-shares Capped) Index.

General

The Underlying Index is a modified market capitalisation weighted index that is compiled and published by S&P Dow Jones Indices LLC (the "**Index Provider**"). It is designed to measures the performance of Chinese Mainland- and Hong Kong-domiciled companies in selected consumption and service-oriented industries. Its constituents include Hong Kong listed companies, US listed American Depository Receipts (ADRs) and China A-Shares.

The Underlying Index is constructed using the S&P New China Sectors Index with additional capping rules applied. In addition to the 10% single stock capping, the cumulative A-shares weight of all constituents is capped at 15%. The capping takes place at each semi-annual rebalancing, in line with the rebalancing of the S&P New China Sectors Index.

The Underlying Index is a net total return index which means that the performance of the index constituents is calculated on the basis that any dividends or distributions are reinvested after withholding tax deduction. The Underlying Index is denominated and quoted in HKD.

The Underlying Index was launched on 24 December 2018 and had a base level of 1000 on 31 December 2010. As of 27 February 2026, it had a total market capitalisation of HKD 34,932.85 billion and 248 constituents.

The Manager, Investment Adviser or their respective Connected Persons is independent of the Index Provider. Please see below for the Index Provider disclaimer.

Index Methodology

The constituents of the Underlying Index are Chinese Mainland- and Hong Kong-domiciled companies from selected consumption and service-oriented sectors which are believed to reflect the growing "New China Economy", and are selected by applying specific market capitalisation, liquidity and sector requirements as described below.

Selection Universe

The selection universe of the Underlying Index comprises constituents of the S&P Total China + Hong Kong BMI Domestic (the "**Parent Reference Index**")(which is an index representing the entire investable universe of Chinese Mainland- and Hong Kong-based companies, and includes Hong Kong-listed companies, US-listed China ADRs and China A-Shares the "**Selection Universe**").

Companies domiciled in Chinese Mainland and Hong Kong are eligible for inclusion in the Parent Reference Index if they meet the following requirements:

Market Capitalization. The Parent Reference Index covers all publicly listed equities available to institutional investors with float-adjusted market values of USD100 million or more. At the annual reconstitution, index constituents are removed if their float-adjusted market capitalization falls below USD75 million.

Trading Volume. At the annual reconstitution, stocks must have an annual dollar value traded of at least USD 50 million over the previous 12 months to be added to the Parent Reference Index. Parent Reference Index constituents are excluded if their liquidity falls below USD 35 million during the previous 12 months.

Ineligible Securities. The following shares are not eligible for inclusion in the Parent Reference Index:

- Fixed-dividend shares
- Investment trusts
- Unit trusts
- Mutual fund shares
- Business Development Companies (BDCs)
- Closed-end funds
- Convertible bonds
- Equity warrants

- Limited Partnerships

Index Eligibility

In order to qualify for inclusion in the Underlying Index, a constituent of the Selection Universe must have the following at each rebalancing:

(i) a float-adjusted market capitalisation of at least USD2.5 billion;
(ii) a three-month average daily value traded of at least USD8 million;
(iii) an Investable Weight Factor (IWF)* of at least 15%; and
(iv) a Global Industry Classification Standard (GICS®)# classification below.

GICS Level	GICS Code	Description
Sector	25	Consumer Discretionary
Sector	30	Consumer Staples
Sector	35	Health Care
Sector	50	Communication Services
Industry Group	2020	Commercial & Professional Services
Industry Group	4030	Insurance
Industry Group	4510	Software & Services Industry
Industry Group	551050	Independent Power and Renewable Electricity Producers
Sub-Industry	20301010	Air Freight & Logistics
Sub-Industry	20302010	Airlines
Sub-Industry	20304010	Railroads
Sub-Industry	20305010	Airport Services
Sub-Industry	20305020	Highways & Railtracks
Sub-Industry	45201020	Communications Equipment

If a company has an eligible U.S. listing and a Hong Kong secondary listing, the Hong Kong listing will be selected provided it meets the above criteria and has traded for at least three months. If not, the U.S. listing is selected for index inclusion.

** The Investable Weight Factor is a float factor assigned to all constituents in the Selection Universe. The IWF ranges between 0 and 1 and is an adjustment factor that accounts for the publicly available shares of a company. The company's adjusted market capitalization determines an equity issue's relative weight in the index.*

 # The GICS® methodology was developed jointly by MSCI Inc and S&P in 1999 and has been widely accepted as an industry analysis framework for investment research, portfolio management and asset allocation. The GICS® classification system consists of: 11 sectors, 24 industry groups, 69 industries and 158 sub-industries. The GICS® sectors are: Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Communication Services, Utilities and Real Estate.

Constituent Selection

All stocks that pass the index eligibility criteria are added to the Underlying Index, up to a maximum of 300 constituents. If the number of eligible constituents is greater than 300, then all eligible constituents are ranked by float-adjusted market capitalisation, with the largest 300 stocks being selected as constituents of the Underlying Index.

Constituent Weighting

The constituents of the Underlying Index are weighted by the modified market capitalisation. At each rebalancing, the constituents' weights are capped at 10% of the Underlying Index. The cumulative A-shares weight of all constituents is capped at 15%.

Index Rebalancing

The Underlying Index is rebalanced semi-annually, effective at the close of the third Friday of June and December. The rebalancing reference date is the close of the last business day of the previous month.

Furthermore, additions to the Selection Universe that become effective at the same time as the Underlying Index's rebalancing effective date are eligible for index inclusion, provided they meet all of the index eligibility criteria. In addition, if a constituent is removed from the Selection Universe, it is also removed from the Underlying Index simultaneously.

Constituents of the Underlying Index and further information

The constituents of the Underlying Index together with their respective weightings can be accessed on https://supplemental.spindices.com/supplemental-data/hong-kong.

For additional information of the Underlying Index including the index methodology, please refer to the website of the Index Provider at https://us.spindices.com/indices/equity/sp-new-china-sectors-a-shares-capped-index-hkd.

Index code

Bloomberg Code: *SPNCSCHN*

Index Provider disclaimer

The "S&P New China Sectors (A-shares Capped) Index" (the "**Index**") is a product of S&P Dow Jones Indices LLC ("**SPDJI**"), and has been licensed for use by CSOP Asset Management Limited. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("**S&P**"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("**Dow Jones**"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by CSOP Asset Management Limited. The CSOP S&P New China Sectors ETF is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, any of their respective affiliates (collectively, "**S&P Dow Jones Indices**"). S&P Dow Jones Indices makes no representation or warranty, express or implied, to the owners of the CSOP S&P New China Sectors ETF or any member of the public regarding the advisability of investing in securities generally or in the CSOP S&P New China Sectors ETF particularly or the ability of the Index to track general market performance. S&P Dow Jones Indices' only relationship to CSOP Asset Management Limited with respect to the Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The Index is determined, composed and calculated by S&P Dow Jones Indices without regard to CSOP Asset Management Limited or the CSOP S&P New China Sectors ETF. S&P Dow Jones Indices have no obligation to take the needs of CSOP Asset Management Limited or the owners of the CSOP S&P New China Sectors ETF into consideration in determining, composing or calculating the Index. S&P Dow Jones Indices are

not responsible for and have not participated in the determination of the prices, and amount of units in the CSOP S&P New China Sectors ETF or the timing of the issuance or sale of units in the CSOP S&P New China Sectors ETF or in the determination or calculation of the equation by which unit(s) in the CSOP S&P New China Sectors ETF is to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices have no obligation or liability in connection with the administration, marketing or trading of the CSOP S&P New China Sectors ETF and/or its units. There is no assurance that investment products based on the Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

S&P DOW JONES INDICES DOES NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY CSOP ASSET MANAGEMENT LIMITED, OWNERS OF THE CSOP S&P NEW CHINA SECTORS ETF, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBLITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND CSOP ASSET MANAGEMENT LIMITED, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

APPENDIX 4

CSOP HONG KONG DOLLAR MONEY MARKET ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODES: 03053 (HKD counter) and 83053 (RMB counter)

MANAGER

CSOP Asset Management Limited

INVESTMENT ADVISER

ICBC Asset Management (Global) Company Limited

15 June 2026

This is an active exchange traded fund.

CSOP HONG KONG DOLLAR MONEY MARKET ETF

Stock Codes:

03053 (HKD counter), 83053 (RMB counter)

1. KEY INFORMATION

1.1 General

This Appendix sets out information specific to CSOP Hong Kong Dollar Money Market ETF (the "**CSOP HKD ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in the CSOP HKD ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***7. Risk Factors relating to CSOP HKD ETF***" of this Appendix, before investing in the CSOP HKD ETF. **Investors should note that the CSOP HKD ETF offers both Listed Class of Units and Unlisted Class of Units. For Unlisted Class of Units, the CSOP HKD ETF offers both tokenised class of Units and non-tokenised class of Units. Please refer to the sections relevant to your intended holding of Units.**

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP HKD ETF, and should be read in conjunction with the full text of this Prospectus.

Key information applicable to both Listed Class of Units and Unlisted Class of Units

Investment Type		An actively managed Exchange Traded Fund ("ETF") authorized as a collective investment scheme by the Commission under Chapter 8.2 and 8.10 of the Code.
Investment Strategy		The CSOP HKD ETF invests in Hong Kong Dollar-denominated and settled short-term deposits and high quality money market instruments. Please refer to section "3. Investment Objective and Strategy" of this Appendix for further details.
Parties	Manager	CSOP Asset Management Limited
	Investment Adviser	ICBC Asset Management (Global) Company Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Tokenisation Agent	The Hongkong and Shanghai Banking Corporation Limited
Base Currency		Hong Kong dollars (HKD)

Financial Year	Ending 31 December each year
Website	http://www.csopasset.com/en/products/money-market-etf

Key information applicable to the Listed Class of Units only

Initial Issue Date	17 July 2018
Listing Date	18 July 2018
Dealing on SEHK Commencement Date	18 July 2018
Exchange Listing	SEHK – Main Board
Stock Codes	03053 (HKD counter) 83053 (RMB counter)
Stock Short Names	A CSOP HKD MM (HKD counter) A CSOP HKD MM–R (RMB counter)
Trading Board Lot Size	1 Unit
Trading Currency	Hong Kong dollars (HKD counter) Renminbi (RMB counter)
Application Unit size for Creation/Redemption (only by or through Participating Dealers)	Minimum 1,000 Units (or multiples thereof)
Method of Creation/Redemption	Cash (HKD) only
Management Fee	Up to 2% per annum of the Net Asset Value of the relevant Class of Units accrued daily and calculated as of each Dealing Day, with the current rate being 0.30% per annum of the Net Asset Value of the Listed Class of Units accrued daily and calculated as of each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Dividend Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP HKD ETF's net income after fees and costs. The Manager may, at its discretion, pay dividend out of capital. The Manager may also,

		at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP HKD ETF are charged to/paid out of the capital of the CSOP HKD ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP HKD ETF and therefore, the CSOP HKD ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of the CSOP HKD ETF's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP HKD ETF. Please refer to section "***6. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP HKD ETF and the risk factor headed "***Risk relating to distributions paid out of capital***" under sub-section "***7.4 Other risks***" in this Appendix for the risk associated with distributions paid out of capital.
Parties	Participating Dealers	Please refer to the Manager's website set out above for the latest list
	Market Makers	Please refer to the Manager's website set out above for the latest list
	Service Agent	HK Conversion Agency Services Limited

Key information applicable to the Unlisted Class of Units only

Dealing Deadline	10:30 a.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee
Management Fee	Up to 2% per annum of the Net Asset Value of the relevant Class of Units accrued daily and calculated as of each Dealing Day. For Class A Units, the current rate is 0.30% per annum of the Net Asset Value of Class A Units accrued daily and calculated as of each Dealing Day. For Class P Units, the current rate is 0.40% per annum of the Net Asset Value of Class P Units accrued daily and calculated as of each Dealing Day. For Class T Units, the current rate is 0.30%

	per annum of the Net Asset Value of Class T Units accrued daily and calculated as of each Dealing Day.
Dividend Policy	*In respect of non-tokenised class of Units* - The Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP HKD ETF's net income after fees and costs. - The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP HKD ETF are charged to/paid out of the capital of the CSOP HKD ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP HKD ETF and therefore, the CSOP HKD ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of the CSOP HKD ETF's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP HKD ETF. - Please refer to section "***6. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP HKD ETF and the risk factor headed "***Risk relating to distributions paid out of capital***" under sub-section "***7.4 Other risks***" in this Appendix for the risk associated with distributions paid out of capital. *In respect of tokenised class of Units* - No distributions will be made.

1.3 **Key similarities and differences between Listed Class of Units and Unlisted Class of Units**

Investment objective	

<table>
<tr><td>Investment strategy</td><td rowspan="2">Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the section “Investment Objective and Strategy”.</td></tr>
<tr><td>Investment policy</td></tr>
<tr><td>Valuation policy</td><td>Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the section “Determination of the Net Asset Value” of the Prospectus.</td></tr>
<tr><td>Dealing arrangements</td><td>Different in respect of each of the Listed Class of Units and Unlisted Class of Units. Investors should note that the dealing deadlines in respect of Listed and Unlisted Class of Units are different, subject to the applicable valuation point.

In respect of the Listed Class of Units:
- The dealing period in respect of each Dealing Day for a Creation Application or Redemption Application commences at 9:00 a.m. (Hong Kong time) on the immediately preceding Dealing Day and ends at the Dealing Deadline at 4:00 p.m. (Hong Kong time) on the immediately preceding Dealing Day (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time; and
- a Secondary Market Investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price.

In respect of the Unlisted Class of Units, the Dealing Deadline is 10:30 a.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee. Investors can buy or sell the Unlisted Class of Units at Net Asset Value.

<table>
<tr><th></th><th>Listed Class of Units</th><th>Unlisted Class of Units</th></tr>
<tr><td>Dealing Deadline in respect of a Dealing Day</td><td>4:00 p.m. (Hong Kong time) on the immediately preceding Dealing Day*</td><td>10:30 a.m. (Hong Kong time) on the Dealing Day</td></tr>
<tr><td>Valuation Point</td><td colspan="2">Approximately 11:00 a.m. (Hong Kong time) on the applicable Valuation Day</td></tr>
</table>
* Investors should note that Creation and Redemption Applications for Listed Class of Units received during the Dealing Period in respect of a Dealing Day (“Day T”) (i.e. between 9:00 a.m. to 4:00 p.m. (Hong Kong time) on the immediately preceding Dealing Day (“Day T-1”)) will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T, which is determined at the Valuation Point on Day T. For example:</td></tr>
</table>

	In respect of Listed Class of Units - a Creation or Redemption Application for Listed Class of Units received at or before 4:00 p.m. (Hong Kong time) on Day T-1 will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T; and - a Creation or Redemption Application for Listed Class of Units received at 10:00 a.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class (i.e. 4:00 p.m. (Hong Kong time) on Day T-1), will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Listed Class of Units of Day T+1. *In respect of Unlisted Class of Units* - a subscription or redemption application for Unlisted Class of Units received at 10:00 a.m. (Hong Kong time) on Day T, i.e. before the Dealing Deadline of Day T for such class, will be processed on Day T at the Net Asset Value per Unit of Unlisted Class of Units of Day T; and - a subscription or redemption application for Unlisted Class of Units received at 3:00 p.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Unlisted Class of Units of Day T+1. Please refer to sections “Dealing of Listed Class of Units” and “Dealing of Unlisted Class of Units” for information relating to the Listed Class of Units and Unlisted Class of Units respectively.
Fee structure	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. The Servicing Fee, Trustee’s and Registrar’s Fees and Investment Adviser’s Fee are the same in respect of both classes of Units. For Listed Class of Units, the current management fee is 0.30% per annum of the Net Asset Value of the Listed Class of Units accrued daily and calculated as of each Dealing Day. For Class A Units, the current management fee is 0.30% per annum of the Net Asset Value of Class A Units accrued daily and calculated as of each Dealing Day. For Class P Units, the current management fee is 0.40% per annum of the Net Asset Value of Class P Units accrued daily and calculated as of each Dealing Day.

	For Class T Units, the current management fee is 0.30% per annum of the Net Asset Value of Class T Units accrued daily and calculated as of each Dealing Day. An investment in the Listed Class of Units is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service Agent's Fee, transaction costs etc). An investment in the Unlisted Class of Units is subject to the payment of subscription fees and tokenisation fee (in respect of tokenised class of Units only). Please refer to the "Fees and Charges" section.
Investment return / Net Asset Value	Different in respect of each of the Listed Class of Units and Unlisted Class of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Class of Units are bought and sold at Net Asset Value) and charges, stamp duty. Please refer to the "Differences in dealing, fee and cost arrangements between Listed Class and Unlisted Class of Units" risk factor of the Prospectus.
Termination procedures	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. Please refer to the "Termination of the Trust or a Sub-Fund" section of the Prospectus.

1.4 Key similarities and differences between tokenised and non-tokenised Unlisted Class of Units

Investment objective	Same for both tokenised and non-tokenised Unlisted Class of Units. Please refer to the section "Investment Objective and Strategy".
Investment strategy	
Investment policy	
Valuation policy	Same for both tokenised and non-tokenised Unlisted Class of Units. Please refer to the section "Determination of the Net Asset Value" of the Prospectus.
Dealing arrangements	There are some differences in certain dealing arrangements in respect of each of tokenised Unlisted Class of Units and non-tokenised Unlisted Class of Units. Investors should also note that while the dealing frequency,

	the definition of "Dealing Day", the Dealing Deadlines for subscription and redemption and the minimum amounts for subscription and redemption in respect of tokenised and non-tokenised Unlisted Class of Units are the same, the applicable dealing procedures with Eligible Distributor(s) (in the case of tokenised Unlisted Class of Units) and Authorised Distributor(s) (if applicable, in the case of non-tokenised Unlisted Class Units) may be different. Investors should check with the Eligible Distributor(s) or Authorised Distributor(s) for the applicable dealing procedures and timing. In respect of the tokenised Unlisted Class of Units: - the Dealing Deadline currently is 10:30 a.m. (Hong Kong time) on each Dealing Day. Investors may only subscribe for, or redeem, the tokenised Unlisted Class of Units at the Net Asset Value in the form of Tokens via the Eligible Distributor. - switching in or out of tokenised Unlisted Class of Units of the Sub-Fund is not permitted. - the subscription or redemption requests for tokenised Unlisted Class of Units submitted after 10:30 a.m. (Hong Kong time) on a Dealing Day will be deemed to have been received on the next Dealing Day. In respect of the non-tokenised Unlisted Class Units: - the Dealing Deadline currently is 10:30 a.m. (Hong Kong time) on each Dealing Day. Investors can buy or sell the non-tokenised Unlisted Class of Units at the Net Asset Value of the relevant non-tokenised Unlisted Class of Units. Applicants may apply for non-tokenised Unlisted Class of Units through the Manager or an Authorised Distributor. Authorised Distributor(s) may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Applicants who intend to apply for non-tokenised Unlisted Class of Units through an Authorised Distributor should therefore consult the Authorised Distributor for details of the relevant dealing procedures. - Subject to the prior consent of the Manager either generally or in any particular case, Unitholders may switch part or all of their non-tokenised Unlisted Class of Units of the CSOP HKD ETF into another non-tokenised Unlisted Class of Units of the CSOP HKD ETF (where available). Switching of non-tokenised Unlisted Class of Units of the CSOP HKD ETF to unlisted shares, units or interests in any other collective schemes (including any other Sub-Funds of the Trust) is currently not permitted. - the subscription or redemption requests for non-tokenised Unlisted Class of Units submitted after

	10:30 a.m. (Hong Kong time) on a Dealing Day will be deemed to have been received on the next Dealing Day. Please refer to the procedures regarding the subscription and redemption of Unlisted Class of Units described under Schedule 3 and Schedule 4 "Tokenisation of Units" for information relating to the Unlisted Class of Units and dealing arrangements of tokenised Unlisted Class of Units.
Dividend policy	*In respect of non-tokenised class of Units* - The Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP HKD ETF's net income after fees and costs. - The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP HKD ETF are charged to/paid out of the capital of the CSOP HKD ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP HKD ETF and therefore, the CSOP HKD ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of the CSOP HKD ETF's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP HKD ETF. - Please refer to section "***6. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP HKD ETF and the risk factor headed "***Risk relating to distributions paid out of capital***" under sub-section "***7.4 Other risks***" in this Appendix for the risk associated with distributions paid out of capital. *In respect of tokenised class of Units* - No distributions will be made.
Fee structure	Different in respect of each of the tokenised and non-tokenised Unlisted Class of Units. The Servicing Fee, Trustee's and Registrar's Fees and Investment Adviser's Fee are the same in respect of both classes of Units.

	For Class A Units, the current management fee is 0.30% per annum of the Net Asset Value of Class A Units accrued daily and calculated as of each Dealing Day. For Class P Units, the current management fee is 0.40% per annum of the Net Asset Value of Class P Units accrued daily and calculated as of each Dealing Day. For Class T Units, the current management fee is 0.30% per annum of the Net Asset Value of Class T Units accrued daily and calculated as of each Dealing Day. Subscription of the Unlisted Class of Units is subject to the payment of subscription fees and tokenisation fee (in respect of tokenised class of Units only). Please refer to the "Fees and Charges" section.
Investment return / Net Asset Value	Different in respect of each of the tokenised and non-tokenised Unlisted Class of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units and different dealing arrangements. Accordingly, the performance of the different class of Units will be different. There is a separate Net Asset Value for each class of Units. The Manager does allow each class of Units to have its own Net Asset Value (i.e. one Net Asset Value for one class of Units). Please refer to the relevant risk factors in the product key facts statements of each of the tokenised Unlisted Class of Units and non-tokenised Unlisted Class of Units and the section headed "General Risk Factors" of the Prospectus.
Termination procedures	Same for both tokenised and non-tokenised Unlisted Class of Units. Please refer to the "Termination of the Trust or a Sub-Fund" section of the Prospectus.

1.5 Investment Adviser of CSOP HKD ETF

The Manager has appointed ICBC Asset Management (Global) Company Limited (the "**Investment Adviser**") as its Investment Adviser of the CSOP HKD ETF pursuant to an investment advisory agreement entered into between the Manager and the Investment Adviser. The Investment Adviser shall provide investment advice to the Manager in relation to the CSOP HKD ETF in accordance with the investment strategies of the CSOP HKD ETF as set out in the Offering Documents, including without limitation investment advice on interest rates and certificate of deposits. The Investment Adviser is independent of the Manager. For the avoidance of the doubt, the Investment Adviser

will not have any discretionary management powers regarding the CSOP HKD ETF which remain with the Manager.

ICBC Asset Management (Global) Company Limited is an asset management company incorporated in Hong Kong. The Investment Adviser is registered as a licensed corporation by the Commission in Hong Kong to carry out advising on securities (Type 4), advising on futures contracts (Type 5) and asset management (Type 9).

The Investment Adviser provides professional investment management and advisory services to unit trusts, institutional clients as well as high net worth private individuals. Directors and senior management of the Investment Adviser are reputable and experienced investment professionals with in-depth international financial market knowledge.

The Investment Adviser is a wholly owned subsidiary of Industrial and Commercial Bank of China (Asia) Limited. Industrial and Commercial Bank of China (Asia) Limited is the Hong Kong banking business of Industrial and Commercial Bank of China Limited, the largest commercial bank in the PRC mainland. Industrial and Commercial Bank of China (Asia) Limited is principally engaged in banking, financial and other financial related services with focus on retail banking, commercial banking as well as corporate banking business.

The fees of the Investment Adviser will be paid by the Manager.

1.6 Market Maker (in respect of the Listed Class of Units)

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 the Listed Class of Units of the CSOP HKD ETF traded in each of the HKD counter and the RMB counter, although these market makers may be the same entity. 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 that there is at least one other market maker for each counter to facilitate the efficient trading of Listed Class of Units of the CSOP HKD ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker for each counter is required to give not less than 90 days' prior notice to terminate market making under the relevant market making agreement.

The list of market markers in respect of the CSOP HKD ETF is available on http://www.csopasset.com/en/products/money-market-etf and from time to time will be displayed on www.hkex.com.hk.

2. DEALING OF LISTED CLASS OF UNITS

2.1 Exchange Listing and Trading

The Listed Class of Units of the CSOP HKD ETF are listed and traded on the SEHK. Listed Class of Units in the CSOP HKD ETF have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in the CCASS. 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 Listed Class of Units of the CSOP HKD ETF in HKD and RMB have already commenced.

Currently, Listed Class of Units are listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as of the date of this Prospectus. Application may be made in the future for a listing of Listed Class of Units on other stock exchanges.

If trading of the Listed Class of Units of the CSOP HKD ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Listed Class of Units.

2.2 Buying and Selling of Listed Class of Units of CSOP HKD ETF on SEHK

A Secondary Market Investor can buy and sell the Listed Class of Units of the CSOP HKD ETF on the SEHK through his stockbroker at any time the SEHK is open. Listed Class of Units of the CSOP HKD ETF may be bought and sold in the Trading Board Lot Size for each of the HKD counter and the RMB counter is currently 1 Unit (or the multiples thereof).

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit in respect of the Listed Class of Units of the CSOP HKD ETF due to market demand and supply, liquidity and scale of trading spread for the Listed Class of Units in the secondary market. As a result, the market price of the Listed Class of Units of the CSOP HKD ETF in the secondary market may be higher or lower than the Net Asset Value per Unit in respect of the Listed Class of Units of the CSOP HKD ETF.

Please refer to section "***Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Schedule 2 of Part 1 of this Prospectus for further information on buying and selling of Listed Class of Units on the SEHK.

2.3 Dual-Counter Trading

2.3.1 Introduction of Dual-Counter Trading (Secondary Market)

The Manager has arranged for the Listed Class of Units of the CSOP HKD ETF to be available for trading on the secondary market on the SEHK under a Dual-Counter arrangement, whereby the Listed Class of Units of the CSOP HKD ETF traded in HKD and RMB are each assigned a separate stock code on the SEHK. Units are denominated in HKD. The CSOP HKD ETF will offer two trading counters on the SEHK i.e. HKD counter and RMB counter to investors for secondary trading purposes.

Listed Class of Units of the CSOP HKD ETF traded under the Dual-Counter sharing the same ISIN can be distinguished by their stock codes and their stock short names as follows:

Counter	Stock code	Stock Short Name	Trading Currency	ISIN Number

HKD counter	03053	A CSOP HKD MM	HKD	HK0000426384
RMB counter	83053	A CSOP HKD MM-R	RMB	

Listed Class of Units of the CSOP HKD ETF traded in the HKD counter will be settled in HKD and Listed Class of Units traded in the RMB counter will be settled in RMB. Apart from settlement in different currencies, the trading prices of Listed Class of Units of the CSOP HKD ETF in the Dual-Counter may be different.

Under the Dual-Counter arrangement, creations and redemptions of new Listed Class of Units for the CSOP HKD ETF in the primary market will be made in HKD only.

Investors can buy and sell Listed Class of Units of the CSOP HKD ETF traded in the same counter. Alternatively, they can buy in one counter and sell in the other counter provided their brokers/intermediaries or CCASS participants provide HKD and RMB at the same time. However, investors should note that the trading price of Listed Class of Units of the CSOP HKD ETF traded in the HKD counter and the RMB counter may be different and there is a risk that due to different factors such as market liquidity, market demand and supply in the respective counters and the exchange rate among HKD and RMB (in both onshore and offshore markets), the market price on the SEHK of Listed Class of Units traded in RMB may deviate significantly from the market price on the SEHK of Listed Class of Units traded in HKD.

Inter-counter buy and sell is permissible even if the trades take place within the same trading day. Investors should also note that some brokers/intermediaries may not provide inter-counter day trade services due to various reasons including operations, system limitations, associated settlement risks and other business considerations. Even if a broker/intermediary is able to provide such service, it may impose an earlier cut-off time, other procedures and/or fees.

More information with regard to the HKD counter and RMB counter is available in the frequently asked questions in respect of the HKD counter and RMB counter published on the HKEx's website https://www.hkex.com.hk/Global/Exchange/FAQ/Featured/RMB-Readiness-and-Services/Dual-Tranche-Dual-Counter-Model?sc_lang=en.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Dual-Counter, including inter-counter trading. Investors' attention is also drawn to the risk factors under the section headed "***7.2 Dual-Counter Trading risks***" in this Appendix.

2.3.2 Switching

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Participating Dealers who wish to switch between Listed Class of Units and Unlisted Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

2.3.3 Unitholders' rights

Listed Class of Units of the HKD and RMB counters belong to the same class in CSOP HKD ETF and Unitholders of Listed Class of Units traded on the two counters are entitled to identical rights and are therefore treated equally.

2.3.4 Fees and Other Transaction Costs

The fees and costs payable by a Secondary Market Investor for buying and selling Listed Class of Units of the CSOP HKD ETF on the SEHK are the same for the HKD and RMB counters.

2.4 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Creation and Redemption of Application Units (Primary Market)***" of Schedule 2 of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP HKD ETF only.

The Manager currently allows Cash Creations and Cash Redemptions for Listed Class of Units of the CSOP HKD ETF.

Settlement in cash for subscribing Listed Class of Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The Application Unit size for the Listed Class of Units of CSOP HKD ETF is 1,000 Units. Creation Applications submitted in respect of Listed Class of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP HKD ETF is one Application Unit.

Listed Class of Units can be redeemed by way of a Redemption Application (through a Participating Dealer).

2.4.1 Dealing Period

The dealing period for the Listed Class of Units in respect of each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP HKD ETF commences at 9:00 a.m. (Hong Kong time) on the immediately preceding Dealing Day and ends at the Dealing Deadline at 4:00 p.m. (Hong Kong time) on the immediately preceding Dealing Day (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

Investors should note that the Dealing Deadline in respect of Listed Class of Units and Unlisted Class of Units are different, subject to the applicable valuation point.

The cleared funds in respect of Creation Applications must be received by 1:30 p.m. on the relevant Dealing Day or such other time as may be agreed by the Trustee, the Manager and the relevant Participating Dealer.

2.4.2 Issue Price and Redemption Price

The Issue Price of a Unit in respect of the Listed Class of Units in the CSOP HKD ETF shall be the Net Asset Value per Unit of the relevant class calculated as of the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units redeemed in respect of the Listed Class of Units shall be the Net Asset Value per Unit of the relevant class calculated as of the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP HKD ETF.

The "**Valuation Day**" of the CSOP HKD ETF, coincides with, and shall mean, the Dealing Day of the CSOP HKD ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's web site at http://www.csopasset.com/en/products/money-market-etf published in s uch other publications as the Manager decides.

2.4.3 Dealing Day

In respect of the CSOP HKD ETF, "**Dealing Day**" means each Business Day.

"**Business Day**", in respect of creations and redemptions of new Listed Class of Units for the CSOP HKD ETF in the primary market, means a day on which (i) the SEHK is open for normal trading; and (ii) the relevant market on which the securities comprising or held by the CSOP HKD ETF is open for normal trading, or such other day or days as the Manager and the Trustee may agree from time to time, provided that if on any such day, the period during which the relevant market is open for normal trading is reduced as a result of a Number 8 Typhoon Signal, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Manager and the Trustee otherwise agree.

For the avoidance of doubt, a Secondary Market Investor can buy or sell the Listed Class of Units of the CSOP HKD ETF on a day on which the SEHK is open for normal trading.

2.4.4 Rejection of Creation of Applications relating to CSOP HKD ETF

The Manager, acting reasonably and in good faith, has the absolute discretion to reject a Creation Application in relation to the CSOP HKD ETF in any of the circumstances set out in section "***Rejection of Creation Applications***" in Schedule 2 of Part 1 of this Prospectus.

3. DEALING OF UNLISTED CLASS OF UNITS

Available Classes

The CSOP HKD ETF currently has the following Unlisted Class of Units which are available to investors:

- Class A Units
- Class P Units
- Class T Units

Dealing procedures

"**Business Day**", in respect of dealing of Unlisted Class of Units of the CSOP HKD ETF, means a day on which (i) the SEHK is open for normal trading; and (ii) the relevant market on which the securities comprising or held by the CSOP HKD ETF is open for normal trading, or such other day or days as the Manager and the Trustee may agree from time to time, provided that if on any such day, the period during which the relevant market is open for normal trading is reduced as a result of a Number 8 Typhoon Signal, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Manager and the Trustee otherwise agree.

For details of dealing procedures, please refer to the sections headed "Subscription of Unlisted Class of Units", "Redemption of Unlisted Class of Units" and "Switching of Unlisted Class of Units" in Schedule 3 of Part 1 of this Prospectus.

The following apply to the Unlisted Class of Units:

Dealing Day	each Business Day
Valuation Day	each Dealing Day or such other days as the Manager may determine
Dealing Deadline	10:30 am (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee

Investors should note that the Dealing Deadline in respect of Listed Class of Units and Unlisted Class of Units are different, subject to the applicable valuation point.

Switching

Subject to the prior consent of the Manager either generally or in any particular case, Unitholders may switch part or all of their non-tokenised Unlisted Class of Units of the CSOP HKD ETF into another non-tokenised Unlisted Class of Units of the CSOP HKD ETF (where available). Switching of non-tokenised Unlisted Class of Units of the CSOP HKD ETF to unlisted shares, units or interests in any other collective schemes (including any other Sub-Funds of the Trust) is currently not permitted.

Switching of tokenised Unlisted Class of Units is currently not permitted.

Payment of redemption proceeds

Save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds in respect of Unlisted Class of Units will normally be paid by

telegraphic transfer, within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless legal or regulatory requirements (such as foreign currency controls) to which the CSOP HKD ETF is subject render the payment of the redemption proceeds within the aforesaid time period not practicable, and such extended time frame should reflect the additional time needed in light of the specific circumstances in the relevant market.

Investment minima

The following investment minima apply to the Unlisted Class of Units:

	Class A Units	Class P Units	Class T Units
Minimum initial investment	HKD0.01 or equivalent	HKD0.01 or equivalent	HKD0.01 or equivalent
Minimum subsequent investment	HKD0.01 or equivalent	HKD0.01 or equivalent	HKD0.01 or equivalent
Minimum holding	HKD0.01 or equivalent	HKD0.01 or equivalent	HKD0.01 or equivalent
Minimum redemption amount	HKD0.01 or equivalent	HKD0.01 or equivalent	HKD0.01 or equivalent

The Manager may, in its absolute discretion, waive or agree to a lower amount of any of the above investment minima (either generally or in any particular case).

4. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP HKD ETF is to invest in short-term deposits and high quality money market investments. The CSOP HKD ETF seeks to achieve a return in Hong Kong Dollars in line with prevailing money market rates. There is no assurance that the CSOP HKD ETF will achieve its investment objective.

Investment Strategy

In order to achieve the investment objective of the CSOP HKD ETF, the Manager will invest all, or substantially all (i.e. at least 70%), of the assets of the CSOP HKD ETF in Hong Kong Dollar ("**HKD**") -denominated and settled short-term deposits and short-term and high quality money market instruments issued by governments, quasi-governments, international organisations and financial institutions, including debt securities, commercial papers, short-term notes, certificates of deposits and commercial bills. Short-term and high quality debt securities invested by the CSOP HKD ETF include but are not limited to government bonds and fixed and floating rate bonds, with the maximum level for up to 80% of the Net Asset Value of the CSOP HKD ETF (any debt securities invested with a remaining maturity of no more than 397 days, or two years in the case of Government and other Public Securities).

The CSOP HKD ETF will invest less than 30% of its Net Asset Value into non-HKD-denominated and settled short-term deposits and short-term and high quality money market instruments. The Manager may hedge any non-HKD-denominated and settled investments into HKD to manage any material currency risk.

There is no specific geographical allocation of the country of issue of the debt securities or deposits, except that the CSOP HKD ETF will not invest more than 30% of its Net Asset Value in emerging markets. Countries or regions in which the CSOP HKD ETF may invest in include Hong Kong, the Chinese Mainland, Japan, Korea, Australia, Canada, the United Kingdom, the European Union and the United States.

The Manager will adopt an actively managed investment strategy and will construct the portfolio of the CSOP HKD ETF from time to time based on the following criteria to assess whether a money market instrument or deposits is of high quality:

1. *Credit rating*: First, the Manager will screen the instruments based on the credit rating of the instruments or their issuers. The CSOP HKD ETF will only invest in debt securities rated investment grade or above. For the purposes of the CSOP HKD ETF, investment grade is defined as below based on the original maturity of a debt security:

   A short-term debt security is considered investment grade if its credit rating is A-3 or higher by S&P or F3 or higher by Fitch or P-3 or higher by Moody's or equivalent rating as rated by one of the international credit rating agencies or rated A-1 or above by a Chinese Mainland credit rating agency. For this purpose, if the relevant debt security does not itself have a credit rating, then reference can be made to the credit rating of the issuer or guarantor of such debt security. For split credit ratings, the highest rating shall apply.

   A long-term debt security is considered investment grade if its credit rating is BBB- / Baa3 or above by an internationally recognised credit rating agency (such as Fitch's, Moody's and Standard & Poor's) or rated AA+ or above by a Chinese Mainland credit rating agency. For this purpose, if the relevant debt security does not itself have a credit rating, then reference can be made to the credit rating of the issuer or guarantor of such debt security. For split credit ratings, the highest rating shall apply. For the avoidance of doubt, the CSOP HKD ETF does not intend to invest in debt securities with a long term to maturity remaining at the time of investment. The long-term credit ratings will be considered where the CSOP HKD ETF invests in debt securities which have been rated long-term credit ratings, but have a shorter term to maturity remaining (subject to the restrictions on remaining maturity, weighted average maturity and weighted average life of the portfolio of the CSOP HKD ETF as set out below) at the time of purchase by the CSOP HKD ETF.

2. *Liquidity*: Investments that satisfy the credit rating requirements will be assessed based on liquidity. The Manager will assess the liquidity of the instruments based on historical liquidity of similar money market instruments, by assessing the days to liquidate for such instruments. Only instruments or deposits with high liquidity will be included in the portfolio of the CSOP HKD ETF.

3. *Target maturity*: Out of investments that fulfil the criteria on credit rating and liquidity, the portfolio will be constructed out of investments with an average maturity close to (but not exceeding) 60 days.

The Manager will regularly monitor the portfolio of the CSOP HKD ETF against the above criteria.

The CSOP HKD ETF is also subject to the following restrictions: The aggregate value of the CSOP HKD ETF's holding of instruments and deposits issued by a single entity will not exceed

10% of the Net Asset Value of the CSOP HKD ETF except: (i) where the entity is a substantial financial institution (as defined in the Code) and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%; or (ii) in the case of Government and other Public Securities, up to 30% may be invested in the same issue; or (iii) in respect of any deposit of less than USD1,000,000, where the CSOP HKD ETF cannot otherwise diversify as a result of its size. Not more than 10% of the CSOP HKD ETF's Net Asset Value will be invested in securities issued or guaranteed by a single sovereign issuer (including its government, a public or local authority) with a credit rating below investment grade or is unrated.

The CSOP HKD ETF will maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and will not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of Government and other Public Securities.

The CSOP HKD ETF may also invest up to 10% of its Net Asset Value in money market funds authorised in Hong Kong by the SFC under Chapter 8.2 of the Code or regulated in other jurisdictions in a manner generally comparable with the requirements of the SFC and acceptable to the SFC. PRC mainland money market funds invested by the CSOP HKD ETF will maintain a portfolio with weighted average maturity not exceeding 60 days and weighted average life not exceeding 120 days, and its expected exposure shall be approximately 5% of its Net Asset Value, subject to a maximum of 10% of its Net Asset Value.

The CSOP HKD ETF may invest up to 15% of its Net Asset Value in asset backed commercial papers ("ABCP"). ABCP are typically issued by a bank or other financial institution. They are backed by physical assets such as trade receivables, and are generally used for short-term financing needs. The Manager will select short term and high quality ABCP, using the same criteria as set out above for selection of money market instruments.

The CSOP HKD ETF may enter into sale and repurchase transactions for up to 10% of its Net Asset Value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses. The amount of cash received by the CSOP HKD ETF under such transactions may not in aggregate exceed 10% of its Net Asset Value. Sale and repurchase transactions are transactions where the CSOP HKD ETF sells securities such as bonds for cash and simultaneously agrees to repurchase the securities from the counterparty at a pre-determined future date for a pre-determined price. A sale and repurchase transaction is economically similar to secured borrowing, with the counterparty of the CSOP HKD ETF receiving securities as collateral for the cash that it lends to the CSOP HKD ETF. The Manager's policy regarding repurchase transactions as set out in Schedule 1 apply to the CSOP HKD ETF.

The CSOP HKD ETF may also enter into reverse repurchase transactions, and its expected exposure to such transactions shall be between 0% to 20% of its Net Asset Value, subject to a maximum of 20% of its Net Asset Value, provided that the aggregate amount of cash provided to the same counterparty may not exceed 15% of its Net Asset Value. Reverse repurchase transactions are transactions where the CSOP HKD ETF buys securities such as bonds using cash and simultaneously agrees to sell such securities back to the counterparty at a pre-determined future date for a pre-determined price. A reverse repurchase transaction is economically similar to secured lending, with the counterparty of the CSOP HKD ETF submitting securities as collateral for the cash that it borrows from the CSOP HKD ETF.

Collateral received may only be cash and high quality money market investments subject to the credit quality, maturity and liquidity requirements set out above. The weighted average maturity

and weighted average life of the collateral, together with other investments made by the CSOP HKD ETF in accordance with the investment strategy set out herein, shall not exceed the limits set out above.

A counterparty to the sale and repurchase transactions and/or reverse repurchase transactions entered into by the CSOP HKD ETF will be a financial institution subject to ongoing prudential regulation and supervision. It will be an independent counterparty approved by the Manager and is expected to have a minimum credit rating of BBB- or above (by Moody's or Standard & Poor's), or any other equivalent ratings by recognised credit rating agencies, or be a licensed corporation with the SFC or registered institution with the Hong Kong Monetary Authority. Subject to the above, there is no requirement on its country or region of origin.

All the revenues arising from such transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions, will be returned to the CSOP HKD ETF.

Currently the Manager has no intention to invest the CSOP HKD ETF in any financial derivative instruments (including structured deposits, products or instruments) for investment purposes, and will not enter into securities lending transactions and other similar over-the-counter transactions. The CSOP HKD ETF will not invest in instruments with loss-absorption features (such as contingent convertible bonds or senior non-preferred debt). The CSOP HKD ETF may utilise financial derivative instruments (including interest rate swaps and currency swaps) for the purpose of hedging only. The Manager will seek the prior approval of the Commission (if required) and provide at least one month's prior notice to Unitholders before the CSOP HKD ETF engages in any such investments for purposes other than hedging.

Prior approval of the Commission will be sought and not less than one month's prior notice will be given to the Unitholders in the event the Manager wishes to change the investment strategy of the CSOP HKD ETF unless such changes satisfy the overriding principles and requirements prescribed by the Commission from to time and be considered as immaterial changes.

The investment strategy of the CSOP HKD ETF is subject to the investment and borrowing restrictions set out in Schedule 1.

5. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of the CSOP HKD ETF on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses.

6. DISTRIBUTION POLICY

In respect of Listed Class of Units and non-tokenised Unlisted Class of Units

The Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP HKD ETF's net income after fees and costs, subject to its discretion.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the CSOP HKD ETF.

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the

CSOP HKD ETF are charged to/paid out of the capital of the CSOP HKD ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP HKD ETF and therefore, the CSOP HKD ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of the CSOP HKD ETF's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP HKD ETF and will reduce any capital appreciation for the Unitholders of the CSOP HKD ETF.**

The composition of the distributions (i.e. the relative amounts paid out of net distributable inco me and capital) for the last 12 months are available by the Manager on request and also on th e Manager's website http://www.csopasset.com/en/products/money-market-etf.

The distribution policy may be amended subject to the Commission's prior approval (if required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the Base Currency of the CSOP HKD ETF (i.e. HK D). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution a mounts and ex-dividend payment dates will be published on the Manager's website http://www .csopasset.com/en/products/money-market-etf and (in respect of the Listed Class of Units) on HKEx's website http://www.hkexnews.hk/.

There can be no assurance that a distribution will be paid.

Each Unitholder will receive distributions in HKD. In the event that the relevant Unitholder has no HKD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from HKD to RMB or any other currency. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning distributions.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

In respect of tokenised Unlisted Class of Units

No distribution will be made.

7. RISK FACTORS RELATING TO CSOP HKD ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP HKD ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP HKD ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP HKD ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for

all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

7.1 Risks relating to Investments

Investment in CSOP HKD ETF not a deposit: The purchase of a Unit in the CSOP HKD ETF is not the same as placing funds on deposit with a bank or deposit-taking company. The CSOP HKD ETF does not guarantee principal and the Manager has no obligation to redeem the Units at the offer value. The CSOP HKD ETF does not have a constant Net Asset Value. The CSOP HKD ETF is not subject to the supervision of the Hong Kong Monetary Authority. It is not principal protected and is not protected by the deposit protection scheme.

Investors should be aware that investment in the CSOP HKD ETF is subject to normal market fluctuations and other risks inherent in the underlying assets into which the CSOP HKD ETF may invest. There can be no assurance that any appreciation in value of investments will occur. There is no guarantee of repayment of principal.

Active investment management risk: The Manager employs an actively managed investment strategy for the CSOP HKD ETF. The CSOP HKD ETF does not seek to track any index or benchmark, and there is no replication or representative sampling conducted by the Manager. Instead, investments of the CSOP HKD ETF will be based on the Manager's view of market conditions and international investment trends and environment. The CSOP HKD ETF may fail to meet its objective as a result of the Manager's selection of investments for the CSOP HKD ETF, and/or the implementation of processes which may cause the CSOP HKD ETF to underperform as compared to prevailing money market rates or other money market funds with a similar objective.

Whilst it is the intention of the Manager to implement strategies which are designed to achieve the investment objective, there can be no assurance that these strategies will be successful. The Manager may not be successful in selecting the best-performing instruments or investment techniques. Accordingly, there is a risk that investors may not recoup the original amount invested in the CSOP HKD ETF or may lose a substantial part or all of their initial investment.

Interest rate risk: The CSOP HKD ETF seeks to achieve a return in Hong Kong Dollars in line with prevailing money market rates. The factors influencing interest rates include, amongst other things, monetary policy, fiscal policy and inflation. If the prevailing money market rates become negative, the CSOP HKD ETF may suffer a loss. Moreover, if prevailing interest rate is at a low level, the CSOP HKD ETF may also produce a negative return over a given period of time, as ongoing charges of the CSOP HKD ETF may be higher than the interests received by the CSOP HKD ETF.

Risks associated with bank deposits: Bank deposits are subject to the credit risks of the relevant financial institutions. The CSOP HKD ETF's deposit may not be protected by any deposit protection schemes, or the value of the protection under the deposit protection schemes may not cover the full amount deposited by the CSOP HKD ETF. Therefore, if the relevant financial institution defaults, the CSOP HKD ETF may suffer losses as a result.

Risks associated with debt securities

Short-term debt instruments risk: As the CSOP HKD ETF invests in short-term debt instruments with short maturities, the turnover rates of the CSOP HKD ETF's investments may be relatively high and the transaction costs incurred as a result of the purchase or sale of short-term debt instruments may also increase which in turn may have a negative impact on the Net Asset Value of the CSOP HKD ETF.

Credit/counterparty risk: The CSOP HKD ETF is exposed to the credit/default risk of issuers of the debt securities that it may invest in.

Interest rate risk: Investment in the CSOP HKD ETF is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

Sovereign debt risk: The CSOP HKD ETF's investment in debt instruments issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the CSOP HKD ETF to participate in restructuring such debts. The CSOP HKD ETF may suffer significant losses when there is a default of sovereign debt issuers.

Credit rating risk and downgrading risk: Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times. The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the CSOP HKD ETF may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.

Valuation risk: Valuation of the CSOP HKD ETF's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the CSOP HKD ETF.

Concentration risk. The CSOP HKD ETF will invest primarily in Hong Kong Dollar-denominated and settled short-term deposits and high quality money market instruments (including debt securities). The CSOP HKD ETF is therefore likely to be more volatile than a broad-based fund that adopts a more diversified strategy. The value of the CSOP HKD ETF may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Hong Kong market.

Risks relating to repurchase agreements. In the event of the failure of the counterparty with which collateral has been placed, the CSOP HKD ETF may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Risks relating to reverse repurchase agreements. In the event of the failure of the counterparty with which cash has been placed, the CSOP HKD ETF may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements. The CSOP HKD ETF may also be subject to legal risk, operational risks, liquidity risk of the counterparty and custody risk of the collateral.

Risks associated with asset backed commercial papers. The CSOP HKD ETF invests in asset backed commercial papers which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other money market instruments. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

Risks of investing in other money market funds. The CSOP HKD ETF 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 CSOP HKD ETF.

There may be additional costs involved when investing into these underlying funds. In particular, as an investor in such funds, the CSOP HKD ETF 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 CSOP HKD ETF's redemption requests as and when made.

Investors should also note that the CSOP HKD ETF's investment in another money market fund is not the same as the CSOP HKD ETF 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 CSOP HKD ETF at its offer value.

If the CSOP HKD ETF 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 CSOP HKD ETF. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Risks of financial derivative instruments. The Manager may only invest in FDIs for hedging purposes, subject to the investment restrictions as set out in Schedule 1 applicable to the CSOP HKD ETF. These instruments can be highly volatile and expose investors to increased risk of loss. There is no guarantee that the use of FDIs for hedging purposes will be effective. Exposure to FDI may lead to a high risk of substantial loss by the CSOP HKD ETF. Please also refer to "Financial Derivative Instruments and Collateral Risks" under the section headed "4.2 Investment risks" in the Part 1 of this Prospectus.

Reliance on the Investment Adviser risk. The Investment Adviser shall provide investment advice to the Manager in relation to the CSOP HKD ETF in accordance with the investment strategies of the CSOP HKD ETF as set out in the Offering Documents, including without limitation investment advice on interest rates and certificate of deposits. Any disruption in the communication with or assistance from the Investment Adviser or a loss of service of the Investment Adviser or any of its key personnel might adversely affect the operations of the CSOP HKD ETF.

Rebalancing Risk. On 15 June 2021, the investment strategy of the CSOP HKD ETF changed from a passive tracking investment strategy, tracking the 3-month Hong Kong Dollar Interest Settlement Rate (the "**Former Benchmark**") to an actively managed investment strategy, which means that CSOP HKD ETF no longer seeks to track any index or benchmark (the "**Active Strategy**"). The rebalancing of assets held by the CSOP HKD ETF as a result of the change of investment strategy is anticipated to take place over a period of 30 trading days (the "**Rebalancing Period**"). During the Rebalancing Period, holdings of the CSOP HKD ETF will be rebalanced from constituents of the Former Benchmark to constituents that correspond to the Active Strategy. The Manager therefore considers there is a risk that CSOP HKD ETF may fail to meet its objective as a result of the Manager's selection of investments for the CSOP HKD ETF, and/or the implementation of processes which may cause the CSOP HKD ETF to underperform as compared to prevailing money market rates or other money market funds with a similar objective. Investors who deal with Units of the CSOP HKD ETF during the Rebalancing Period should exercise caution.

Past Performance Risk. As a result of the change of investment strategy, past performance of the CSOP HKD ETF prior to 15 June 2021 was achieved under circumstances which will no longer apply. Investors should exercise caution when considering the past performance of the CSOP HKD ETF prior to 15 June 2021.

7.2 Dual-Counter Trading risks (applicable to the Listed Class of Units only)

Dual-Counter risk. Investors without RMB accounts may buy and sell HKD traded Units of the Listed Class of Units only. Such investors will not be able to buy or sell RMB traded Units and should note that distributions are made in HKD only.

Inter-counter trading risk. Although an investor may buy from one counter and sell the same on the other counter in the same day, it is possible that some brokers/intermediaries and CCASS Participants may not be familiar with and may not be able to (i) buy Listed Class of Units in one counter and to sell Listed Class of Units in the other, or (ii) trade Listed Class of Units in the HKD counter and the RMB counter at the same time. In such case (i) to (ii), another broker, intermediary or CCASS Participant may need to be used. This may inhibit or delay dealing in the HKD traded Units and RMB traded Listed Class of Units and may mean investors may only be able to trade their Listed Class of Units in one currency. Investors are recommended to check the readiness of their brokers/intermediaries in respect of the Dual-Counter trading and inter-counter trading.

Investors should therefore consult their brokers/intermediaries on the services that the brokers/intermediaries may provide in this regard along with the associated risks and fees. In particular, some brokers/intermediaries may not have in place systems and controls to facilitate inter-counter trading and/or inter-counter day trades.

Difference in trading prices risk. There is a risk that due to different factors such as market liquidity, market supply and demand in the respective counters and the exchange rate among HKD and RMB, the market price on the SEHK of Listed Class of Units traded in RMB may deviate significantly from the market price on the SEHK of Listed Class of Units traded in HKD. The trading price of HKD traded Units or RMB traded Units is determined by market forces and so will not be the same as the trading price of Listed Class of Units multiplied by the prevailing rate of foreign exchange.

Accordingly when selling Listed Class of Units traded in RMB or buying Listed Class of Units traded in RMB, an investor may receive less or pay more than the equivalent amount in HKD if the trade of the relevant Listed Class of Units is in HKD and vice versa. There can be no assurance that the price of Listed Class of Units in each counter will be equivalent.

Currency exchange risk. Investors who bought Listed Class of Units on the RMB counter may be subject to currency exchange risk as the assets of the CSOP HKD ETF are denominated in HKD and the Net Asset Value of the CSOP HKD ETF will be calculated in HKD.

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

7.3 Risks specific to the Listed Class of Units

No market in the Units risk. Although the Listed Class of Units are listed on the SEHK and 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 Listed Class of Units trading in each of the HKD counter and the RMB counter, investors should be aware that there may be no liquid trading market for the Listed Class of Units or that such market maker(s) may cease to fulfil that role. Further, there can be no assurance that Listed Class of Units will experience trading or pricing patterns similar to those of other exchange traded fund which are traded on the SEHK and which are based upon indices.

Liquidity risk. Listed Class of Units will be a new security and following listing on the SEHK, it is unlikely that the Listed Class of Units will initially be widely held. Accordingly, any investor buying Listed Class of Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Listed Class of Units in the secondary market. Therefore, Unitholders may not be able to sell their Listed Class of Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Listed Class of Units.

Termination of Market Maker risk. A market maker may cease to act as a market maker for the Listed Class of Units of the CSOP HKD ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Listed Class of Units for each counter of the CSOP HKD ETF will be ninety (90) days. The liquidity for the HKD traded and RMB traded Listed Class of Units may be affected if there is no market maker for the Listed Class of Units of the respective counter. The Manager will use its best endeavours to put in place arrangements so that there is at least one market maker for each counter (although these market makers may be the same entity) to facilitate efficient trading of Listed Class of Units of the relevant trading currency (i.e. HKD or RMB). It is possible that there is only one SEHK market maker for each counter of the Listed Class of Units or the Manager may not be able to engage a substitute market maker within the termination

notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

7.4 Other risks

Operating risk. There is no assurance that the CSOP HKD ETF will achieve its investment objective. The level of fees, taxes and expenses payable by the CSOP HKD ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP HKD ETF can be estimated, the growth rate of the CSOP HKD ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP HKD ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under section "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP HKD ETF. On the termination of the CSOP HKD ETF, the CSOP HKD ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

Severe weather conditions. Notwithstanding Part 1 of this Prospectus, it is not intended that the creations and redemptions of new Listed Class of Units for the CSOP HKD ETF in the primary market or the dealing of the Unlisted Class of Units of the CSOP HKD ETF will be conducted on a day on which severe weather conditions persist. As a result, this may lead to larger discounts or premiums between the secondary market price of the Listed Class of Units and the Net Asset Value of the CSOP HKD ETF.

Distributions paid out of capital risk. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP HKD ETF are charged to/paid out of the capital of the CSOP HKD ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP HKD ETF and therefore, the CSOP HKD ETF may effectively pay dividend out of the capital. **Investors should note that the payment of distributions out of or effectively out of capital represents a return or a withdrawal of part of the amount they originally invested or capital gain attributable to that amount. Any such distributions may result in an immediate reduction in the Net Asset Value per Unit of the CSOP HKD ETF.**

Reliance on the same group risk. Although separate legal entities and operationally independent, each of the Trustee, the Registrar and the Tokenisation Agent are presently part of the same financial group, being subsidiaries of HSBC Holdings plc (i.e. the Group). One or more of the Participating Dealers and/or Market Makers may also from time to time be members of the Group. Whilst each of these entities is regulated to engage in its activities and in the provision of services in respect of the Sub-Fund, in the event of a financial catastrophe or the insolvency of any member of the Group, there may be adverse implications for the business of the Group as a whole or other members of the Group which could affect the provision of services to the Sub-Fund. In such event the Net Asset Value of the Sub-Fund may be adversely affected and its operation disrupted.

In addition, it should be noted that given that the Trustee, the Registrar and the Tokenisation Agent are all members of the Group, and one or more of the Participating Dealers and/or Market Makers may from time to time be members of the Group, conflicts of interest in respect of the Sub-Fund may arise from time to time amongst any of them. The Manager will vigorously manage any such conflict in the best interest of investors.

The attention of investors is drawn to the sub-section headed "12.4 Potential Conflicts of Interest, Transactions with Connected Persons, Cash Rebates and Soft Commissions" of the Prospectus.

Risks associated with tokenised Unlisted Class of Units. Please refer to the "Risks associated with tokenised Units (applicable to tokenised Unlisted Class of Units only)" under the section headed "GENERAL RISK FACTORS" of the Prospectus for further details.

8. FEES AND CHARGES

8.1 General

The following fees apply to investors of both Listed Class of Units and Unlisted Class of Units.

Management Fees and Servicing Fees

The Manager is entitled to receive a management fee. For Listed Class of Units and Class A Units, the current rate is 0.30% per annum of the Net Asset Value of the relevant Class of Units accrued daily and calculated as of each Dealing Day and payable monthly in arrears. For Class P Units, the current rate is 0.40% per annum of the Net Asset Value of Class P Units accrued daily and calculated as of each Dealing Day and payable monthly in arrears. For Class T Units, the current rate is 0.30% per annum of the Net Asset Value of Class T Units accrued daily and calculated as of each Dealing Day and payable monthly in arrears.

Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and the Registrar out of the management fee.

The Trustee's fee is inclusive of fees payable to the Custodian.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP HKD ETF all out-of-pocket expenses incurred.

Investment Adviser's Fee

The management fee is inclusive of the Investment Adviser's fee and the Manager will pay the fees of the Investment Adviser out of the management fee.

Other Charges and Expenses of CSOP HKD ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP HKD ETF.

Establishment costs of CSOP HKD ETF

The costs and expenses incurred by the Manager and the Trustee in establishing the CSOP HKD ETF were approximately HKD800,000; such costs shall be borne by the CSOP HKD ETF (unless otherwise determined by the Manager) and amortised over the

first 3 financial years of the CSOP HKD ETF (unless the Manager decides a shorter period is appropriate).

8.2 Listed Class of Units

The following fees apply to investors of Listed Class of Units only.

Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP HKD ETF. For any period less than a month, the reconciliation fee is payable by the CSOP HKD ETF on a pro-rata basis and accrues on a daily basis.

Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarized in the respective tables below:

Participating Dealers

Creation of Listed Class of Units by a Participating Dealer

Application Cancellation Fee	HKD10,000 per cancellation (See Note 1)
Extension Fee	HKD10,000 per extension (See Note 1)
Transaction Fee	HKD600 per Application (See Note 2)
Service Agent's Fee	See Note 3
Stamp duty	Nil

Redemption of Listed Class of Units by a Participating Dealer

Application Cancellation Fee	HKD10,000 per cancellation (See Note 1)
Extension Fee	HKD10,000 per extension (See Note 1)
Transaction Fee	HKD600 per Application (See Note 2)
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges in relation to an Application.

Primary Market Investors creating or redeeming Listed Class of Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

Secondary Market Investors Dealing in Listed Class of Units on the SEHK

Brokerage	Market rates ((in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% (see Note 4)
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015% (see Note 5)
Trading fee	0.00565% (see Note 6)
Stamp duty	Nil (see Note 7)
Investor compensation levy	0.002% (currently suspended) (see Note 8)

Note:

1. *The Application Cancellation Fee of HKD10,000 and the Extension Fee of HKD10,000 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.*
2. *A Transaction Fee of HKD600 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.*
3. *A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.*
4. *A transaction levy of 0.0027% of the trading price of the Listed Class of Units, payable by the buyer and the seller.*
5. *AFRC transaction levy of 0.00015% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.*
6. *A trading fee of 0.00565% of the trading price of the Listed Class of Units, payable by the buyer and the seller.*
7. *For a transfer executed for a transaction by which a Listed Class of Unit of the CSOP HKD ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.*
8. *The investor compensation levy of the trading price of the Listed Class of Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.*

8.3 Unlisted Class of Units

The following fees apply to investors of Unlisted Class of Units only.

Subscription, redemption and switching fees payable by Unitholders of Unlisted Class of Units

	Unlisted Class of Units
Subscription fee	Up to 5 per cent. of the subscription monies
Redemption fee	Nil
Switching fee	N/A

Tokenisation fee (in respect of Class T Units only)

For Class T Units, the Tokenisation Agent is entitled to receive a tokenisation fee for the tokenisation arrangement of the Sub-Fund (including gas fee for validation of a transaction of the blockchain, minting or burning tokens and offering of Class T Units on virtual asset trading platform(s) and the use of blockchain technology (including payments in the form of the native digital asset of any blockchain(s)) and maintaining and operating the tokenisation infrastructure and platform. Furthermore, blockchain networks typically impose transaction fees in the form of the network's native digital asset. Such transaction fees are paid by the Manager out of the management fee. The tokenisation fee is accrued daily and payable monthly in arrears and shall be borne by the Manager out of the management fee.

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available and switching of tokenised Unlisted Class of Units is currently not permitted. Distributors who wish to switch between Unlisted Class of Units and Listed Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of documents that are available for inspection.

10. TERMINATION OF CSOP HKD ETF

Without prejudice to the grounds of termination as set out in the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP HKD ETF shall be less than HKD100 million, the CSOP HKD ETF and/or any classes of Units relating to the CSOP HKD ETF may be terminated by the Manager in its absolute discretion by notice in writing.

11. PUBLICATION OF INFORMATION RELATING TO CSOP HKD ETF

The following information relating to the CSOP HKD ETF will be published on the Manager's website http://www.csopasset.com/en/products/money-market-etf:

- (in respect of the Listed Class of Units) the near real-time indicative Net Asset Value per Unit in respect of the Listed Class of Units in HKD and RMB of the CSOP HKD ETF updated every 15 seconds throughout the SEHK trading hours;
- full portfolio information of the CSOP HKD ETF (updated on a monthly basis); and
- the last Net Asset Value of the CSOP HKD ETF in HKD only, and the last Net Asset Value per Unit of each class of Units of the CSOP HKD ETF (including, in respect of the Listed Class of Units, the last Net Asset Value per Unit in HKD and RMB).

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Par t 1 of this Prospectus for other information that will be published on the Manager's website http ://www.csopasset.com/en/products/money-market-etf.

In respect of the Listed Class of Units, the near real-time indicative Net Asset Value per Unit of CSOP HKD ETF in RMB denomination is indicative and for reference purposes only. This is updated during SEHK trading hours. The near real-time indicative Net Asset Value per Unit in RMB uses a real-time CNH:HKD foreign exchange rate – it is calculated using a near real-time indicative Net Asset Value per Unit in HKD multiplied by a real-time CNH:HKD foreign exchange rate sourced by Solactive AG when the SEHK is opened for trading.

In respect of the Listed Class of Units, the last Net Asset Value per Unit of CSOP HKD ETF in RMB is indicative and for reference purposes only and is calculated using the last Net Asset Value per Unit in HKD multiplied by an assumed foreign exchange rate using the CNH:HKD exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day.

APPENDIX 5

CSOP US DOLLAR MONEY MARKET ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODES:3096 (HKD counter)and 9096 (USD counter)

MANAGER

CSOP Asset Management Limited

15 June 2026

This is an active exchange traded fund.

CSOP US DOLLAR MONEY MARKET ETF

Stock Codes:
3096 (HKD counter), 9096 (USD counter)

1. KEY INFORMATION

1.1 General

This Appendix sets out information specific to CSOP US Dollar Money Market ETF (the "**CSOP USD ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in the CSOP USD ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***7. Risk Factors relating to CSOP USD ETF***" of this Appendix, before investing in the CSOP USD ETF.

Investors should note that the CSOP USD ETF offers both Listed Class of Units and Unlisted Class of Units. Please refer to the sections relevant to your intended holding of Units.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP USD ETF, and should be read in conjunction with the full text of this Prospectus.

Key information applicable to both Listed Class of Units and Unlisted Class of Units

Investment Type		An actively managed Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapter 8.2 and 8.10 of the Code
Investment Strategy		The CSOP USD ETF invests in US Dollar-denominated and settled short-term deposits and high quality money market instruments. Please refer to section ***"4. Investment Objective and Strategy***" of this Appendix for further details.
Parties	Manager	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
Base Currency		US dollars (USD)
Financial Year		Ending 31 December each year
Dividend Policy		The Manager intends to distribute income to Unitholders annually (in December) having

	regard to the CSOP USD ETF's net income after fees and costs. Distributions on all Units (whether traded in HKD counter or USD counter) will be in USD only. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP USD ETF are charged to/paid out of the capital of the CSOP USD ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP USD ETF and therefore, the CSOP USD ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of the CSOP USD ETF's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP USD ETF. Please refer to section "***6. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP USD ETF and the risk factor headed "***Risk relating to distributions paid out of capital***" under sub-section "***7.4 Other risks***" in this Appendix for the risk associated with distributions paid out of capital.
Website	http://www.csopasset.com/en/products/usd-money-market-etf
Key information applicable to the Listed Class of Units only	
Initial Issue Date	24 January 2019
Listing Date	25 January 2019
Dealing on SEHK Commencement Date	25 January 2019
Exchange Listing	SEHK - Main Board
Stock Codes	3096 (HKD counter) 9096 (USD counter)

Stock Short Names		A CSOP USD MM (HKD counter) A CSOP USD MM-U (USD counter)
Trading Board Lot Size		1 Unit
Trading Currency		Hong Kong dollars (HKD counter) US dollars (USD counter)
Application Unit size for Creation/Redemption (only by or through Participating Dealers)		Minimum 1,000 Units (or multiples thereof)
Method of Creation/Redemption		Cash (USD) only
Management Fee		Up to 2% per annum of the Net Asset Value of the relevant Class of Units accrued daily and calculated as of each Dealing Day, with the current rate being 0.35% per annum of the Net Asset Value of the Listed Class of Units accrued daily and calculated as of each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Parties	Participating Dealers	Please refer to the Manager's website set out above for the latest list
	Market Maker (for USD counter and HKD counter)	Please refer to the Manager's website set out above for the latest list
	Service Agent	HK Conversion Agency Services Limited
Key information applicable to the Unlisted Class of Units only		
Dealing Deadline		10:30 a.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee
Management Fee		Up to 2% per annum of the Net Asset Value of the relevant Class of Units accrued daily and calculated as of each Dealing Day. For Class A Units, the current rate is 0.35% per annum of the

	Net Asset Value of Class accrued daily and calculated as of each Dealing Day. For Class P Units, the current rate is 0.35% per annum of the Net Asset Value of Class P Units accrued daily and calculated as of each Dealing Day.

1.3 Key similarities and differences between Listed Class of Units and Unlisted Class of Units

Investment objective	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the section "4. Investment Objective and Strategy".
Investment strategy	
Investment policy	
Valuation policy	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the section "Determination of the Net Asset Value" of the Prospectus.
Dealing arrangements	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. Investors should note that the dealing deadlines in respect of Listed and Unlisted Class of Units are different, subject to the applicable valuation point. In respect of the Listed Class of Units: - The dealing - period in respect of each Dealing Day for a Creation Application or Redemption Application commences at 9:00 a.m. (Hong Kong time) on the immediately preceding Dealing Day and ends at the Dealing Deadline at 4:00 p.m. (Hong Kong time) on the immediately preceding Dealing Day (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time; and - a Secondary Market Investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price. In respect of the Unlisted Class of Units, the Dealing Deadline is 10:30 a.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee. Investors can buy or sell the Unlisted Class of Units at Net Asset Value.

	Listed Class of Units	Unlisted Class of Units
Dealing Deadline in respect of a Dealing Day	4:00 p.m. (Hong Kong time) on the immediately preceding Dealing Day*	10:30 a.m. (Hong Kong time) on the Dealing Day
Valuation Point	Approximately 11:00 a.m. (Hong Kong time) on the applicable Valuation Day	

** Investors should note that Creation and Redemption Applications for Listed Class of Units received during the Dealing Period in respect of a Dealing Day ("Day T") (i.e. between 9:00 a.m. to 4:00 p.m. (Hong Kong time) on the immediately preceding Dealing Day ("Day T-1")) will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T, which is determined at the Valuation Point on Day T. For example:*

In respect of Listed Class of Units

- a Creation or Redemption Application for Listed Class of Units received at or before 4:00 p.m. (Hong Kong time) on Day T-1 will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T; and

- a Creation or Redemption Application for Listed Class of Units received at 10:00 a.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class (i.e. 4:00 p.m. (Hong Kong time) on Day T-1), will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Listed Class of Units of Day T+1.

In respect of Unlisted Class of Units

- a subscription or redemption application for Unlisted Class of Units received at 10:00 a.m. (Hong Kong time) on Day T, i.e. before the Dealing Deadline of Day T for such class, will be processed on Day T at the Net Asset Value per Unit of Unlisted Class of Units of Day T; and

- a subscription or redemption application for Unlisted Class of Units received at 3:00 p.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Unlisted Class of Units of Day T+1.

Please refer to sections "Dealing of Listed Class of Units" and "Dealing of Unlisted Class of Units" for information relating to the Listed Class of Units and Unlisted Class of Units respectively.

Fee structure	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. The Servicing Fee, Trustee's and Registrar's Fees and Investment Adviser's Fee are the same in respect of both classes of Units. For Listed Class of Units, the current management fee is 0.35% per annum of the Net Asset Value of the Listed Class of Units accrued daily and calculated as of each Dealing Day. For Class A Units, the current management fee is 0.35% per annum of the Net Asset Value of Class A Units accrued daily and calculated as of each Dealing Day. For Class P Units, the current management fee is 0.35% per annum of the Net Asset Value of Class P Units accrued daily and calculated as of each Dealing Day. An investment in the Listed Class of Units is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service Agent's Fee, transaction costs etc). An investment in the Unlisted Class of Units is subject to the payment of subscription fees. Please refer to the "Fees and Charges" section.
Investment return / Net Asset Value	Different in respect of each of the Listed Class of Units and Unlisted Class of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Class of Units are bought and sold at Net Asset Value) and charges, stamp duty. Please refer to the "Differences in dealing, fee and cost arrangements between Listed Class and Unlisted Class of Units" risk factor of the Prospectus.
Termination procedures	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. Please refer to the "Termination of the Trust or a Sub-Fund" section of the Prospectus.

1.4 Market Maker (in respect of the Listed Class of Units)

The Manager will use its best endeavours to put in place arrangements so there is at all times at least one market maker for the Listed Class of Units of the CSOP USD ETF

traded in each of the HKD counter and the USD counter, although these market makers may be the same entity. If the SEHK withdraws its permit to the existing market maker(s), the Manager will use its best endeavours to put in place arrangements so that there is at least one other market maker for each counter to facilitate the efficient trading of Listed Class of Units of the CSOP USD ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker for each counter is required to give not less than 90 days' prior notice to terminate market making under the relevant market making agreement.

The list of market markers in respect of the CSOP USD ETF is available on http://www.csopasset.com/en/products/usd-money-market-etf and from time to time will be displayed on www.hkex.com.hk

2. DEALING OF LISTED CLASS OF UNITS

2.1 Exchange Listing and Trading

The Listed Class of Units of the CSOP USD ETF are listed and traded on the SEHK. Listed Class of Units in the CSOP USD ETF have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in the CCASS. 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 Listed Class of Units of the CSOP USD ETF in HKD and USD have already commenced.

Currently, Listed Class of Units are listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as of the date of this Prospectus. Application may be made in the future for a listing of Listed Class of Units on other stock exchanges.

If trading of the Listed Class of Units of the CSOP USD ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Listed Class of Units.

2.2 Buying and Selling of Listed Class of Units of CSOP USD ETF on SEHK

A Secondary Market Investor can buy and sell the Listed Class of Units of the CSOP USD ETF on the SEHK through his stockbroker at any time the SEHK is open. Listed Class of Units of the CSOP USD ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 1 Unit for each of the HKD counter and the USD counter.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit in respect of the Listed Class of Units of the CSOP USD ETF due to market demand and supply, liquidity and scale of trading spread for the Listed Class of Units in the secondary market. As a result, the market price of the Listed Class of Units of the CSOP USD ETF in the secondary market may be higher or lower than the Net

Asset Value per Unit in respect of the Listed Class of Units of the CSOP USD ETF.

Please refer to section "***Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Schedule 2 of Part 1 of this Prospectus for further information on buying and selling of Listed Class of Units on the SEHK.

2.3 Dual-Counter Trading

2.3.1 Introduction of Dual-Counter Trading (Secondary Market)

The Manager has arranged for the Listed Class of Units of the CSOP USD ETF to be available for trading on the secondary market on the SEHK under a Dual-Counter arrangement, whereby the Listed Class of Units of the CSOP USD ETF traded in HKD and USD are each assigned a separate stock code on the SEHK. Units are denominated in USD. The CSOP USD ETF will offer two trading counters on the SEHK i.e. HKD counter and USD counter to investors for secondary trading purposes.

Listed Class of Units of the CSOP USD ETF traded under the Dual-Counter sharing the same ISIN can be distinguished by their stock codes and their stock short names as follows:

Counter	Stock code	Stock Short Name	Trading Currency	ISIN Number
HKD counter	3096	A CSOP USD MM	HKD	HK0000473303
USD counter	9096	A CSOP USD MM-U	USD	

Listed Class of Units of the CSOP USD ETF traded in the HKD counter will be settled in HKD and Listed Class of Units traded in the USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Listed Class of Units of the CSOP USD ETF in the Dual-Counter may be different.

Under the Dual-Counter arrangement, creations and redemptions of new Listed Class of Units for the CSOP USD ETF in the primary market will be made in USD only. Listed Class of Units created can be credited to either the HKD counter or the USD counter; Listed Class of units redeemed can be debited from either the HKD counter or the USD counter.

Investors can buy and sell Listed Class of Units of the CSOP USD ETF traded in the same counter. Alternatively, they can buy in one counter and sell in the other counter provided their brokers/intermediaries or CCASS participants provide HKD and USD at the same time. However, investors should note that the trading price of Listed Class of Units of the CSOP USD ETF traded in the HKD counter and the USD counter may be different and there is a risk that due to different factors such as market liquidity, market demand and supply in the respective counters and the exchange rate among HKD and USD, the market price on the SEHK of Listed Class of Units traded in USD may deviate

significantly from the market price on the SEHK of Listed Class of Units traded in HKD.

Inter-counter buy and sell is permissible even if the trades take place within the same trading day. Investors should also note that some brokers/intermediaries may not provide inter-counter day trade services due to various reasons including operations, system limitations, associated settlement risks and other business considerations. Even if a broker/intermediary is able to provide such service, it may impose an earlier cut-off time, other procedures and/or fees.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Dual-Counter, including inter-counter trading. Investors' attention is also drawn to the risk factors under the section headed "***7.2 Dual-Counter Trading risks***" in this Appendix.

2.3.2 Switching

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Participating Dealers who wish to switch between Listed Class of Units and Unlisted Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

2.3.3 Unitholders' rights

Listed Class of Units of the HKD and USD counters belong to the same class in CSOP USD ETF and Unitholders of Listed Class of Units traded on the two counters are entitled to identical rights and are therefore treated equally.

2.3.4 Fees and Other Transaction Costs

The fees and costs payable by a Secondary Market Investor for buying and selling Listed Class of Units of the CSOP USD ETF on the SEHK are the same for the HKD and USD counters.

2.4 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Creation and Redemption of Application Units (Primary Market)***" of Schedule 2 of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP USD ETF only.

The Manager currently allows Cash Creations and Cash Redemptions for Listed Class of Units of the CSOP USD ETF.

Settlement in cash for subscribing Listed Class of Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The Application Unit size for the Listed Class of Units of CSOP USD ETF is 1,000 Units. Creation Applications submitted in respect of Listed Class of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP USD ETF is one Application Unit.

Listed Class of Units can be redeemed by way of a Redemption Application (through a Participating Dealer).

2.4.1 Dealing Period

The dealing period for the Listed Class of Units on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP USD ETF commences at 9:00 a.m. (Hong Kong time) on the immediately preceding Dealing Day and ends at the Dealing Deadline at 4:00 p.m. (Hong Kong time) on the immediately preceding Dealing Day (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

Investors should note that the Dealing Deadline in respect of Listed Class of Units and Unlisted Class of Units are different, subject to the applicable valuation point.

The cleared funds in respect of Creation Applications must be received by 1:30 p.m. on the relevant Dealing Day or such other time as may be agreed by the Trustee, the Manager and the relevant Participating Dealer.

2.4.2 Issue Price and Redemption Price

The Issue Price of a Unit in respect of the Listed Class of Units in the CSOP USD ETF shall be the Net Asset Value per Unit of the relevant class calculated as of the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units redeemed in respect of the Listed Class of Units shall be the Net Asset Value per Unit of the relevant class calculated as of the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP USD ETF.

The "**Valuation Day**" of the CSOP USD ETF, coincides with, and shall mean, the Dealing Day of the CSOP USD ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's web site at http://www.csopasset.com/en/products/usd-money-market-etf or publish ed in such other publications as the Manager decides.

2.4.3 Dealing Day

In respect of the CSOP USD ETF, "**Dealing Day**" means each Business Day.

"**Business Day**", in respect of creations and redemptions of new Listed Class of Units for the CSOP USD ETF in the primary market, means a day on which (i) the SEHK is open for normal trading; and (ii) the relevant market on which the securities comprising or held by the CSOP USD ETF is open for normal trading, or such other day or days as the Manager and the Trustee may agree from time to time, provided that if on any such day, the period during which the relevant market is open for normal trading is reduced as a result of a Number 8 Typhoon Signal, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Manager and the Trustee otherwise agree.

For the avoidance of doubt, a Secondary Market Investor can buy or sell the Listed Class of Units of the CSOP USD ETF on a day on which the SEHK is open for normal trading.

2.4.4 Rejection of Creation of Applications relating to CSOP USD ETF

The Manager, acting reasonably and in good faith, has the absolute discretion to reject a Creation Application in relation to the CSOP USD ETF in any of the circumstances set out in section "***Rejection of Creation Applications***" in Schedule 2 of Part 1 of this Prospectus.

3. DEALING OF UNLISTED CLASS OF UNITS

Available Classes

The CSOP USD ETF currently has the following Unlisted Class of Units which are available to investors:

- Class A Units
- Class P Units

Dealing procedures

"**Business Day**", in respect of dealing of Unlisted Class of Units of the CSOP USD ETF, means a day on which (i) the SEHK is open for normal trading; and (ii) the relevant market on which the securities comprising or held by the CSOP USD ETF is open for normal trading, or such other day or days as the Manager and the Trustee may agree from time to time, provided that if on any such day, the period during which the relevant market is open for normal trading is reduced as a result of a Number 8 Typhoon Signal, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Manager and the Trustee otherwise agree.

For details of dealing procedures, please refer to the sections headed “Subscription of Unlisted Class of Units”, “Redemption of Unlisted Class of Units” and “Switching of Unlisted Class of Units” in Schedule 3 of Part 1 of this Prospectus.

The following apply to the Unlisted Class of Units:

Dealing Day	Each Business Day
Valuation Day	each Dealing Day or such other days as the Manager may determine
Dealing Deadline	10:30 am (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee

Investors should note that the Dealing Deadline in respect of Listed Class of Units and Unlisted Class of Units are different, subject to the applicable valuation point.

Switching

Subject to the prior consent of the Manager either generally or in any particular case, Unitholders may switch part or all of their Unlisted Class of Units of the CSOP USD ETF into another Unlisted Class of Units of the CSOP USD ETF (where available). Switching of Unlisted Class of Units of the CSOP USD ETF to unlisted shares, units or interests in any other collective schemes (including any other Sub-Funds of the Trust) is currently not permitted.

Payment of redemption proceeds

Save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds in respect of Unlisted Class of Units will normally be paid by telegraphic transfer, within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless legal or regulatory requirements (such as foreign currency controls) to which the Sub-Fund is subject render the payment of the redemption proceeds within the aforesaid time period not practicable, and such extended time frame should reflect the additional time needed in light of the specific circumstances in the relevant market.

Investment minima

The following investment minima apply to the Unlisted Class of Units:

	Class A Units	**Class P Units**
Minimum initial investment	USD 0.01 or equivalent	USD 0.01 or equivalent
Minimum subsequent investment	USD 0.01 or equivalent	USD 0.01 or equivalent
Minimum Holding	USD 0.01 or equivalent	USD 0.01 or equivalent
Minimum redemption amount	USD 0.01 or equivalent	USD 0.01 or equivalent

The Manager may, in its absolute discretion, waive or agree to a lower amount of any of the above investment minima (either generally or in any particular case).

4. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP USD ETF is to invest in short-term deposits and high quality money market investments. The CSOP USD ETF seeks to achieve a return in US Dollars in line with prevailing money market rates. There is no assurance that the CSOP USD ETF will achieve its investment objective.

Investment Strategy

In order to achieve the investment objective of the CSOP USD ETF, the Manager will invest all, or substantially all (i.e. at least 70%), of the assets of the CSOP USD ETF in US Dollar ("**USD**") -denominated and settled short-term deposits and short-term and high quality money market instruments issued by governments, quasi-governments, international organisations and financial institutions, including debt securities, commercial papers, short-term notes, certificates of deposits and commercial bills. Short-term and high quality debt securities invested by the CSOP USD ETF include but are not limited to government bonds and fixed and floating rate bonds, with the maximum level for up to 80% of the Net Asset Value of the CSOP USD ETF (any debt securities invested with a remaining maturity of no more than 397 days, or two years in the case of Government and other Public Securities).

The CSOP USD ETF will invest less than 30% of its Net Asset Value into non-USD-denominated and settled short-term deposits and short-term and high quality money market instruments. The Manager may hedge any non-USD-denominated and settled investments into USD to manage any material currency risk.

There is no specific geographical allocation of the country of issue of the debt securities or deposits, except that the CSOP USD ETF will not invest more than 30% of its Net Asset Value in emerging markets. Countries or regions in which the CSOP USD ETF may invest in include Hong Kong, the Chinese Mainland, Japan, Korea, Australia, Canada, the United Kingdom, the European Union and the United States.

The Manager will adopt an actively managed investment strategy and will construct the portfolio of the CSOP USD ETF from time to time based on the following criteria to assess whether a money market instrument or deposits is of high quality:

1. *Credit rating*: First, the Manager will screen the instruments based on the credit rating of the instruments or their issuers. The CSOP USD ETF will only invest in debt securities rated investment grade or above. For the purposes of the CSOP USD ETF, investment grade is defined as below based on the original maturity of a debt security:

   A short-term debt security is considered investment grade if its credit rating is A-3 or higher by S&P or F3 or higher by Fitch or P-3 or higher by Moody's or equivalent rating as rated by one of the international credit rating agencies or rated A-1 or above by a Chinese Mainland credit rating agency. For this purpose, if the relevant debt security does not itself have a credit rating, then reference can be made to the credit rating of

the issuer or guarantor of such debt security. For split credit ratings, the highest rating shall apply.

A long-term debt security is considered investment grade if its credit rating is BBB- / Baa3 or above by an internationally recognised credit rating agency (such as Fitch's, Moody's and Standard & Poor's) or rated AA+ or above by a Chinese Mainland credit rating agency. For this purpose, if the relevant debt security does not itself have a credit rating, then reference can be made to the credit rating of the issuer or guarantor of such debt security. For split credit ratings, the highest rating shall apply. For the avoidance of doubt, the CSOP USD ETF does not intend to invest in debt securities with a long term to maturity remaining at the time of investment. The long-term credit ratings will be considered where the CSOP USD ETF invests in debt securities which have been rated long-term credit ratings, but have a shorter term to maturity remaining (subject to the restrictions on remaining maturity, weighted average maturity and weighted average life of the portfolio of the CSOP USD ETF as set out below) at the time of purchase by the CSOP USD ETF.

2. *Liquidity*: Investments that satisfy the credit rating requirements will be assessed based on liquidity. The Manager will assess the liquidity of the instruments based on historical liquidity of similar money market instruments, by assessing the days to liquidate for such instruments. Only instruments or deposits with high liquidity will be included in the portfolio of the CSOP USD ETF.

3. *Target maturity*: Out of investments that fulfil the criteria on credit rating and liquidity, the portfolio will be constructed out of investments with an average maturity close to (but not exceeding) 60 days.

The Manager will regularly monitor the portfolio of the CSOP USD ETF against the above criteria.

The CSOP USD ETF is also subject to the following restrictions: The aggregate value of the CSOP USD ETF's holding of instruments and deposits issued by a single entity will not exceed 10% of the total Net Asset Value of the CSOP USD ETF except: (i) where the issuer is a substantial financial institution (as defined in the Code) and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%; or (ii) in the case of Government and other Public Securities, up to 30% may be invested in the same issue; or (iii) in respect of any deposit of less than USD1,000,000, where the CSOP USD ETF cannot otherwise diversify as a result of its size. Not more than 10% of the CSOP USD ETF's Net Asset Value will be invested in securities issued or guaranteed by a single sovereign issuer (including its government, a public or local authority) with a credit rating below investment grade or is unrated.

The CSOP USD ETF will maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and will not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of Government and other Public Securities.

The CSOP USD ETF may also invest up to 10% of its Net Asset Value in money market funds authorised in Hong Kong by the SFC under Chapter 8.2 of the Code or regulated in other jurisdictions in a manner generally comparable with the requirements of the SFC and acceptable to the SFC. PRC mainland money market funds invested by the CSOP USD ETF will maintain

a portfolio with weighted average maturity not exceeding 60 days and weighted average life not exceeding 120 days, and its expected exposure shall be approximately 5% of its Net Asset Value, subject to a maximum of 10% of its Net Asset Value.

The CSOP USD ETF may invest up to 15% of its Net Asset Value in asset backed commercial papers ("ABCP"). ABCP are typically issued by a bank or other financial institution. They are backed by physical assets such as trade receivables, and are generally used for short-term financing needs. The Manager will select short term and high quality ABCP, using the same criteria as set out above for selection of money market instruments.

The CSOP USD ETF may enter into sale and repurchase transactions for up to 10% of its Net Asset Value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses. The amount of cash received by the CSOP USD ETF under such transactions may not in aggregate exceed 10% of its Net Asset Value. Sale and repurchase transactions are transactions where the CSOP USD ETF sells securities such as bonds for cash and simultaneously agrees to repurchase the securities from the counterparty at a pre-determined future date for a pre-determined price. A sale and repurchase transaction is economically similar to secured borrowing, with the counterparty of the CSOP USD ETF receiving securities as collateral for the cash that it lends to the CSOP USD ETF. The Manager's policy regarding repurchase transactions as set out in Schedule 1 apply to the CSOP USD ETF.

The CSOP USD ETF may also enter into reverse repurchase transactions, and its expected exposure to such transactions shall be between 0% to 20% of its Net Asset Value, subject to a maximum of 20% of its Net Asset Value, provided that the aggregate amount of cash provided to the same counterparty may not exceed 15% of its Net Asset Value. Reverse repurchase transactions are transactions where the CSOP USD ETF buys securities such as bonds using cash and simultaneously agrees to sell such securities back to the counterparty at a pre-determined future date for a pre-determined price. A reverse repurchase transaction is economically similar to secured lending, with the counterparty of the CSOP USD ETF submitting securities as collateral for the cash that it borrows from the CSOP USD ETF.

Collateral received may only be cash and high quality money market investments subject to the credit quality, maturity and liquidity requirements set out above. The weighted average maturity and weighted average life of the collateral, together with other investments made by the CSOP USD ETF in accordance with the investment strategy set out herein, shall not exceed the limits set out above.

A counterparty to the sale and repurchase transactions and/or reverse repurchase transactions entered into by the CSOP USD ETF will be a financial institution subject to ongoing prudential regulation and supervision. It will be an independent counterparty approved by the Manager and is expected to have a minimum credit rating of BBB- or above (by Moody's or Standard & Poor's), or any other equivalent ratings by recognised credit rating agencies, or be a licensed corporation with the SFC or registered institution with the Hong Kong Monetary Authority. Subject to the above, there is no requirement on its country or region of origin.

All the revenues arising from such transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions, will be returned to the CSOP USD ETF.

Currently the Manager has no intention to invest the CSOP USD ETF in any financial derivative instruments (including structured deposits, products or instruments) for investment purposes, and will not enter into securities lending transactions and other similar over-the-counter transactions. The CSOP USD ETF will not invest in instruments with loss-absorption features (such as contingent convertible bonds or senior non-preferred debt). The CSOP USD ETF may utilise financial derivative instruments (including interest rate swaps and currency swaps) for the purpose of hedging only. The Manager will seek the prior approval of the Commission (if required) and provide at least one month's prior notice to Unitholders before the CSOP USD ETF engages in any such investments for purposes other than hedging.

Prior approval of the Commission will be sought and not less than one month's prior notice will be given to the Unitholders in the event the Manager wishes to change the investment strategy of the CSOP USD ETF unless such changes satisfy the overriding principles and requirements prescribed by the Commission from to time and be considered as immaterial changes.

The investment strategy of the CSOP USD ETF is subject to the investment and borrowing restrictions set out in Schedule 1.

5. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of the CSOP USD ETF on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses.

6. DISTRIBUTION POLICY

The Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP USD ETF's net income after fees and costs, subject to its discretion.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the CSOP USD ETF.

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP USD ETF are charged to/paid out of the capital of the CSOP USD ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP USD ETF and therefore, the CSOP USD ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of the CSOP USD ETF's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP USD ETF and will reduce any capital appreciation for the Unitholders of the CSOP USD ETF.**

The composition of the distributions (i.e. the relative amounts paid out of net distributable inco me and capital) for the last 12 months are available by the Manager on request and also on th e Manager's website http://www.csopasset.com/en/products/usd-money-market-etf

The distribution policy may be amended subject to the Commission's prior approval (if required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the Base Currency of the CSOP USD ETF (i.e. US D). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD only. The details of the distribution declaration dates, distribution a mounts and ex-dividend payment dates will be published on the Manager's website http://www.csopasset.com/en/products/usd-money-market-etf and on HKEX's website http://www.hkexnews.hk/.

There can be no assurance that a distribution will be paid.

Each Unitholder will receive distributions in USD. In the event that the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD to HKD or any other currency. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning distributions.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

7. RISK FACTORS RELATING TO CSOP USD ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP USD ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP USD ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP USD ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

7.1 Risks relating to Investments

Investment in CSOP USD ETF not a deposit: The purchase of a Unit in the CSOP USD ETF is not the same as placing funds on deposit with a bank or deposit-taking company. The CSOP USD ETF does not guarantee principal and the Manager has no obligation to redeem the Units at the offer value. The CSOP USD ETF does not have a constant Net Asset Value. The CSOP USD ETF is not subject to the supervision of the Hong Kong Monetary Authority. It is not principal protected and is not protected by the deposit protection scheme.

Investors should be aware that investment in the CSOP USD ETF is subject to normal market fluctuations and other risks inherent in the underlying assets into which the CSOP USD ETF may invest. There can be no assurance that any appreciation in value of investments will occur. There is no guarantee of repayment of principal.

Active investment management risk: The Manager employs an actively managed

investment strategy for the CSOP USD ETF. The CSOP USD ETF does not seek to track any index or benchmark, and there is no replication or representative sampling conducted by the Manager. Instead, investments of the CSOP USD ETF will be based on the Manager's view of market conditions and international investment trends and environment. The CSOP USD ETF may fail to meet its objective as a result of the Manager's selection of investments for the CSOP USD ETF, and/or the implementation of processes which may cause the CSOP USD ETF to underperform as compared to prevailing money market rates or other money market funds with a similar objective.

Whilst it is the intention of the Manager to implement strategies which are designed to achieve the investment objective, there can be no assurance that these strategies will be successful. The Manager may not be successful in selecting the best-performing instruments or investment techniques. Accordingly, there is a risk that investors may not recoup the original amount invested in the CSOP USD ETF or may lose a substantial part or all of their initial investment.

Interest rate risk: The CSOP USD ETF seeks to achieve a return in US Dollars in line with prevailing money market rates. The factors influencing interest rates, and in turn the performance of money market instruments include, amongst other things, monetary policy, fiscal policy and inflation. If the prevailing money market rates become negative, the CSOP USD ETF will suffer a loss. Moreover, if prevailing interest rate is at a low level, the CSOP USD ETF may also produce a negative return over a given period of time, as ongoing charges of the CSOP USD ETF may be higher than the interests received by the CSOP USD ETF.

Risks associated with bank deposits: Bank deposits are subject to the credit risks of the relevant financial institutions. The CSOP USD ETF's deposit may not be protected by any deposit protection schemes, or the value of the protection under the deposit protection schemes may not cover the full amount deposited by the CSOP USD ETF. Therefore, if the relevant financial institution defaults, the CSOP USD ETF may suffer losses as a result.

Risks associated with debt securities

Short-term debt instruments risk: As the CSOP USD ETF invests in short-term debt instruments with short maturities, the turnover rates of the CSOP USD ETF's investments may be relatively high and the transaction costs incurred as a result of the purchase or sale of short-term debt instruments may also increase which in turn may have a negative impact on the Net Asset Value of the CSOP USD ETF.

Credit/counterparty risk: The CSOP USD ETF is exposed to the credit/default risk of issuers of the debt securities that it may invest in.

Interest rate risk: Investment in the CSOP USD ETF is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

Sovereign debt risk: The CSOP USD ETF's investment in debt instruments issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the

principal and/or interest when due or may request the CSOP USD ETF to participate in restructuring such debts. The CSOP USD ETF may suffer significant losses when there is a default of sovereign debt issuers.

Credit rating risk and downgrading risk: Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times. The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the CSOP USD ETF may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.

Valuation risk: Valuation of the CSOP USD ETF's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the CSOP USD ETF.

Concentration risk. The CSOP USD ETF will invest primarily in US Dollar-denominated and settled short-term deposits, high quality money market instruments and debt securities. The CSOP USD ETF is therefore likely to be more volatile than a broad-based fund that adopts a more diversified strategy. The value of the CSOP USD ETF may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the US market.

Risks relating to repurchase agreements. In the event of the failure of the counterparty with which collateral has been placed, the CSOP USD ETF may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Risks relating to reverse repurchase agreements. In the event of the failure of the counterparty with which cash has been placed, the CSOP USD ETF may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements. The CSOP USD ETF may also be subject to legal risk, operational risks, liquidity risk of the counterparty and custody risk of the collateral.

Risks associated with asset backed commercial papers. The CSOP USD ETF invests in asset backed commercial papers which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other money market instruments. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

Risks of investing in other money market funds. The CSOP USD ETF 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 CSOP USD ETF.

There may be additional costs involved when investing into these underlying funds. In

particular, as an investor in such funds, the CSOP USD ETF 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 CSOP USD ETF's redemption requests as and when made.

Investors should also note that the CSOP USD ETF's investment in another money market fund is not the same as the CSOP USD ETF 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 CSOP USD ETF at its offer value.

If the CSOP USD ETF 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 CSOP USD ETF. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

Risks of financial derivative instruments. The Manager may only invest in FDIs for hedging purposes, subject to the investment restrictions as set out in Schedule 1 applicable to the CSOP USD ETF. These instruments can be highly volatile and expose investors to increased risk of loss. There is no guarantee that the use of FDIs for hedging purposes will be effective. Exposure to FDI may lead to a high risk of substantial loss by the CSOP USD ETF. Please also refer to "Financial Derivative Instruments and Collateral Risks" under the section headed "4.2 Investment risks" in the Part 1 of this Prospectus.

Rebalancing Risk. On 15 June 2021, the investment strategy of the CSOP USD ETF changed from a passive tracking investment strategy, tracking the FTSE 3-Month US Dollar Eurodeposit Index (the "**Former Benchmark**") to an actively managed investment strategy, which means that CSOP USD ETF no longer seeks to track any index or benchmark (the "**Active Strategy**"). The rebalancing of assets held by the CSOP USD ETF as a result of the change of investment strategy is anticipated to take place over a period of 30 trading days (the "**Rebalancing Period**"). During the Rebalancing Period, holdings of the CSOP USD ETF will be rebalanced from constituents of the Former Benchmark to constituents that correspond to the Active Strategy. The Manager therefore considers there is a risk that CSOP USD ETF may fail to meet its objective as a result of the Manager's selection of investments for the CSOP USD ETF, and/or the implementation of processes which may cause the CSOP USD ETF to underperform as compared to prevailing money market rates or other money market funds with a similar objective. Investors who deal with Units of the CSOP USD ETF during the Rebalancing Period should exercise caution.

Past Performance Risk. As a result of the change of investment strategy, past performance of the CSOP USD ETF prior to 15 June 2021 was achieved under circumstances which will no longer apply. Investors should exercise caution when considering the past performance of the CSOP USD ETF prior to 15 June 2021.

7.2 Dual-Counter Trading risks (applicable to the Listed Class of Units only)

Dual-Counter risk. Investors without USD accounts may buy and sell HKD traded Units of the Listed Class of Units only. Such investors will not be able to buy or sell USD traded Units and should note that distributions are made in USD only.

Inter-counter trading risk. Although an investor may buy from one counter and sell the same on the other counter in the same day, it is possible that some brokers/intermediaries and CCASS Participants may not be familiar with and may not be able to (i) buy Listed Class of Units in one counter and to sell Listed Class of Units in the other, or (ii) trade Listed Class of units in the HKD counter and the USD counter at the same time. In such case (i) to (ii), another broker, intermediary or CCASS Participant may need to be used. This may inhibit or delay dealing in the HKD traded Units and USD traded Listed Class of Units and may mean investors may only be able to trade their Listed Class of Units in one currency. Investors are recommended to check the readiness of their brokers/intermediaries in respect of the Dual-Counter trading and inter-counter trading.

Investors should therefore consult their brokers/intermediaries on the services that the brokers/intermediaries may provide in this regard along with the associated risks and fees. In particular, some brokers/intermediaries may not have in place systems and controls to facilitate inter-counter trading and/or inter-counter day trades.

Difference in trading prices risk. There is a risk that due to different factors such as market liquidity, market supply and demand in the respective counters and the exchange rate among HKD and USD, the market price on the SEHK of Listed Class of Units traded in USD may deviate significantly from the market price on the SEHK of Listed Class of Units traded in HKD. The trading price of HKD traded Units or USD traded Units is determined by market forces and so will not be the same as the trading price of Listed Class of Units multiplied by the prevailing rate of foreign exchange. Accordingly when selling Listed Class of Units traded in USD or buying Listed Class of Units traded in USD, an investor may receive less or pay more than the equivalent amount in HKD if the trade of the relevant Listed Class of Units is in HKD and vice versa. There can be no assurance that the price of Listed Class of Units in each counter will be equivalent.

Currency exchange risk. Investors who bought Listed Class of Units on the HKD counter may be subject to currency exchange risk as the assets of the CSOP USD ETF are denominated in USD and the Net Asset Value of the CSOP USD ETF will be calculated in USD.

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

7.3 Risks specific to the Listed Class of Units

No market in the Units risk. Although the Listed Class of Units are listed on the SEHK and the Manager will use its best endeavours to put in place arrangements so there is at all times at least one market maker for Listed Class of Units traded in each of the HKD counter and the USD counter, investors should be aware that there may be no liquid trading market for the Listed Class of Units or that such market maker(s) may cease to fulfil that role. Further, there can be no assurance that Listed Class of Units will experience trading or pricing patterns similar to those of other exchange traded fund which are traded on the SEHK and which are based upon indices.

Termination of Market Maker risk. A market maker may cease to act as a market maker for the Listed Class of Units of the CSOP USD ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Listed Class of Units for each counter of the CSOP USD ETF will be ninety (90) days. The liquidity for the HKD traded and USD traded Listed Class of Units may be affected if there is no market maker for the Listed Class of Units of the respective counter. The Manager will use its best endeavours to put in place arrangements so that there is at least one market maker for each counter (although these market makers may be the same entity) to facilitate efficient trading of Listed Class of Units of the relevant trading currency (i.e. HKD or USD). It is possible that there is only one SEHK market maker for the Listed Class of Units or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. Listed Class of Units will be a new security and following listing on the SEHK, it is unlikely that the Listed Class of Units will initially be widely held. Accordingly, any investor buying Listed Class of Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Listed Class of Units in the secondary market. Therefore, Unitholders may not be able to sell their Listed Class of Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Listed Class of Units.

7.4 Other risks

Operating risk. There is no assurance that the CSOP USD ETF will achieve its investment objective. The level of fees, taxes and expenses payable by the CSOP USD ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP USD ETF can be estimated, the growth rate of the CSOP USD ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP USD ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under section "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP USD ETF. On the termination of the CSOP USD ETF, the CSOP USD ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

Severe weather conditions. Notwithstanding Part 1 of this Prospectus, it is not intended that the creations and redemptions of new Listed Class of Units for the CSOP USD ETF in the primary market or the dealing of the Unlisted Class of Units of the CSOP USD ETF will be conducted on a day on which severe weather conditions persist. As a result, this may lead to larger discounts or premiums between the secondary market price of the Listed Class of Units and the Net Asset Value of the CSOP USD ETF.

Distributions paid out of capital risk. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP USD ETF are charged to/paid out of the capital of the CSOP USD ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP USD ETF and therefore, the CSOP USD ETF may effectively pay dividend out of the capital. **Investors should note that the payment of distributions out of or effectively out of capital represents a return or a withdrawal of part of the amount they originally invested or capital gain attributable to that amount. Any such distributions may result in an immediate reduction in the Net Asset Value per Unit of the CSOP USD ETF.**

8. FEES AND CHARGES

8.1 General

The following fees apply to investors of both Listed Class of Units and Unlisted Class of Units.

Management Fees and Servicing Fees

The Manager is entitled to receive a management fee. For Listed Class of Units and Class A Units, the current rate is 0.35% per annum of the Net Asset Value of the relevant Class of Units accrued daily and calculated as of each Dealing Day and payable monthly in arrears. For Class P Units, the current rate is 0.35% per annum of the Net Asset Value of Class P Units accrued daily and calculated as of each Dealing Day and payable monthly in arrears.

Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and the Registrar out of the management fee.

The Trustee's fee is inclusive of fees payable to the Custodian

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP USD ETF all out-of-pocket expenses incurred.

Other Charges and Expenses of CSOP USD ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP USD ETF.

Establishment costs of CSOP USD ETF

The costs and expenses incurred by the Manager and the Trustee in establishing the CSOP USD ETF were approximately USD100,000; such costs shall be borne by the CSOP USD ETF (unless otherwise determined by the Manager) and amortised over the first 3 financial years of the CSOP USD ETF (unless the Manager decides a shorter period is appropriate).

8.2 Listed Class of Units

The following fees apply to investors of Listed Class of Units only.

Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP USD ETF. For any period less than a month, the reconciliation fee is payable by the CSOP USD ETF on a pro-rata basis and accrues on a daily basis.

Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarized in the respective tables below:

Participating Dealers

Creation of Listed Class of Units by a Participating Dealer

Application Cancellation Fee	USD1,200 per cancellation (See Note 1)
Extension Fee	USD1,200 per extension (See Note 1)
Transaction Fee	USD75 per Application (See Note 2)
Service Agent's Fee	See Note 3
Stamp duty	Nil

Redemption of Listed Class of Units by a Participating Dealer

Application Cancellation Fee	USD1,200 per cancellation (See Note 1)
Extension Fee	USD1,200 per extension (See Note 1)
Transaction Fee	USD75 per Application (See Note 2)
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges in relation to an Application.

Primary Market Investors creating or redeeming Listed Class of Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

Secondary Market Investors Dealing in Listed Class of Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% (see Note 4)
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015% (see Note 5)
Trading fee	0.00565% (see Note 6)
Stamp duty	Nil (see Note 7)
Investor compensation levy	0.002% (currently suspended) (see Note 8)

Note:

1. *The Application Cancellation Fee of USD1,200 and the Extension Fee of USD1,200 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.*

2. *A Transaction Fee of USD75 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.*

3. *A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.*

4. *A transaction levy of 0.0027% of the trading price of the Listed Class of Units, payable by the buyer and the seller.*

5. *AFRC transaction levy of 0.00015% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.*

6. *A trading fee of 0.00565% of the trading price of the Listed Class of Units, payable by the buyer and the seller.*

7. *For a transfer executed for a transaction by which a Listed Class of Unit of the CSOP USD ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.*

8. *The investor compensation levy of the trading price of the Listed Class of Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.*

8.3 Unlisted Class of Units

The following fees apply to investors of Unlisted Class of Units only.

Subscription, redemption and switching fees payable by Unitholders of Unlisted Class of Units

	Unlisted Class of Units
Subscription fee	Up to 5 per cent of the subscription monies
Redemption fee	Nil
Switching fee	N/A

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Distributors who wish to switch between Unlisted Class of Units and Listed Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of documents that are available for inspection.

10. TERMINATION OF CSOP USD ETF

Without prejudice to the grounds of termination as set out in the section headed "***12.5Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP USD ETF shall be less than HKD100 million, the CSOP USD ETF and/or any classes of Units relating to the CSOP USD ETF may be terminated by the Manager in its absolute discretion by notice in writing.

11. PUBLICATION OF INFORMATION RELATING TO CSOP USD ETF

The following information relating to the CSOP USD ETF will be published on the Manager's website http://www.csopasset.com/en/products/usd-money-market-etf :

- (in respect of the Listed Class of Units) the near real-time indicative Net Asset Value per Unit in respect of the Listed Class of Units in HKD and USD of the CSOP USD ETF updated every 15 seconds throughout the SEHK trading hours;
- full portfolio information of the CSOP USD ETF (updated on a monthly basis); and
- the last Net Asset Value of the CSOP USD ETF in USD only, and the last Net Asset Value per Unit of each class of Units of the CSOP USD ETF (including, in respect of the Listed Class of Units, the last Net Asset Value per Unit in HKD and USD.

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for other information that will be published on the Manager's website http://www.csopasset.com/en/products/usd-money-market-etf .

In respect of the Listed Class of Units, the near real-time indicative Net Asset Value per Unit of CSOP USD ETF in HKD denomination is indicative and for reference purposes only. This is updated during SEHK trading hours. The near real-time indicative Net Asset Value per Unit in HKD uses a real-time HKD:USD foreign exchange rate – it is calculated using a near real-time indicative Net Asset Value per Unit in USD multiplied by a real-time HKD:USD foreign exchange rate sourced by Solactive AG when the SEHK is opened for trading.

In respect of the Listed Class of Units, the last Net Asset Value per Unit of CSOP USD ETF in HKD is indicative and for reference purposes only and is calculated using the last Net Asset Value per Unit in USD multiplied by an assumed foreign exchange rate using the HKD:USD exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day.

APPENDIX 6

CSOP CSI 500 ETF* (*This is a synthetic ETF)

(a sub-fund of the CSOP ETF Series (*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODES: 83005 (RMB counter) and 3005 (HKD counter)

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP CSI 500 ETF* (*This is a synthetic ETF)
Stock Codes: 83005 (RMB counter) and 3005 (HKD counter)

1. KEY INFORMATION

1.1 General

This Appendix sets out information specific to CSOP CSI 500 ETF* (*This is a synthetic ETF) ("**CSOP CSI 500 ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of the Prospectus before investing in CSOP CSI 500 ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***10. Risk Factors relating to the CSOP CSI 500 ETF***" of this Appendix, before investing in the CSOP CSI 500 ETF.

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.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP CSI 500 ETF, and should be read in conjunction with the full text of this Prospectus.

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapters 8.6 and 8.8 of the Code
Underlying Index	CSI 500 Index Inception Date: 8 February 2013 Number of constituents: 500 Base Currency of Underlying Index: RMB (CNY)
Type of Underlying Index	A net total return index which means that its performance reflects the reinvestment of dividends, net of withholding taxes, from the securities included in the Underlying Index. The Underlying Index is denominated and quoted in RMB.
Index Provider	China Securities Index Co., Ltd. ("CSI" or "Index Provider")
Investment Strategy	A combination of (i) primarily a synthetic representative sampling strategy and (ii) a physical representative sampling strategy as an ancillary strategy. Please refer to section "3. Investment Objective and Strategy" of this Appendix for further details.

Initial Issue Date	18 March 2020
Listing Date	19 March 2020
Dealing on SEHK Commencement Date	RMB counter: 19 March 2020 HKD counter: 19 March 2020
Exchange Listing	SEHK – Main Board
Stock Codes	RMB counter: 83005 HKD counter: 3005
Stock Short Name	RMB counter: X CSOPCSI500-R HKD counter: X CSOPCSI500
Trading Board Lot Size	RMB counter: 200 Units HKD counter: 200 Units
Base Currency	Renminbi (CNH)
Trading Currency	RMB counter: RMB (CNH) HKD counter: Hong Kong dollars (HKD)
Dividend Policy	The Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP CSI 500 ETF's net income after fees and costs. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP CSI 500 ETF are charged to/paid out of the capital of the CSOP CSI 500 ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP CSI 500 ETF and therefore, the CSOP CSI 500 ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of the CSOP CSI 500 ETF's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP CSI 500 ETF. Please refer to section ***"5. Distribution Policy"*** in this Appendix for further information on the distribution policy of the CSOP CSI 500 ETF

		and the risk factor ***"Risk relating to distributions paid out of capital"*** under sub-section ***"10.12 Other risks"*** in this Appendix for the risk associated with distributions paid out of capital. **Distributions for all units (whether traded in HKD or RMB counter) will be in RMB only.***
Application Unit size for Creation/Redemption (only by or through Participating Dealers)		Minimum 400,000 Units (or multiples thereof)
Method of Creation/ Redemption		In-cash only
Parties	Manager / QFI Holder	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
	PRC Custodian	HSBC Bank (China) Company Limited
	Participating Dealer	Please refer to the Manager's website set out below for the latest list
	Market Makers	Please refer to the Manager's website set out below for the latest list
	Service Agent	HK Conversion Agency Services
Financial Year		Ending 31 December each year. (The first financial year-end of the CSOP CSI 500 ETF will be 31 December 2020. The first audited accounts and the first semi-annual unaudited interim reports of the CSOP CSI 500 ETF will be for the period ending 31 December 2020 and 30 June 2020 respectively.)
Management Fee		Up to 2% per annum of the Net Asset Value accrued daily and calculated as of each Dealing Day, with the current rate being 0.50% per annum of the Net Asset Value accrued daily and calculated as of each Dealing Day.

	One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Website	https://www.csopasset.com/en/products/csi-500-etf# (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission.)

1.3 Custodian and PRC Custodian for CSOP CSI 500 ETF

The CSOP CSI 500 ETF may invest directly in China A-Shares through the Stock Connect and/or the QFI status granted to the Manager. The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee and the Manager as custodian ("**Custodian**") to act through its delegate, the PRC Custodian and will be responsible for the safe custody of the CSOP CSI 500 ETF's assets acquired through investment by remitting offshore RMB utilizing the QFI status of the Manager within the PRC mainland under the QFI scheme in accordance with the RQFII Custody Agreement (as defined below).

According to the RQFII Custody Agreement, the Custodian is entitled to appoint its subsidiary or associates within the HSBC group of companies as delegate for the performance of its services under the RQFII Custody Agreement. As of the date of this Prospectus, the Custodian has appointed HSBC Bank (China) Company Limited ("**PRC Custodian**") as the PRC Custodian. The PRC Custodian is incorporated in Chinese Mainland and is a wholly-owned subsidiary of the Custodian. The PRC Custodian possesses the applicable qualification to provide custody services to QFIs.

The Custodian shall remain responsible for any omission or wilful default of the PRC Custodian, as if no such appointment had been made.

The "**RQFII Custody Agreement**" is the custody agreement entered into between the Custodian, the PRC Custodian, the Manager and the Trustee, as amended from time to time.

Please refer to section "***2.4 Trustee and Registrar***" in Part 1 of the Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the PRC Custodian.

Neither the Custodian nor its delegate is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "***1.4 Custodian and PRC Custodian for CSOP CSI 500 ETF***".

1.4 Market Maker

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 of the CSOP CSI 500 ETF traded in the RMB counter and at least one market maker for Units of the CSOP CSI 500 ETF traded in the HKD counter although these market makers may be

the same entity. 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 counter to facilitate the efficient trading of Units of the CSOP CSI 500 ETF. The Manager will ensure that at least one market maker per counter is required to give not less than three months' prior notice to terminate market making under the relevant market making agreement.

The list of market markers in respect of the CSOP CSI 500 ETF is available on https://www.csopasset.com/en/products/csi-500-etf# (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission) and from time to time will be displayed on www.hkex.com.hk.

2. DEALING

2.1 Exchange Listing and Trading

Dealings in Units of the CSOP CSI 500 ETF in both RMB and HKD have already commenced.

Currently, Units are listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as of the date of this Prospectus. Application may be made in the future for a listing of Units on other stock exchanges subject to the applicable QFI Regulations (as defined in section "***7. Qualified Foreign Investor (QFI)***" in this Appendix).

If trading of the Units of the CSOP CSI 500 ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Units.

2.2 Buying and Selling of Units of CSOP CSI 500 ETF on SEHK

A Secondary Market Investor can buy and sell the Units of the CSOP CSI 500 ETF on the SEHK through his stockbroker at any time the SEHK is open. Units of the CSOP CSI 500 ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 200 Units for the RMB counter and 200 Units for the HKD counter.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the CSOP CSI 500 ETF 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 of the CSOP CSI 500 ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the CSOP CSI 500 ETF.

Please refer to section "***9. Trading of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of Units on the SEHK.

2.3 Dual Counter Trading

2.3.1 Introduction of Dual Counter Trading (Secondary Market)

The Manager has arranged for the Units of the CSOP CSI 500 ETF to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in RMB. The CSOP CSI 500 ETF will offer two trading counters on the SEHK i.e. RMB counter and HKD counter to investors for secondary trading purposes.

Units of the CSOP CSI 500 ETF traded under the two counters sharing the same ISIN can be distinguished by their stock codes and their stock short names as follows:

Counter	Stock code	Stock Short Name	Trading Currency	ISIN Number
RMB counter	83005	X CSOPCSI 500-R	RMB	HK0000578549
HKD counter	3005	X CSOPCSI 500	HKD	

Units of the CSOP CSI 500 ETF traded in the RMB counter will be settled in RMB and Units traded in the HKD counter will be settled in HKD. Apart from settlement in different currencies, the trading prices of Units of the CSOP CSI 500 ETF in the two counters may be different.

Please note that despite the Dual Counter arrangement, creations and redemptions of new Units for the CSOP CSI 500 ETF in the primary market will continue to be made in RMB only.

Investors can buy and sell Units of the CSOP CSI 500 ETF traded in the same counter. Alternatively, they can buy in one counter and sell in the other counter provided their brokers/intermediaries or CCASS participants provide both HKD and RMB trading services at the same time. However, investors should note that the trading price of Units of the CSOP CSI 500 ETF traded in the RMB counter and the HKD counter may be different and there is a risk that due to different factors such as market liquidity, market demand and supply in the respective counters and the exchange rate between RMB and HKD (in both onshore and offshore markets), the market price on the SEHK of Units traded in HKD may deviate significantly from the market price on the SEHK of Units traded in RMB.

Inter-counter buy and sell is permissible even if the trades take place within the same trading day. Investors should also note that some brokers / intermediaries may not provide inter-counter day trade services due to various reasons including operations, system limitations, associated settlement risks and other business considerations. Even if a broker / intermediary is able to provide such service, it may impose an earlier cut-off time, other procedures and/or fees.

More information with regard to the Dual Counter is available in the freq uently asked questions in respect of the Dual Counter published on the HKEx's website https://www.hkex.com.hk/Global/Exchange/FAQ/Featured/

RMB-Readiness-and-Services/Dual-Tranche-Dual-Counter-Model?sc_lang=en.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Dual Counter, including inter-counter trading. Investors' attention is also drawn to the risk factors under section "***10.6 Dual Counter Trading risks***" in this Appendix.

2.3.2 Unitholders' rights

Units of both the RMB and HKD counters belong to the same class in CSOP CSI 500 ETF and Unitholders of Units traded on both counters are entitled to identical rights and are therefore treated equally.

2.3.3 Fees and Other Transaction Costs

The fees and costs payable by a Secondary Market Investor for buying and selling Units of the CSOP CSI 500 ETF on the SEHK are the same for both the RMB and HKD counters.

2.4 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***2. Creation and Redemption of Application Units (Primary Market)***" in Schedule 2 of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP CSI 500 ETF only.

The Manager currently allows Cash Creations and Cash Redemptions for Units of the CSOP CSI 500 ETF. Notwithstanding the Dual Counter, any cash payable by Participating Dealers in a Cash Application must be in RMB.

The Application Unit size for CSOP CSI 500 ETF is 400,000 Units. Creation Applications submitted in respect of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP CSI 500 ETF is one Application Unit.

Both RMB traded Units and HKD traded Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Notwithstanding the Dual Counter, the process of redemption is the same and any cash proceeds received by Participating Dealers in a Cash Redemption shall be paid only in RMB.

2.4.1 Dealing Period

The dealing period on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP CSI 500 ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 2:00 p.m. (Hong Kong time) (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as

received on the next Dealing Day.

2.4.2 Issue Price and Redemption Price

The Issue Price of a Unit of any class in the CSOP CSI 500 ETF shall be the Net Asset Value per Unit of the relevant class calculated as of the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place(with 0.00005 being rounded up).

The Redemption Price of Units of any class redeemed shall be the Net Asset Value per Unit of the relevant class calculated as of the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP CSI 500 ETF.

The "**Valuation Day**" of the CSOP CSI 500 ETF, coincides with, and shall mean, the Dealing Day of the CSOP CSI 500 ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's website at https://www.csopasset.com/en/products/csi-500-etf# (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission) or published in such other publications as the Manager decides.

2.4.3 Dealing Day

In respect of the CSOP CSI 500 ETF, "**Dealing Day**" means each Business Day.

2.4.4 Rejection of Creation of Applications relating to CSOP CSI 500 ETF

In addition to the circumstances set out in section "***2.3.5 Rejection of Creation Applications***" in Schedule 2 of Part 1 of this Prospectus, the Manager, acting reasonably and in good faith, has the absolute discretion to reject a Creation Application in relation to the CSOP CSI 500 ETF, in any of the following circumstances: (a) where the acceptance of the Creation Application will have a material adverse impact on the China A-Shares market; or (b) where the QFI status of the Manager relating to the CSOP CSI 500 ETF is cancelled or withdrawn.

3. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP CSI 500 ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Underlying Index, namely, the CSI 500 Index. There is no assurance that the CSOP CSI 500 ETF will achieve its investment objective.

Investment Strategy

In seeking to achieve the investment objective, the CSOP CSI 500 ETF will (i) primarily use a synthetic representative sampling strategy by investing up to 100% of its Net Asset Value in FDIs, which will be fully funded total return swaps with one or more counterparties; and (ii) where the Manager believes such investments are beneficial to the CSOP CSI 500 ETF and will help the CSOP CSI 500 ETF achieve its investment objective, use a physical representative sampling strategy as an ancillary strategy by investing a maximum level of less than 50% and an expected level of up to 30% of its Net Asset Value (or up to 100% in extreme market conditions, e.g. market crash, crisis or extreme market turbulence affecting particularly the FDI market) in a representative portfolio of securities that collectively has a high correlation with the Underlying Index. The investment made by the CSOP CSI 500 ETF other than in swaps and A-Shares shall comply with the requirements in 7.36 to 7.38 of the Code.

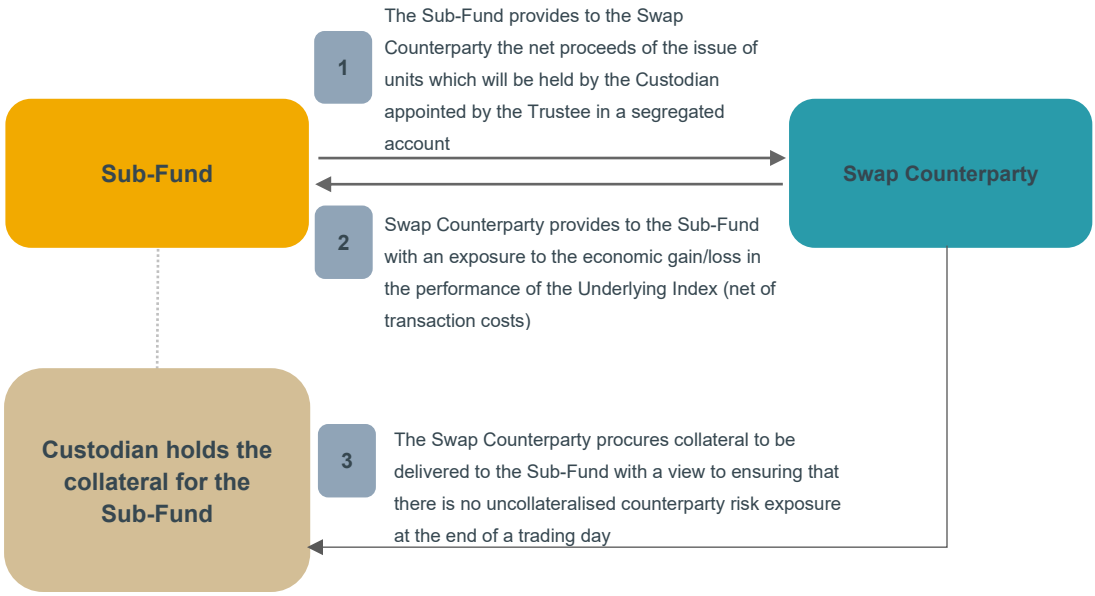
Synthetic representative sampling sub-strategy

By adopting a synthetic representative sampling strategy, the CSOP CSI 500 ETF invests directly in fully funded total return swap transaction(s) whereby the CSOP CSI 500 ETF will pass on substantially all of the net proceeds of any issue of its units to the swap counterparty(ies) and in return the swap counterparty(ies) will provide the CSOP CSI 500 ETF with an exposure to the economic gain/loss in the performance of the relevant Securities (net of transaction costs).

The Manager will obtain collateral that represents at least 100% of the CSOP CSI 500 ETF's gross total counterparty risk, and will manage the CSOP CSI 500 ETF to ensure that the collateral held by the CSOP CSI 500 ETF will represent at least 100% of the CSOP CSI 500 ETF's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). The valuation of the collateral and the calculation of counterparty risk exposure in respect of any trading day T generally occurs at the end of that trading day. If the collateral held by the CSOP CSI 500 ETF is not at least 100% of the CSOP CSI 500 ETF's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each swap counterparty deliver additional collateral assets (i.e. variation margin) to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2.

Each swap counterparty will deliver collateral with a view to reduce the net exposure of the CSOP CSI 500 ETF to each swap counterparty to 0%.

The diagram below shows how the synthetic representative sampling sub-strategy via fully funded total return swaps works:



Swap transaction

Each swap is documented by a confirmation which supplements, forms part of and is governed by a 2002 ISDA Master Agreement with schedule thereto (together with an ISDA Credit Support Annex and/or ISDA Credit Support Deed in respect thereof), in each case, entered into by the Trustee on behalf of the CSOP CSI 500 ETF and the swap counterparty. ISDA documentation is published by the International Swaps and Derivatives Association, Inc.

Prior to commencing any transaction with a swap counterparty under a swap, the Manager has obtained (if such swap counterparty is an existing swap counterparty) or will obtain (if such swap counterparty is a new swap counterparty) legal opinions or such other confirmations or assurances from the swap counterparties reasonably acceptable to the CSOP CSI 500 ETF, confirming that (a) such swap counterparty has the capacity and authority to enter into the relevant swap and (b) the obligations expressed to be assumed by such swap counterparty under the relevant swap constitute legal, valid, binding obligations of the swap counterparty enforceable against it in accordance with their terms. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned by ISDA. In respect of each swap, none of the "Events of Default" or the "Termination Events" contained in the 2002 ISDA Master Agreement has been disapplied in respect of the relevant swap counterparty (although some of them have been amended to reflect the nature of the swap counterparty, the Trustee and the CSOP CSI 500 ETF and certain "Additional Termination Events" have also been inserted in respect of the Trustee and the CSOP CSI 500 ETF). The Trustee (on behalf of the CSOP CSI 500 ETF) has the right, in the event of insolvency or the occurrence of certain other "Events of Default" or "Termination Events" of the swap counterparty that are continuing at the relevant time, to terminate the swap on behalf of the CSOP CSI 500 ETF at any time (such termination may take effect immediately) and without any approval from the swap counterparty.

The actual termination events vary according to the negotiation between the Manager and each swap counterparty. The followings are some examples of "Termination Events":

(a) decline in the Net Asset Value of the CSOP CSI 500 ETF to a prescribed triggering level;

(b) illegality of other similar events which affects the ability of the swap counterparty or the CSOP CSI 500 ETF to perform its obligations under the swap agreement;

(c) change of Manager or Trustee; and

(d) termination of the CSOP CSI 500 ETF.

Swap fees

The CSOP CSI 500 ETF will bear the swap fees, which includes all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent the brokerage commission and the swap counterparty's cost of financing the underlying hedge.

Currently, the swap fees are expected to range from 0.00% to -3.50%* per annum of the swap notional amount (i.e. from 0.00% to -3.50%* per annum of the CSOP CSI 500 ETF's Net Asset Value). This is a best estimate only and the actual swap fees may deviate from the aforesaid estimate depending on actual market conditions. In extreme market conditions and exceptional circumstances, the brokerage commission and the swap counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. When the actual swap fee level exceed the disclosed level, the Manager will issue notice to the investors. Swap fees are accrued daily and spread out over the month. The CSOP CSI 500 ETF shall bear the swap fees (including any costs associated with the entering into, or unwind or maintenance of, any hedging arrangements in respect of such swaps). The maximum unwinding fee payable by the CSOP CSI 500 ETF is 0.50%* per transaction on the notional amount of the swap unwound. The Manager will disclose the swap fees in the semi-annual and annual financial reports of the CSOP CSI 500 ETF. The swap fees will be borne by the CSOP CSI 500 ETF and hence may have an adverse impact on the Net Asset Value and the performance of the CSOP CSI 500 ETF, and may result in higher tracking error.

* A positive figure denotes the fee that the CSOP CSI 500 ETF pays to the swap counterparties. A negative figure denotes the fee that the swap counterparties pay to the CSOP CSI 500 ETF.

Criteria for selection of swap counterparty

In selecting a swap counterparty (or a replacement swap counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective swap counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the Commission under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A swap counterparty must be independent of the Manager. A prudent haircut policy will be adopted.

As of the date of this Appendix, the swap counterparties to the CSOP CSI 500 ETF are:

Swap Counterparty	**Place of incorporation**	**Standard & Poor's credit rating of swap counterparty**
Societe Generale	France	A
Goldman Sachs International	United Kingdom	A+
BNP PARIBAS SA	France	A+
Barclays Bank PLC	United Kingdom	A+
HSBC Bank Plc	England & Wales	A+

Citigroup Global Markets Limited	United Kingdom	A+

The Manager will publish the latest list of the identity of the swap counterparties of the CSOP CSI 500 ETF, as well as the gross and net exposure to each such swap counterparty, on the Manager's website at https://www.csopasset.com/en/products/csi-500-etf# (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission).

Collateral arrangements

The Manager will obtain collateral that represents at least 100% of the CSOP CSI 500 ETF's gross total counterparty risk, and will manage the CSOP CSI 500 ETF to ensure that the collateral held by the CSOP CSI 500 ETF will represent at least 100% of the CSOP CSI 500 ETF's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis. Where collateral taken is in the nature of cash and/or government bonds, the market value of such cash and/or government bond collateral should represent at least 100% of the related gross counterparty risk exposure towards the swap counterparties.

Collateral may take such form as the Manager considers appropriate, and currently it is in the form of government bonds and/or cash. If a swap counterparty becomes insolvent, or if a swap counterparty fails to pay any sum payable under the swap when due and after a demand has been made, or if other events of default specified in the relevant swap agreement occur, the CSOP CSI 500 ETF, subject to the terms of the swap agreement, shall be entitled to enforce the relevant collateral and obtain full title thereof. In such instances, the CSOP CSI 500 ETF's obligations to return the collateral will be offset against the swap counterparty's obligation to pay under the swap agreement.

The Manager has adopted measures to monitor the eligibility criteria and valuation of collateral provided to the CSOP CSI 500 ETF on an ongoing basis.

Collateral taken by the CSOP CSI 500 ETF shall comply with all applicable requirements under the Code, including Chapter 8.8(e) of the Code as supplemented by such other guidance from the SFC from time to time.

The following criteria will be observed when accepting assets as collaterals for the CSOP CSI 500 ETF: liquidity, daily valuation, credit quality, price volatility, diversification, correlation, management of operational and legal risks, enforceability, not being availability for secondary recourse and involving no structured product. Only cash collateral will be reinvested in accordance with the collateral policy set out in the Prospectus.

The details of the collateral requirements required under the Code and the collateral policy of the Trust and the CSOP CSI 500 ETF are set out in in the Prospectus.

Collateral provided to the CSOP CSI 500 ETF is held by the Custodian.

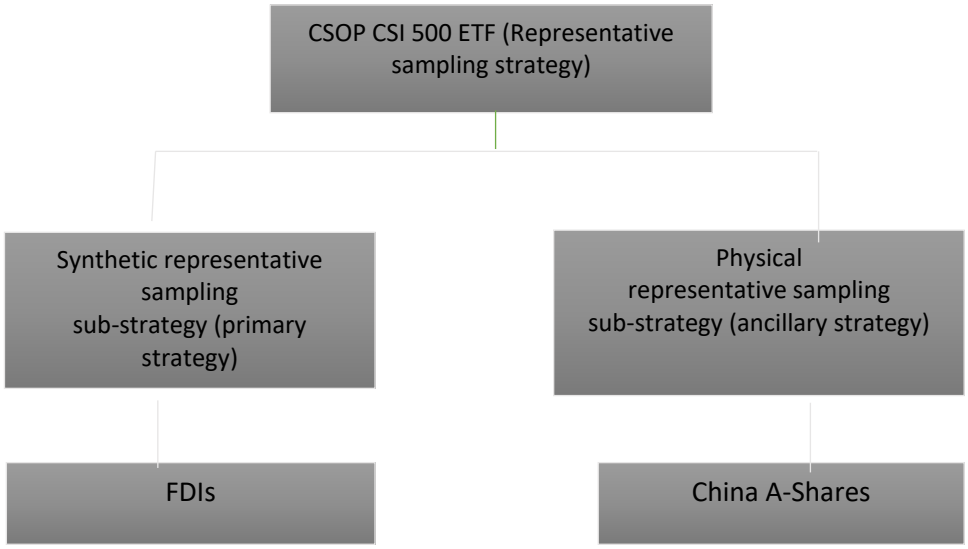
Details of the collateral management policy can be found at the Manager's website at https://www.csopasset.com/en/products/csi-500-etf# (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission).

Physical representative sampling sub-strategy

The CSOP CSI 500 ETF may use a physical representative sampling strategy by investing a maximum level of less than 50% and an expected level of up to 30% of its Net Asset Value via Stock Connect (as explained in section "**8.3A. The Stock Connect**" in this Appendix) and the QFI status granted to the Manager (as explained in section "**7. Qualified Foreign Investor (QFI)**" in this Appendix) in a representative portfolio of securities that collectively has a high correlation with the Underlying Index. As part of the foregoing, the CSOP CSI 500 ETF may or may not hold all of the Index Securities, and may invest in securities which are not included in the Underlying Index. The securities selected are expected to have, in the

aggregate, investment characteristics (based on factors such as market capitalization and industry weightings), fundamental characteristics (such as return variability and yield) and liquidity measures similar to those of the Underlying Index.

The diagram below shows the investment strategies of the CSOP CSI 500 ETF:



Other investments

The CSOP CSI 500 ETF may invest up to 10% of its Net Asset Value in exchange traded funds listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange the principal objective of which is to track, replicate or correspond to the Underlying Index.

The CSOP CSI 500 ETF may also invest up to 5% of its Net Asset Value on an ancillary basis in money market instruments, cash and cash equivalents for cash management purposes.

The CSOP CSI 500 ETF does not intend to engage in sale and repurchase transactions and reverse repurchase transactions and other similar over-the-counter transactions on behalf of the Sub-Fund.

3A. USE OF FDI

The CSOP CSI 500 ETF's net derivative exposure may be more than 50% but up to 100% of its Net Asset Value. FDIs may be used for hedging and investment purposes.

3B. SECURITIES LENDING TRANSACTIONS

The Manager may, on behalf of the CSOP CSI 500 ETF, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of the CSOP CSI 500 ETF's Net Asset Value. The Manager will be 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 CSOP CSI 500 ETF and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1

in Part 1 of the Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the CSOP CSI 500 ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "***Collateral***" of Schedule 1 in Part 1 of the Prospectus) of 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 Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of the Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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 by 4p.m. on trading day T+1.

Non-cash collateral received may not be sold, re-invested or pledged. Any re-investment of cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of the Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent CSOP CSI 500 ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP CSI 500 ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to section "***10.11 Securities Lending Transactions Risks***" for further details.

4. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of CSOP CSI 500 ETF to acquire investments, to settle redemption proceeds or to pay expenses relating to CSOP CSI 500 ETF.

5. DISTRIBUTION POLICY

The Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP CSI 500 ETF's net income after fees and costs.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the CSOP CSI 500 ETF.

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP CSI 500 ETF are charged to/paid out of the capital of the CSOP CSI 500 ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP CSI 500 ETF and therefore, the CSOP CSI 500 ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of the CSOP CSI 500 ETF's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP CSI 500 ETF and will reduce any capital appreciation for the Unitholders of the CSOP CSI 500 ETF.

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/csi-500-etf# (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission).

The distribution policy may be amended subject to the Commission's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the Base Currency of the CSOP CSI 500 ETF (i.e. RMB). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in RMB only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/csi-500-etf# (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission) and on HKEx's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/ search_active_main.aspx.

There can be no assurance that a distribution will be paid.

Each Unitholder will receive distributions in RMB (whether holding RMB traded Units or HKD traded Units). 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/intermediaries on the arrangements concerning distributions.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

6. PRC MAINLAND TAX PROVISIONS

In light of an announcement jointly promulgated by the Ministry of Finance, the State Administration of Taxation and the CSRC under Caishui [2014] No.79 and No.81 which stipulate that trading of China A-Shares through QFIIs, RQFIIs (without an establishment or place of business in the PRC mainland or having an establishment in the PRC mainland but the income so derived in Chinese Mainland is not effectively connected with such establishment) and Stock Connect will be temporarily exempted from corporate income tax on gains derived from the transfer of PRC mainland equity investment assets (including PRC mainland A-Shares) effective from 17 November 2014. Based on professional and independent tax advice, the Manager does not intend to make any WIT provision on the gross unrealised and realised capital gains derived from trading of China A-Shares.

Please refer to the risk factor "***PRC mainland tax considerations***" under section "***4.1 Risk***

Factors relating to Chinese Mainland" in Part 1 of the Prospectus for further information on PRC mainland taxation.

7. QUALIFIED FOREIGN INVESTOR (QFI)

The QFI regime is governed by rules and regulations as promulgated by the Chinese Mainland authorities, such as the CSRC, the SAFE and the PBOC. Such rules and regulations may be amended from time to time and include (but are not limited to):

i. the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors jointly issued by the CSRC, the PBOC and the SAFE on 25 September 2020 and effective from 1 November 2020 (《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》);

ii. the Provisions on Issues Concerning the Implementation of the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors issued by the CSRC on 25 September 2020 and effective from 1 November 2020 (關於實施《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》有關問題的規定);

iii. the "Regulations on Funds of Domestic Securities and Futures Investment by Foreign Institutional Investors" issued by the PBOC and the SAFE on 7 May 2020 and effective from 6 June 2020 (《境外機構投資者境內證券期貨投資資金管理規定》); and

iv. any other applicable regulations promulgated by the relevant authorities. (collectively, "QFI Regulations")

Based on the above prevailing QFI Regulations, the Qualified Foreign Institutional Investors (QFII) regime and RMB Qualified Foreign Institutional Investors (RQFII) regime have been merged and been regulated by the same set of regulations, and the previously separate requirements for QFII and RQFII qualifications are unified. A foreign institutional investor outside the PRC mainland may apply to the CSRC for the QFI License, while there is no need for a foreign institutional investor having held either a QFII or RQFII license to re-apply for the QFI license. Since the Manager has been granted with QFII license and RQFII license by CSRC, it shall be regarded as a QFI, and may freely select to use funds in foreign currencies which can be traded on CFETS (defined below) and/or offshore RMB funds to be remitted in to carry out PRC mainland domestic securities and futures investment as long as separate cash accounts for receiving such cash are duly opened.

For remittance of foreign currencies, the Manager (as a QFI Holder) shall open foreign exchange account(s) for the remitted funds in foreign currencies and a corresponding RMB special deposit account for each relevant foreign exchange account; for remittance of offshore RMB funds, the Manager (as a QFI Holder) shall open RMB special deposit account(s) for the remitted funds in offshore RMB. QFI Holders are not subject to investment quota limits.

Under current regulations in the PRC mainland, generally foreign investors can invest in the domestic securities and/or futures market through (i) certain foreign institutional

investors that have obtained status as a QFI from the CSRC to remit foreign freely convertible currencies and RMB into the PRC mainland for the purpose of investing in the PRC mainland's domestic securities and/or futures markets, or (ii) the Stock Connect Program (as explained in the section "8.3A. The Stock Connect" in this Appendix).

The CSOP CSI 500 ETF may directly invest in securities issued within the PRC mainland through the QFI status of the Manager and/or the Stock Connect.

The Manager has obtained QFI status in the PRC mainland. The Custodian has been appointed by the Trustee and the Manager to hold (by itself or through its delegate) the assets of the CSOP CSI 500 ETF in the PRC mainland invested using the QFI status of the Manager in accordance with the terms of the RQFII Custody Agreement.

Securities including China A-Shares invested through the QFI status of the Manager will be maintained by the Custodian's delegate, the PRC Custodian pursuant to PRC mainland regulations through securities account(s) with the China Securities Depository and Clearing Corporation Limited ("**CSDCC**") in the joint names of the Manager (as the QFI Holder) and the CSOP CSI 500 ETF. An RMB cash account(s) shall be established and maintained with the PRC Custodian in the joint names of the Manager (as the QFI Holder) and the CSOP CSI 500 ETF. The PRC Custodian shall, in turn, have a cash clearing account with CSDCC for trade settlement according to applicable regulations.

Repatriations in RMB conducted by the Manager (as QFI) on behalf of the CSOP CSI 500 ETF are permitted daily and not subject to any repatriation restrictions, lock-up periods or prior approval from the SAFE.

There are specific risks associated with the QFI regime and investors' attention is drawn to the risk factors "***QFI risk***" and "***PRC mainland brokerage risk***" under section "***10.4 Risks relating to the QFI regime***" in this Appendix.

In the context of investment in securities issued within the PRC mainland using the Manager's QFI status, the Manager will assume dual roles as the Manager of the CSOP CSI 500 ETF and the QFI Holder for the CSOP CSI 500 ETF. The Manager will be responsible for ensuring that all transactions and dealings will be dealt with in compliance with the Trust Deed (where applicable) as well as the relevant laws and regulations applicable to the Manager as a QFI.

Further, in connection with the investment in securities issued within the PRC mainland using the Manager's QFI status, the Trustee has put in place proper arrangements to ensure that:

(a) the Trustee takes into its custody or under its control the assets of the CSOP CSI 500 ETF, including onshore PRC assets of the CSOP CSI 500 ETF acquired by the CSOP CSI 500 ETF through the Manager's QFI status and such PRC assets will be maintained by the PRC Custodian in electronic form via the securities account(s) with the CSDCC and cash held in the cash account(s) with the PRC Custodian ("**Onshore PRC Assets**"), and holds the same in trust for the Unitholders;

(b) cash and registrable assets of the CSOP CSI 500 ETF, including the Onshore PRC Assets are registered or held to the order of the Trustee; and

(c) the Custodian and the PRC Custodian will look to the Trustee for instructions and solely act in accordance with such instructions.

8. CHINA A-SHARE MARKET IN THE PRC MAINLAND

8.1 The major differences between the China A-Share market and the Hong Kong market

The table below summarises the differences between the China A-Share market and the Hong Kong market:–

		SEHK	SSE	SZSE
(a)	Key Market Index	Hang Seng Index ("**HSI**")	SSE Composite Index	SZSE Composite Index
(b)	Trading Hours			
	• Morning session	• 9:30 – 12:00	• 9:30 – 11:30	• 9:30 – 11:30
	• Afternoon session	• 13:00 – 16:00	• 13:00 – 15:00	• 13:00 – 15:00
	China A-Share market and Hong Kong market have different schedule of holidays.			
(c)	Pre-opening session / pre-order input /order matching times			
	• Pre-opening session	• 9:00 to 9:15	• 9:15 to 9:25	• 9:15 to 9:25
	• Order matching times	• 9:15 to 9:20 (pre-order matching period) • 9:20 to 9:28 (order matching period) • 9:28 to 9:30 (blocking period)	• 9:30 to 11:30 and 13:00 to 15:00	• 9:30 to 11:30 and 13:00 to 14:57
	• Close matching times	• N/A	• N/A	• 14:57 to 15:00
(d)	Trading Band Limits	**SEHK** No trading band limit	**SSE** **SZSE** Daily trading band limits of 10%.	
			Where a listed company is under circumstances deemed abnormal by the SSE and SZSE, the short name of the listed company will be prefixed by "ST" and the daily up and down limit will be reduced to 5%.	
(e)	Trading Rule	The T+1 trading rule do not apply except that some stocks cannot be sold short in Hong Kong market.	The T+1 trading rule applies which means a stock bought on T day (i.e. trading day) can only be sold on T+1 (i.e. one business day after the relevant trading day), and no short-selling is allowed with a few exception (mostly ETFs) permitted by a pilot program.	
(f)	Round Lot	Stocks are generally traded at round lots and odd lots trading have to be facilitated by a broker through a special board.	Stocks can only be bought at the multiples of 100 shares but cannot be bought in odd lots. However, one can sell the shares of any number i.e. even in odd lots.	
(g)	Settlement cycle	The settlement period is 2 business days (i.e. T+2)	The settlement period is one business day (i.e. T+1)	
(h)	Earnings report disclosure requirement	A listed company has to disclose fiscal information twice a year. The annual financial reports have to be published within four months from the financial year end and the interim financial reports have to be published within three months of the end of the	A listed company on the SSE and SZSE is required to prepare and disclose the annual financial report within four months as of the end date of each fiscal year, the semi-annual financial report within two months as of the end date of the first half of each fiscal year, and the quarterly financial report within one month as of the end of the first three months and the end of the first nine months of each fiscal year respectively. The time for disclosing the first-quarter report shall not be earlier than the time for disclosing the annual financial report of the previous year.	

		period it covers.	H-Share listed companies also disclose fiscal information quarterly for consistency with the corresponding A -Share schedules.
(i)	Suspension	There is no requirement to suspend stocks for general assembly or important information disclosure.	Stocks in the China A-Share market will be suspended for general assembly or important information disclosure.

Investors should inform themselves of the risks associated with the differences between the China A-Share market and the Hong Kong market, as set out in the risk factor "***Risks relating to the differences between the Hong Kong and Chinese Mainland stock markets***" in section "***10.1 Chinese Mainland market / China A-Share market risks***" in this Appendix.

8.2 Measures Adopted by the Manager to Address the Differences between the China A-Share Market and the Hong Kong Market

The Manager has adopted the following measures to address the differences between the China A-Share market and the Hong Kong market:

(a) Trading hours: As regards the difference in trading hours, the shorter trading hours in the China A-Share market is not considered to present a major risk, as it is expected that there is a sufficient level of liquidity for the China A-Shares constituting the CSOP CSI 500 ETF's portfolio.

(b) Trading days: There is a difference in trading days between the China A-Share market and the Hong Kong market. It should be noted that Applications are accepted only on a Business Day (normally a day on which both markets are open).

If the Hong Kong market is open while the China A-Share market is closed, Units of the CSOP CSI 500 ETF will be traded in the Hong Kong market and the Manager will continue to publish information including prices in the manner set out in section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of the Prospectus. If the China A-Share market is open while Hong Kong market is closed, the Manager will trade the China A-Shares when it is necessary, in order to limit the risk to investors. These trades will be properly settled even when the Hong Kong market is closed for holiday by the Trustee's arrangements in place.

(c) Trading band limits: The Manager will be prevented from trading China A-Shares when they hit the "trading band limit". If this happens on a particular trading day, the Manager will continue to trade that stock on the subsequent two trading days if necessary. However if the Manager is still unable to trade that China A-Share on the second trading day after the original trading day due to the trading band limit, the Manager will settle the China A-Share on the latest closing price and the CSOP CSI 500 ETF will make up the trade whenever that China A-Share resumes trading again. The Manager believes that the average impact to the CSOP CSI 500 ETF in such situations is immaterial.

8.3A The Stock Connect

The Stock Connect is a securities trading and clearing linked program developed by the HKEX, the SSE, the SZSE and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**"), with an aim to achieve mutual stock market access between Chinese Mainland and Hong Kong. It comprises of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Manager intends to utilise such channels to invest in A Shares.

Through the Stock Connect, the SSE, the SZSE and the SEHK enable investors to trade eligible securities listed on the other's market through local securities firms or brokers. Each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, investors, through their Hong Kong brokers and securities trading service companies (in Shanghai and in Shenzhen respectively) establish by the SEHK and the HKSCC, are able to place orders to trade eligible securities listed on the SSE or the SZSE by routing orders to the SSE or the SZSE (as the case may be). Under the Southbound Trading Link, eligible investors, through PRC mainland securities firms and securities trading service companies established by the SSE and the SZSE, are able to place orders to trade eligible securities listed on the SEHK by routing orders to SEHK.

All Hong Kong and overseas investors (including the CSOP CSI 500 ETF) are allowed to trade SSE Securities and SZSE Securities (as described below) through the Stock Connect (through the Northbound Trading Link), subject to rules and regulations issued from time to time.

The following summary presents some key points about the Northbound Trading Link (which may be utilized by the CSOP CSI 500 ETF to invest in the PRC mainland):

Eligible securities

Among the different types of SSE-or SZSE-listed securities, only China A-Shares and exchange traded funds ("**ETFs**") are currently permitted for Northbound trading under the Stock Connect.

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

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

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

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

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

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

In addition, Hong Kong and overseas investors are able to trade eligible SSE-listed and SZSE-listed ETFs that satisfy the relevant criteria at a regular review and are accepted as eligible ETFs for Northbound trading in Stock Connect. Regular reviews will be performed to determine the eligible ETFs for Northbound trading every six months.

The list of eligible securities may be subject to review and approval by the relevant Chinese Mainland regulators from time to time.

Trading day

Due to differences in public holidays between Hong Kong and Chinese Mainland, there may be differences in the trading days in the two markets. Even if the Chinese Mainland markets are open on a certain day, the CSOP CSI 500 ETF may not necessarily be able to invest in SSE Securities and/or SZSE Securities through Northbound trading. For example, the Hong Kong market closes on Easter and Christmas every year, but those are trading days in Chinese Mainland.

Likewise, during Lunar New Year and the National Day golden week periods, Chinese Mainland will usually arrange for seven-day consecutive holidays by reshuffling workdays and weekends. Even for days both markets are open for business, there could be differences because of other reasons such as bad weather conditions. Investors (including the CSOP CSI 500 ETF) are only allowed to trade on the other market on days where both markets are open for trading, and banking services are available in both markets on the corresponding settlement days.

Trading quota

Trading under the Stock Connect is subject to a daily quota ("**Daily Quota**") presently set at RMB52 billion for each of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, which is separate for Northbound and Southbound trading. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day.

The quotas do not belong to the CSOP CSI 500 ETF and are utilized on a first-come-first-serve basis. The SEHK publishes the remaining balance of the Northbound Daily Quota at scheduled times on the HKEX's website. Should there be any change in the Daily Quota, the Manager will not inform the Unitholders.

Settlement and Custody

The Hong Kong Securities Clearing Company Limited ("**HKSCC**"), also a wholly-owned subsidiary of HKEX, is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The SSE Securities and SZSE Securities traded through the Stock Connect are issued in scripless form, so investors will not hold any physical securities. In the operation of the Stock Connect, Hong Kong and overseas investors who have acquired SSE Securities and SZSE Securities through Northbound trading should

maintain the SSE Securities and SZSE Securities with their brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

Corporate actions and shareholders' meetings

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

HKSCC monitors the corporate actions affecting SSE Securities or SZSE Securities and keep the relevant brokers or custodians participating in CCASS ("CCASS participants") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

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

Foreign shareholding restrictions

The CSRC stipulates that, when holding China A-Shares through the Stock Connect, Hong Kong and overseas investors are subject to the following shareholding restrictions:

- Single foreign investors' shareholding by any Hong Kong or overseas investor in a China A-Share must not exceed 10% of the total issued shares; and
- Aggregate foreign investors' shareholding by all Hong Kong and overseas investors in a China A-Share must not exceed 30% of the total issue shares.
- When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the rules, the shareholding of the strategic investments is not capped by the above-mentioned percentages.

Should the shareholding of a single investor in a China A-Share listed company exceed the above restriction, the investor may be required to unwind his position on the excessive shareholding according to a last-in- first-out basis within a specific period. The SSE, the SZSE and the SEHK will issue warnings or restrict the buy orders for the related China A- Shares if the percentage of total shareholding is approaching the upper limit.

SSE and SZSE-listed ETFs are not subject to the aforementioned shareholding restrictions.

Currency

Hong Kong and overseas investors will trade and settle SSE Securities and SZSE

Securities in RMB only. Hence, the CSOP CSI 500 ETF needs to use its RMB funds to trade and settle SSE Securities and SZSE Securities.

Trading fees

In addition to paying trading fees and stamp duties in connection with SSE Securities and/or SZSE Securities, the CSOP CSI 500 ETF may be subject to new portfolio fees, dividend tax and tax concerned with income arising from transfers of SSE Securities and/or SZSE Securities which are yet to be determined by the relevant authorities.

Coverage of Investor Compensation Fund

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund covers investors' losses in relation to securities traded on a stock market operated by the SSE and the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the CSOP CSI 500 ETF is carrying out northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, such trading is not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland.

Further information about the Stock Connect is available at the website: https://www.hkex.com.hk/mutual-market/stock-connect?sc_lang=en.

9. RMB PAYMENT AND ACCOUNT PROCEDURES

Investors may unless otherwise agreed by relevant Participating Dealer, apply for Units through Participating Dealers only if they have sufficient RMB to pay the application monies and the related fees. Investors should note that RMB is the only official currency of the PRC mainland. While both onshore RMB ("**CNY**") and offshore RMB ("**CNH**") are the same currency, they are traded in different and separated markets. Since the two RMB markets operate independently where the flow between them is highly restricted, CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there is a significant amount of RMB held offshore (i.e. outside the PRC mainland), CNH cannot be freely remitted into the PRC mainland and is subject to certain restrictions, and vice versa. As such whilst CNH and CNY are both the same currency, certain special restrictions do apply to RMB outside the PRC mainland. The liquidity and trading price of the CSOP CSI 500 ETF may be adversely affected by the limited availability of, and restrictions applicable to, RMB outside the PRC mainland.

Application monies from Participating Dealers to the CSOP CSI 500 ETF will be paid in RMB only. Accordingly a Participating Dealer may require an investor (as its client) to pay CNH to it. (Payment details will be set out in the relevant Participating Dealer's documentation such as the application form for its clients.) As such, an investor may need to have opened a bank account (for settlement) and a securities dealing account if a Participating Dealer is to subscribe for Units on his behalf as such investor will need to have accumulated sufficient CNH 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 such investor by the Participating Dealer by crediting such amount into such investor's CNH bank account. Similarly, if investors wish to buy and sell Units in the secondary market on the SEHK, they may need to open a securities dealing account with their broker. Investors will need to check with the relevant Participating Dealer and/or their broker for payment details and account procedures.

If any investors wish to buy or sell RMB traded Units on the secondary market, they should contact their brokers and they are reminded to confirm with their brokers' in respect of Units traded in RMB their brokers' readiness for dealing and/or clearing transactions in RMB securities and to check other relevant information published by the SEHK regarding readiness of its participants for dealing in RMB securities from time to time. CCASS Investor Participants who wish to settle the payment in relation to their trades in the RMB traded Units using their CCASS Investor Participant account or to receive distributions in RMB should make sure that they have set up an RMB designated bank account with CCASS.

Investors intending to purchase RMB traded Units from the secondary market should consult their stockbrokers as to the RMB funding requirement and settlement method for such purchase. Investors may need to open and maintain securities dealing accounts with the stockbroker first before any dealing in Units traded in either HKD or RMB can be effected.

Investors should ensure they have sufficient CNH to settle the trades of Units traded in RMB. 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 transfer 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.

The transaction costs of dealings in the Units on the SEHK include the trading fee payable to HKEX, Commission's transaction levy and Accounting and Financial Reporting Council ("AFRC") transaction levy. All these secondary trading related fees and charges will be collected in Hong Kong dollars and in respect of Units traded in RMB calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEx's website by 11:00 a.m. on each trading day.

Investors should consult their own brokers or custodians as to how and in what currency the trading related fees and charges and brokerage commission should be paid by the investors.

Where payment in RMB is to be made by cheque, investors are advised to consult the bank at which their respective RMB bank accounts are opened in advance whether there are any specific requirements in relation to the issue of RMB cheques. In particular, investors should note that some banks have imposed an internal limit (usually RMB80,000) on the balance of RMB cheque account of their clients or the amount of cheques that their clients can issue in a day and such limit may affect an investor's arrangement of funding for an application (through a Participating Dealer) for creation of Units.

When an individual investor who is a Hong Kong resident opens an RMB bank account or settle RMB payments, he or she will be subject to the daily maximum remittance amount to the PRC mainland which is 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 mainland and provided that the account name of the account in the PRC mainland is

identical with that of the RMB bank account with the bank in Hong Kong.

On the other hand, an individual investor who is a non-Hong Kong resident may open an RMB bank account in Hong Kong and may exchange other currencies for RMB without any limit. However, non-Hong Kong residents may not remit RMB to the PRC mainland unless approval is obtained pursuant to PRC mainland rules and regulations.

Please refer to section "**10.2 Renminbi related risks**" of this Appendix on risks associated with Renminbi.

9A. RENMINBI EQUITY TRADING SUPPORT FACILITY ("TSF")

The TSF was launched on 24 October 2011 by the HKEx to provide a facility to enable investors who wish to buy RMB-traded shares (RMB shares) in the secondary market with Hong Kong dollars if they do not have sufficient RMB or have difficulty in obtainin g RMB from other channels. The coverage of TSF has been extended to equity-related ex change traded funds and real estate investment trusts traded in RMB with effect from 6 A ugust 2012. As such, the TSF is currently available to investors who wish to invest in t he CSOP CSI 500 ETF and trading in RMB on the SEHK. For further details on the TSF, please refer to the website of HKEx at https://www.hkex.com.hk/Global/Exchange/FAQ/Featured/RMB-Readiness-and-Services/RMB-Equity-Trading-Support-Facility?sc_lang=en. Investors should consult their advisers if they have any query on the TSF.

10. RISK FACTORS RELATING TO THE CSOP CSI 500 ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP CSI 500 ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP CSI 500 ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP CSI 500 ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

10.1 Chinese Mainland market / China A-Share market risks

Chinese Mainland market / Single country investment. Insofar as the CSOP CSI 500 ETF seeks exposure and/or invests in securities issued in Chinese Mainland, it will be subject to risks inherent in the Chinese Mainland market and additional concentration risks. Please refer to the risk factors under section "***4.1 Risk Factors relating to Chinese Mainland***" and section "***4.2 Investment risks***" under headings "***Restricted markets risk***", "***Emerging Market Risk***" and "***Single country risk***" in Part 1 of this Prospectus.

Risks relating to dependence upon trading on China A-Share market. The existence of a liquid trading market for China A-Shares may depend on whether there is supply of, and demand for, such China A-Shares. The price at which the China A-Shares may be purchased or sold by the CSOP CSI 500 ETF and the Net Asset Value of the CSOP CSI 500 ETF may be adversely affected if trading markets for

China A-Shares are limited or absent. Investors should note that the SZSE and the SSE on which China A-Shares are traded are undergoing development and the market capitalisation of those stock exchanges are lower than those in more developed markets. The China A-Share market may be more volatile and unstable (for examples due to the risk of suspension of a particular stock or government intervention) than those in more developed markets. A Participating Dealer may not be able to create and redeem Units if any China A-Shares constituting the portfolio of the CSOP CSI 500 ETF are not available. Market volatility and settlement difficulties in the China A-Share markets may also result in significant fluctuations in the prices of the China A-Shares traded on such markets and thereby may affect the value of the CSOP CSI 500 ETF.

Risks relating to suspension of the China A-Share market. Securities exchanges in Chinese Mainland typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible for the Manager to liquidate positions and can thereby expose the CSOP CSI 500 ETF to losses. Under such circumstances, while creation/ redemption of the CSOP CSI 500 ETF's Units may be suspended, subject to the Manager's discretion, the trading of the CSOP CSI 500 ETF on the SEHK may or may not be suspended. If some of the China A-Shares comprising the portfolio of the CSOP CSI 500 ETF are suspended, it may be difficult for the Manager to determine the Net Asset Value of the CSOP CSI 500 ETF. Where a significant number of the China A-Shares comprising the portfolio of the CSOP CSI 500 ETF are suspended, the Manager may determine to suspend the creation and redemption of Units of the CSOP CSI 500 ETF, and/or delay the payment of any monies in respect of any Redemption Application. If the trading of the CSOP CSI 500 ETF on the SEHK continues when the China A-Share market is suspended, the trading price of the CSOP CSI 500 ETF may deviate away from the Net Asset Value.

As a result of the trading band limits imposed by the stock exchanges in Chinese Mainland on China A-Shares, it may not be possible for Participating Dealers to create and/or redeem Units on a Business Day, because the China A-Shares constituting the portfolio of the CSOP CSI 500 ETF may not be available if the trading band limit has been exceeded for such China A-Shares or it is impossible to liquidate positions. This may lead to higher tracking error and may expose the CSOP CSI 500 ETF to losses. Further, the price of the Units of the CSOP CSI 500 ETF may be traded at a premium or discount to its Net Asset Value. The Manager has put in place measures to tackle the trading band limit as disclosed under section "***8.2 Measures Adopted by the Manager to Address the Differences between the China A-Share Market and the Hong Kong Market"*** in this Appendix.

Risks relating to the differences between the Hong Kong and Chinese Mainland stock markets. As the SZSE and the SSE may be open when Units in the CSOP CSI 500 ETF are not priced, the value of the China A-Shares in the CSOP CSI 500 ETF's portfolio may change on days when investors will not be able to purchase or sell the CSOP CSI 500 ETF's Units. Furthermore, the market prices of China A-Shares listed on the above stock exchanges may not be available during part of or all of the SEHK trading sessions due to trading hour differences which may result in Units of the CSOP CSI 500 ETF being traded at a premium or discount to its Net Asset Value.

In addition, differences in trading hours between the SZSE and SSE and the SEHK may increase the level of premium/discount of the price of Units of the CSOP CSI 500 ETF to its Net Asset Value because if the SSE and/or SZSE is closed while the SEHK is open, the Underlying Index level may not be available. The prices quoted by the market maker would therefore be adjusted to take into account any accrued market risk that arises from such unavailability of the Underlying Index level and as a result, the level of premium or discount of the Unit price of the CSOP CSI 500 ETF to its Net Asset Value may be higher.

There are no trading band limits in Hong Kong. However, trading band limits are imposed by the stock exchanges in Chinese Mainland on China A-Shares, where trading in any China A-Share security on the relevant stock exchange may be suspended if the trading price of the security has hit the trading band limit during the day. Any dealing suspension of a China A-Share security will render it impossible for the CSOP CSI 500 ETF to acquire China A-Shares or liquidate positions to reflect creation/redemption of the Units. This may result in higher tracking error and may expose the CSOP CSI 500 ETF to losses. Units of the CSOP CSI 500 ETF may also be traded at a significant premium or discount to its Net Asset Value.

10.2 Renminbi related risks

Renminbi currency risk. RMB is currently not a freely convertible currency and is subject to foreign exchange control and fiscal policies of and repatriation restrictions imposed by the Chinese government. If such policies change in future, the CSOP CSI 500 ETF's or the investors' position may be adversely affected. Please refer to the risk factor "***Renminbi Exchange Risk***" under section "***4.1 Risk Factors relating to Chinese Mainland***" in Part 1 of the Prospectus.

Primary market investors must subscribe for Units of the CSOP CSI 500 ETF and will receive redemption proceeds in RMB. Since the CSOP CSI 500 ETF is denominated in RMB, non-RMB based investors are exposed to fluctuations in the RMB exchange rate against their base currencies and may incur substantial capital loss due to foreign exchange risk. There is no assurance that RMB will not be subject to devaluation, in which case the value of their investments will be adversely affected. If investors wish or intend to convert the redemption proceeds or dividends (in RMB on both HKD traded Units and RMB traded Units) paid by the Sub-Fund or sale proceeds (in RMB on RMB traded units) into a different currency, they are subject to the relevant foreign exchange risk and may suffer losses from such conversion as well as associated fees and charges.

Offshore RMB Market risk. The onshore RMB ("**CNY**") is the only official currency of the PRC mainland and is used in all financial transactions between individuals, state and corporations in the PRC mainland ("**Onshore RMB Market**"). Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC mainland ("**Offshore RMB Market**"). Since June 2010, the offshore RMB ("**CNH**") is traded officially, regulated jointly by the Hong Kong Monetary Authority and the PBOC. As a result of the controls on cross-border transfers of Renminbi between Hong Kong and Chinese Mainland, the Onshore RMB Market and the Offshore RMB Market are, to an extent, segregated, and each market may be subject to different regulatory requirements that are applicable to the Renminbi. The CNY may therefore trade at a different foreign exchange rate compared to

the CNH. Due to the strong demand for offshore RMB, CNH used to be traded at a premium to onshore RMB, although occasional discount may also be observed. The CSOP CSI 500 ETF's investments may potentially be exposed to both the CNY and the CNH, and the CSOP CSI 500 ETF may consequently be exposed to greater foreign exchange risks and/or higher costs of investment (for example, when converting other currencies to the Renminbi at the CNH rate of exchange).

However, the current size of RMB-denominated financial assets outside the PRC mainland is limited. At the end of 30 April 2015, the total amount of RMB (CNH) deposits held by institutions authorised to engage in RMB banking business in Hong Kong amounted to approximately RMB 955.16 billion. In addition, participating authorised institutions are required by the Hong Kong Monetary Authority to maintain a total amount of RMB assets (in the form of, inter alia, cash and the institution's settlement account balance with the Renminbi clearing bank, holding of RMB sovereign bonds issued in Hong Kong by the PRC Ministry of Finance and bond investment through the PRC mainland interbank bond market) 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. The Renminbi clearing bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions.

Although it is expected that the Offshore RMB Market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC mainland laws and regulations on foreign exchange. There is no assurance that new PRC mainland laws and regulations will not be promulgated, terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC mainland may affect the liquidity of the CSOP CSI 500 ETF. 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.

*Offshore RMB ("**CNH**") Remittance Risk.* RMB is not freely convertible at present. The PRC mainland government continues to regulate conversion between RMB and foreign currencies despite the significant reduction over the years by the PRC mainland government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in June 2010 to cover 20 provinces and municipalities in the PRC mainland and to make RMB trade and other current account item settlement available in all countries worldwide. On 25 February 2011, the Ministry of Commence ("**MOFCOM**") promulgated the Circular on Issues concerning Foreign Investment Management（商務部關於外商投資管理工作有關問題的通知）(the

"**MOFCOM Circular**"). The MOFCOM Circular states that if a foreign investor intends to make investments in the PRC mainland (whether by way of establishing a new enterprise, increasing the registered capital of an existing enterprise, acquiring an onshore enterprise or providing loan facilities) with RMB that it has generated from cross-border trade settlement or that is lawfully obtained by it outside the PRC mainland, MOFCOM's prior written consent is required. While the MOFCOM Circular expressly sets out the requirement of obtaining MOFCOM's prior written consent for remittance of RMB back in the PRC mainland by a foreign investor, the foreign investor may also be required to obtain approvals from other PRC mainland regulatory authorities, such as the PBOC and SAFE, for transactions under capital account items. As the PBOC and SAFE have not promulgated any specific PRC mainland regulation on the remittance of RMB into the PRC mainland for settlement of capital account items, foreign investors may only remit offshore RMB into the PRC mainland for capital account purposes such as shareholders' loan or capital contribution upon obtaining specific approvals from the relevant authorities on a case-by-case basis. There is no assurance that the PRC mainland government will continue to gradually liberalise the control over cross-border RMB remittances in the future, that the pilot scheme introduced in July 2009 (as extended in June 2010) will not be discontinued or that new PRC mainland regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of RMB into or outside the PRC mainland. Such an event could have a severe adverse effect on the operations of the CSOP CSI 500 ETF, including limiting the ability of the CSOP CSI 500 ETF to redeem and pay the redemption proceeds in RMB and the ability of Participating Dealers to create or redeem and so to settle in RMB to their underlying clients. In addition, such restrictions could cause Units to trade on the SEHK at a significant discount to the Net Asset Value per Unit.

Currently the Bank of China (Hong Kong) Limited is the only clearing bank for offshore RMB in Hong Kong. A clearing bank is an offshore bank that can obtain RMB funding from the PBOC to square the net RMB positions of other participating banks. In February 2004, Bank of China (Hong Kong) Limited launched its RMB clearing services following its appointment by the PBOC. Remittance of RMB funds into Chinese Mainland may be dependent on the operational systems developed by the Bank of China (Hong Kong) Limited for such purposes, and there is no assurance that there will not be delays in remittance.

10.3 Risks associated with investing in swap

Limited availability of swaps risk. The Manager's ability to manage the CSOP CSI 500 ETF in accordance with its stated investment objective will depend upon the willingness and ability of potential swap counterparties to engage in swaps with the CSOP CSI 500 ETF linked to the performance of the underlying Securities of the Underlying Index. A swap counterparty's ability to continue to enter into swaps or other derivative transactions with the CSOP CSI 500 ETF may be reduced or eliminated, which could have a material adverse effect on the CSOP CSI 500 ETF. Furthermore, swaps are of limited duration and there is no guarantee that swaps entered into with a swap counterparty will continue indefinitely. Accordingly, the duration of as depends on, among other factors, the ability of the CSOP CSI 500 ETF to renew the expiration

period of the relevant swap at agreed upon terms. If the CSOP CSI 500 ETF is unable to obtain sufficient exposure to the performance of the Underlying Index because of the limited availability of swaps linked to the performance of the underlying Securities of the Underlying Index, the CSOP CSI 500 ETF could, among other alternatives, as a defensive measure, suspend creations until the Manager determines that the requisite swap exposure is obtainable. During the period that creations are suspended, the CSOP CSI 500 ETF could trade at a significant premium or discount to the Net Asset Value and could experience substantial redemptions. To the extent that such events result in a termination event under the CSOP CSI 500 ETF's swaps, the risks related to the limited availability of swaps would be compounded and the CSOP CSI 500 ETF may be adversely affected.

Counterparty risk. Because a swap is an obligation of the swap counterparty rather than a direct investment in the Underlying Index constituents, the CSOP CSI 500 ETF may suffer losses potentially equal to, or greater than, the full value of the swap if the swap counterparty fails to perform its obligations under the swap as a result of bankruptcy or otherwise. Any loss would result in a reduction in the Net Asset Value of the CSOP CSI 500 ETF and will likely impair the CSOP CSI 500 ETF's ability to achieve its investment objective. The counterparty risk associated with the CSOP CSI 500 ETF's investments is expected to be greater than that may be encountered by most other funds because the CSOP CSI 500 ETF expects to use swaps as the principal means to gain exposure to the Underlying Index. Despite the counterparty risk management measures in place, the management of the CSOP CSI 500 ETF's net exposure to each swap counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the swap counterparty to the CSOP CSI 500 ETF) as set out in the terms of the swap transactions. The CSOP CSI 500 ETF's net exposure to each swap counterparty may exceed zero if any such risks eventuate. The extent of the CSOP CSI 500 ETF's potential loss arising in this regard is likely to be the amount of the CSOP CSI 500 ETF's net counterparty exposure.

Intra-day counterparty risk: The Manager will manage the CSOP CSI 500 ETF to ensure that the collateral held by the CSOP CSI 500 ETF will represent at least 100% of the CSOP CSI 500 ETF's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the CSOP CSI 500 ETF is not at least 100% of the CSOP CSI 500 ETF's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each swap counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on or before trading day T+2. Despite the counterparty risk management measures in place, the management of the CSOP CSI 500 ETF's net exposure to each swap counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the swap counterparty to the CSOP CSI 500 ETF). Any delay in the cash payment by the swap counterparty to the CSOP CSI 500 ETF prior to the end of the relevant trading day T+2 may cause the CSOP CSI 500 ETF's exposure to a swap counterparty to be larger than zero from time to time.

This may result in significant losses for the CSOP CSI 500 ETF in the event of the insolvency or default of that swap counterparty

Early termination of swaps risk: In some circumstances, a swap counterparty can terminate the swap agreements early which may adversely impact the CSOP CSI 500 ETF's performance. Such early termination can also impair the CSOP CSI 500 ETF's ability to achieve its investment objective and may subject the CSOP CSI 500 ETF to substantial loss. Also, the CSOP CSI 500 ETF may face an increase in the cost to enter into a similar swap agreement with additional swap counterparties.

Change of swap fees risk: The CSOP CSI 500 ETF will bear the swap fees, which are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. In extreme market conditions and exceptional circumstances, the brokerage commission and the swap counterparty's costs of financing the underlying hedge may increase significantly and in return cause negative impact on the Net Asset Value of the CSOP CSI 500 ETF.

Liquidity risk. Swaps may be subject to liquidity risk, which exists when a particular swap is difficult to purchase or sell. If a swap transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price, which may result in significant losses to the CSOP CSI 500 ETF. In addition, a swap may be subject to the CSOP CSI 500 ETF's limitation on investments in illiquid Securities. Swaps may be subject to pricing risk, which exists when a particular swap becomes extraordinarily expensive (or inexpensive) relative to historical prices or the prices of corresponding cash market instruments. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the CSOP CSI 500 ETF's ability to terminate existing swaps or to realise amounts to be received under such agreements. There may also be no active market in certain FDIs and therefore investment in such FDIs can be illiquid. In order to meet requests, the CSOP CSI 500 ETF relies upon the issuer of the FDIs to quote a market to unwind any part of the FDIs that will reflect the market liquidity conditions and the size of the transaction.

Valuation risk. The CSOP CSI 500 ETF's assets, in particular swaps entered into by the CSOP CSI 500 ETF, involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations. However the Manager will carry out an independent verification of this valuation on a daily basis as described under the section "***8.1 Determination of the Net Asset Value***" in Part 1 of the Prospectus.

Legal risk. The characterisation of a transaction or a party's legal capacity to enter into it could render the swap unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights.

Short selling by swap counterparty risk. The swap counterparty to the CSOP CSI 500 ETF may need to short sell the constituents of the Underlying Index or Securities relating to the Underlying Index for the purposes of hedging. Many regulators have banned "naked" short selling (a practice that has been prohibited in Hong Kong since short selling was first introduced) or completely suspended short selling for certain stocks.

Any such bans with the effect of prohibiting the short selling of Securities, in particular Securities relating to the Underlying Index, may affect a swap counterparty's ability to hedge its position and may trigger an early termination of the OTC swap transaction. Such early termination could impair the CSOP CSI 500 ETF's ability to achieve its investment objective and subject the CSOP CSI 500 ETF to substantial loss.

Mandatory measures imposed by relevant parties risk. Regarding the CSOP CSI 500 ETF's swaps, relevant parties (such as swap counterparties, participating dealers and stock exchanges) may impose certain mandatory measures for risk management purpose under extreme market circumstances. These measures may include early termination of the swaps, no further swap contracts signed and having limited or no access to exposure. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interest of the CSOP CSI 500 ETF's Unitholders and in accordance with the CSOP CSI 500 ETF's constitutive documents, including suspension of creation of the CSOP CSI 500 ETF's units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the CSOP CSI 500 ETF. These corresponding actions may have an adverse impact on the operation, secondary market trading, index-tracking ability and the Net Asset Value of the CSOP CSI 500 ETF. While the Manager will endeavour to provide advance notice to investors regarding these actions to the extent possible, such advance notice may not be possible in some circumstances.

Capacity limit risk. The swap counterparties may also be subject to a capacity limit representing the commitment of the swap counterparty to conduct the Swap transactions to provide the required exposure to the Index for the CSOP CSI 500 ETF. Accordingly, the CSOP CSI 500 ETF's exposure to the Index may be affected. Whilst the Manager does not anticipate that this will have any immediate effect on the CSOP CSI 500 ETF, if any swap counterparty reaches its capacity limit or if the Net Asset Value of the CSOP CSI 500 ETF grows significantly this may affect creations of Units due to the inability of the CSOP CSI 500 ETF to conduct swap transactions. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. The investment exposure could also deviate from the target exposure which adds tracking error to the CSOP CSI 500 ETF.

10.4 Risks relating to the QFI regime

QFI risk. The CSOP CSI 500 ETF is not a QFI but may obtain access to China A-Shares, or other permissible investments directly using the QFI status of a QFI. The CSOP CSI 500 ETF may invest directly in QFI eligible securities investment via the QFI status of the Manager. The Swap Counterparties may hedge their Swap exposure by investing in A-Shares through QFI of itself or a third party/affiliate. Investments through QFI will also be subject to the following risks

Investors should note that QFI status could be suspended or revoked, which may have an adverse effect on the CSOP CSI 500 ETF's performance as the CSOP CSI 500 ETF may be required to dispose of its securities holdings. In addition, certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on the CSOP CSI 500 ETF's liquidity and performance.

SAFE regulates and monitors the repatriation of funds out of the PRC mainland by the QFI pursuant to the "Regulations on Funds of Domestic Securities and Futures Investment by Foreign Institutional Investors" issued by the PBOC and the

SAFE on 7 May 2020 and effective from 6 June 2020 (《境外機構投資者境內證券期貨投資資金管理規定》) (the "**QFI Fund Regulations**"). Repatriations by QFIs in respect of an open-ended fund utilizing the QFI status (such as the CSOP CSI 500 ETF) conducted in RMB are currently permitted daily and are not subject to repatriation restrictions or prior approval from the SAFE, although authenticity and compliance reviews will be conducted by the PRC Custodian, and monthly reports on remittances and repatriations will be submitted to SAFE by the PRC Custodian. There is no assurance, however, that PRC mainland rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Further, such changes to the PRC mainland rules and regulations may take effect retrospectively. Any restrictions on repatriation of the invested capital and net profits may impact on the CSOP CSI 500 ETF's ability to meet redemption requests from the Unitholders. Furthermore, as the Custodian's or the PRC Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the Custodian or the PRC Custodian in case of non-compliance with the QFI Regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Unitholder as soon as practicable, and within 3 Business Days, and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Manager's control.

SAFE is vested with the power to impose regulatory sanctions if the QFI or the PRC Custodian violates any provision of the QFI Fund Regulations. Any violations could result in the revocation of the QFI's status or other regulatory sanctions and may adversely impact on the QFI's status. Therefore in the event that the QFI status of the Manager is revoked or cancelled due to violation of the QFI Fund Regulations in relation to any funds under the management of the Manager, this will have an adverse impact on all the funds (including the CSOP CSI 500 ETF) under the Manager's management as a whole.

Investors should note that there can be no assurance that a QFI will continue to maintain its QFI status, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations. Such circumstances may respectively result in a rejection of applications and a suspension of creation for the CSOP CSI 500 ETF. In extreme circumstances, the CSOP CSI 500 ETF may incur significant losses due to revocation of the QFI status, limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to QFI investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The current QFI laws, rules and regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the QFI laws, rules and regulations will not be abolished. The CSOP CSI 500 ETF, which invests in the PRC mainland markets through a QFI, may be adversely affected as a result of such changes.

Application of QFI rules. The application of the QFI Regulations described under section "**7. *Qualified Foreign Investor (QFI)***" in this Appendix may depend on the interpretation given by the relevant Chinese authorities. The Chinese authorities and regulators have been given wide discretion in such investment

regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future.

Any changes to the relevant rules may have an adverse impact on investors' investment in the CSOP CSI 500 ETF. In the worst scenario, the Manager may determine that the CSOP CSI 500 ETF shall be terminated if it is not legal or viable to operate the CSOP CSI 500 ETF because of changes to the application of the relevant rules.

QFI systems risk. The current QFI Regulations include rules on investment restrictions applicable to the CSOP CSI 500 ETF.

In the event of any default of the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC mainland, the CSOP CSI 500 ETF may encounter delays in recovering its assets which may in turn impact the Net Asset Value of the CSOP CSI 500 ETF.

Risks relating to liquidity of China A-Shares. Due to the potential liquidity constraint of the underlying Index Securities, the Manager may not be able to efficiently process the transactions for the Creation and Redemption Applications without adverse impact on the fund value of the CSOP CSI 500 ETF, and therefore the existing investors' interest. Accordingly, the Manager may impose a limit on the total number of Units to be created or redeemed each day.

PRC Custodian risk. The Trustee shall take into its custody or under its control property of the CSOP CSI 500 ETF and hold it on trust for Unitholders. The assets held/credited in the securities account(s) are segregated and independent from the proprietary assets of the PRC Custodian. However, investors should note that, under PRC mainland law, cash deposited in the cash account(s) of the CSOP CSI 500 ETF with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the CSOP CSI 500 ETF as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the CSOP CSI 500 ETF will not have any proprietary rights to the cash deposited in such cash account(s), and the CSOP CSI 500 ETF will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the PRC Custodian.

The CSOP CSI 500 ETF may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the CSOP CSI 500 ETF will suffer.

PRC mainland brokerage risk. The execution of transactions may be conducted by PRC Mainland Broker(s) appointed by the Manager as a QFI. More than one PRC Mainland Brokers can be appointed in respect of each stock exchange in the PRC mainland. If any of the designated PRC Mainland Broker in the PRC mainland cannot be used, the operation of the CSOP CSI 500 ETF will be adversely affected and may cause Units of the CSOP CSI 500 ETF to trade at a premium or discount to its Net Asset Value or the CSOP CSI 500 ETF may not be able to track the Underlying Index. Further, the operation of the CSOP CSI 500 ETF may be adversely affected in case of any acts or omissions of the PRC Mainland Brokers, which may result in a higher tracking error or the CSOP CSI

500 ETF being traded at a significant premium or discount to its Net Asset Value.

As only a limited number of PRC Mainland Brokers may be appointed, the CSOP CSI 500 ETF may not necessarily pay the lowest commission available in the market. The Manager however, in the selection of PRC Mainland Brokers will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards.

There is a risk that the CSOP CSI 500 ETF may suffer losses from the default, bankruptcy or disqualification of the PRC Mainland Brokers. In such event, the CSOP CSI 500 ETF may be adversely affected in the execution of any transaction. As a result, the net asset value of the CSOP CSI 500 ETF may also be adversely affected.

Subject to the applicable laws and regulations, the Manager will make arrangements to satisfy itself that the PRC Mainland Brokers have appropriate procedures to properly segregate the CSOP CSI 500 ETF's securities from those of the relevant PRC Mainland Brokers.

10.5 Risks associated with Stock Connect

The CSOP CSI 500 ETF may invest through the Stock Connect and is subject to the following additional risks:

Quota limitations risk. The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the CSOP CSI 500 ETF's ability to invest in the eligible securities through the Stock Connect on a timely basis, and the CSOP CSI 500 ETF may not be able to effectively pursue its investment strategies.

Suspension risk. It is contemplated that each of the SEHK, the SSE and the SZSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the Stock Connect is effected, the CSOP CSI 500 ETF's ability to access the PRC mainland market will be adversely affected.

Differences in trading day. The Stock Connect only operates on days when both the PRC mainland (SSE and SZSE) and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC mainland market but Hong Kong investors (such as CSOP CSI 500 ETF) cannot carry out any trading via the Stock Connect. The CSOP CSI 500 ETF may be subject to a risk of price fluctuations in the relevant securities during the time when the Stock Connect is not trading as a result.

Operational risk. The Stock Connect provides a channel for investors from Hong Kong and overseas to access the Chinese Mainland stock market directly.

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("**China Stock Connect System**") was set up by the SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The CSOP CSI 500 ETF's ability to access the Chinese Mainland market (and hence to pursue its investment strategy) will be adversely affected.

Restrictions on selling imposed by front-end monitoring risk. PRC mainland regulations require that before an investor sells any SSE Securities and/or SZSE Securities, there should be sufficient SSE Securities or SZSE Securities (as the case may be) in the account; otherwise the SSE or the SZSE will reject the sell order concerned. The SEHK will carry out pre-trade checking on SSE Securities and SZSE Securities sell orders of its participants (i.e. the stock brokers) to ensure there is no over- selling.

If the CSOP CSI 500 ETF desires to sell certain SSE Securities and/or SZSE Securities it holds, it must transfer such SSE Securities or SZSE Securities (as the case may be) to the respective accounts of its brokers before the market opens on the day of selling ("**trading day**"). If it fails to meet this deadline, it will not be able to sell SSE Securities or SZSE Securities on the trading day. Because of this requirement, the CSOP CSI 500 ETF may not be able to dispose of holdings of SSE Securities or SZSE Securities in a timely manner.

Recalling of eligible securities risk. When a security is recalled from the scope of eligible securities for trading via the Stock Connect, the security can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the CSOP CSI 500 ETF, for example, when the Manager wishes to purchase a security which is recalled from the scope of eligible securities.

Clearing and settlement risk. The HKSCC and ChinaClear have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross- boundary trades initiated in a market, the clearing house of that market would on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC mainland's securities market, ChinaClear operates a comprehensive network of clearing, settlement and security holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding securities and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the CSOP CSI 500 ETF may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Nominee arrangements in holding SSE Securities and SZSE Securities risk. HKSCC is the "nominee holder" of the SSE Securities and the SZSE Securities acquired by Hong Kong and overseas investors through the Stock Connect.

The CSRC Stock Connect Rules expressly provide that investors enjoy the rights and benefits of SSE Securities and SZSE Securities acquired through the Stock Connect in accordance with applicable laws.

The CSRC Stock Connect Rules are departmental regulations having legal effect in the PRC mainland. However, the application of such rules is untested, and there is no assurance that PRC mainland courts will recognise such rules, e.g. in liquidation proceedings of PRC mainland companies.

It should be noted that, under the HKSCC Rules, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE Securities and the SZSE Securities in the PRC mainland or elsewhere. Therefore, although the CSOP CSI 500 ETF's ownership may be ultimately recognised, the CSOP CSI 500 ETF may suffer difficulties or delays in enforcing its rights in SSE Securities and SZSE Securities.

Participation in corporate actions and shareholders' meetings risk. HKSCC will keep CCASS participants informed of corporate actions of SSE Securities and SZSE Securities. Hong Kong and overseas investors (including the CSOP CSI 500 ETF) 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 CSOP CSI 500 ETF may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the CSOP CSI 500 ETF) are holding SSE Securities and SZSE Securities traded via the Stock Connect program through their brokers or custodians. According to existing mainland practice, multiple proxies are not available. Therefore, the CSOP CSI 500 ETF may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE Securities and the SZSE Securities.

No Protection by Investor Compensation Fund. Investment through Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers in their obligations. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund also covers investors' losses in relation to securities traded on a stock market operated by the SSE and the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the CSOP CSI 500 ETF is carrying out Northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland. Therefore the CSOP CSI 500 ETF is exposed to the risks of default of the broker(s) it engages in its trading in SSE Securities and SZSE Securities through the programme.

Regulatory risk. The Stock Connect is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC mainland and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The CSOP CSI 500 ETF, which may invest in the PRC mainland markets through the Stock Connect, may be adversely affected as a result of such changes.

Taxation risk. On 14 November 2014, the Ministry of Finance and the State of Administration of Taxation have jointly promulgated Caishui [2014] No.81 ("**Notice No.81**") in relation to the taxation rule on the Stock Connect. Under Notice No.81, with effect from 17 November 2014, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the CSOP CSI 500 ETF) on the trading of China A-Shares through the Stock Connect. However, dividends will be subject to 10% withholding tax and the company distributing the dividend has the withholding obligation. If the recipient of the dividend is entitled to a lower treaty rate, it can apply to the in-charge tax bureau of the payor for a refund. Investments in the CSOP CSI 500 ETF may be subject to the risks associated with changes in the PRC mainland tax laws and such changes may have retrospective effect and may adversely affect the CSOP CSI 500 ETF.

10.6 Dual Counter Trading risks

Dual Counter risk. Investors without RMB accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell RMB traded Units and should note that distributions are made in RMB only. As such investors may suffer a foreign exchange loss and incur foreign exchange associated fees and charges to receive their dividend.

Inter-counter trading risk. Although an investor may buy from one counter and

sell the same on the other counter in the same day, it is possible that some brokers/intermediaries and CCASS Participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, or (ii) trade units in both RMB counter and HKD counter at the same time. In such case (i) to (ii), another broker, intermediary or CCASS Participant may need to be used. This may inhibit or delay dealing in both RMB traded Units and HKD traded Units and may mean investors may only be able to trade their Units in one currency. Investors are recommended to check the readiness of their brokers / intermediaries in respect of the Dual Counter trading and inter-counter trading.

Investors should therefore consult their brokers/intermediaries on the services that the brokers/intermediaries may provide in this regard along with the associated risks and fees. In particular, some brokers/intermediaries may not have in place systems and controls to facilitate inter-counter trading and/or inter-counter day trades.

Difference in trading prices risk. There is a risk that due to different factors such as market liquidity, market supply and demand in the respective counters and the exchange rate between RMB and HKD (in both onshore and offshore markets), the market price on the SEHK of Units traded in HKD may deviate significantly from the market price on the SEHK of Units traded in RMB. The trading price of HKD traded Units or RMB traded Units 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 HKD or buying Units traded in HKD, an investor may receive less or pay more than the equivalent amount in RMB if the trade of the relevant Units is in RMB and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Currency exchange risk. Investors who bought Units on the HKD counter may be subject to currency exchange risk as the assets of the CSOP CSI 500 ETF are denominated in RMB and the Net Asset Value of the CSOP CSI 500 ETF will be calculated in RMB.

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.

10.7 Risks relating to RMB dealing, trading and settlement

Primary market:

Non-RMB or Late Settlement Redemption Risk. Currently, RMB cannot be freely remitted into the PRC mainland and such remittance is subject to certain restrictions. In the event that the remittance of RMB from Hong Kong to the PRC mainland is disrupted, this may impact on the ability of the CSOP CSI 500 ETF to acquire China A-Shares. This in turn may result in tracking error and the CSOP CSI 500 ETF may not be able to fully replicate the Underlying Index in

such circumstance.

On the other hand, 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 Hong Kong dollars 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 receive settlement in RMB on a delayed basis or may not be able to receive redemption proceeds in RMB (i.e. such proceeds may be paid in US dollars or Hong Kong dollars).

Secondary market:

RMB Trading and Settlement of Units Risk. There is no assurance that there will not be any problem with the trading and settlement systems of RMB-denominated securities in Hong Kong or that other logistical problems will not arise. The trading of the RMB traded Units and settlement in RMB, may not be capable of being implemented as envisaged.

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, some stockbrokers 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, there is no assurance of their readiness for dealing in RMB denominated securities. Investors should note that not all stockbrokers may be ready and able to carry out trading of RMB traded Units of the CSOP CSI 500 ETF and settlement in RMB and thus they may not be able to deal in the Units through some stockbrokers. Investors should check with their brokers / intermediaries in advance if they intend to engage Dual Counter trading or in inter-counter trading and should fully understand the services which the relevant broker / intermediary is able to provide (as well as any associated fees). Some exchange participants may not provide inter-counter trading or Dual Counter trading services.

In addition, the liquidity and trading price of the RMB traded Units of the CSOP CSI 500 ETF may be adversely affected by the limited availability of RMB outside the PRC mainland and the restrictions on the conversion between foreign currency and the RMB. This may result in the CSOP CSI 500 ETF trading at a significant premium / discount to its Net Asset Value.

10.8 Risks relating to the nature of product

Risks in light of the cross-border nature of the CSOP CSI 500 ETF. CSOP CSI 500 ETF is an RMB-denominated exchange traded fund that may directly invest in China A-Share market (which is a market with restricted access). In light of the cross-border nature of the CSOP CSI 500 ETF, it is more risky than traditional exchange traded funds which invest directly in markets other than the China A-Share market and therefore, is subject to operational and settlement risks. Operational risks may arise from technical failures of communication and trading systems, and any breaches of the relevant operational policies or guidelines by

the relevant staff of the Manager. Whilst the Manager has in place internal control systems, operational guidelines and contingency procedures to reduce the chances of such operational risks, there is no guarantee that events beyond the control of the Manager (e.g. trading errors or system errors) will not occur. The occurrence of such events may adversely affect the value of the CSOP CSI 500 ETF.

To the extent that the CSOP CSI 500 ETF transacts in the China A-Share market, the CSOP CSI 500 ETF may also be exposed to risks associated with settlement procedures. Any significant delays in the settlement of transactions or the registration of a transfer may affect the ability to ascertain the value of the CSOP CSI 500 ETF's portfolio and adversely affect the CSOP CSI 500 ETF.

10.9 Risks relating to the Underlying Index of CSOP CSI 500 ETF

Risks relating to the Underlying Index. The CSOP CSI 500 ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's license from the Index Provider under the relevant licence agreement is terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. Please refer to section "***15. Replacement of Underlying Index***" below on the circumstances in which the Underlying Index may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP CSI 500 ETF's investment objective.

The Manager has been granted a licence by CSI to use the Underlying Index as a basis for determining the composition of the CSOP CSI 500 ETF and to use certain trade marks in the Index. Under the Licence Agreement, CSI shall use its reasonable endeavours to provide the data services as set out in the Licence Agreement. The licence granted commenced on 24 February 2020 and shall continue in full force and effect unless terminated earlier. The Licence Agreement is subject to an initial fixed term of 3 years, and can thereafter be automatically renewed for successive terms of 2 years at a time, unless either party raises an objection for such renewal prior to the expiry of the term of the Licence Agreement. Please refer to section "***13. Index Licence Agreement***" below on the circumstances in which the Licence Agreement may be terminated. There is no guarantee that the Licence Agreement shall not be terminated. In addition, there is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

The CSOP CSI 500 ETF may be terminated if the Underlying Index is discontinued and/or the Licence Agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets

the acceptability criteria under Chapter 8.6(e) of the Code. Any such replacement index will be subject to the prior approval of the Commission under the Code and Unitholders will be duly notified of the same. Accordingly, investors should note that the ability of the CSOP CSI 500 ETF to track the Underlying Index and the viability of the CSOP CSI 500 ETF depend on the continuation in force of the Licence Agreement in respect of the Underlying Index or a suitable replacement.

For further information on the grounds for terminating the Licence Agreement in respect of the Underlying Index, please refer to section "***13. Index Licence Agreement***" in this Appendix.

(ii) There may be changes in the constituent securities of the Underlying Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the CSOP CSI 500 ETF, the Manager may rebalance the composition of a Basket. The price of the Units may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to section "***16. The Underlying Index***" of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

10.10 Risks associated with investment in FDIs

The CSOP CSI 500 ETF may invest more than 50% and up to 100% of its Net Asset Value in FDIs (fully funded total return swaps) through one or more swap counterparty(ies). As such, the CSOP CSI 500 ETF may suffer significant loss if a counterparty to the fully funded total return swaps fails to perform its obligations, or in case of insolvency or default of the swap 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 CSOP CSI 500 ETF. Exposure to FDIs may lead to a high risk of significant loss by the CSOP CSI 500 ETF.

Please refer to the risk factor under section "***4.2 Investment risks***" under the heading "***Financial Derivative Instruments and Collateral Risks***" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in

FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the CSOP CSI 500 ETF will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the CSOP CSI 500 ETF. Please also refer to the headings "**Financial Derivative Instruments**" and "**Collateral**" under Schedule 1 in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

Synthetic representative sampling risk. The Manager seeks to mitigate the swap 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 CSOP CSI 500 ETF may suffer significant losses. Any loss would result in a reduction in the Net Asset Value of the CSOP CSI 500 ETF and impair the ability of the CSOP CSI 500 ETF to achieve its investment objective to track the Underlying Index.

The CSOP CSI 500 ETF may suffer significant losses if the swap counterparty fails to perform its obligations under the funded swap. The value of the collateral assets (in the case of funded swaps) may be affected by market events and may diverge substantially from the performance of the Underlying Index, which may cause the CSOP CSI 500 ETF's exposure to the swap counterparty to be under-collateralised (in the case of funded swaps) and therefore result in significant losses.

10.11 Securities Lending Transactions Risks

Counterparty risk. The borrower may fail to return the securities in a timely manner or at all. The CSOP CSI 500 ETF may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the CSOP CSI 500 ETF's ability in meeting delivery or payment obligations from redemption requests.

Collateral risk. As part of the securities lending transactions, the CSOP CSI 500 ETF 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 CSOP CSI 500 ETF if the borrower fails to return the securities lent out. The CSOP CSI 500 ETF may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.

Operational risk. By undertaking securities lending transactions, the CSOP CSI 500 ETF is exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the CSOP CSI 500 ETF's ability in meeting delivery or payment obligations from redemption requests.

10.12 Other risks

Operating risk. There is no assurance that the performance of the CSOP CSI 500 ETF will be identical to the performance of the Underlying Index. The level of fees, taxes and expenses payable by the CSOP CSI 500 ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP CSI 500 ETF can be estimated, the growth rate of the

CSOP CSI 500 ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP CSI 500 ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under section "***11.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP CSI 500 ETF. On the termination of the CSOP CSI 500 ETF, the CSOP CSI 500 ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

Reliance on RMB Market Makers. Investors should note that Units of the CSOP CSI 500 ETF on the RMB counter are traded and settled in RMB. There may be less interest by potential market makers making a market in Units denominated and traded in RMB. Furthermore, any disruption to the availability of RMB may adversely affect the capability of market makers in providing liquidity for the Units.

No Market in the Units Risk. Although the Units are to be listed on the SEHK and 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 traded in the RMB counter and one market maker for Units traded in the HKD counter, investors should be aware that 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 other exchange traded fund which are traded on the SEHK and which are based upon indices.

Termination of Market Maker Risk. A market maker may cease to act as a market maker for any counter of the CSOP CSI 500 ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Units of the CSOP CSI 500 ETF for each counter will be three months. The liquidity for the RMB traded Units and HKD traded Units of the CSOP CSI 500 ETF may be affected if there is no market maker for the RMB traded Units and the HKD traded Units respectively. The Manager will use its best endeavours to put in place arrangements so that there is at least one market maker for each counter (although these market makers may be the same entity) to facilitate efficient trading of Units of the relevant trading currency (i.e. RMB and HKD). It is possible that there is only one SEHK market maker for each counter of the CSOP CSI 500 ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity Risk. Units will be a new security and following listing on the SEHK, it is unlikely that the Units will initially be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. There are also a number of limitations on the conversion of RMB. These factors may affect the amount of RMB available for investors to invest in Units on the SEHK and accordingly adversely affect the market demand for the Units. In turn this may affect the liquidity and trading price of the Units in the secondary market. Therefore, Unitholders may not be able to sell their Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Units.

Tracking error risk. The Manager will adopt a combination of (i) primarily a synthetic representative sampling strategy and (ii) a physical representative sampling strategy as an ancillary strategy. As such there can be no assurance of exact or identical replication at any time of the performance of the Underlying Index. Factors such as the fees and expenses of the CSOP CSI 500 ETF, costs of using FDIs, imperfect correlation between the CSOP CSI 500 ETF's assets and the Index Securities, inability to rebalance the CSOP CSI 500 ETF's holdings of Index Securities in response to changes in the constituents of the Underlying Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. These factors may cause the CSOP CSI 500 ETF's returns to deviate from the Underlying Index.

Risk relating to distributions paid out of capital. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP CSI 500 ETF are charged to/paid out of the capital of the CSOP CSI 500 ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP CSI 500 ETF and therefore, the CSOP CSI 500 ETF may effectively pay dividend out of the capital. **Investors should note that the payment of distributions out of or effectively out of capital represents a return or a withdrawal of part of the amount they originally invested or capital gain attributable to that amount. Any such distributions may result in an immediate reduction in the Net Asset Value per Unit of the CSOP CSI 500 ETF**.

Small to medium capitalisation companies risk. The Underlying Index intends to reflect the overall performance of small/medium-capitalisation A-shares. The shares of small/medium-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

Risks of investing in other funds. The CSOP CSI 500 ETF may invest in exchange traded funds listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange the principal objective of which is to track, replicate or correspond to the Underlying Index, and may therefore be subject to the risks associated with such underlying funds. The CSOP CSI 500 ETF 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 CSOP CSI 500 ETF.

The underlying funds in which the CSOP CSI 500 ETF may invest are not regulated by the Commission. There may be additional costs involved when investing into these underlying funds. There is also no guarantee that the underlying funds will always have high trading volume and sufficient liquidity and the CSOP CSI 500 ETF may not be able to realise or liquidate its investment in such underlying funds at such time as it wants to.

10.13 Proprietary Investments / Seed Money

The assets under management at any time during the life of the CSOP CSI 500 ETF

may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the CSOP CSI 500 ETF; and (ii) redeem its investment in the CSOP CSI 500 ETF at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the CSOP CSI 500 ETF by an interested party for any particular length of time. As many of the expenses of the CSOP CSI 500 ETF are fixed, a higher amount of assets under management may reduce the expenses of the CSOP CSI 500 ETF per Unit and a lower amount of assets under management may increase the expenses of the CSOP CSI 500 ETF per Unit. As with any other redemption representing a material portion of the CSOP CSI 500 ETF's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the CSOP CSI 500 ETF and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the CSOP CSI 500 ETF, (ii) cause other investors in the CSOP CSI 500 ETF to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the CSOP CSI 500 ETF, has become unmanageable and to consider taking exceptional measures, such as terminating the CSOP CSI 500 ETF, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

11. FEES AND CHARGES

11.1 Management Fees and Servicing Fees

The Manager is entitled to receive a management fee, currently at the rate of 0.50% per annum of the Net Asset Value of the CSOP CSI 500 ETF accrued daily and calculated as of each Dealing Day and payable monthly in arrears.

11.2 Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and the Registrar out of the management fee.

The Trustee's fee is inclusive of fees payable to the Custodian and the PRC Custodian.

The Trustee shall be entitled to be reimbursed out of the assets of the CSOP CSI 500 ETF all out-of-pocket expenses incurred.

11.3 Other Charges and Expenses of CSOP CSI 500 ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP CSI 500 ETF.

11.3A Swap fees of CSOP CSI 500 ETF

Details of the swap fees and indirect costs are set out in the sub-section "***Swap fees***" in the section "***3. Investment Objective and Strategy***" in this Appendix.

11.4 Establishment costs of CSOP CSI 500 ETF

The costs and expenses incurred by the Manager and the Trustee in establishing the CSOP CSI 500 ETF are estimated to be HKD 1,600,000; such costs shall be borne by the CSOP CSI 500 ETF (unless otherwise determined by the Manager) and amortised over the first 5 financial years of the CSOP CSI 500 ETF (unless the Manager decides a shorter period is appropriate).

11.5 Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarized in the respective tables below:

11.5.1 Participating Dealers

Creation of Units by a Participating Dealer

Application Cancellation Fee	RMB8,500 per cancellation (See Note 1)
Extension Fee	RMB8,500 per extension (See Note 1)
Transaction Fee	RMB3,000 per Application (See Note 2)
Service Agent's Fee	HK$1,000 for each book-entry deposit transaction or book-entry withdrawal transaction (See Note 3)
Stamp duty	Nil

Redemption of Units by a Participating Dealer

Application Cancellation Fee	RMB8,500 per cancellation (See Note 1)
Extension Fee	RMB8,500 per extension (See Note 1)
Transaction Fee	RMB3,000 per Application (See Note 2)
Service Agent's Fee	HK$1,000 for each book-entry deposit transaction or book-entry withdrawal transaction (See Note 3)
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges, and the market risks in constituting and liquidating the Basket(s) in relation to an Application.

11.5.2 Primary Market Investors creating or redeeming Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the

stockbroker (as the case may be).

11.5.3 Secondary Market Investors Dealing in Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% (see Note 4 and Note 9)
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015% (see Note 5)
Trading fee	0.00565% (see Note 6 and Note 9)
Stamp duty	Nil (see Note 7)
Investor compensation levy	0.002% (currently suspended) (see Note 8)

Note:

1. *The Application Cancellation Fee of RMB8,500 and the Extension Fee of RMB8,500 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.*

2. *A Transaction Fee of RMB3,000 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.*

3. *A Service Agent's Fee of HK$1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.*

4. *A transaction levy of 0.0027% of the trading price of the Units, payable by the buyer and the seller.*

5. *AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.*

6. *A trading fee of 0.00565% of the trading price of the Units, payable by the buyer and the seller.*

7. *Stamp duty is currently waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.*

8. *The investor compensation levy of the trading price of the Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.*

9. *The transaction levy and trading fee will be paid by intermediaries to HKEx in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEx's website by 11:00 a.m. on each trading day.*

   Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of documents that are available for inspection.

12A. PUBLICATION OF INFORMATION RELATING TO CSOP CSI 500 ETF

The following information relating to CSOP CSI 500 ETF will be published on the Manager's website https://www.csopasset.com/en/products/csi-500-etf# (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission):-

- the near real-time indicative Net Asset Value per Unit of the CSOP CSI 500 ETF (updated at least every 15 seconds during normal trading hours on the SEHK) in RMB and HKD;

- the last Net Asset Value of the CSOP CSI 500 ETF in RMB only and, the last Net Asset Value per Unit of the CSOP CSI 500 ETF in RMB and HKD;

- the CSOP CSI 500 ETF's gross and net exposure to each swap counterparty (updated on a daily basis);

- pictorial presentation of collateral information by way of pie charts (updated on a weekly basis) showing the following (if applicable): a) a breakdown by asset type, e.g. equity, bond and cash and cash equivalents; b) for equity, further breakdown by (1) primary listing (i.e. stock exchanges), (2) index constituents, and (3) sector; c) for bond, further breakdown by (1) types of bonds, (2) countries of issuers/guarantors, and (3) credit rating;

- top 10 holdings in the collateral (including name, percentage of the CSOP CSI 500 ETF's Net Asset Value, type, primary listing for equities, country of issuers, credit rating if applicable) (updated on a weekly basis);

- the list of swap counterparties (including hyperlinks to the websites of swap counterparties and their guarantors (if applicable)) (updated on a weekly basis).

- the overall collateralization level (expressed as a percentage of the CSOP CSI 500 ETF's NAV) (updated on a daily basis);

- the latest list of participating dealers and market makers;

- the composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months (also available by the Manager on request).

The near real-time indicative Net Asset Value per Unit of CSOP CSI 500 ETF in HKD denomination is indicative and for reference purposes only. This is updated during SEHK trading hours. The near real-time indicative Net Asset Value per Unit in HKD uses a real-time HKD:CNH 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:CNH foreign exchange rate provided by ICE Data Indices when the SEHK is opened for trading. The near real-time indicative Net Asset Value per Unit in HKD is updated every 15 seconds throughout the SEHK trading hours. Since the indicative Net Asset Value per Unit in RMB will not be updated when the underlying China A-Shares market is closed, any change in the indicative Net Asset Value per Unit in HKD (if any) during such period is solely due to the change in the foreign exchange rate.

The last Net Asset Value per Unit of CSOP CSI 500 ETF in HKD is indicative and for reference purposes only and is calculated using the last Net Asset Value per Unit in RMB multiplied by an assumed foreign exchange rate using the CNH exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day. The official last Net Asset Value per Unit in RMB and the indicative last Net Asset Value per unit in HKD will not be updated when the underlying China A-Shares market is closed.

Please refer to section "***11.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for other information that will be published on the Manager's website https://www.csopasset.com/en/products/csi-500-etf# (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission).

13. INDEX LICENCE AGREEMENT

The Manager has been granted a non-exclusive, non-assignable and non-transferable licence pursuant to index licence agreement dated 24 February 2020 (the "**Licence Agreement**") entered into between the Manager and CSI, to use the Underlying Index (i.e. CSI 500 Index) in connection with the creation, issue, offering, marketing, promotion, sale, management, administration and listing of the CSOP CSI 500 ETF.

The Licence Agreement is subject to an initial fixed term of three years from 24 February 2020, and can thereafter be automatically renewed for successive terms of two years at a time, unless either party raises an objection for such renewal prior to the expiry of the term of the Licence Agreement.

The Manager and CSI may terminate the Licence Agreement by written notice to the other party given at least three months prior to the end of the then-current term. The Licence Agreement may also be terminated in circumstances as summarised below:

(a) there is a material breach by the Manager or CSI of any of the terms or conditions of the Licence Agreement;

(b) the Underlying Index has been discontinued by CSI;

(c) there is legislation or regulation that materially impairs the Manager to manage and sell the CSOP CSI 500 ETF or there is material litigation or regulatory proceeding regarding the CSOP CSI 500 ETF;

(d) there is legislation or regulation that materially impairs CSI's ability to licence the Underlying Index or there is material litigation or regulatory proceeding;

(e) either party declares bankruptcy, stops operation, dissolves or has its licence revoked; and

(f) the Manager is no longer developing or managing the CSOP CSI 500 ETF.

14. MATERIAL CHANGES TO THE INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology

/ rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

15. REPLACEMENT OF UNDERLYING INDEX

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;

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

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

(e) investing in the Index Securities comprised within the Underlying 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 Underlying Index having in the opinion of the Manager, deteriorated;

(h) a significant modification of the formula or calculation method of the Underlying 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 CSOP CSI 500 ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to (i) the use by CSOP CSI 500 ETF of the Underlying Index and/or (ii) the name of CSOP CSI 500 ETF will be notified to investors.

16. THE UNDERLYING INDEX

The Underlying Index of the CSOP CSI 500 ETF is the net total return index of the CSI 500 Index. The CSI 500 Index is a free float adjusted, category-weighted index which measures the performance of A-Shares traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. The CSI 500 Index consists of the 500 stocks after the largest 300 stocks in terms of market capitalisation and liquidity from the entire universe of listed A-Shares companies in the PRC mainland. The Underlying Index reflects the overall performance of small-mid capitalisation A-Shares.

The Underlying Index is a net total return index which means that its performance reflects the reinvestment of dividends, net of withholding taxes, from the Index Securities. The Underlying Index is denominated and quoted in RMB.

The Underlying Index was launched on 8 February 2013 and had a base level of 1,000 on 31 December 2004.

The Underlying Index is calculated and disseminated in RMB and is maintained by the Index Provider, a joint-venture established on 25 August 2005 between the Shanghai Stock Exchange and the Shenzhen Stock Exchange, which specialises in the management of securities indices and the provision of related services.

The Manager (and each of its Connected Persons) is independent of CSI.

Index Universe

The selection universe of the Underlying Index (the "**Index Universe**") includes all the A-Shares (each a "**Stock**") listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange satisfying the following conditions:

(a) (i) a Stock with a listing history of more than three months. If a Stock has a listing history of less than three months, it will be considered for inclusion in the Index Universe if the daily average total market value of the Stock since its initial listing is ranked within the top 30 of all A-shares; or

(ii) a Stock listed on the ChiNext of the Shenzhen Stock Exchange with a listing history of more than three years; and

(b) The Stock is not suspended from trading and is not designated for special treatment by any of the CSRC, the Shanghai Stock Exchange or the Shenzhen Stock Exchange as a result of continuous financial losses.

Selection criteria of constituent companies

The Underlying Index constituent companies (each an "**Index Constituent**" and collectively the "**Index Constituents**") are selected as follows and the candidate constituents should have good performance without serious financial problems or laws and regulations breaking events and with no large price volatility that shows strong evidence of manipulated. The Index Provider:

1. deletes constituents of the CSI 300 Index and the 300 top-ranked stocks by average daily market capitalisation over the past year from the Index Universe;

2. ranks the rest of the stocks by the average daily trading value over the past year in descending order, or in case of a new issue, during the time that such new issue was a public company, and then deletes the bottom-ranked 20% of stocks.

3. ranks the rest of the stocks by the average daily market capitalisation in descending order and select the top 500 ranked stocks as constituents of the Underlying Index.

Index calculation method

The Underlying Index is calculated using the following formula:

Current Index Level =

$$\frac{\text{Current total adjusted market capitalization} \times \text{Base Level}}{\text{Divisor}}$$

Where: Current total adjusted market capitalisation = ∑ (Stock price x Number of free float adjusted shares of the Index Constituent)

In calculating the number of free float adjusted shares of each Index Constituent, the Index Provider will apply a certain inclusion factor to the total shares of the relevant share class according to the total free float shares as a proportion of total shares to ensure index stability, in accordance with the following formulae:

Free float ratio = Free float / Total shares of Index Constituent

Adjusted shares of Index Constituent = Total shares x Inclusion Factor

The inclusion factor is determined according to the following table:

Free float ratio (%)	≤15	(15 , 20)	(20 , 30)	(30 , 40)	(40 , 50)	(50 , 60)	(60 , 70)	(70 , 80)	>80
Inclusion factor (%)	nearest higher percentage point	20	30	40	50	60	70	80	100

Examples: If the free float ratio of a certain Index Constituent is 6.5%, which is less than 15%, the Inclusion Factor will be 7%. If the free float ratio of a certain Index Constituent is 35%, which falls within the (30, 40) range, the Inclusion Factor will be 40%.

Free float shares exclude restricted shares and non-free float shares due to strategic holdings or other reasons from the total shares of listed companies. The remaining shares available for trading shall be deemed as free-float shares. For: (1) long term holdings by founders, families, and senior executives, etc.; (2) state-owned shares; (3) strategic holdings; and (4) employee share plans, if the holdings are 5% or greater by a shareholder or shareholders acting in concert, such shares shall be deemed as non-free float shares.

Index periodical review

Index Constituents are reviewed every six months and adjustments to the Underlying Index performed in accordance with such periodical review become effective as of the trading day after the second Friday of June and December each year.

The number of Index Constituents adjusted at each periodical review will not exceed 10%. The Underlying Index has adopted buffer zone rules in order to minimise the Underlying Index turnover. Old constituents ranked top 90% by average daily trading value in the universe (excluding constituents of the CSI 300 Index and the 300 top-ranked stocks by average daily market capitalisation) could enter next step to be ranked by market capitalisation. New candidate stocks ranked top 400 by average daily total market capitalisation will be given priority to be added into the Underlying Index and old constituents ranked top 600 by average daily total market capitalisation will be given priority to remain in

the Underlying Index.

Index adjustments

Necessary adjustments are made by CSI when certain corporate events happen so as to maintain the representativeness and investability of the Underlying Index. Such events include without limitation the bankruptcy, restructuring, merger, acquisition and spin-off, of an Index Constituent issuer and the delisting, temporary suspension from trading and re-issuance, of an Index Constituent.

In general, CSI will publicise Index Constituent adjustments lists as soon as practicable after the adjustments are decided and before their implementation.

Index Constituents

You can obtain the most updated list of the Index Constituents with their respective weightings and additional information of the Underlying Index from the website of CSI at http://www.csindex.com.cn/en/indices/index-detail/000905.

Index codes

Bloomberg Code: CSIN0905
Reuters Code: .CSIN00905

Index Provider disclaimer

The Underlying Index is compiled and calculated by CSI. All copyright in the Underlying Index values and constituent list vest in CSI. CSI will apply all necessary means to ensure the accuracy of the Underlying Index. However, CSI does not guarantee its instantaneity, completeness or accuracy, nor shall it be liable (whether in negligence or otherwise) to any person for any error in the Underlying Index or under any obligation to advise any person of any error therein.

APPENDIX 7

CSOP Hang Seng TECH Index ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 3033

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP Hang Seng TECH Index ETF

Stock Code (in respect of the Listed Class of Units): 3033

1. KEY INFORMATION

1.1 General

This appendix sets out information specific to CSOP Hang Seng TECH Index ETF ("**CSOP Hang Seng TECH ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of the Prospectus before investing in CSOP Hang Seng TECH ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***8. Risk Factors relating to the CSOP Hang Seng TECH ETF***" of this Appendix, before investing in the CSOP Hang Seng TECH ETF.

Investors should note that the CSOP Hang Seng TECH ETF offers both Listed Class of Units and Unlisted Class of Units. Please refer to the sections relevant to your intended holding of Units.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP Hang Seng TECH ETF, and should be read in conjunction with the full text of this Prospectus.

Key information applicable to both Listed Class of Units and Unlisted Class of Units

Investment Type	Exchange Traded Fund **("ETF")** authorized as a collective investment scheme by the Commission under Chapter 8.6 of the Code
Underlying Index	Hang Seng TECH Index Inception Date: 27 July 2020 Number of constituents: 30 Base Currency of Index: HKD
Type of Underlying Index	A net total return index which means that the performance of the constituents is calculated on the basis that any dividends or distributions are reinvested after withholding tax deduction (if any). The Underlying Index is denominated and quoted in HKD.
Index Provider	Hang Seng Indexes Company Limited
Investment Strategy	The Manager will use a full replication strategy. The Manager may also use a representative sampling strategy in exceptional circumstances. Please refer to

		section ***"4. Investment Objective and Strategy"*** of this Appendix for further details.
Parties	Manager	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
Base Currency	HKD	
Financial Year	Ending 31 December each year (The first financial year-end of the Product will be 31 December 2021. The first audited accounts and the first semi-annual unaudited interim reports of the Product will be for the period ending 31 December 2021 and 30 June 2021 respectively.)	
Dividend Policy	The Manager has discretion as to whether or not the CSOP Hang Seng TECH ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP Hang Seng TECH ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any). The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Hang Seng TECH ETF are charged to/paid out of the capital of the CSOP Hang Seng TECH ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Hang Seng TECH ETF and therefore, the CSOP Hang Seng TECH ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of the CSOP Hang Seng TECH ETF's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP Hang Seng TECH ETF. Please refer to section "***7. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP Hang Seng TECH ETF and the risk factor headed "Risk relating to distributions paid out of capital" under sub-section "8.11 ***Other risks***" in this Appendix for the risk associated with distributions paid out of capital.	
Website	http://www.csopasset.com/en/products/co-chst (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission.)	

Key information applicable to the Listed Class of Units only		
Initial Issue Date		27 August 2020
Listing Date		28 August 2020
Dealing on SEHK Commencement Date		28 August 2020
Exchange Listing		SEHK – Main Board
Stock Code		3033
Stock Short Name		CSOP HS TECH
ISIN Number		HK0000642568
Trading Board Lot Size		200 Units
Trading Currency		Hong Kong dollars (HKD)
Application Unit size for Creation/ Redemption (only by or through Participating Dealers)		Minimum 500,000 Units (or multiples thereof)
Method of Creation/ Redemption		In-Cash or In-Kind Creation and Redemption
Parties	Participating Dealer	Please refer to the Manager's website set out above for the latest list
	Market Makers	Please refer to the Manager's website set out above for the latest list
	Service Agent	HK Conversion Agency Services Limited
	Conversion Agent	HK Conversion Agency Services Limited
	Listing Agent	Altus Capital Limited
Management Fee	Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.99% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.	

Key information applicable to the Unlisted Class of Units only

Initial Offer Period	For Class A Units: 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) on 30 August 2021
Initial Subscription Price per unit during Initial Offer Period	For Class A Units: the Net Asset Value per Unit of the Listed Class of Units as of 30 August 2021
Dealing Deadline	3:00 p.m. (Hong Kong time) on each Dealing Day
Management Fee	Up to 2% per annum of the net asset value accrued daily and calculated as of each Dealing Day. For Class A Units, the current rate is 0.99% per annum of the net asset value accrued daily and calculated as of each Dealing Day.

1.3 Key similarities and differences between Listed Class of Units and Unlisted Class of Units

Investment objective	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the section "4. Investment Objective and Strategy".
Investment strategy	
Investment policy	
Valuation policy	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the section "Determination of the Net Asset Value" of the Prospectus.
Dealing arrangements	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. Investors should note that the dealing deadlines in respect of Listed and Unlisted Class of Units are different, subject to the applicable valuation point. In respect of the Listed Class of Units: The dealing period in respect of each Dealing Day for a Creation Application or Redemption Application commences at 9:00 a.m. (Hong Kong time) on the each Dealing Day and ends at the Dealing Deadline at 3:30 p.m. (Hong Kong time) (for In-Cash Application) or 4:30 p.m. (Hong Kong time) (for In-Kind Applications) on each Dealing Day (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time; and

a Secondary Market Investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price.
In respect of the Unlisted Class of Units, the Dealing Deadline is 3:00 p.m. (Hong Kong time) on each Dealing Day. Investors can buy or sell the Unlisted Class of Units at Net Asset Value.

	Listed Class of Units	**Unlisted Class of Units**
Dealing Deadline in respect of a Dealing Day	3:30 p.m. (Hong Kong time) (for In-Cash Application) or 4:30 p.m. (Hong Kong time) (for In-Kind Applications) on each Dealing Day *	3:00 p.m. (Hong Kong time) on each Dealing Day
Valuation Point	Approximately 4:10 p.m. (Hong Kong time) on the applicable Valuation Day	

* Investors should note that Creation and Redemption Applications for Listed Class of Units received during the Dealing Period in respect of a Dealing Day ("Day T") (i.e. between 9:00 a.m. to 3:30 p.m. (Hong Kong time) (for In-Cash Application) or 4:30 p.m. (Hong Kong time) (for In-Kind Applications) on the Day T) will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T, which is determined at the Valuation Point on Day T. For example:

In respect of Listed Class of Units

a Creation or Redemption Application for Listed Class of Units received at or before 3:30 p.m. (Hong Kong time) (for In-Cash Application) or 4:30 p.m. (Hong Kong time) (for In-Kind Applications) on Day T will be processed at the NAV per Unit of the Listed Class of Units of Day T; and

a Creation or Redemption Application for Listed Class of Units received at 6:00 p.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class (i.e. 3:30 p.m. (Hong Kong time) (for In-Cash Application) or 4:30 p.m. (Hong Kong time) (for In-Kind Applications), will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Listed Class of Units of Day T+1.

In respect of Unlisted Class of Units

a subscription or redemption application for Unlisted Class

	of Units received at 10:00 a.m. (Hong Kong time) on Day T, i.e. before the Dealing Deadline of Day T for such class, will be processed on Day T at the Net Asset Value per Unit of Unlisted Class of Units of Day T; and a subscription or redemption application for Unlisted Class of Units received at 6:00 p.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Unlisted Class of Units of Day T+1. Please refer to sections “Dealing of Listed Class of Units” and “Dealing of Unlisted Class of Units” for information relating to the Listed Class of Units and Unlisted Class of Units respectively.
Fee structure	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. The Servicing Fee, Trustee’s and Registrar’s Fees and Investment Adviser’s Fee are the same in respect of both classes of Units. For Listed Class of Units, the current management fee is 0.99% per annum of the net asset value accrued daily and calculated as of each Dealing Day. For Class A Units, the current management fee is 0.99% per annum of the net asset value accrued daily and calculated as of each Dealing Day. An investment in the Listed Class of Units is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service Agent’s Fee, transaction costs etc.). An investment in the Unlisted Class of Units is subject to the payment of subscription fees. Please refer to the “Fees and Charges” section.
Investment return / Net Asset Value	Different in respect of each of the Listed Class of Units and Unlisted Class of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Class of Units are bought and sold at Net Asset Value) and charges, stamp duty.

	Please refer to the "Differences in dealing, fee and cost arrangements between Listed Class and Unlisted Class of Units" risk factor of the Prospectus.
Termination procedures	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. Please refer to the "Termination of the Trust or a Sub-Fund" section of the Prospectus.

1.3 Market Maker (in respect of the Listed Class of Units)

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 the Listed Class of Units of the CSOP Hang Seng TECH ETF. 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 to facilitate the efficient trading of the Listed Class of Units of the CSOP Hang Seng TECH ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker is required to give not less than three months' prior notice to terminate market making under the relevant market making agreement.

The list of market markers in respect of the CSOP Hang Seng TECH ETF is available on http://www.csopasset.com/en/products/co-chst and from time to time will be displayed on www.hkex.com.hk.

2. DEALING OF LISTED CLASS OF UNITS

2.1 Exchange Listing and Trading

The Listed Class of Units of the CSOP Hang Seng TECH ETF are listed and traded on the SEHK.

Currently, Listed Class of Units are listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Listed Class of Units on other stock exchanges.

If trading of the Listed Class of Units of the CSOP Hang Seng TECH ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Listed Class of Units.

2.2 Buying and Selling of Listed Class of Units of CSOP Hang Seng TECH ETF on SEHK

A Secondary Market Investor can buy and sell the Listed Class of Units of the CSOP Hang Seng TECH ETF on the SEHK through his stockbroker at any time the SEHK is open. Listed Class of Units of the CSOP Hang Seng TECH ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 200 Units.

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

occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit in respect of the Listed Class of Units of the CSOP Hang Seng TECH ETF due to market demand and supply, liquidity and scale of trading spread for the Listed Class of Units in the secondary market. As a result, the market price of the Listed Class of Units of the CSOP Hang Seng TECH ETF in the secondary market may be higher or lower than the Net Asset Value per Unit in respect of the Listed Class of Units of the CSOP Hang Seng TECH ETF.

Please refer to section "***Schedule 2 – 3. Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of Listed Class of Units on the SEHK.

2.3 Switching

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Participating Dealers who wish to switch between Listed Class of Units and Unlisted Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

2.4 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Schedule 2 – 2. Creation and Redemption of Application Units (Primary Market)***" of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP Hang Seng TECH ETF only.

The Manager currently allows In-Cash (in HKD) or In-Kind Creation Applications and Redemption Applications for Listed Class of Units of the CSOP Hang Seng TECH ETF.

Settlement in cash for subscribing Listed Class of Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The Application Unit size for the Listed Class of Units of CSOP Hang Seng TECH ETF is 500,000 Units. Creation Applications submitted in respect of Listed Class of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP Hang Seng TECH ETF is one Application Unit.

2.4.1 Dealing Period

The dealing period for the Listed Class of Units on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP Hang Seng TECH ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 3:30 p.m. (Hong Kong time) (for In-Cash Application) or 4:30 p.m. (Hong Kong time) (for In-Kind Applications) (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

Investors should note that the Dealing Deadline in respect of Listed Class of Units and Unlisted Class of Units are different, subject to the applicable valuation point.

2.4.2 Issue Price and Redemption Price

The Issue Price of a Unit in respect of the Listed Class of Units in the CSOP Hang Seng TECH ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units redeemed in respect of the Listed Class of Units shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP Hang Seng TECH ETF.

The "**Valuation Day**" of the CSOP Hang Seng TECH ETF, coincides with, and shall mean, the Dealing Day of the CSOP Hang Seng TECH ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's website at www.csopasset.com/etf[1] or published in such other publications as the Manager decides.

2.4.3 Dealing Day

In respect of the CSOP Hang Seng TECH ETF, "**Dealing Day**" means each Business Day.

3. DEALING OF UNLISTED CLASS OF UNITS

Available Classes

The CSOP Hang Seng TECH ETF currently has the following Unlisted Class of Units which are available to investors:

- Class A Units

Initial Offer Period

The Initial Offer Period of the Class A Units will be 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) on 30 August 2021.
The initial Subscription Price in respect of Class A Units is as follows:

Class	Initial Subscription Price per Unit

Class A Units	Net Asset Value per Unit of the Listed Class of Units as of 30 August 2021

Dealing procedures

For details of dealing procedures, please refer to the sections headed "Subscription of Unlisted Class of Units", "Redemption of Unlisted Class of Units" and "Switching of Unlisted Class of Units" in Schedule 3 of Part 1 of this Prospectus.

The following apply to the Unlisted Class of Units:

Dealing Day	Each Business Day
Valuation Day	each Dealing Day or such other days as the Manager may determine
Dealing Deadline	3:00 p.m. (Hong Kong time)

Investors should note that the Dealing Deadline in respect of Listed Class of Units and Unlisted Class of Units are different, subject to the applicable valuation point.

Switching

Subject to the prior consent of the Manager either generally or in any particular case, Unitholders may switch part or all of their Unlisted Class of Units of the CSOP Hang Seng TECH ETF into another Unlisted Class of Units of the CSOP Hang Seng TECH ETF (where available). Switching of Unlisted Class of Units of the CSOP Hang Seng TECH ETF to unlisted shares, units or interests in any other collective schemes (including any other Sub-Funds of the Trust) is currently not permitted.

Payment of redemption proceeds

Save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds in respect of Unlisted Class of Units will normally be paid by telegraphic transfer, within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless legal or regulatory requirements (such as foreign currency controls) to which the CSOP Hang Seng TECH ETF is subject render the payment of the redemption proceeds within the aforesaid time period not practicable, and such extended time frame should reflect the additional time needed in light of the specific circumstances in the relevant market.

Investment minima

The following investment minima apply to the Unlisted Class of Units:

	Class A Units
Minimum initial investment	HKD 100 or equivalent
Minimum subsequent investment	HKD 100 or equivalent
Minimum holding	HKD 100 or equivalent

Minimum redemption amount	HKD 100 or equivalent

The Manager may, in its absolute discretion, waive or agree to a lower amount of any of the above investment minima (either generally or in any particular case).

4. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP Hang Seng TECH ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Underlying Index, namely, Hang Seng TECH Index. There is no assurance that the CSOP Hang Seng TECH ETF will achieve its investment objective.

Investment Strategy

In order to achieve the investment objective of the CSOP Hang Seng TECH ETF, the Manager will adopt a full replication strategy by directly investing all, or substantially all, of the assets of CSOP Hang Seng TECH ETF in Index Securities constituting the Underlying Index in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index, as set out in section "***15. The Underlying Index***" of this Appendix. When an Index Security ceases to be a constituent of the Underlying Index, rebalancing occurs which involves, inter alia, selling the outgoing Index Security and using the proceeds to invest in the incoming Index Security. The Manager will not use a representative sampling strategy other than in exceptional circumstances.

Under exceptional circumstances (i.e. due to restrictions, suspensions of trading, limited availability of certain Index Securities), where it is not feasible to acquire certain securities which are constituents of the Underlying Index due to restrictions or limited availability and/ or it is not cost efficient, by reference to the CSOP Hang Seng TECH ETF's Net Asset Value, to use a full replication strategy, the Manager may also use a representative sampling strategy to invest in:

(i) A representative sample whose performance is closely correlated with the Underlying Index, but whose constituents may or may not themselves be constituents of the Underlying Index; and/or

(ii) Other collective investment schemes (CIS). "**CIS**" means an exchange traded fund and/or an unlisted index tracking fund which tracks an index that has a high correlation with the Underlying Index. The CSOP Hang Seng TECH ETF's ability to invest in other CIS may not exceed 10% of the Net Asset Value of the CSOP Hang Seng TECH ETF and the CSOP Hang Seng TECH ETF will not hold more than 10% of any units issued by any single CIS.

In pursuing a representative sampling strategy, the Manager may cause the CSOP Hang Seng TECH ETF 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.

Prior notice will not be given to investors if the Manager switches from a full replication strategy to a representative sampling strategy in exceptional circumstances, or vice versa. If any non-constituent of the Underlying Index is held in the portfolio, for reasons other than Index

rebalancing and Index related corporate action, to enhance transparency the Manager will disclose the name and weighting of such non-constituent securities and other CIS on the Manager's website immediately after the purchase and it will be reported daily until its disposal.

The CSOP Hang Seng TECH ETF may not hold more than 5% of its Net Asset Value in money market funds and in cash deposits subject to applicable law and regulations for cash management purposes.

The Manager reviews the Index Securities held in the CSOP Hang Seng TECH ETF's portfolio each Business Day. In order to minimize tracking error, it closely monitors factors such as any changes in the weighting of each Index Security in the Underlying Index, suspension, dividend distributions and the liquidity of the CSOP Hang Seng TECH ETF's portfolio. The Manager will also conduct adjustment on the portfolio of the CSOP Hang Seng TECH ETF regularly, taking into account tracking error reports, the index methodology and any rebalance notification of the Underlying Index.

The CSOP Hang Seng TECH ETF will not invest in derivatives instruments (including structured deposits, products or instruments) for investment or hedging purposes, or in sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions. Prior approval of the Commission will be sought (if required) and not less than one month's prior notice will be given to the Unitholders of CSOP Hang Seng TECH ETF in the event the Manager wishes to invest in derivatives instruments (including structured deposits, products or instruments) for investment or hedging purposes or in sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions.

5. SECURITIES LENDING TRANSACTIONS

The Manager may, on behalf of the CSOP Hang Seng TECH ETF, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of the CSOP Hang Seng TECH ETF's Net Asset Value. The Manager will be 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 CSOP Hang Seng TECH ETF and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1 in Part 1 of the Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the CSOP Hang Seng TECH ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "***Collateral***" of Schedule 1 in Part 1 of the Prospectus) of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis and be safekept by the Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of the Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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 by 4p.m. on trading day T+1.

Non-cash collateral received may not be sold, re-invested or pledged. Any reinvestment of

cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of the Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent CSOP Hang Seng TECH ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP Hang Seng TECH ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to section "***8.9 Securities Lending Transactions Risks***" for further details.

6. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of CSOP Hang Seng TECH ETF to acquire investments, to redeem Units or to pay expenses relating to CSOP Hang Seng TECH ETF.

7. DISTRIBUTION POLICY

The Manager has discretion as to whether or not the CSOP Hang Seng TECH ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP Hang Seng TECH ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the CSOP Hang Seng TECH ETF.

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Hang Seng TECH ETF are charged to/paid out of the capital of the CSOP Hang Seng TECH ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Hang Seng TECH ETF and therefore, the CSOP Hang Seng TECH ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of the CSOP Hang Seng TECH ETF's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP Hang Seng TECH ETF and will reduce any capital appreciation for the Unitholders of the CSOP Hang Seng TECH ETF.**

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website http://www.csopasset.com/en/products/co-chst.

The distribution policy may be amended subject to the Commission's prior approval (where

required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the Base Currency of the CSOP Hang Seng TECH ETF (i.e. HKD). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website http://www.csopasset.com/en/products/co-chst and on HKEx's website http://www.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx. There can be no assurance that a distribution will be paid.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

8. RISK FACTORS RELATING TO THE CSOP HANG SENG TECH ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP Hang Seng TECH ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP Hang Seng TECH ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP Hang Seng TECH ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

8.1 Concentration risk

Due to the concentration of the Index in the companies with selected technology themes, which is characterised by relatively higher volatility in price performance when compared to other economic sectors, the performance of the Underlying Index may be more volatile when compared to other broad-based stock indices.

The Underlying Index is subject to concentration risk as a result of tracking the performance of companies incorporated in, or with the majority of revenue derived from, or with a principal place of business in, the Greater China region. The Net Asset Value of the CSOP Hang Seng TECH ETF is therefore likely to be more volatile than a more broad-based fund, such as a global or regional fund, as the Underlying Index is more susceptible to fluctuations in value resulting from adverse conditions in a single region and with technology themes.

8.2 Technology theme risks

Constituents of the Underlying Index have high exposure to at least one of these themes: internet (including mobile, fintech, cloud, e-commerce and digital). Many of the companies with a high business exposure to these technology themes have a relatively short operating history. Rapid changes could render obsolete the products and services offered by the companies in which the CSOP Hang Seng TECH ETF invests and cause severe or complete declines in the prices of the securities of those

companies. Additionally, companies in these sectors may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel. If the CSOP Hang Seng TECH ETF invests in any of these companies, its investment may be adversely affected.

There may be substantial government intervention in the technology industry, including restrictions on investment in internet and technology companies if such companies are deemed sensitive to relevant national interests. Some governments in the world have sought, and may in the future seek, to censor content available through internet, restrict access to products and services offered by companies that the CSOP Hang Seng TECH ETF invests in from their country entirely or impose other restrictions that may affect the accessibility of such products and services for an extended period of time or indefinitely. In the event that access to the internet products and services is restricted, in whole or in part, in one or more countries, the ability of such companies to retain or increase their user base and user engagement may be adversely affected, and their operating results may be harmed. This may in turn affect the value of investment of the CSOP Hang Seng TECH ETF.

The technology business is subject to complex laws and regulations including privacy, data protection, content regulation, intellectual property, competition, protection of minors, consumer protection and taxation. These laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to the business practices, monetary penalties, increased cost of operations or declines in user growth, user engagement or advertisement engagement, or otherwise harm the technology business. They may also delay or impede the development of new products and services. Compliance with these existing and new laws and regulations can be costly and may require significant time and attention of management and technical personnel. These companies are also subject to the risks of loss or impairment of intellectual property rights or licences, cyber security risks resulting in undesirable legal, financial, operational and reputational consequences. All these may have impact on the business and/or profitability of the technology companies in which the CSOP Hang Seng TECH ETF invests and this may in turn adversely affect the value of investment of the CSOP Hang Seng TECH ETF.

8.3 Risks related to companies with weighted voting rights

The CSOP Hang Seng TECH ETF may invest in “new economy” companies including companies with a weighted voting rights (WVR) structure. These are typically emerging and innovative companies, such as pre-revenue biotech startups or technology companies. The WVR structure deviates from the "one share, one vote" principle. This concentrated control limits shareholders' ability to influence corporate matters and, as a result, the company may take actions that shareholders do not view as beneficial. There may be a risk of greater misalignment between the interests of the company’s controlling shareholder and those of the rest of the company’s shareholders as a whole. This may weaken shareholders’ rights and in turn corporate governance in these companies. Performance of these companies could be adversely affected. This may have a negative impact on the CSOP Hang Seng TECH ETF where it invests in the ordinary shares of such companies.

8.4 Industries sector risk

Industrial companies are affected by supply and demand both for their specific product

or service and for industrial sector products in general. Government regulation, world events, exchange rates and economic conditions, technological developments and liabilities for environmental damage and other liabilities will likewise affect the performance of these companies. Performance of these companies may be cyclical with occasional sharp price movements which may result from changes in the economy, fuel prices, labour agreements and insurance costs. This may have a negative impact on the business and/or profitability of the companies in which the CSOP Hang Seng TECH ETF invests and therefore may adversely affect the value of investments of the CSOP Hang Seng TECH ETF.

8.5 Consumer discretionary sector risk

The performance of companies in the consumer discretionary sector are correlated to the growth rate of the consumer market, individual income levels and their impact on levels of domestic consumer spending, which in turn depend on the worldwide economic conditions, which have seen significant deterioration in the past. There are many factors affecting the level of consumer spending, including but not limited to interest rates, currency exchange rates, economic growth rate, inflation, deflation, political uncertainty, taxation, stock market performance, unemployment level and general consumer confidence. Any future slowdowns or declines in the economy or consumer spending in the relevant market may materially and adversely affect the business of the companies in the consumer discretionary sector. This may adversely affect the value of investments of the CSOP Hang Seng TECH ETF.

8.6 Healthcare sector risk

The economic prospects of the health care sector are generally subject to greater influences from governmental policies and regulations than those of many other industries. Certain health care companies may allocate greater than usual financial resources to research and product development and experience above-average price movements associated with the perceived prospects of success of the research and development programs. In addition, certain health care companies may be adversely affected by lack of commercial acceptance of a new product or process or by technological change and obsolescence. In addition, the internet healthcare sector is relatively new and evolving. Interpretation and enforcement of laws and regulations involve significant uncertainty. Under certain circumstances, it may be difficult to determine if certain actions may be deemed in violation of applicable laws and regulations. Internet healthcare companies also process and store a large amount of data, and any improper use or disclosure of such data could have a material adverse impact on their business. Internet healthcare companies may be subject to medical liability claims. These factors may adversely affect the value of investments of the CSOP Hang Seng TECH ETF.

8.7 Financial sector risk

Companies in the financial sector are subject to extensive governmental regulation, which may adversely affect the scope of their activities, the prices they can charge and the amount of capital they must maintain. Governmental regulation may change frequently. The financial services sector is exposed to risks that may impact on the value of investments in the financial services sector more severely than investments outside this sector, including operating with substantial financial leverage. The financial services sector may also be adversely affected by increases in interest rates

and loan losses, decreases in the availability of money or asset valuations and adverse conditions in other related markets. This may adversely affect the value of investments of the CSOP Hang Seng TECH ETF.

8.8 Risks relating to the Underlying Index of CSOP Hang Seng TECH ETF

New index risk: The Underlying Index is a new index. The CSOP Hang Seng TECH ETF may be riskier than other exchange traded funds tracking more established indices with longer operating history.

Risks relating to the Underlying Index. The CSOP Hang Seng TECH ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's license from the Index Provider under the relevant licence agreement is terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. Please refer to section "***14. Replacement of Underlying Index***" below on the circumstances in which the Underlying Index may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP Hang Seng TECH ETF's investment objective.

The Manager has been granted a licence by Hang Seng Indexes Company Limited ("**HSIL**") to use the Underlying Index as a basis for determining the composition of the CSOP Hang Seng TECH ETF and to use certain trade marks in the Underlying Index. The licence granted shall take effect from the date of the agreement (i.e. 14 August 2020), and shall continue until terminated pursuant to the agreement. There is no guarantee that the licence agreement will be perpetually renewed.

The CSOP Hang Seng TECH ETF may be terminated if the Underlying Index is discontinued and/or the Licence Agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria under Chapter 8.6(e) of the Code. Any such replacement index will be subject to the prior approval of the Commission under the Code and Unitholders will be duly notified of the same. Accordingly, investors should note that the ability of the CSOP Hang Seng TECH ETF to track the Underlying Index depends on the continuation in force of the Licence Agreement in respect of the Underlying Index or a suitable replacement. The CSOP Hang Seng TECH ETF may also be terminated if the Underlying Index ceases to be compiled or published and there is no replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index.

The Manager and the Index Provider may by mutual agreement terminate or postpone the parties' obligations under the Licence Agreement upon

the occurrence of a force majeure event such that the terms of the Licence Agreement can no longer be performed. There is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

For further information on the grounds for terminating the license agreement in respect of the Underlying Index, please refer to section "***12. Index Licence Agreement***" in this Appendix.

(ii) There may be changes in the constituent securities of the Underlying Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the CSOP Hang Seng TECH ETF, the Manager may rebalance the composition of a Basket. The price of the Units may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to the section "***15. The Underlying Index***" of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

8.9 Securities Lending Transactions Risks

Collateral risk. As part of the securities lending transactions, the CSOP Hang Seng TECH ETF 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 CSOP Hang Seng TECH ETF if the borrower fails to return the securities lent out. The CSOP Hang Seng TECH ETF 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 CSOP Hang Seng TECH ETF 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 financing 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.

8.10 Risks specific to the Listed Class of Units

No Market in the Units Risk. Although the Listed Class of Units are listed on the SEHK and 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 the Listed Class of Units, investors should be aware that there may be no liquid trading market for the Listed Class of Units or that such market maker(s) may cease to fulfil that role. Further, there can be no assurance that Listed Class of Units will experience trading or pricing patterns similar to those of other exchange traded fund which are traded on the SEHK and which are based upon indices.

Termination of Market Maker Risk. A market maker may cease to act as a market maker for the Listed Class of Units of the CSOP Hang Seng TECH ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Listed Class of Units of the CSOP Hang Seng TECH ETF will be ninety (90) days. The liquidity for the Listed Class of Units of the CSOP Hang Seng TECH ETF may be affected if there is no market maker for the Listed Class of Units. The Manager will use its best endeavours to put in place arrangements so that that there is at least one market maker for the CSOP Hang Seng TECH ETF to facilitate efficient trading of Listed Class of Units. It is possible that there is only one SEHK market maker for the Listed Class of Units of the CSOP Hang Seng TECH ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity Risk. Listed Class of Units will be a new security and following listing on the SEHK, it is unlikely that the Listed Class of Units will initially be widely held. Accordingly, any investor buying Listed Class of Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Listed Class of Units in the secondary market. Therefore, Unitholders may not be able to sell their Listed Class of Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Listed Class of Units.

8.11 Other risks

Operating risk. There is no assurance that the performance of the CSOP Hang Seng TECH ETF will be identical to the performance of the Underlying Index. The level of fees, taxes and expenses payable by the CSOP Hang Seng TECH ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP Hang Seng TECH ETF can be estimated, the growth rate of the CSOP Hang Seng TECH ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP Hang Seng TECH ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP Hang Seng TECH ETF. On the termination of the CSOP Hang Seng TECH ETF, the CSOP Hang Seng TECH ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

Investment in other CISs risk. The CSOP Hang Seng TECH ETF may invest up to 10% of its Net Asset Value in other CISs in exceptional circumstances. The fees and costs charged in respect of such CISs will be borne by the CSOP Hang Seng TECH ETF. Although the Manager will only invest in these CISs if it considers that doing so is in the best interest of the CSOP Hang Seng TECH ETF and its Unitholders, there is no guarantee that these CISs will achieve their respective investment objectives and any tracking error of these CISs will also contribute to the tracking error of the CSOP Hang Seng TECH ETF. Further, although the Manager will only invest in other CISs that track indices that have a high correlation with the Underlying Index of the CSOP Hang Seng TECH ETF, the difference of the underlying constituents between the indices tracked by the relevant CISs and the Underlying Index may also contribute to tracking error. In addition, the tax provision made by the other CISs may be more or less than the their actual Chinese Mainland tax liabilities. Any shortfall of such tax provision may adversely affect the performance of the other CISs.

Tracking error risk. Although the Manager will adopt a full replication strategy to reduce tracking error, the Manager may also use representative sampling in exceptional circumstances, such as where it may not be able to acquire certain Index Securities which are constituents of the Underlying Index due to restrictions or limited availability. As such there can be no assurance of exact or identical replication at any time of the performance of the Underlying Index. Factors such as the fees and expenses of the CSOP Hang Seng TECH ETF, imperfect correlation between the CSOP Hang Seng TECH ETF's assets and the Index Securities, inability to rebalance the CSOP ETF's holdings of Index Securities in response to changes in the constituents of the Underlying Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. These factors may cause the CSOP Hang Seng TECH ETF's returns to deviate from the Underlying Index.

Risk relating to distributions paid out of capital. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Hang Seng TECH ETF are charged to/paid out of the capital of the CSOP Hang Seng TECH ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Hang Seng TECH ETF and therefore, the CSOP Hang Seng TECH ETF may effectively pay dividend out of the capital. **Investors should note that the payment of distributions out of or effectively out of capital represents a return or a withdrawal of part of the amount they originally invested or capital gain attributable to that amount. Any such distributions may result in an immediate reduction in the Net Asset Value per Unit of the CSOP Hang Seng TECH ETF.**

9. FEES AND CHARGES

9.1 General

The following fees apply to investors of both Listed Class of Units and Unlisted Class of Units.

Management Fees

The Manager is entitled to receive a management fee, currently at the rate of

0.99% per annum of the Net Asset Value of the CSOP Hang Seng TECH ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

Trustee's and Registrar's Fee

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

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP Hang Seng TECH ETF all out-of-pocket expenses incurred.

Other Charges and Expenses of CSOP Hang Seng TECH ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP Hang Seng TECH ETF.

Establishment costs of CSOP Hang Seng TECH ETF

The establishment costs of the CSOP Hang Seng TECH ETF is estimated to be HKD1.6 million and will be amortised over the first five financial years of CSOP Hang Seng TECH ETF or such other period as determined by the Manager after consulting the auditor.

9.2 Listed Class of Units

The following fees apply to investors of Listed Class of Units only.

Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP Hang Seng TECH ETF. For any period less than a month, the reconciliation fee is payable by the CSOP Hang Seng TECH ETF on a pro-rata basis and accrues on a daily basis.

Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarized in the respective tables below:

Participating Dealers

Creation and Redemption of Listed Class of Units by a Participating Dealer

Application Cancellation Fee	HKD10,000 per cancellation (See Note 1)
Extension Fee	HKD10,000 per extension (See Note 1)
Transaction Fee	HKD4,000 per Application (See Note 2)
Service Agent's Fee(in respect of in-cash creation / in-cash redemption only)	See Note 3

Conversion Agent's Fee(in respect of in-kind creation / in-kind redemption only)	See Note 4
Corporate action fee(in respect of in-kind creation / in-kind redemption only)	HKD0.80 per board lot *(See Note 5)*
Unit Cancellation Fee (in respect of in-kind redemption only)	HKD1.00 per board lot
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges, and the market risks in constituting and liquidating the Basket(s) in relation to an Application.

Primary Market Investors creating or redeeming Listed Class of Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

Secondary Market Investors Dealing in Listed Class of Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% (see Note 6 and Note 11)
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015% (see Note 7)
Trading fee	0.00565% (see Note 8 and Note 11)
Stamp duty	Nil (see Note 9)
Investor compensation levy	0.002% (currently suspended) (see Note 10)

Note:

1. *The Application Cancellation Fee of HKD10,000 and the Extension Fee of HKD10,000 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.*

2. *A Transaction Fee of HKD4,000 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.*

3. *A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.*

4. *The Conversion Agent's Fee is payable by a Participating Dealer to the Trustee for the benefit of the Conversion Agent according to the following schedule:*

Total Aggregated HK Application Basket Value	***Conversion Agent's fee Transacted Daily***
HK$1 to HK$2,000,000	*HK$5,000*
HK$2,000,001 to HK$5,000,000	*HK$8,000*
HK$5,000,001 to HK$10,000,000	*HK$10,000*
Over HK$10,000,000	*HK$12,000*

A Participating Dealer may pass on to the relevant investor such Transaction Fee.

5. *The corporate action fee is payable to HKSCC in respect of any in-kind creation application and in-kind redemption application and is subject to a maximum of HKD10,000 and the tariff specified in the HKSCC Operational Procedures in effect from time to time.*

6. *A transaction levy of 0.0027% of the trading price of the Listed Class of Units, payable by the buyer and the seller.*

7. *AFRC transaction levy of 0.00015% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.*

8. *A trading fee of 0.00565% of the trading price of the Listed Class of Units, payable by the buyer and the seller.*

9. *For a transfer effected on or after 13 February 2015 executed for a transaction by which a Listed Class of Unit of the CSOP Hang Seng TECH ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.*

10. *The investor compensation levy of the trading price of the Listed Class of Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.*

11. *The transaction levy and trading fee will be paid by intermediaries to HKEx in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEx's website by 11:00 a.m. on each trading day.*

Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

9.3 Unlisted Class of Units

The following fees apply to investors of Unlisted Class of Units only.

Subscription, redemption and switching fees payable by Unitholders of Unlisted Class of Units

	Unlisted Class of Units
Subscription fee	Up to 5 per cent of the subscription monies
Redemption fee	Nil
Switching fee	N/A

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Distributors who wish to switch between Unlisted Class of Units and Listed Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of the documents that are available for inspection.

11. PUBLICATION OF INFORMATION RELATING TO CSOP HANG SENG TECH ETF

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for the information relating to the CSOP Hang Seng TECH ETF that will be published on the Manager's website and HKEX's website.

12. INDEX LICENCE AGREEMENT

The Manager has been granted a non-exclusive, non transferable licence pursuant to index licence agreement dated 14 August 2020 (the "**Licence Agreement**") entered into between the Manager and HSIL, to use the Underlying Index (i.e. Hang Seng TECH Index) in connection with the issue, operation, marketing, promotion and distribution of the CSOP Hang Seng TECH ETF.

The Licence Agreement takes effect from its date and shall continue until terminated by either party under the circumstances listed below:

(a) HSIL may terminate the Licence Agreement forthwith if:

(i) the Manager breaches its warranty under the Licence Agreement;

(ii) the Manager is convicted of any offence relating to the CSOP Hang Seng TECH ETF or to the trading of the Units of CSOP Hang Seng TECH ETF; or

(iii) the Manager is found to be in material breach of any applicable laws, regulations or rules.

(b) Either party may terminate the Licence Agreement if:

(i) the other party breaches any term of the Licence Agreement and it is not possible to remedy the breach;

(ii) the other party commits any material breach of its obligations and fails to remedy the breach within 15 days of receipt of written notice requiring the same;

(iii) the other party suffers from an "insolvency event" (as defined in the Licence Agreement);

(iv) at least 3 months' prior written notice is given to the other party.

13. MATERIAL CHANGES TO THE INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

14. REPLACEMENT OF UNDERLYING INDEX

The Manager reserves the right, with the prior approval of the Commission and provided

that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;

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

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

(e) investing in the Index Securities comprised within the Underlying 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 Underlying Index having in the opinion of the Manager, deteriorated;

(h) a significant modification of the formula or calculation method of the Underlying 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 CSOP Hang Seng TECH ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to (i) the use by CSOP Hang Seng TECH ETF of the Underlying Index and/or (ii) the name of CSOP Hang Seng TECH ETF will be notified to investors.

15. THE UNDERLYING INDEX

General Information on the Underlying Index

The objective of the Hang Seng TECH Index (the "**Underlying Index**") is to represent the 30 largest technology companies listed in Hong Kong which have high business exposure to selected technology themes, including internet (including mobile), fintech, cloud, e-commerce, or digital activities.

The Underlying Index adopts a free float-adjusted market capitalisation weighted methodology with a 8% cap on individual non-foreign companies constituent, 4% cap on individual foreign companies constituent and 10% cap on aggregate foreign companies constituents. The weighting of a constituent may exceed the cap level after the rebalancing date due to price movement. The Underlying Index is a net total return index which means that the performance of the Underlying Index constituents is calculated on the basis that any dividends or distributions are reinvested after withholding tax deduction (if any).

As of 27 February 2026, it had a total free-float market capitalisation of HKD 3,571.28 billion

and 30 constituents.

The Underlying Index was launched on 27 July 2020 and had a base level of 3,000 on 31 December 2014.

The Underlying Index is denominated in HKD.

Index Provider

The Underlying Index is compiled and managed by Hang Seng Indexes Company Limited ("**HSIL**"), a wholly-owned subsidiary of Hang Seng Bank Limited.

The Manager (and each of its Connected Persons) is independent of HSIL, the Index Provider.

The Underlying Index is calculated on a 2-second basis during trading hours of the SEHK.

Constituent Eligibility

The universe of securities of the Underlying Index includes securities of companies listed on the Main Board of the SEHK, but excludes secondary-listed Foreign Companies and investment companies listed under Chapter 21 of the SEHK's Main Board Listing Rules.

"**Foreign Companies**" are companies which are (i) incorporated outside Hong Kong; (ii) non-Chinese Mainland companies (i.e. non-H-shares, non-Red-chips and non-P-chips companies); or (iii) companies with history, headquarters, management and a principal place of business outside Hong Kong, Macau, Chinese Mainland, or Taiwan.

A security is eligible for constituent selection if it fulfils the following eligibility criteria:

(A) Turnover requirements – Velocity Test for Tradable Indexes

A security is regarded as passing the monthly turnover test if it attains a minimum velocity of 0.1% in that month.

For each security, its turnover velocity in each of the past 12 months is calculated using the following formula:

$$\text{Velocity} = \frac{\text{Median of Daily Traded Shares in Specific Calendar Month}}{\text{Freefloat - adjusted Issued Shares at Month- end}}$$

For the denominator used in velocity calculation, freefloat-adjusted issued shares at the end of each month is used.

(1) For new constituents:

A security should fulfil the following criteria:

- velocity is a minimum of 0.1% for at least 10 out of the past 12 months, and
- velocity is a minimum of 0.1% in for the latest three months.

(2) For existing constituents:

A security should fulfil the following criteria:

(a) velocity is a minimum of 0.1% for at least 10 out of the past 12 months

(b) if a constituent fails to meet the turnover requirement as mentioned in (a), a supplementary turnover test will be applied for those months in which its velocity was less than 0.1%:

(i) calculate the monthly aggregate turnover of the constituent;

(ii) if the monthly aggregate turnover is among the top 90th percentile of the total market*, the constituent passes the monthly turnover test for that month.

(c) the constituent will be regarded as meeting the turnover requirement if (a) is fulfilled after applying (b) as a supplementary test.

* Total market includes securities in the universe of the Hang Seng Composite Index.

(3) For a security with a trading history of less than 12 months, or a security which has been suspended for any complete month(s), or a security that has transferred from GEM to the Main Board in the past 12 months before the review data cut-off date, the following requirements replace those in sections (1) and (2):

Trading Record	Measurements^
< 6 months	attain a minimum velocity of 0.1% for all trading months
≥ 6 months	1) no more than one month in which security has failed to attain a velocity of at least 0.1% AND 2) attained 0.1% for the latest three months if it is not an existing constituent

^ For existing constituents, the supplementary turnover test as described in section (2) (b) also applies

(B) Sector Requirements

The constituent should be classified in one of the following industries in the Hang Seng Industry Classification System: Industrials, Consumer Discretionary, Healthcare, Financials, Information Technology.

(C) Theme Requirements

The constituent should have high business exposure to at least one of the below Tech Themes: Internet (including Mobile), FinTech, Cloud, E-commerce, or Digital.

(D) Innovation Screening

The constituent should meet at least one of the below criteria:

- Technology-enabled business (e.g. via internet/ mobile platform); or
- Research & Development Expense to Revenue Ratio >=5%; or
- YoY Revenue Growth >=10%

The requirements under (B) to (D) are reviewed at least annually.

Constituent Selection

Selection Criteria: The top 30 securities with the highest MV Rank (as described below) will be selected as constituents.

The market value ("**MV**") of eligible securities will be used for ranking. It does not include other listed share classes of the same company. For example, MV of an H-shares security is calculated only based on the H-shares.

The MV of a security refers to the average market value of the past 12 month-ends of any review period. For securities with a listing history of less than 12 months, the MV refers to the average of the past month-ends since the securities listed.

The MV will be sorted in descending order to get the MV Rank.

Buffer Zone: Existing constituents ranked lower than 36th will be removed from the Underlying Index, while non-constituents ranked 24th or above will be included;

Securities will be added or excluded according to their MV Rank to maintain the number of constituents at 30.

Calculation of Underlying Index

The formula of net total return indexes ("**TRIs**") is set out below:

$$Today's\ TRI = \frac{Today's\ Price\ Index\ Market\ Capitalisation}{Yesterday's\ Price\ Index\ Market\ Capitalisation - Cash\ Dividend\ Payment} \times Yesterday's\ TRI$$

The Cash Dividend Payment refers to after-tax net dividends for the calculation of the net total return indexes.

Index Reviews

HSIL undertakes regular quarterly reviews of the Index Constituents with data cut-off dates of end of March, June, September and December each year.
A newly listed security will be added to Index if its full market capitalisation ranks within the top 10 of the existing constituents on its first trading day. For ad-hoc removal, the outgoing outgoing constituent will be replaced by the highest ranked candidate from last regular review.

Index Securities of the Underlying Index

You can obtain the most updated list of the Index Constituents with their respective weighting s and additional information of the Underlying Index from the website https://www.hsi.com.hk/eng/indexes/all-indexes/hstech.

Index Codes

Bloomberg: HSTECHN

Index Provider Disclaimer

The Hang Seng TECH Index is published and compiled by HSIL pursuant to a licence from Hang Seng Data Services Limited ("**HSDS**"). The mark and name "Hang Seng TECH Index" is proprietary to HSDS. HSIL and HSDS have agreed to the use of, and reference to, the Hang Seng TECH Index by the Manager and the Trustee and their respective duly appointed agents in connection with CSOP Hang Seng TECH Index ETF, BUT NEITHER HSIL NOR HSDS WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE CSOP HANG SENG TECH INDEX ETF OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF THE HANG SENG TECH INDEX AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF THE HANG SENG TECH INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE HANG SENG TECH INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING TO THE HANG SENG TECH INDEX IS GIVEN OR MAY BE IMPLIED. The process and basis of computation and compilation of the Hang Seng TECH Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice. TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY HSIL OR HSDS (i) IN RESPECT OF THE USE OF AND/OR REFERENCE TO THE HANG SENG TECH INDEX BY THE MANAGER IN CONNECTION WITH CSOP HANG SENG TECH INDEX ETF; OR (ii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OF HSIL IN THE COMPUTATION OF THE HANG SENG TECH INDEX; OR (iii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, ERRORS OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF THE HANG SENG TECH INDEX WHICH IS SUPPLIED BY ANY OTHER PERSON; OR (iv) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE DIRECTLY OR INDIRECTLY SUSTAINED

BY ANY BROKER OR HOLDER OF THE CSOP HANG SENG TECH INDEX ETF OR ANY OTHER PERSON DEALING WITH CSOP HANG SENG TECH INDEX ETF AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS, ACTIONS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST HSIL AND/OR HSDS in connection with CSOP Hang Seng TECH Index ETF in any manner whatsoever by any broker, holder or any other person dealing with CSOP Hang Seng TECH Index ETF. Any broker, holder or other person dealing with CSOP Hang Seng TECH Index ETF does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on HSIL and HSDS. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and HSIL and/or HSDS and must not be construed to have created such relationship.

APPENDIX 8

CSOP YINHUA CSI 5G COMMUNICATIONS THEME ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 3193 (HKD Counter)

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP Yinhua CSI 5G Communications Theme ETF
Stock Code: 3193（HKD Counter）

1. KEY INFORMATION

1.1 General

This Appendix sets out information specific to CSOP Yinhua CSI 5G Communications Theme ETF ("**CSOP Yinhua 5G ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of the Prospectus before investing in CSOP Yinhua 5G ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***10. Risk Factors relating to the CSOP Yinhua 5G ETF***" of this Appendix, before investing in the CSOP Yinhua 5G ETF.

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.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP Yinhua 5G ETF, and should be read in conjunction with the full text of this Prospectus.

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a feeder collective investment scheme by the Commission under Chapters 7 and 8.6 of the Code on Unit Trusts and Mutual Funds (the "**Code**")[1]
Underlying Index	CSI 5G Communication Index Inception Date: 31 December 2015 Number of constituents: 50 Base Currency of Underlying Index: RMB (CNY)
Type of Underlying Index	A price return index which means that it does not include the reinvestment of dividends from the constituents of the Underlying Index, such dividends being net of any withholding tax. The Underlying Index is denominated and quoted in RMB.
Index Provider	China Securities Index Co., Ltd. ("**CSI**" or "**Index Provider**")

[1] The Commission's authorisation is not a recommendation or endorsement of the CSOP Yinhua 5G ETF nor does it guarantee the commercial merits of the CSOP Yinhua 5G ETF or its performance. This does not mean the CSOP Yinhua 5G ETF is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Investment Strategy	The CSOP Yinhua 5G ETF invests at least 90% of its Net Asset Value in Yinhua CSI 5G Communication ETF (the "**Master ETF**"), an exchange traded fund listed on the Shenzhen Stock Exchange. Please refer to section "3. Investment Objective and Strategy" of this Appendix for further details.
Initial Issue Date	22 October 2020
Listing Date	23 October 2020
Dealing on SEHK Commencement Date	23 October, 2020
Exchange Listing	SEHK – Main Board
Stock Codes	HKD counter: 3193
Stock Short Name	HKD counter: CSOP CSI 5G
Trading Board Lot Size	HKD counter: 100 Units
Base Currency	Renminbi (CNH)
Trading Currency	Hong Kong dollars (HKD)
Dividend Policy	The Manager may at its absolute discretion distribute income to Unitholders, having regard to the CSOP Yinhua 5G ETF's net income after fees and costs. The Manager may also, at its discretion, pay dividend out of capital, or pay dividend out of gross income while all or part of the fees and expenses of the CSOP Yinhua 5G ETF are charged to/paid out of the capital of the CSOP Yinhua 5G ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Yinhua 5G ETF and therefore, the CSOP Yinhua 5G ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of the CSOP Yinhua 5G ETF's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP Yinhua 5G ETF.

	Please refer to section "***5. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP Yinhua 5G ETF and the risk factor "***Risk relating to distributions paid out of capital"*** under sub-section "***10.9 Other risks***" in this Appendix for the risk associated with distributions paid out of capital. **Distributions for all units will be in RMB only**.*
Application Unit size for Creation/Redemption (only by or through Participating Dealers)	Minimum 200,000 Units (or multiples thereof)
Method of Creation/Redemption	In-cash only

* *Unitholders will receive distributions in RMB only. 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/intermediaries on the arrangements concerning distributions. Please refer to section "**5. Distribution Policy**" and section "**RMB distributions risk**" under "**10.3 Renminbi related risks**" in this Appendix for further details.*

Parties	Manager/QFI Holder	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
	PRC Custodian	HSBC Bank (China) Company Limited
	Participating Dealers	Please refer to the Manager's website set out below for the latest list
	Market Makers	Please refer to the Manager's website set out below for the latest list
	Service Agent	HK Conversion Agency Services Limited
Financial Year		Ending 31 December each year. (The first financial year-end of the CSOP Yinhua 5G ETF will be 31 December 2021. The first audited accounts and the first semi-annual unaudited interim reports of the CSOP Yinhua 5G ETF will

	be for the period ending 31 December 2021 and 30 June 2021 respectively.)
Management Fee	The management fee of the CSOP Yinhua 5G ETF is currently 0.99% per annum of the Net Asset Value of the CSOP Yinhua 5G ETF accrued daily. The management fee of the Master ETF is currently 0.50% per annum of the net asset value of the Master ETF accrued daily. The aggregate management fee charged in respect of the CSOP Yinhua 5G ETF is currently 1.49% per annum of the Net Asset Value of the CSOP Yinhua 5G ETF.
Trustee Fee	The management fee of the CSOP Yinhua 5G ETF is inclusive of the trustee fee and the Manager will pay the fees of the trustee out of the management fee. The trustee fee of the Master ETF is currently 0.10% per annum of the net asset value of the Master ETF accrued daily. The aggregate trustee / custodian fee charged in respect of the CSOP Yinhua 5G ETF is currently 0.10% per annum of the Net Asset Value of the CSOP Yinhua 5G ETF.
Website	http://www.csopasset.com/en/products/co-cs5g (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission.)

1.3 Custodian and PRC Custodian for CSOP Yinhua 5G ETF

The CSOP Yinhua 5G ETF invests directly in the Master ETF using the QFI status granted to the Manager. The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee and the Manager as custodian ("**Custodian**") to act through its delegate, the PRC Custodian and will be responsible for the safe custody of the CSOP Yinhua 5G ETF's assets acquired through investment by remitting offshore RMB utilizing the QFI status of the Manager within the PRC mainland under the QFI scheme in accordance with the RQFII Custody Agreement (as defined below).

The Custodian is entitled to appoint its subsidiary or associates within the HSBC group of companies as delegate for the performance of its services. As of the date of this Prospectus, the Custodian has appointed HSBC Bank (China) Company Limited ("**PRC Custodian**") as the PRC Custodian. The PRC Custodian is incorporated in Chinese Mainland and is a wholly-owned subsidiary of the Custodian. The PRC Custodian possesses the applicable qualification to provide custody services to QFIs.

The Custodian shall remain responsible for any omission or wilful default of the PRC Custodian, as if no such appointment had been made.

The "**RQFII Custody Agreement**" is the custody agreement entered into between the Custodian, the PRC Custodian, the Manager and the Trustee, as amended from time to time.

Please refer to section "***2.4 Trustee and Registrar***" in Part 1 of the Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the PRC Custodian.

Neither the Custodian nor its delegate is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "***1.3 Custodian and PRC Custodian for CSOP Yinhua 5G ETF***".

1.4 Market Maker

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 of the CSOP Yinhua 5G ETF. 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 to facilitate the efficient trading of Units of the CSOP Yinhua 5G ETF. The Manager will ensure that at least one market maker is required to give not less than three months' prior notice to terminate market making under the relevant market making agreement.

The list of market markers in respect of the CSOP Yinhua 5G ETF is available on http://www.csopasset.com/en/products/co-cs5g and from time to time will be displayed on www.hkex.com.hk.

2. DEALING

2.1 Exchange Listing and Trading

Dealings in Units of the CSOP Yinhua 5G ETF have already commenced.

Currently, Units of the CSOP Yinhua 5G ETF are listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as of the date of this Prospectus. Application may be made in the future for a listing of Units of the CSOP Yinhua 5G ETF on other stock exchanges subject to the applicable QFI Regulations (as defined in section "***7. Qualified Foreign Investor (QFI)***" in this Appendix).

If trading of the Units of the CSOP Yinhua 5G ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Units.

2.2 Buying and Selling of Units of CSOP Yinhua 5G ETF on SEHK

A Secondary Market Investor can buy and sell the Units of the CSOP Yinhua 5G ETF

on the SEHK through his stockbroker at any time the SEHK is open. Units of the CSOP Yinhua 5G ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 100 Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the CSOP Yinhua 5G ETF 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 of the CSOP Yinhua 5G ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the CSOP Yinhua 5G ETF.

Please refer to section "***9. Trading of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of Units on the SEHK.

2.3 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***2. Creation and Redemption of Application Units (Primary Market)***" in Schedule 2 of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP Yinhua 5G ETF only.

The Manager currently only allows In-Cash Creations and In-Cash Redemptions for Units of the CSOP Yinhua 5G ETF. Any cash payable by Participating Dealers in an In-Cash Application must be in RMB.

The Application Unit size for CSOP Yinhua 5G ETF is 200,000 Units. Creation Applications submitted in respect of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP Yinhua 5G ETF is one Application Unit.

Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Any cash proceeds received by Participating Dealers in an In-Cash Redemption shall be paid only in RMB.

2.3.1 Dealing Period

The dealing period on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP Yinhua 5G ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 2:00 p.m. (Hong Kong time) (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.3.2 Issue Price and Redemption Price

The Issue Price of a Unit of any class in the CSOP Yinhua 5G ETF shall be the Net Asset Value per Unit of the relevant class calculated as of the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place(with 0.00005 being rounded up).

The Redemption Price of Units of any class redeemed shall be the Net Asset Value per Unit of the relevant class calculated as of the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP Yinhua 5G ETF.

The "**Valuation Day**" of the CSOP Yinhua 5G ETF, coincides with, and shall mean, the Dealing Day of the CSOP Yinhua 5G ETF or such other days as the Manager may determine.

The "**Valuation Point**" of the CSOP Yinhua 5G ETF means the official closing of trading on the securities market on which the Master ETF is listed on each Valuation Day, or such other time or times as determined by the Manager, in consultation with the Trustee, from time to time provided that there shall always be a Valuation Point on each Valuation Day other than where there is a suspension of determination of the Net Asset Value of the CSOP Yinhua 5G ETF pursuant to the provisions of the Trust Deed.

The latest Net Asset Value of the Units will be available on the Manager's website at http://www.csopasset.com/en/products/co-cs5g or published in such other publications as the Manager decides.

2.3.3 Dealing Day and Business Day

In respect of the CSOP Yinhua 5G ETF, "**Dealing Day**" means each Business Day.

A "**Business Day**" in respect of the CSOP Yinhua 5G ETF means, unless the Manager and the Trustee otherwise agree, a day on which (a) (i) the SEHK is open for normal trading; and (ii) the relevant securities market on which the Master ETF are traded is open for normal trading, and (b) the Underlying Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

2.3.4 Rejection of Creation of Applications relating to CSOP Yinhua 5G ETF

In addition to the circumstances set out in section "***2.3.5 Rejection of Creation Applications***" in Schedule 2 of Part 1 of this Prospectus, the Manager, acting reasonably and in good faith, has the absolute discretion to reject a Creation Application in relation to the CSOP Yinhua 5G ETF, where the QFI status granted to the Manager relating to the CSOP Yinhua 5G ETF is cancelled or the Manager is otherwise unable to meet the Creation Applications for the CSOP Yinhua 5G ETF via its QFI status.

3. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

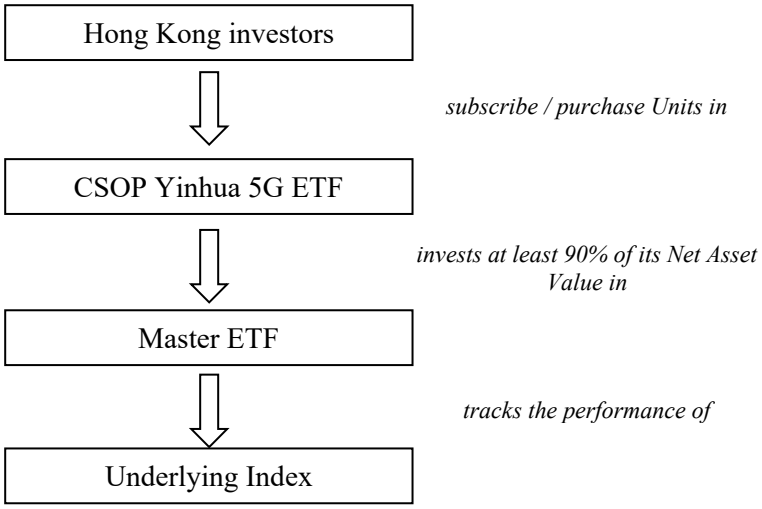
The investment objective of the CSOP Yinhua 5G ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Underlying

Index, namely, the CSI 5G Communication Index. There is no assurance that the CSOP Yinhua 5G ETF will achieve its investment objective.

Investment Strategy

The CSOP Yinhua 5G ETF is a feeder fund which in seeking to achieve its investment objective, will invest at least 90% of its Net Asset Value in the Master ETF via the QFI status granted to the Manager (as explained in section "**7. Qualified Foreign Investor (QFI)**" in this Appendix) and/or the Stock Connect (including the eligible ETFs for Northbound trading) (as explained in section "**7A. The Stock Connect**" in this Appendix). Investment in units of the Master ETF by the CSOP Yinhua 5G ETF will be made via the secondary market (i.e. through the Shenzhen Stock Exchange ("**SZSE**"). The Master ETF is an exchange traded fund listed on the Shenzhen Stock Exchange that tracks the performance of the Underlying Index. The Master ETF is authorised[2] by the Commission for the sole purpose of being master fund of the Sub-Fund and will not be directly offered to the public in Hong Kong. Please refer to Schedule A for further details of the Master ETF.

The diagram below shows the investment strategy of the CSOP Yinhua 5G ETF:



Other investments

No more than 10% of the Net Asset Value of the CSOP Yinhua 5G ETF may be invested in collective investment scheme(s) other than the Master ETF which may be eligible schemes (as defined by the SFC) or authorised by the SFC, or non-eligible schemes and not authorised by the SFC (including exchange traded funds listed on stock exchanges in Chinese Mainland) in accordance with all the applicable requirements of the Code. The above investments may be made through the Manager's status as an QFI. Any investments in the above exchange traded funds will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11, 7.11A and 7.11B of the Code.

The CSOP Yinhua 5G ETF may also invest up to 10% of its Net Asset Value on an ancillary basis in money market instruments, unlisted and listed money market funds, cash and cash equivalents for cash management purposes. For the avoidance of doubt, not more than 10% of the Net Asset Value of the CSOP Yinhua 5G ETF may be invested in non-eligible schemes

[2] SFC authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

which are not authorised by the SFC, including the foregoing money market funds.

The Manager does not intend to invest in financial derivative instruments for any purpose, or engage in securities lending, sale and repurchase transactions and reverse repurchase transactions on behalf of the CSOP Yinhua 5G ETF.

** The Manager intends to limit the annual tracking error to 2% and the daily tracking difference to 0.1% without taking into account the provision of the capital gains tax.*

3A. USE OF FDIs

The CSOP Yinhua 5G ETF's net derivative exposure may be up to 50% of its net asset value.

4. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of CSOP Yinhua 5G ETF to acquire investments, to settle redemption proceeds or to pay expenses relating to CSOP Yinhua 5G ETF.

5. DISTRIBUTION POLICY

The Manager may at its absolute discretion distribute income to Unitholders, having regard to the CSOP Yinhua 5G ETF's net income after fees and costs.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the CSOP Yinhua 5G ETF.

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Yinhua 5G ETF are charged to/paid out of the capital of the CSOP Yinhua 5G ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Yinhua 5G ETF and therefore, the CSOP Yinhua 5G ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of the CSOP Yinhua 5G ETF's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP Yinhua 5G ETF and will reduce any capital appreciation for the Unitholders of the CSOP Yinhua 5G ETF.**

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website http://www.csopasset.com/en/products/co-cs5g.

The distribution policy may be amended subject to the Commission's prior approval and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in the Base Currency of the CSOP Yinhua 5G ETF (i.e. RMB). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in RMB only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website http://www.csopasset.com/en/products/co-cs5g and on HKEx's website

http://www.hkexnews.hk/listedco/listconews/advancedsearch/ search_active_main.aspx.

There can be no assurance that a distribution will be paid.

Each Unitholder will receive distributions in RMB. 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/intermediaries on the arrangements concerning distributions.

Distribution payment rates (if declared) in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

6. PRC MAINLAND TAX PROVISIONS

In light of an announcement jointly promulgated by the Ministry of Finance, the State Administration of Taxation and the CSRC under Caishui [2014] No.79 and No.81 which stipulate that trading of China A-Shares and A-Share ETFs through, amongst others, RQFIIs (without an establishment or place of business in the PRC mainland or having an establishment in the PRC mainland but the income so derived in Chinese Mainland is not effectively connected with such establishment) will be temporarily exempted from corporate income tax on gains derived from the transfer of PRC mainland equity investment assets (including PRC mainland A-Shares and A-Share ETFs) effective from 17 November 2014. Based on professional and independent tax advice, the Manager does not intend to make any WIT provision on the gross unrealised and realised capital gains derived from trading of China A-Shares and A-Share ETFs.

Please refer to the risk factor "***PRC mainland tax considerations***" under section "***4.1 Risk Factors relating to Chinese Mainland***" in Part 1 of the Prospectus for further information on PRC mainland taxation.

7. QUALIFIED FOREIGN INVESTOR (QFI)

The QFI regime is governed by rules and regulations as promulgated by the Chinese Mainland authorities, such as the CSRC, the SAFE and the PBOC. Such rules and regulations may be amended from time to time and include (but are not limited to):

(i) the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors jointly issued by the CSRC, the PBOC and the SAFE on 25 September 2020 and effective from 1 November 2020 (《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》);
(ii) the Provisions on Issues Concerning the Implementation of the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors issued by the CSRC on 25 September 2020 and effective from 1 November 2020 (關於實施《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》有關問題的規定);
(iii) the "Regulations on Funds of Domestic Securities and Futures Investment by Foreign Institutional Investors" issued by the PBOC and the SAFE on 7 May 2020 and effective from 6 June 2020 (《境外機構投資者境內證券期貨投資資金管理規定》); and
(iv) any other applicable regulations promulgated by the relevant authorities. (collectively,

"**QFI Regulations**")

Based on the above prevailing QFI Regulations, the Qualified Foreign Institutional Investors (QFII) regime and RMB Qualified Foreign Institutional Investors (RQFII) regime have been merged and been regulated by the same set of regulations, and the previously separate requirements for QFII and RQFII qualifications are unified. A foreign institutional investor outside the PRC mainland may apply to the CSRC for the QFI License, while there is no need for a foreign institutional investor having held either a QFII or RQFII license to re-apply for the QFI license. Since the Manager has been granted with QFII license and RQFII license by CSRC, it shall be regarded as a QFI, and may freely select to use funds in foreign currencies which can be traded on CFETS (defined below) and/or offshore RMB funds to be remitted in to carry out PRC mainland domestic securities and futures investment as long as separate cash accounts for receiving such cash are duly opened.

For remittance of foreign currencies, the Manager (as a QFI Holder) shall open foreign exchange account(s) for the remitted funds in foreign currencies and a corresponding RMB special deposit account for each relevant foreign exchange account; for remittance of offshore RMB funds, the Manager (as a QFI Holder) shall open RMB special deposit account(s) for the remitted funds in offshore RMB. QFI Holders are not subject to investment quota limits.

Under current regulations in the PRC mainland, generally foreign investors can invest in the domestic securities and/or futures market through (i) certain foreign institutional investors that have obtained status as a QFI from the CSRC to remit foreign freely convertible currencies and RMB into the PRC mainland for the purpose of investing in the PRC mainland's domestic securities and/or futures markets, or (ii) the Stock Connect Program (as explained in the section "8.3A. The Stock Connect" in this Appendix).

The CSOP Yinhua 5G ETF will directly invest in securities issued within the PRC mainland through the QFI status of the Manager.

The Manager has obtained QFI status in the PRC mainland. The Custodian has been appointed by the Trustee and the Manager to hold (by itself or through its delegate) the assets of the CSOP Yinhua 5G ETF in the PRC mainland invested using the QFI status of the Manager in accordance with the terms of the RQFII Custody Agreement.

Securities including units of the Master ETF invested through the QFI status of the Manager will be maintained by the Custodian's delegate, the PRC Custodian pursuant to PRC mainland regulations through securities account(s) with the China Securities Depository and Clearing Corporation Limited ("**CSDCC**") in the joint names of the Manager (as the QFI Holder) and the CSOP Yinhua 5G ETF. An RMB cash account(s) shall be established and maintained with the PRC Custodian in the joint names of the Manager (as the QFI Holder) and the CSOP Yinhua 5G ETF. The PRC Custodian shall, in turn, have a cash clearing account with CSDCC for trade settlement according to applicable regulations.

Repatriations in RMB conducted by the Manager (as QFI) on behalf of the CSOP Yinhua 5G ETF are permitted daily and not subject to any repatriation restrictions, lock-up periods or prior approval from the SAFE.

There are specific risks associated with the QFI regime and investors' attention is drawn to the risk factors "***QFI risk***" and "***PRC mainland brokerage risk***" under section "***10.4 Risks relating to the QFI regime***" in this Appendix.

In the context of investment in securities issued within the PRC mainland using the Manager's QFI status, the Manager will assume dual roles as the Manager of the CSOP Yinhua 5G ETF and the QFI status holder for the CSOP Yinhua 5G ETF. The Manager will be responsible for ensuring that all transactions and dealings will be dealt with in compliance with the Trust Deed (where applicable) as well as the relevant laws and regulations applicable to the Manager as a QFI.

The Manager has obtained an opinion from PRC mainland legal counsel to the effect that, as a matter of PRC mainland laws:

(a) where the Manager as the RQFII holder appoints multiple PRC custodians, one of which should be designated as the principal PRC custodian;

(b) securities account(s) with the CSDCC and maintained by the PRC Custodian and RMB cash account(s) with the PRC Custodian (respectively, the "securities account(s)" and the "cash account(s)") have been opened in the joint names of the Manager (as the RQFII holder) and the CSOP Yinhua 5G ETF and for the sole benefit and use of the CSOP Yinhua 5G ETF in accordance with all applicable laws, rules and regulations of the PRC mainland and with approval from all competent authorities in the PRC mainland;

(c) the assets held/credited in the securities account(s) (i) belong solely to the CSOP Yinhua 5G ETF, and (ii) are segregated and independent from the proprietary assets of the Manager (as the RQFII holder), the Custodian, the PRC Custodian and any qualified broker appointed by the Manager (as the RQFII Holder) to execute transactions for the CSOP Yinhua 5G ETF in the PRC mainland ("**PRC Mainland Broker**") and from the assets of other clients of the Manager (as the RQFII holder), the Custodian, the PRC Custodian and any PRC Mainland Broker(s);

(d) the assets held/credited in the cash account(s) (i) become an unsecured debt owing from the PRC Custodian to the CSOP Yinhua 5G ETF, and (ii) are segregated and independent from the proprietary assets of the Manager (as the RQFII holder) and any PRC Mainland Broker(s), and from the assets of other clients of the Manager (as the RQFII holder) and any PRC Mainland Broker(s);

(e) the Trustee, for and on behalf of the CSOP Yinhua 5G ETF is the only entity which has a valid claim of ownership over the assets in the securities account(s) and the debt in the amount deposited in the cash account(s) of the CSOP Yinhua 5G ETF;

(f) if the Manager or any PRC Mainland Broker is liquidated, the assets contained in the securities account(s) and the cash account(s) of the CSOP Yinhua 5G ETF will not form part of the liquidation assets of the Manager or such PRC Mainland Broker(s) in liquidation in the PRC mainland; and

(g) if the PRC Custodian is liquidated, (i) the assets contained in the securities account(s) of the CSOP Yinhua 5G ETF will not form part of the liquidation assets of the PRC Custodian in liquidation in the PRC mainland, and (ii) the assets contained in the cash account(s) of the CSOP Yinhua 5G ETF will form part of the liquidation assets of the PRC Custodian in liquidation in the PRC mainland and the CSOP Yinhua 5G ETF will become an unsecured creditor for the amount deposited in the cash account(s).

Further, the Trustee has put in place proper arrangements to ensure that:

(a) the Trustee takes into its custody or under its control the assets of the CSOP Yinhua 5G ETF, including onshore PRC assets of the CSOP Yinhua 5G ETF acquired by the CSOP Yinhua 5G ETF through the Manager's QFI status and such PRC assets will be maintained by the PRC Custodian in electronic form via the securities account(s) with the CSDCC and cash held in the cash account(s) with the PRC Custodian ("**Onshore PRC Assets**"), and holds the same in trust for the Unitholders;

(b) cash and registrable assets of the CSOP Yinhua 5G ETF, including the Onshore PRC Assets are registered or held to the order of the Trustee; and

(c) the Custodian and the PRC Custodian will look to the Trustee for instructions and solely act in accordance with such instructions.

7A. The Stock Connect

The Stock Connect is a securities trading and clearing linked program developed by the HKEX, the SSE, the SZSE and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**"), with an aim to achieve mutual stock market access between Chinese Mainland and Hong Kong. It comprises of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

Through the Stock Connect, the SSE, the SZSE and the SEHK enable investors to trade eligible securities listed on the other's market through local securities firms or brokers. Each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, investors, through their Hong Kong brokers and securities trading service companies (in Shanghai and in Shenzhen respectively) establish by the SEHK and the HKSCC, are able to place orders to trade eligible securities listed on the SSE or the SZSE by routing orders to the SSE or the SZSE (as the case may be). Under the Southbound Trading Link, eligible investors, through PRC mainland securities firms and securities trading service companies established by the SSE and the SZSE, are able to place orders to trade eligible securities listed on the SEHK by routing orders to SEHK.

All Hong Kong and overseas investors (including the CSOP Yinhua 5G ETF) are allowed to trade SSE Securities and SZSE Securities (as described below) through the Stock Connect (through the Northbound Trading Link), subject to rules and regulations issued from time to time.

The following summary presents some key points about the Northbound Trading Link (which may be utilized by the CSOP Yinhua 5G ETF to invest in the PRC mainland):

Eligible securities

Among the different types of SSE-or SZSE-listed securities, only China A-Shares and exchange traded funds ("**ETFs**") are currently permitted for Northbound trading under the Stock Connect.

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

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

(b)SSE-listed shares which are included in the “risk alert board”.

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

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

(b)SZSE-listed shares which are included in the “risk alert board”

In addition, Hong Kong and overseas investors are able to trade eligible SSE-listed and SZSE-listed ETFs that satisfy the relevant criteria at a regular review and are accepted as eligible ETFs for Northbound trading in Stock Connect. Regular reviews will be performed to determine the eligible ETFs for Northbound trading every six months.

The list of eligible securities may be subject to review and approval by the relevant Chinese Mainland regulators from time to time.

Trading day

Due to differences in public holidays between Hong Kong and Chinese Mainland, there may be differences in the trading days in the two markets. Even if the Chinese Mainland markets are open on a certain day, the CSOP Yinhua 5G ETF may not necessarily be able to invest in SSE Securities and/or SZSE Securities through Northbound trading. For example, the Hong Kong market closes on Easter and Christmas every year, but those are trading days in Chinese Mainland.

Likewise, during Lunar New Year and the National Day golden week periods, Chinese Mainland will usually arrange for seven-day consecutive holidays by reshuffling workdays and weekends. Even for days both markets are open for business, there could be differences because of other reasons such as bad weather conditions. Investors (including the CSOP Yinhua 5G ETF) are only allowed to trade on the other market on days where both markets are open for trading, and banking services are available in both markets on the corresponding settlement days.

Trading quota

Trading under the Stock Connect is subject to a daily quota (“**Daily Quota**”) presently set at RMB52 billion for each of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, which is separate for Northbound and Southbound trading. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day.

The quotas do not belong to the CSOP Yinhua 5G ETF and are utilized on a first-come- first-serve basis. The SEHK publishes the remaining balance of the Northbound Daily Quota at scheduled times on the HKEX’s website. Should there be any change in the Daily Quota, the Manager will not inform the Unitholders.

Settlement and Custody

The Hong Kong Securities Clearing Company Limited ("**HKSCC**"), also a wholly-owned subsidiary of HKEX, is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The SSE Securities and SZSE Securities traded through the Stock Connect are issued in scripless form, so investors will not hold any physical securities. In the operation of the Stock Connect, Hong Kong and overseas investors who have acquired SSE Securities and SZSE Securities through Northbound trading should maintain the SSE Securities and SZSE Securities with their brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

Corporate actions and shareholders' meetings

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

HKSCC monitors the corporate actions affecting SSE Securities or SZSE Securities and keep the relevant brokers or custodians participating in CCASS ("CCASS participants") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

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

Foreign shareholding restrictions

The CSRC stipulates that, when holding China A-Shares through the Stock Connect, Hong Kong and overseas investors are subject to the following shareholding restrictions:

- Single foreign investors' shareholding by any Hong Kong or overseas investor in a China A-Share must not exceed 10% of the total issued shares; and
- Aggregate foreign investors' shareholding by all Hong Kong and overseas investors in a China A-Share must not exceed 30% of the total issue shares.
- When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the rules, the shareholding of the strategic investments is not capped by the above-mentioned percentages.

Should the shareholding of a single investor in a China A-Share listed company exceed the above restriction, the investor may be required to unwind his position on the excessive shareholding according to a last-in- first-out basis within a specific period. The SSE, the SZSE and the SEHK will issue warnings or restrict the buy orders for the related China A-Shares if the percentage of total shareholding is approaching the upper limit.

SSE and SZSE-listed ETFs are not subject to the aforementioned shareholding restrictions.

Currency

Hong Kong and overseas investors will trade and settle SSE Securities and SZSE Securities in RMB only. Hence, the CSOP Yinhua 5G ETF needs to use its RMB funds to trade and settle SSE Securities and SZSE Securities.

Trading fees

In addition to paying trading fees and stamp duties in connection with SSE Securities and/or SZSE Securities, the CSOP Yinhua 5G ETF may be subject to new portfolio fees, dividend tax and tax concerned with income arising from transfers of SSE Securities and/or SZSE Securities which are yet to be determined by the relevant authorities.

Coverage of Investor Compensation Fund

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund covers investors' losses in relation to securities traded on a stock market operated by the SSE and the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the CSOP Yinhua 5G ETF is carrying out northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, such trading is not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland.

Further information about the Stock Connect is available at the website: https://www.hkex.com.hk/mutual-market/stock-connect?sc_lang=en.

8. CHINESE MAINLAND MARKET

8.1 The major differences between the Chinese Mainland market and the Hong Kong market

The table below summarises the differences between the Chinese Mainland market and the Hong Kong market:

		SEHK	SSE	SZSE
(a)	Key Market Index	Hang Seng Index ("**HSI**")	SSE Composite Index	SZSE Composite Index
(b)	Trading Hours • Morning session • Afternoon session	• 9:30– 12:00 • 13:00 – 16:00	• 9:30– 11:30 • 13:00 – 15:00	• 9:30 – 11:30 • 13:00 – 15:00
	China A-Share market and Hong Kong market have different schedule of holidays.			
(c)	Pre-opening session/ pre-order input/order matching times • Pre-opening session • Order matching times	• 9:00 to 9:15 • 9:15 to 9:20 (pre-order	• 9:15 to 9:25 • 9:30 to 11:30 and 13:00 to	• 9:15 to 9:25 • 9:30 to 11:30 and 13:00 to 14:57

		matching period) • 9:20 to 9:28 (order matching period) • 9:28 to 9:30 (blocking period)	15:00	
	• Close matching times	• N/A	• N/A	• 14:57 to 15:00
(d)	Trading Band Limits	No trading band limit	Daily trading band limits of 10%. Where a listed company is under circumstances deemed abnormal by the SSE and SZSE, the short name of the listed company will be prefixed by "ST" and the daily up and down limit will be reduced to 5%.	
(e)	Trading Rule	The T+1 trading rule do not apply except that some stocks cannot be sold short in Hong Kong market.	The T+1 trading rule applies which means a stock bought on T day (i.e. trading day) can only be sold on T+1 (i.e. one business day after the relevant trading day), and no short-selling is allowed with a few exception (mostly ETFs) permitted by a pilot program.	
(f)	Round Lot	Stocks are generally traded at round lots and odd lots trading have to be facilitated by a broker through a special board.	Stocks can only be bought at the multiples of 100 shares but cannot be bought in odd lots. However, one can sell the shares of any number i.e. even in odd lots.	
(g)	Settlement cycle	The settlement period is 2 business days (i.e. T+2)	The settlement period is one business day (i.e. T+1)	
(h)	Earnings report disclosure requirement	A listed company has to disclose fiscal information twice a year. The annual financial reports have to be published within four months from the financial year end and the interim financial reports have to be published within three months of the end of the period it covers.	A listed company on the SSE and SZSE is required to prepare and disclose the annual financial report within four months as of the end date of each fiscal year, the semi-annual financial report within two months as of the end date of the first half of each fiscal year, and the quarterly financial report within one month as of the end of the first three months and the end of the first nine months of each fiscal year respectively. The time for disclosing the first-quarter report shall not be earlier than the time for disclosing the annual financial report of the previous year. H-Share listed companies also disclose fiscal information quarterly for consistency with the corresponding A -Share schedules.	
(i)	Suspension	There is no requirement to suspend stocks for general assembly or important information disclosure.	Stocks in the China A-Share market will be suspended for general assembly or important information disclosure.	

Investors should inform themselves of the risks associated with the differences between the Chinese Mainland market and the Hong Kong market, as set out in the risk factor "***Risks relating to the differences between the Hong Kong and Chinese Mainland stock markets***" in section "***10.2 Chinese Mainland market / China A-Share market risks***" in this Appendix.

8.2 Measures Adopted by the Manager to Address the Differences between the

Chinese Mainland Market and the Hong Kong Market

The Manager has adopted the following measures to address the differences between the Chinese Mainland market and the Hong Kong market:

(a) Trading hours: As regards the difference in trading hours, the shorter trading hours in the Chinese Mainland market is not considered to present a major risk, as it is expected that there is a sufficient level of liquidity for the Master ETF and the China A-Shares constituting the Master ETF's portfolio.

(b) Trading days: There is a difference in trading days between the Chinese Mainland market and the Hong Kong market. It should be noted that Applications are accepted only on a Business Day (normally a day on which both markets are open).

If the Hong Kong market is open while the Chinese Mainland market is closed, Units of the CSOP Yinhua 5G ETF will be traded in the Hong Kong market and the Manager will continue to publish information including prices in the manner set out in section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of the Prospectus. If the Chinese Mainland market is open while Hong Kong market is closed, the Manager will trade the Master ETF when it is necessary, in order to limit the risk to investors. These trades will be properly settled even when the Hong Kong market is closed for holiday by the Trustee's arrangements in place.

(c) Trading band limits: The Manager will be prevented from trading the Master ETF when it hits the "trading band limit" of 10%. If this happens on a particular trading day, the Manager will continue to trade the Master ETF on the subsequent two trading days if necessary. However if the Manager is still unable to trade the Master ETF on the second trading day after the original trading day due to the trading band limit, the Manager will settle the Master ETF on the latest closing price and the CSOP Yinhua 5G ETF will make up the trade whenever the Master ETF resumes trading again. The Manager believes that the average impact to the CSOP Yinhua 5G ETF in such situations is immaterial.

9. RMB PAYMENT AND ACCOUNT PROCEDURES

Investors may unless otherwise agreed by relevant Participating Dealer, apply for Units through Participating Dealers only if they have sufficient RMB to pay the application monies and the related fees. Investors should note that RMB is the only official currency of the PRC mainland. While both onshore RMB ("**CNY**") and offshore RMB ("**CNH**") are the same currency, they are traded in different and separated markets. Since the two RMB markets operate independently where the flow between them is highly restricted, CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there is a significant amount of RMB held offshore (i.e. outside the PRC mainland), CNH cannot be freely remitted into the PRC mainland and is subject to certain restrictions, and vice versa. As such whilst CNH and CNY are both the same currency, certain special restrictions do apply to RMB outside the PRC mainland. The liquidity and trading price of the CSOP Yinhua 5G ETF may be adversely affected by the limited availability of, and restrictions applicable to, RMB outside the PRC mainland.

Application monies from Participating Dealers to the CSOP Yinhua 5G ETF will be paid in RMB

only. Accordingly a Participating Dealer may require an investor (as its client) to pay CNH to it. (Payment details will be set out in the relevant Participating Dealer's documentation such as the application form for its clients.) As such, an investor may need to have opened a bank account (for settlement) and a securities dealing account if a Participating Dealer is to subscribe for Units on his behalf as such investor will need to have accumulated sufficient CNH 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 such investor by the Participating Dealer by crediting such amount into such investor's CNH bank account. Similarly, if investors wish to buy and sell Units in the secondary market on the SEHK, they may need to open a securities dealing account with their broker. Investors will need to check with the relevant Participating Dealer and/or their broker for payment details and account procedures.

If any investors wish to buy or sell RMB traded Units on the secondary market, they should contact their brokers and they are reminded to confirm with their brokers' in respect of Units traded in RMB their brokers' readiness for dealing and/or clearing transactions in RMB securities and to check other relevant information published by the SEHK regarding readiness of its participants for dealing in RMB securities from time to time. CCASS Investor Participants who wish to settle the payment in relation to their trades in the RMB traded Units using their CCASS Investor Participant account or to receive distributions in RMB should make sure that they have set up an RMB designated bank account with CCASS.

Investors intending to purchase RMB traded Units from the secondary market should consult their stockbrokers as to the RMB funding requirement and settlement method for such purchase. Investors may need to open and maintain securities dealing accounts with the stockbroker first before any dealing in Units traded in either HKD or RMB can be effected.

Investors should ensure they have sufficient CNH to settle the trades of Units traded in RMB. 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 transfer 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.

The transaction costs of dealings in the Units on the SEHK include the trading fee payable to HKEX, Commission's transaction levy and Accounting and Financial Reporting Council ("AFRC") transaction levy. All these secondary trading related fees and charges will be collected in Hong Kong dollars and in respect of Units traded in RMB calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEx's website by 11:00 a.m. on each trading day.

Investors should consult their own brokers or custodians as to how and in what currency the trading related fees and charges and brokerage commission should be paid by the investors.

Where payment in RMB is to be made by cheque, investors are advised to consult the bank at which their respective RMB bank accounts are opened in advance whether there are any specific requirements in relation to the issue of RMB cheques. In particular, investors should note that some banks have imposed an internal limit (usually RMB80,000) on the balance of RMB cheque account of their clients or the amount of cheques that their clients can issue in a day and such limit may affect an investor's arrangement of funding for an application (through a Participating Dealer) for creation of Units.

When an individual investor who is a Hong Kong resident opens an RMB bank account or settle RMB payments, he or she will be subject to the daily maximum remittance amount to the PRC mainland which is 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 mainland and provided that the account name of the account in the PRC mainland is identical with that of the RMB bank account with the bank in Hong Kong.

On the other hand, an individual investor who is a non-Hong Kong resident may open an RMB bank account in Hong Kong and may exchange other currencies for RMB without any limit. However, non-Hong Kong residents may not remit RMB to the PRC mainland unless approval is obtained pursuant to PRC mainland rules and regulations.

Please refer to section "**10.3 Renminbi related risks**" of this Appendix on risks associated with Renminbi.

10. RISK FACTORS RELATING TO THE CSOP YINHUA 5G ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP Yinhua 5G ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP Yinhua 5G ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP Yinhua 5G ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

10.1 Risks of investing in the Master ETF

The CSOP Yinhua 5G ETF invests substantially in the Master ETF and may therefore be subject to the risks associated with the Master ETF. The performance of the CSOP Yinhua 5G ETF depends on the price of the Master ETF. The ability of the CSOP Yinhua 5G ETF to meet its investment objective is also largely dependent on the Master ETF. Past performance of the Master ETF is not necessarily a guide to future performance of the Master ETF or the CSOP Yinhua 5G ETF.

The performance of the CSOP Yinhua 5G ETF may deviate from the performance of the Master ETF due to the CSOP Yinhua 5G ETF's holdings in investments other than the Master ETF, as well as the CSOP Yinhua 5G ETF's fees and expenses. While the CSOP Yinhua 5G ETF seeks to minimise the tracking difference / tracking error arising from the Master ETF, there is no guarantee that the CSOP Yinhua 5G ETF may achieve such objective via investments other than investment in the Master ETF, due to various factors (e.g. timing differences / delays in adjusting the CSOP Yinhua 5G ETF's investments).

The CSOP Yinhua 5G ETF does not have control of the investments of the Master ETF and there is no assurance that the investment objective and strategy of the Master ETF will be successfully achieved which may have a negative impact to the Net Asset Value of the CSOP Yinhua 5G ETF. Unitholders also do not have any direct interest in the units of the Master ETF and will not be able exercise any voting right in respect of the

Master ETF.

There may be additional costs involved when investing into the Master ETF. By investing in the Master ETF, the CSOP Yinhua 5G ETF will bear a proportion of the fees and charges of the Master ETF. Such fees and charges of the Master ETF will be deducted from the net asset value of the Master ETF and reflected in the net asset value per unit of the Master ETF.

There is also no guarantee that the Master ETF will always have high trading volume and sufficient liquidity and the CSOP Yinhua 5G ETF may not be able to realise or liquidate its investment in the Master ETF at such time as it wants to.

There is no assurance that the liquidity of the Master ETF will always be sufficient to meet realisation requests. Further, there could be trading suspension of the Master ETF in the secondary market in Chinese Mainland and these factors may have an adverse impact on the CSOP Yinhua 5G ETF and its unitholders.

10.2 Chinese Mainland market / China A-Share market risks

Chinese Mainland market / Single country investment. Insofar as the CSOP Yinhua 5G ETF invests substantially in the units of the Master ETF, which are securities issued in Chinese Mainland, it will be subject to risks inherent in the Chinese Mainland market and additional concentration risks. Please refer to the risk factors under section "***4.1 Risk Factors relating to Chinese Mainland***" and section "***4.2 Investment risks***" under headings "***Restricted markets risk***", "***Emerging Market Risk***" and "***Single country risk***" in Part 1 of this Prospectus.

Risks relating to dependence upon trading on the China A-Share and China A-Share ETF market. The existence of a liquid trading market for China A-Shares and ETFs listed in Chinese Mainland (such as the Master ETF) may depend on whether there is supply of, and demand for, such China A-Shares and ETFs. The price at which the China A-Shares may be purchased or sold by the Master ETF may be adversely affected if trading markets for China A-Shares are limited or absent. This may have impact on the price at which units of the Master ETF may be purchased or sold by the CSOP Yinhua 5G ETF. Further, the price at which units of the Master ETF may be purchased or sold by the Master ETF and the Net Asset Value of the CSOP Yinhua 5G ETF may be adversely affected if trading markets for the Master ETF are limited or absent. Investors should note that the SZSE and the SSE on which China A-Shares and the Master ETF are traded are undergoing development and the market capitalisation of those stock exchanges are lower than those in more developed markets. The China A-Share and China A-Share ETF market may be more volatile and unstable (for examples due to the risk of suspension of a particular stock or government intervention) than those in more developed markets. A Participating Dealer may not be able to create and redeem Units if the units of the Master ETF is not available. Market volatility and settlement difficulties in the China A-Share and ETF markets may also result in significant fluctuations in the prices of the China A-Shares and ETFs traded on such markets and thereby may affect the value of the CSOP Yinhua 5G ETF.

Risks relating to suspension of the China A-Share and China A-Share ETF market. Securities exchanges in Chinese Mainland typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible for the Manager to liquidate positions and can thereby expose the CSOP

Yinhua 5G ETF to losses. Under such circumstances, while creation/ redemption of the CSOP Yinhua 5G ETF's Units may be suspended, subject to the Manager's discretion, the trading of the CSOP Yinhua 5G ETF on the SEHK may or may not be suspended. If trading of the Master ETF on the SZSE is suspended, it may be difficult for the Manager to determine the Net Asset Value of the CSOP Yinhua 5G ETF. Where trading of the Master ETF on the SZSE is suspended, the Manager may determine to suspend the creation and redemption of Units of the CSOP Yinhua 5G ETF, and/or delay the payment of any monies in respect of any Redemption Application. If the trading of the CSOP Yinhua 5G ETF on the SEHK continues when the trading of the Master ETF is suspended, the trading price of the CSOP Yinhua 5G ETF may deviate away from its Net Asset Value.

As a result of the trading band limits imposed by the stock exchanges in Chinese Mainland on China A-Shares and China A-Share ETFs (including the Master ETF), it may not be possible for Participating Dealers to create and/or redeem Units of the CSOP Yinhua 5G ETF on a Dealing Day, because the Master ETF may not be available if the trading band limit has been exceeded or it is impossible to liquidate positions. This may lead to higher tracking error and may expose the CSOP Yinhua 5G ETF to losses. Further, the price of the Units of the CSOP Yinhua 5G ETF may be traded at a premium or discount to its Net Asset Value. The Manager has put in place measures to tackle the trading band limit as disclosed under section "***8.2 Measures Adopted by the Manager to Address the Differences between the China A-Share Market and the Hong Kong Market"*** in this Appendix.

10.3 Renminbi related risks

Renminbi currency risk. RMB is currently not a freely convertible currency and is subject to foreign exchange control and fiscal policies of and repatriation restrictions imposed by the Chinese government. If such policies change in future, the CSOP Yinhua 5G ETF's or the investors' position may be adversely affected. Please refer to the risk factor "***Renminbi Exchange Risk***" under section "***4.1 Risk Factors relating to Chinese Mainland***" in Part 1 of the Prospectus.

Primary market investors must subscribe for Units of the CSOP Yinhua 5G ETF and will receive redemption proceeds in RMB. Since the CSOP Yinhua 5G ETF is denominated in RMB, non-RMB based investors are exposed to fluctuations in the RMB exchange rate against their base currencies and may incur substantial capital loss due to foreign exchange risk. There is no assurance that RMB will not be subject to devaluation, in which case the value of their investments will be adversely affected. If investors wish or intend to convert the redemption proceeds or dividends (in RMB) paid by the CSOP Yinhua 5G ETF or sale proceeds into a different currency, they are subject to the relevant foreign exchange risk and may suffer losses from such conversion as well as associated fees and charges.

Offshore RMB Market risk. The onshore RMB ("**CNY**") is the only official currency of the PRC mainland and is used in all financial transactions between individuals, state and corporations in the PRC mainland ("**Onshore RMB Market**"). Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC mainland ("**Offshore RMB Market**"). Since June 2010, the offshore RMB ("**CNH**") is traded officially, regulated jointly by the Hong Kong Monetary Authority and the PBOC. As a result of the controls on cross-border transfers of Renminbi between Hong Kong and Chinese Mainland, the Onshore RMB Market and the Offshore RMB Market are, to an

extent, segregated, and each market may be subject to different regulatory requirements that are applicable to the Renminbi. The CNY may therefore trade at a different foreign exchange rate compared to the CNH. Due to the strong demand for offshore RMB, CNH used to be traded at a premium to onshore RMB, although occasional discount may also be observed. The CSOP Yinhua 5G ETF's investments may potentially be exposed to both the CNY and the CNH, and the CSOP Yinhua 5G ETF may consequently be exposed to greater foreign exchange risks and/or higher costs of investment (for example, when converting other currencies to the Renminbi at the CNH rate of exchange).

However, the current size of RMB-denominated financial assets outside the PRC mainland is limited. At the end of 30 June 2020, the total amount of RMB (CNH) deposits held by institutions authorised to engage in RMB banking business in Hong Kong amounted to approximately RMB 639.91 billion. In addition, participating authorised institutions are required by the Hong Kong Monetary Authority to maintain a total amount of RMB assets (in the form of, inter alia, cash and the institution's settlement account balance with the Renminbi clearing bank, holding of RMB sovereign bonds issued in Hong Kong by the PRC Ministry of Finance and bond investment through the PRC mainland interbank bond market) 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. The Renminbi clearing bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions.

Although it is expected that the Offshore RMB Market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC mainland laws and regulations on foreign exchange. There is no assurance that new PRC mainland laws and regulations will not be promulgated, terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC mainland may affect the liquidity of the CSOP Yinhua 5G ETF. 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.

*Offshore RMB ("**CNH**") Remittance Risk.* RMB is not freely convertible at present. The PRC mainland government continues to regulate conversion between RMB and foreign currencies despite the significant reduction over the years by the PRC mainland government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in June 2010 to cover 20 provinces and municipalities in the PRC mainland and to make RMB trade and other current account item settlement available in all countries worldwide. On 25 February 2011, the Ministry of Commence ("**MOFCOM**") promulgated the Circular on Issues concerning Foreign Investment Management（商務部關於外商投資管理工作有關問題的通知）(the "**MOFCOM Circular**"). The MOFCOM Circular states that if a foreign investor intends to make investments in the PRC mainland (whether by way of

establishing a new enterprise, increasing the registered capital of an existing enterprise, acquiring an onshore enterprise or providing loan facilities) with RMB that it has generated from cross-border trade settlement or that is lawfully obtained by it outside the PRC mainland, MOFCOM's prior written consent is required. While the MOFCOM Circular expressly sets out the requirement of obtaining MOFCOM's prior written consent for remittance of RMB back in the PRC mainland by a foreign investor, the foreign investor may also be required to obtain approvals from other PRC mainland regulatory authorities, such as the PBOC and SAFE, for transactions under capital account items. As the PBOC and SAFE have not promulgated any specific PRC mainland regulation on the remittance of RMB into the PRC mainland for settlement of capital account items, foreign investors may only remit offshore RMB into the PRC mainland for capital account purposes such as shareholders' loan or capital contribution upon obtaining specific approvals from the relevant authorities on a case-by-case basis. There is no assurance that the PRC mainland government will continue to gradually liberalise the control over cross-border RMB remittances in the future, that the pilot scheme introduced in July 2009 (as extended in June 2010) will not be discontinued or that new PRC mainland regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of RMB into or outside the PRC mainland. Such an event could have a severe adverse effect on the operations of the CSOP Yinhua 5G ETF, including limiting the ability of the CSOP Yinhua 5G ETF to redeem and pay the redemption proceeds and the ability of Participating Dealers to create or redeem and so to settle in RMB to their underlying clients. In addition, such restrictions could cause Units to trade on the SEHK at a significant discount to the Net Asset Value per Unit.

Currently the Bank of China (Hong Kong) Limited is the only clearing bank for offshore RMB in Hong Kong. A clearing bank is an offshore bank that can obtain RMB funding from the PBOC to square the net RMB positions of other participating banks. In February 2004, Bank of China (Hong Kong) Limited launched its RMB clearing services following its appointment by the PBOC. Remittance of RMB funds into Chinese Mainland may be dependent on the operational systems developed by the Bank of China (Hong Kong) Limited for such purposes, and there is no assurance that there will not be delays in remittance.

Currency exchange risk. Investors may be subject to currency exchange risk as Units of the CSOP Yinhua 5G ETF are traded in HKD, while the assets of the CSOP Yinhua 5G ETF are denominated in RMB and the Net Asset Value of the CSOP Yinhua 5G ETF will be calculated in RMB. The Net Asset Value of the CSOP Yinhua 5G ETF in HKD may be affected unfavourably by fluctuations in the exchange rates between these currencies and by changes in exchange rate controls.

RMB distributions risk. Investors should note that they 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.

10.4 Risks relating to the QFI regime

QFI risk. The CSOP Yinhua 5G ETF is not a QFI but may obtain access to the Master ETF, or other permissible investments directly using the QFI status of a QFI. The CSOP Yinhua 5G ETF may invest directly in QFI eligible securities investment via the QFI

status of the Manager.

Investors should note that QFI status could be suspended or revoked, which may have an adverse effect on the CSOP Yinhua 5G ETF's performance as the CSOP Yinhua 5G ETF may be required to dispose of its securities holdings. In addition, certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on the CSOP Yinhua 5G ETF's liquidity and performance.

The PBOC and the SAFE regulate and monitor the repatriation of funds out of the PRC mainland by the QFI pursuant to the QFI Regulations. Repatriations by QFIs in respect of the CSOP Yinhua 5G ETF are currently permitted daily and are not subject to any repatriation restrictions, lock-up periods or prior approval from the SAFE, although authenticity and compliance reviews will be conducted by the PRC Custodian, and monthly reports on remittances and repatriations will be submitted to SAFE by the PRC Custodian. The repatriation process may be subject to certain requirements set out in the relevant regulations such as submission of certain documents, and completion of the repatriation process may be subject to delay. There is no assurance, however, that PRC mainland rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Further, such changes to the PRC mainland rules and regulations may take effect retrospectively. Any restrictions on repatriation of the invested capital and net profits may impact on the CSOP Yinhua 5G ETF's ability to meet redemption requests from the Unitholders. Furthermore, as the Custodian's or the PRC Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the Custodian or the PRC Custodian in case of non-compliance with the QFI Regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Unitholder as soon as practicable, and within 3 Business Days, and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Manager's control.

The current QFI Regulations include rules and restrictions on investments being made by a QFI which may be amended from time to time. Investors should also note that a QFI's domestic investment is currently subject to the following investment restrictions:

(a) shares held by a single foreign investor in one company listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange should not exceed 10% of the total outstanding shares of the listed company.

(b) aggregate China A-Shares held by all foreign investors in one company listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange shall not exceed 30% of total outstanding shares of the listed company.

The rules and restrictions under QFI Regulations generally apply to the QFI as a whole and not simply to the investments made by the CSOP Yinhua 5G ETF. Relevant PRC mainland regulators are vested with the power to impose regulatory sanctions if the QFI or the PRC Custodian violates any provision of the QFI Regulations. Any violations could result in the revocation of the QFI's status or other regulatory sanctions and may adversely impact on the QFI's status. Therefore in the event that the QFI status of the Manager is revoked or cancelled due to violation of the QFI Regulations in relation to any funds under the management of the Manager, this will have an adverse impact on all the funds (including the CSOP Yinhua 5G ETF) under the Manager's management as a whole.

Investors should note that there can be no assurance that a QFI will continue to maintain its QFI status, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations. Such circumstances may respectively result in a rejection of applications and a suspension of creation for the CSOP Yinhua 5G ETF. In extreme circumstances, the CSOP Yinhua 5G ETF may incur significant losses due to revocation of the QFI status, limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to QFI investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The current QFI laws, rules and regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the QFI laws, rules and regulations will not be abolished. The CSOP Yinhua 5G ETF, which invests in the PRC mainland markets through a QFI, may be adversely affected as a result of such changes.

Application of QFI rules. The application of the QFI Regulations described under section "**7*. Qualified Foreign Investor (QFI)***" in this Appendix may depend on the interpretation given by the relevant Chinese authorities. The Chinese authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future.

Any changes to the relevant rules may have an adverse impact on investors' investment in the CSOP Yinhua 5G ETF. In the worst scenario, the Manager may determine that the CSOP Yinhua 5G ETF shall be terminated if it is not legal or viable to operate the CSOP Yinhua 5G ETF because of changes to the application of the relevant rules.

QFI systems risk. The current QFI Regulations include rules on investment restrictions applicable to the CSOP Yinhua 5G ETF.

In the event of any default of the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC mainland, the CSOP Yinhua 5G ETF may encounter delays in recovering its assets which may in turn impact the Net Asset Value of the CSOP Yinhua 5G ETF.

Risks relating to liquidity of China A-Shares and ETFs. Due to the potential liquidity constraint of the Master ETF, the Manager may not be able to efficiently process the transactions for the Creation and Redemption Applications without adverse impact on the fund value of the CSOP Yinhua 5G ETF, and therefore the existing investors' interest. Accordingly, the Manager may impose a limit on the total number of Units to be created or redeemed each day.

PRC Custodian risk. The Trustee shall take into its custody or under its control property of the CSOP Yinhua 5G ETF and hold it on trust for Unitholders. The assets held/credited in the securities account(s) are segregated and independent from the proprietary assets of the PRC Custodian. However, investors should note that, under PRC mainland law, cash deposited in the cash account(s) of the CSOP Yinhua 5G ETF with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the CSOP Yinhua 5G ETF as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the CSOP Yinhua 5G ETF will not

have any proprietary rights to the cash deposited in such cash account(s), and the CSOP Yinhua 5G ETF will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the PRC Custodian. Please refer to the disclosure on the opinion from PRC mainland legal counsel in section "***7. Qualified Foreign Investor (QFI)***" in this Appendix. Whilst the opinion from PRC mainland legal counsel indicates the legal position based on understanding of current PRC mainland laws, such opinion may not be conclusive; and ultimately the interpretation and operation of the relevant PRC mainland laws and regulations depend on the judicial and/or regulatory authorities of the PRC mainland.

The CSOP Yinhua 5G ETF may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the CSOP Yinhua 5G ETF will suffer.

PRC mainland brokerage risk. The execution and settlement of transactions or the transfer of any funds or securities may be conducted by PRC Mainland Broker(s) appointed by the Manager as a QFI. More than one PRC Mainland Brokers can be appointed in respect of each stock exchange in the PRC mainland. If any of the designated PRC Mainland Broker in the PRC mainland cannot be used, the operation of the CSOP Yinhua 5G ETF will be adversely affected and may cause Units of the CSOP Yinhua 5G ETF to trade at a premium or discount to its Net Asset Value or the CSOP Yinhua 5G ETF may not be able to track the Underlying Index. Further, the operation of the CSOP Yinhua 5G ETF may be adversely affected in case of any acts or omissions of the PRC Mainland Brokers, which may result in a higher tracking error or the CSOP Yinhua 5G ETF being traded at a significant premium or discount to its Net Asset Value.

As only a limited number of PRC Mainland Brokers may be appointed, the CSOP Yinhua 5G ETF may not necessarily pay the lowest commission available in the market. The Manager however, in the selection of PRC Mainland Brokers will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards.

There is a risk that the CSOP Yinhua 5G ETF may suffer losses from the default, bankruptcy or disqualification of the PRC Mainland Brokers. In such event, the CSOP Yinhua 5G ETF may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities. As a result, the net asset value of the CSOP Yinhua 5G ETF may also be adversely affected.

Subject to the applicable laws and regulations, the Manager will make arrangements to satisfy itself that the PRC Mainland Brokers have appropriate procedures to properly segregate the CSOP Yinhua 5G ETF's securities from those of the relevant PRC Mainland Brokers.

10.4A Risks associated with Stock Connect

The CSOP Yinhua 5G ETF may invest through the Stock Connect and is subject to the following additional risks:

Quota limitations risk. The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders

will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the CSOP Yinhua 5G ETF's ability to invest in the eligible securities through the Stock Connect on a timely basis, and the CSOP Yinhua 5G ETF may not be able to effectively pursue its investment strategies.

Suspension risk. It is contemplated that each of the SEHK, the SSE and the SZSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the Stock Connect is effected, the CSOP Yinhua 5G ETF's ability to access the PRC mainland market will be adversely affected.

Differences in trading day. The Stock Connect only operates on days when both the PRC mainland (SSE and SZSE) and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC mainland market but Hong Kong investors (such as CSOP Yinhua 5G ETF) cannot carry out any trading via the Stock Connect. The CSOP Yinhua 5G ETF may be subject to a risk of price fluctuations in the relevant securities during the time when the Stock Connect is not trading as a result.

Operational risk. The Stock Connect provides a channel for investors from Hong Kong and overseas to access the Chinese Mainland stock market directly.

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("**China Stock Connect System**") was set up by the SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The CSOP Yinhua 5G ETF's ability to access the Chinese Mainland market (and hence to pursue its investment strategy) will be adversely affected.

Restrictions on selling imposed by front-end monitoring risk. PRC mainland regulations require that before an investor sells any SSE Securities and/or SZSE Securities, there should be sufficient SSE Securities or SZSE Securities (as the case may be) in the account; otherwise the SSE or the SZSE will reject the sell order concerned. The SEHK will carry out pre-trade checking on SSE Securities and SZSE Securities sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If the CSOP Yinhua 5G ETF desires to sell certain SSE Securities and/or SZSE Securities it holds, it must transfer such SSE Securities or SZSE Securities (as the case may be) to the respective accounts of its brokers before the market opens on the day of selling ("**trading day**"). If it fails to meet this deadline, it will not be able to sell SSE Securities or SZSE Securities on the trading day. Because of this requirement, the CSOP Yinhua 5G ETF may not be able to dispose of holdings of SSE Securities or SZSE Securities in a timely manner.

Recalling of eligible securities risk. When a security is recalled from the scope of eligible securities for trading via the Stock Connect, the security can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the CSOP Yinhua 5G ETF, for example, when the Manager wishes to purchase a security which is recalled from the scope of eligible securities.

Clearing and settlement risk. The HKSCC and ChinaClear have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market would on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC mainland's securities market, ChinaClear operates a comprehensive network of clearing, settlement and security holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding securities and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the CSOP Yinhua 5G ETF may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Nominee arrangements in holding SSE Securities and SZSE Securities risk. HKSCC is the "nominee holder" of the SSE Securities and the SZSE Securities acquired by Hong Kong and overseas investors through the Stock Connect.

The CSRC Stock Connect Rules expressly provide that investors enjoy the rights and benefits of SSE Securities and SZSE Securities acquired through the Stock Connect in accordance with applicable laws.

The CSRC Stock Connect Rules are departmental regulations having legal effect in the PRC mainland. However, the application of such rules is untested, and there is no assurance that PRC mainland courts will recognise such rules, e.g. in liquidation proceedings of PRC mainland companies.

It should be noted that, under the HKSCC Rules, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE Securities and the SZSE Securities in the PRC mainland or elsewhere. Therefore, although the CSOP Yinhua 5G ETF's ownership may

be ultimately recognised, the CSOP Yinhua 5G ETF may suffer difficulties or delays in enforcing its rights in SSE Securities and SZSE Securities.

Participation in corporate actions and shareholders' meetings risk. HKSCC will keep CCASS participants informed of corporate actions of SSE Securities and SZSE Securities. Hong Kong and overseas investors (including the CSOP Yinhua 5G ETF) 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 CSOP Yinhua 5G ETF may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the CSOP Yinhua 5G ETF) are holding SSE Securities and SZSE Securities traded via the Stock Connect program through their brokers or custodians. According to existing mainland practice, multiple proxies are not available. Therefore, the CSOP Yinhua 5G ETF may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE Securities and the SZSE Securities.

No Protection by Investor Compensation Fund. Investment through Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers in their obligations. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund also covers investors' losses in relation to securities traded on a stock market operated by the SSE and the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the CSOP Yinhua 5G ETF is carrying out Northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland. Therefore the CSOP Yinhua 5G ETF is exposed to the risks of default of the broker(s) it engages in its trading in SSE Securities and SZSE Securities through the programme.

Regulatory risk. The Stock Connect is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC mainland and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The CSOP Yinhua 5G ETF, which may invest in the PRC mainland markets through the Stock Connect, may be adversely affected as a result of such changes.

Taxation risk. On 14 November 2014, the Ministry of Finance and the State of Administration of Taxation have jointly promulgated Caishui [2014] No.81 ("**Notice No.81**") in relation to the taxation rule on the Stock Connect. Under Notice No.81, with effect from 17 November 2014, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas

investors (including the CSOP Yinhua 5G ETF) on the trading of China A-Shares through the Stock Connect. However, dividends will be subject to 10% withholding tax and the company distributing the dividend has the withholding obligation. If the recipient of the dividend is entitled to a lower treaty rate, it can apply to the in-charge tax bureau of the payor for a refund. Investments in the CSOP Yinhua 5G ETF may be subject to the risks associated with changes in the PRC mainland tax laws and such changes may have retrospective effect and may adversely affect the CSOP Yinhua 5G ETF.

10.5 Risks relating to RMB dealing, trading and settlement

Non-RMB or Late Settlement Redemption Risk. Currently, RMB cannot be freely remitted into the PRC mainland and such remittance is subject to certain restrictions. In the event that the remittance of RMB from Hong Kong to the PRC mainland is disrupted, this may impact on the ability of the CSOP Yinhua 5G ETF to acquire units of the Master ETF and other relevant investments. This in turn may result in tracking error and the CSOP Yinhua 5G ETF may not be able to fully replicate the Underlying Index in such circumstance.

On the other hand, 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 Hong Kong dollars 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 receive settlement in RMB on a delayed basis or may not be able to receive redemption proceeds in RMB (i.e. such proceeds may be paid in US dollars or Hong Kong dollars).

10.6 Risks specific to the Master ETF

Given the CSOP Yinhua 5G ETF invests substantially in the Master ETF as a feeder fund, the CSOP Yinhua 5G ETF may also be subject to the risks associated with the Master ETF's investments:

Risks of investing in companies related to 5G communication technology. The Underlying Index is comprised of China A-shares of companies related to 5G communication technology, including but not limited to telecommunications service, communication devices, computer and electronic equipment, computer application, and relevant sub-industries. Such sub-industries may be subject to significant volatility in growth rates due to rapidly changing market conditions and/or participants, more advanced or new technologies, new competing products and/or enhancements in existing products. 5G communication technology is heavily dependent on patents and intellectual property rights and/or licences. The profitability of companies related to 5G communication technology may be adversely impacted by the loss or impairment of these intellectual property assets.

Such companies may also be subject to unpredictable changes in competition. There is no assurance that products or services offered by the issuers of the constituents of the Underlying Index will not be rendered obsolete or be adversely affected by competing products, or that such companies will not be adversely affected by other challenges, such as instability, fluctuation, or an overall decline within the 5G communication technology industry.

Companies related to 5G communication technology may also be affected by regulatory risks, cyber security risks, government intervention and political risks.

Small to medium capitalisation companies risk. The Underlying Index intends to reflect the overall performance of China A-shares related to 5G communication technology. The issuers of such China A-shares may substantially consist of China A-shares outside the largest 100 China A-shares ranked by market capitalization, which may be considered small/medium-capitalisation companies. The shares of small/medium-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

Risks relating to the differences between the Hong Kong and Chinese Mainland securities markets. As the SZSE may be open when Units in the CSOP Yinhua 5G ETF are not priced, the value of the Master ETF may change on days when investors will not be able to purchase or sell the CSOP Yinhua 5G ETF's Units. Furthermore, the market prices of the Master ETF may not be available during part of or all of the SEHK trading sessions due to trading hour differences which may result in Units of the CSOP Yinhua 5G ETF being traded at a premium or discount to its Net Asset Value.

In addition, differences in trading hours between the SZSE and the SEHK may increase the level of premium/discount of the price of Units of the CSOP Yinhua 5G ETF to its Net Asset Value because if the SZSE is closed while the SEHK is open, net asset value of the Master ETF may not be available. The prices quoted by the market maker would therefore be adjusted to take into account any accrued market risk that arises from such unavailability of the net asset value of the Master ETF and as a result, the level of premium or discount of the Unit price of the CSOP Yinhua 5G ETF to its Net Asset Value may be higher.

There are no trading band limits in Hong Kong. However, trading band limits are imposed by the stock exchanges in Chinese Mainland on China A-Shares and China A-Share ETFs, where trading in any China A-Share and China A-Share ETF on the relevant stock exchange may be suspended if the trading price of the China A-Share or China A-Share ETF has hit the trading band limit during the day. Any dealing suspension of the Master ETF will render it impossible for the CSOP Yinhua 5G ETF to acquire units of the Master ETF or liquidate positions to reflect creation/redemption of the Units of the CSOP Yinhua 5G ETF. This may result in higher tracking error and may expose the CSOP Yinhua 5G ETF to losses. Units of the CSOP Yinhua 5G ETF may also be traded at a significant premium or discount to its Net Asset Value.

Tracking error risk. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index by the Master ETF. Factors such as the fees and expenses of the Master ETF, imperfect correlation between the Master ETF's assets and the underlying securities constituting the Underlying Index (the "**Index Securities**"), inability to hold the exact constituents of the Underlying Index by the Master ETF or rebalance the Master ETF's holdings of Index Securities in response to changes in the constituents of the Underlying Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the ability of the MF Manager (as defined in Schedule A to this Appendix) to achieve close correlation with the Underlying Index. These factors may cause the Master ETF, and thus CSOP Yinhua 5G ETF's returns, to deviate from the Underlying Index. The Manager and the MF

Manager will monitor and seek to manage such risk in order to minimise tracking error.

Management risk. The knowledge, experience, judgment, decision-making and skill of the MF Manager during the management and operation of the Master ETF will affect his/her analysis and judgment on the economic and market conditions and the trend of securities prices, thus influencing the return of the Master ETF. In addition, the professional ethics and ethical standards of the MF Manager may also have impact on the return of the Master ETF.

Operational or technical risk. Losses to the Master ETF's assets may occur due to operational errors or violation of operating procedures resulting from deficiencies in internal control or human factors during the operation of various links of the business, for example, unauthorized illegal transactions, fraud by the accounting department and trading errors.

The failure or error of the MF Manager or Master ETF's technology system may affect the normal progress of a transaction or impact the interests of the investors. This technical risk may come from the MF Manager, registries, sales agencies, interbank bond markets, securities/futures exchanges, securities registries and China Central Depository & Clearing Co., Ltd.

Delisting risk. Delisting risk refers to the risk that the units in the Master ETF cannot continue to be traded in the secondary market due to the early termination of listing by the resolution of the unitholders of the Master ETF ("**MF Unitholders**").

Risk of early termination. This is the risk that the MF Unitholders, including the CSOP Yinhua 5G ETF, cannot continue to invest in the Master ETF since the Master ETF no longer meets the listing conditions of the relevant stock exchange and will automatically terminate the Fund Contract and liquidate the Master ETF's assets.

The Master ETF may also be terminated under the circumstances set out in section "***15. Termination of the Master ETF***" in Schedule A to this Appendix, including if the number of MF Unitholders fall below the number specified in the same section.

Under the above circumstances, if the Manager is unable to identify or agree with another master fund that tracks the Underlying Index or a suitable replacement index that is acceptable to the SFC, the CSOP Yinhua 5G ETF may be terminated, and investors may not be able to recover their investments and suffer loss during such early termination.

Risk of investing in stock index futures. In the process of using stock index futures to hedge the market risk, the Master ETF's assets may suffer from basis risk (i.e. the risk that the futures price might not move in normal, steady correlation with the price of the underlying assets) because the stock index futures contract may not be fully consistent with the Underlying Index in its price fluctuation.

If sufficient cash is not reserved, the futures position may be subject to the risk of mandatory liquidation due to insufficient margin in case of extreme conditions in the market.

When the delivery date of the spot contract held by the Master ETF is approaching, the contract needs to be replaced for extension of the Master ETF's position. The contract

extension is subject to the risk that the basis of the contract changes in an unfavorable direction or the liquidity is insufficient.

Risk of investing in asset-backed securities. The Master ETF may invest in asset-backed securities which may be subject to price fluctuation risk, liquidity risk, credit risk, interest rate risk, and other risks. Price fluctuation risk refers to fluctuation in the yield and price of asset-backed securities caused by fluctuation in market interest rate. Liquidity risk means that the asset-backed securities may not be able to be bought or sold in large quantity at the same price level due to the size of the asset-backed securities market and the extent of transaction activity. Credit risk refers to the default of the debtor of the asset-backed securities invested by the Master ETF, or the settlement default during the transaction, or the decline of the securities price due to the deterioration of the credit quality of the asset-backed securities, causing losses to fund property. Interest rate risk is the potential for investment losses that result from a change in interest rates. Asset-backed securities are also often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

Risk of investing in stock options. The liquidity of the stock option market in which the Master ETF may invest is generally lower than that of the futures market. In particular, the trading volume is scarce for the stock options with deep in-the-money and out-of-the-money value. Investors who hold these stock options are prone to a situation in which they are unable to conclude a transaction or close out.

The price risk of the stock option buyer is the premium paid by him/her, and the risk is certain. The price risk of the stock option seller is uncertain, but the premium collected can provide corresponding protection. When losses occur, it can offset part of the losses.

Operational risk refers to the risk caused by poor management or problems in the implementation of the system. Stock options, as a kind of derivative, can be used to manage risks, but it can also cause huge losses if it is used improperly.

The Master ETF may invest in financial derivative instruments for hedging purpose. In addition to the above, risks associated with financial derivative instruments such as stock options may include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a financial derivative instrument can result in a loss significantly greater than the amount invested in the financial derivative instrument by the Master ETF. Exposure to financial derivative instrument may lead to a high risk of significant loss by the Master ETF.

Risks associated with securities lending transactions. The Master ETF may engage in securities lending transactions, and the risks include but are not limited to:

- Liquidity risk – In case of large-amount redemption, there may be a risk that the redemption amount cannot be realised and paid due to securities lending;
- Credit risk – There is a risk that the securities lending counterparty may not be able to return the securities in a timely manner and cannot pay the corresponding equity compensation and borrowing fee. The value of any collateral received may fall below the value of the securities lent out;
- Market risk – After the securities are lent, they may face market risk that the securities cannot be disposed of in a timely manner during the lending period.

Risks associated with repurchase transactions. In the event of the failure of the counterparty with which collateral has been placed, the Master ETF may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Risks associated with reverse repurchase transactions. In the event of the failure of the counterparty with which cash has been placed, the Master ETF may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Risks associated with bond investment. The Master ETF may invest in bonds to increase the yield of idle funds where possible. Investment in bonds may be subject to the following risk factors:

- Credit / counterparty risk – The Master ETF may be subject to the credit/default risk of issuers of the debt securities that the fund may invest in.
- Interest rate risk – Investment in the Master ETF is subject to interest rate risk. In general, the prices of bonds rise when interest rates fall, whilst their prices fall when interest rates rise.
- Volatility and liquidity risk – The bonds in the Chinese Mainland market may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Master ETF may incur significant trading costs.
- Downgrading risk – The credit rating of a bond or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Master ETF may be adversely affected. The MF Manager may or may not be able to dispose of the bonds that are being downgraded.
- Risk associated with bonds rated below investment grade or unrated– The Master ETF may invest in bonds rated below investment grade by an internationally recognised credit agency or a Chinese Mainland credit rating agency, or unrated. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated bonds.
- Sovereign debt risk– The Master ETF's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Master ETF to participate in restructuring such debts. The Master ETF may suffer significant losses when there is a default of sovereign debt issuers.
- Valuation risk – Valuation of the Master ETF's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Master ETF.
- Credit rating risk – Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.
- Credit rating agency risk – In respect of bonds issued within Chinese Mainland, the credit appraisal system in Chinese Mainland and the rating methodologies employed in Chinese Mainland may be different from those employed in other markets. Credit ratings given by Chinese Mainland rating agencies may therefore

not be directly comparable with those given by other international rating agencies.

Technical risk. Abnormality occurring in computer, communication system, transaction network and other technical support systems or information network support may lead to the risks that the application, subscription and redemption of the Master ETF may not be completed according to the normal time limit, the registration system paralyzed, the clearing system may not display the net asset value according to the normal time limit, and the investment trading instruction of the Fund may not be transmitted in time.

Other risks. These include risks arising due to human factors, such as insider trading and fraud, risks that may arise from reliance on major business personnel, such as the MF Manager, failure to complete a transaction by the Master ETF due to the *Business Rules for Front-end Risk Control of Securities Transaction Funds* and other relevant provisions, force majeure, such as war and natural disaster, and financial market crisis, industrial competition, agency default, MF Custodian default and other risks beyond the direct control of the MF Manager.

10.7 Risks relating to the nature of product

Risks in light of the cross-border nature of the CSOP Yinhua 5G ETF. CSOP Yinhua 5G ETF is an RMB-denominated physical exchange traded fund which invests substantially in the SZSE-listed Master ETF, which in turn directly invests in China A-Share market (which is a market with restricted access). In light of the cross-border nature of the CSOP Yinhua 5G ETF, it is more risky than traditional exchange traded funds which invest directly in markets other than the China A-Share market and therefore, is subject to operational and settlement risks. Operational risks may arise from technical failures of communication and trading systems, and any breaches of the relevant operational policies or guidelines by the relevant staff of the Manager. Whilst the Manager has in place internal control systems, operational guidelines and contingency procedures to reduce the chances of such operational risks, there is no guarantee that events beyond the control of the Manager (e.g. trading errors or system errors) will not occur. The occurrence of such events may adversely affect the value of the CSOP Yinhua 5G ETF.

The CSOP Yinhua 5G ETF may also be exposed to risks associated with settlement procedures. Any significant delays in the settlement of transactions or the registration of a transfer may affect the ability to ascertain the value of the CSOP Yinhua 5G ETF's portfolio and adversely affect the CSOP Yinhua 5G ETF.

10.8 Risks relating to the Underlying Index of CSOP Yinhua 5G ETF

Risks relating to the Underlying Index. The CSOP Yinhua 5G ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's license from the Index Provider under the relevant licence agreement is terminated or the MF Manager's license from the Index Provider under the relevant licence agreement is terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Master ETF with another underlying fund that tracks the Underlying Index or an index that is tradable and has similar objectives to the Underlying Index. The Master ETF may also replace the Underlying Index with an index that is tradable, acceptable to the SFC, and has similar objectives to the Underlying Index. Please refer to section

"***14. Replacement of the Master ETF***" below on the circumstances in which the Master ETF may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP Yinhua 5G ETF's investment objective.

The Manager has been granted a licence by CSI in connection with the creation, issue, offering, marketing, promotion, sale, management, administration and listing of the CSOP Yinhua 5G ETF. Under the CSOP Licence Agreement (as defined below in the section "***15. Index Licence Agreement***" in this Appendix), CSI shall use its reasonable endeavours to provide the data services as set out in the CSOP Licence Agreement. The licence granted commenced on 17 August 2020 and shall continue in full force and effect unless terminated earlier. The CSOP Licence Agreement is subject to an initial fixed term of three years, and can thereafter be automatically renewed for successive terms of two years at a time, unless either party raises an objection for such renewal at least one month prior to the expiry of the term of the CSOP Licence Agreement. Please refer to section "***15. Index Licence Agreement***" in this Appendix on the circumstances in which the CSOP Licence Agreement may be terminated. There is no guarantee that the CSOP Licence Agreement shall not be terminated. In addition, there is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

The MF Manager has been granted a licence by CSI to use the Underlying Index as a basis for determining the composition of the Master ETF and to use certain trade marks in the Underlying Index. Under the Licence Agreement, CSI shall use its reasonable endeavours to provide the data services as set out in the Licence Agreement. The licence granted commenced on 1 August 2019 and shall continue in full force and effect unless terminated earlier. The Licence Agreement is subject to an initial fixed term of three years, and can thereafter be automatically renewed for successive terms of two years at a time, unless either party raises an objection for such renewal prior to the expiry of the term of the Licence Agreement. Please refer to section "***17. Index Licence Agreement***" in Schedule A to this Appendix on the circumstances in which the Licence Agreement may be terminated. There is no guarantee that the Licence Agreement shall not be terminated. In addition, there is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

The Master ETF, and thus the CSOP Yinhua 5G ETF, may be terminated if the Underlying Index is discontinued and/or the Licence Agreement is terminated and/or the CSOP Licence Agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria as specified under the applicable rules and regulations, or another master fund tracking the performance of such an index that may be invested by the CSOP Yinhua 5G ETF. Any such replacement index or replacement master fund shall be acceptable to the SFC, and will be subject to the prior approval of the relevant regulatory authorities, and Unitholders will be duly notified of the same.

Accordingly, investors should note that the ability of the Master ETF, and thus the CSOP Yinhua 5G ETF, to track the Underlying Index and the viability of the Master ETF, and thus the CSOP Yinhua 5G ETF, may depend on the continuation in force of the Licence Agreement in respect of the Underlying Index or a suitable replacement.

For further information on the grounds for terminating the Licence Agreement in respect of the Underlying Index, please refer to section "***17. Index Licence Agreement***" in Schedule A to this Appendix.

(ii) There may be changes in the constituent securities of the Underlying Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the Master ETF, the MF Manager may rebalance the composition of the portfolio of the Master ETF. The price of the units in the Master ETF, and thus Units in the CSOP Yinhua 5G ETF, may rise or fall as a result of these changes. Thus, an investment in Units of the CSOP Yinhua 5G ETF will generally reflect the Master ETF which in turn generally reflects the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to section "***16. The Underlying Index***" in Schedule A of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

10.9 Other risks

Operating risk. There is no assurance that the performance of the CSOP Yinhua 5G ETF will be identical to the performance of the Master ETF or the Underlying Index. The level of fees, taxes and expenses payable by the CSOP Yinhua 5G ETF will fluctuate in relation to its Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP Yinhua 5G ETF can be estimated, the growth rate of the CSOP Yinhua 5G ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP Yinhua 5G ETF or the actual level of its expenses.

Under the terms of the Trust Deed and as summarised under section "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP Yinhua 5G ETF. On the termination of the CSOP Yinhua 5G ETF, the CSOP Yinhua 5G ETF will be liquidated and investors will receive distributions of cash.

No Market in the Units Risk. Although the Units are to be listed on the SEHK and 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 traded in the CSOP Yinhua 5G ETF, investors should be aware that 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 other exchange traded fund which are traded on the SEHK and which are based upon indices.

Termination of Market Maker Risk. A market maker may cease to act as a market maker for any counter of the CSOP Yinhua 5G ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Units of the CSOP Yinhua 5G ETF for each counter will be three months. The liquidity for the Units of the CSOP Yinhua 5G ETF may be affected if there is no market maker for the Units respectively. The Manager will use its best endeavours to put in place arrangements so that there is at least one market maker to facilitate efficient trading of Units of the relevant trading currency. It is possible that the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity Risk. Units will be a new security and following listing on the SEHK, it is unlikely that the Units will initially be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed.

Tracking error risk. There can be no assurance of exact or identical replication at any time of the performance of the Master ETF and thus the Underlying Index. Factors such as the fees and expenses of the CSOP Yinhua 5G ETF, investments by the CSOP Yinhua 5G ETF other than the Master ETF, rounding of the Master ETF's prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. These factors may cause the CSOP Yinhua 5G ETF's returns to deviate from the Master ETF, and thus the Underlying Index.

Risk relating to distributions paid out of capital. The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Yinhua 5G ETF are charged to/paid out of the capital of the CSOP Yinhua 5G ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Yinhua 5G ETF and therefore, the CSOP Yinhua 5G ETF may effectively pay dividend out of the capital. **Investors should note that the payment of distributions out of or effectively out of capital represents a return or a withdrawal of part of the amount they originally invested or capital gain attributable to that amount. Any such distributions may result in an immediate reduction in the Net Asset Value per Unit of the CSOP Yinhua 5G ETF**.

Risks of investing in other funds. The CSOP Yinhua 5G ETF may invest in funds other than the Master ETF, and may therefore be subject to the risks associated with such underlying funds. The CSOP Yinhua 5G ETF 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 CSOP Yinhua 5G ETF.

The underlying funds in which the CSOP Yinhua 5G ETF may invest may not be authorised by the Commission. There may be additional costs involved when investing into these underlying funds. There is also no guarantee that the underlying funds will always have high trading volume and sufficient liquidity and the CSOP Yinhua 5G ETF may not be able to realise or liquidate its investment in such underlying funds at such

time as it wants to.

10.10 Proprietary Investments / Seed Money

The assets under management at any time during the life of the CSOP Yinhua 5G ETF may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the CSOP Yinhua 5G ETF; and (ii) redeem its investment in the CSOP Yinhua 5G ETF at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the CSOP Yinhua 5G ETF by an interested party for any particular length of time. As many of the expenses of the CSOP Yinhua 5G ETF are fixed, a higher amount of assets under management may reduce the expenses of the CSOP Yinhua 5G ETF per Unit and a lower amount of assets under management may increase the expenses of the CSOP Yinhua 5G ETF per Unit. As with any other redemption representing a material portion of the CSOP Yinhua 5G ETF's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the CSOP Yinhua 5G ETF and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the CSOP Yinhua 5G ETF, (ii) cause other investors in the CSOP Yinhua 5G ETF to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the CSOP Yinhua 5G ETF, has become unmanageable and to consider taking exceptional measures, such as terminating the CSOP Yinhua 5G ETF, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

11. FEES AND CHARGES

11.1 Management Fees and Servicing Fees

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum and up to 3% per annum of the Net Asset Value of the CSOP Yinhua 5G ETF accrued daily and calculated as of each Dealing Day and payable monthly in arrears. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.

The management fee of the Master ETF is currently 0.50% per annum of the net asset value of the Master ETF accrued daily. Please refer to section "***6. Fees and Charges***" in Schedule A of this Appendix below for more information on the fees and charges of the Master ETF.

Currently, the aggregate management fee charged in respect of the CSOP Yinhua 5G ETF is 1.49% per annum of the Net Asset Value of the CSOP Yinhua 5G ETF.

11.2 Trustee's and Registrar's Fee

The management fee of the CSOP Yinhua 5G ETF is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and the Registrar out of the management fee.

The Trustee's fee is inclusive of fees payable to the Custodian and the PRC Custodian.

The Trustee shall be entitled to be reimbursed out of the assets of the CSOP Yinhua 5G ETF all out-of-pocket expenses incurred.

The trustee fee of the Master ETF is currently 0.10% per annum of the net asset value of the Master ETF accrued daily. Please refer to section "***6. Fees and Charges***" in Schedule A of this Appendix below for more information on the fees and charges of the Master ETF.

Currently, the aggregate trustee / custodian fee charged in respect of the CSOP Yinhua 5G ETF is 0.10% per annum of the Net Asset Value of the CSOP Yinhua 5G ETF.

11.3 Other Charges and Expenses of CSOP Yinhua 5G ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP Yinhua 5G ETF.

Please refer to section "***6. Fees and Charges***" in Schedule A of this Appendix below for more information on the fees and charges of the Master ETF other than the management fee and custodian fee.

11.4 Establishment costs of CSOP Yinhua 5G ETF

The costs and expenses incurred by the Manager and the Trustee in establishing the CSOP Yinhua 5G ETF are estimated to be HKD 832,000; such costs shall be borne by the CSOP Yinhua 5G ETF (unless otherwise determined by the Manager) and amortised over the first 5 financial years of the CSOP Yinhua 5G ETF (unless the Manager decides a shorter period is appropriate).

11.5 Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarized in the respective tables below:

11.5.1 Participating Dealers

Creation of Units by a Participating Dealer

Application Cancellation Fee	RMB8,500 per cancellation (See Note 1)
Extension Fee	RMB8,500 per extension (See Note 1)
Transaction Fee	RMB550 per Application (See Note 2)
Service Agent's Fee	HK$1,000 for each book-entry deposit transaction or book-entry withdrawal transaction (See Note 3)
Stamp duty	Nil

Redemption of Units by a Participating Dealer

Application Cancellation Fee	RMB8,500 per cancellation (See Note 1)
Extension Fee	RMB8,500 per extension (See Note 1)
Transaction Fee	RMB550 per Application (See Note 2)

Service Agent's Fee	HK$1,000 for each book-entry deposit transaction or book-entry withdrawal transaction (See Note 3)
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges, and the market risks in constituting and liquidating the Basket(s) in relation to an Application.

11.5.2 Primary Market Investors creating or redeeming Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

11.5.3 Secondary Market Investors Dealing in Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% (see Note 4 and Note 9)
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015% (see Note 5)
Trading fee	0.00565% (see Note 6 and Note 9)
Stamp duty	Nil (see Note 7)
Investor compensation levy	0.002% (currently suspended) (see Note 8)

Note:

1. *The Application Cancellation Fee of RMB8,500 and the Extension Fee of RMB8,500 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.*

2. *A Transaction Fee of RMB550 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.*

3. *A Service Agent's Fee of HK$1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.*

4. *A transaction levy of 0.0027% of the trading price of the Units, payable by the buyer and the seller.*

5. *AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.*

6. *A trading fee of 0.00565% of the trading price of the Units, payable by the buyer and the seller.*

7. *Stamp duty is currently waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.*

8. *The investor compensation levy of the trading price of the Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the*

Commission on 11 November 2005.

9. The transaction levy and trading fee will be paid by intermediaries to HKEx in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEx's website by 11:00 a.m. on each trading day.

Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of documents that are available for inspection.

12A. PUBLICATION OF INFORMATION RELATING TO CSOP Yinhua 5G ETF

The following information relating to CSOP Yinhua 5G ETF will be published on the Manager's website http://www.csopasset.com/en/products/co-cs5g:-

- full portfolio information of the CSOP Yinhua 5G ETF (updated on a daily basis);
- the near real-time indicative Net Asset Value per Unit of the CSOP Yinhua 5G ETF (updated at least every 15 seconds during normal trading hours on the SEHK) in HKD; and
- the last Net Asset Value of the CSOP Yinhua 5G ETF in RMB only and, the last Net Asset Value per Unit of the CSOP Yinhua 5G ETF in RMB and HKD.

The near real-time indicative Net Asset Value per Unit of CSOP Yinhua 5G ETF in HKD denomination is indicative and for reference purposes only. This is updated during SEHK trading hours. The near real-time indicative Net Asset Value per Unit in HKD uses a real-time HKD:CNH 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:CNH foreign exchange rate provided by ICE Data Indices when the SEHK is opened for trading. The near real-time indicative Net Asset Value per Unit in HKD is updated every 15 seconds throughout the SEHK trading hours. Since the indicative Net Asset Value per Unit in RMB will not be updated when the underlying China A-Share and ETF market is closed, any change in the indicative Net Asset Value per Unit in HKD (if any) during such period is solely due to the change in the foreign exchange rate.

The last Net Asset Value per Unit of CSOP Yinhua 5G ETF in HKD is indicative and for reference purposes only and is calculated using the last Net Asset Value per Unit in RMB multiplied by an assumed foreign exchange rate using the CNH exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day. The official last Net Asset Value per Unit in RMB and the indicative last Net Asset Value per unit in HKD will not be updated when the underlying China A-Share and ETF market is closed.

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for other information that will be published on the Manager's website http://www.csopasset.com/en/products/co-cs5g.

13. MATERIAL CHANGES TO THE UNDERLYING INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology / rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

14. REPLACEMENT OF THE MASTER ETF

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Master ETF with another fund acceptable to the Commission with a substantially similar investment objective if in the Manager's opinion, it is in the interests of Unitholders to replace the Master ETF to meet the CSOP Yinhua 5G ETF's investment objective.

The Manager may change the name of CSOP Yinhua 5G ETF if the Master ETF is replaced. Any replacement of the Master ETF and/or the name of CSOP Yinhua 5G ETF will be notified to investors in accordance with applicable rules and requirements.

Should the MF Manager replace the Underlying Index under the circumstances disclosed in section "***18. Replacement of Underlying Index***" in Schedule A of this Appendix, the Manager, provided that in its opinion the interests of the Unitholders would not be adversely affected, may at its discretion continue to invest in the Master ETF tracking a replacement underlying index, if in the Manager's opinion, it is in the interests of Unitholders to do so.

The Manager also reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to change the CSOP Yinhua 5G ETF from a feeder fund to a direct investment fund with a substantially similar investment objective. Such change will also be notified to investors in accordance with applicable rules and requirements.

15. INDEX LICENCE AGREEMENT

The Manager has been granted a non-exclusive, non-assignable and non-transferable licence pursuant to index licence agreement dated 17 August 2020 (the "**CSOP Licence Agreement**") entered into between the Manager and CSI, to use the Underlying Index (i.e. CSI 5G Communication Index) in connection with the creation, issue, offering, marketing, promotion, sale, management, administration and listing of the CSOP Yinhua 5G ETF.

The CSOP Licence Agreement is subject to an initial fixed term of three years from17 August 2020, and can thereafter be automatically renewed for successive terms of two years at a time, unless either party raises an objection for such renewal at least one month prior to the expiry of the term of the CSOP Licence Agreement.

The Manager and CSI may terminate the CSOP Licence Agreement by written notice to the other party given at least three months prior to the end of the then-current term. The CSOP Licence Agreement may also be terminated in circumstances as summarised below:

(a) there is a material breach by the Manager or CSI of any of the terms or conditions of the CSOP Licence Agreement;

(b) the Underlying Index has been discontinued by CSI;

(c) there is legislation or regulation that materially impairs the Manager to manage and sell the CSOP Yinhua 5G ETF or there is material litigation or regulatory proceeding regarding the CSOP Yinhua 5G ETF;

(d) there is legislation or regulation that materially impairs CSI's ability to licence the Underlying Index or there is material litigation or regulatory proceeding;

(e) either party declares bankruptcy, stops operation, dissolves or has its licence revoked; and

(f) the Manager is no longer developing or managing the CSOP Yinhua 5G ETF.

16. VALUATION

The Net Asset Value of the CSOP Yinhua 5G ETF shall be determined in accordance with the terms of the Trust Deed. A summary of the applicable key provisions of the Trust Deed relating to the determination of the value of investments by the sub-funds of the Trust, including the CSOP Yinhua 5G ETF, is set out in section "***8.1 Determination of the Net Asset Value***" in Part 1 of this Prospectus.

The CSOP Yinhua 5G ETF's investment in the Master ETF, being an investment quoted, listed and normally dealt in the SZSE, shall be calculated by reference to the Master ETF's official closing price, or such other manner as the Manager may, after consultation with the Trustee, from time to time determine.

17. COMPLIANCE WITH THE CODE

The CSOP Yinhua 5G ETF is a feeder ETF authorised by the Commission under Chapters 7 and 8.6 of the Code. In particular:

(a) for the purpose of complying with the investment restrictions, the CSOP Yinhua 5G ETF and the Master ETF will be deemed a single entity; and

(b) the CSOP Yinhua 5G ETF's annual report must include the investment portfolio of the Master ETF as at the financial year end date.

SCHEDULE A – YINHUA CSI 5G COMMUNICATION ETF

1. OVERVIEW

The Master ETF is a fund constituted pursuant to a fund contract ("**Fund Contract**") between its manager, the MF Manager (defined below) and its custodian, the MF Custodian (defined below) effective on 3 January 2020 and is managed and operates under the laws and regulations of Chinese Mainland. The Master ETF is a publicly offered securities investment fund registered with the CSRC under the Securities Investment Fund Law of the People's Republic of China, and has been approved by and is, on an ongoing basis, registered with the CSRC for offering to the Chinese Mainland public, and is subject to the ongoing supervision of the CSRC.

The Master ETF is a physical index-tracking exchange traded fund listed on the Shenzhen Stock Exchange on 22 January 2020 with stock code 159994 that tracks the performance of the Underlying Index.

The base currency of the Master ETF is RMB.

2. DIRECTORY

MF Manager
Yinhua Fund Management Co., Ltd.
10/F Tower C2, Oriental Plaza
No.1 E. Chang An Ave., Dongcheng
Beijing

MF Custodian
Agricultural Bank of China Limited
No.69, Jianguomen Nei Avenue
Dongcheng District
Beijing

Hong Kong Representative
CSOP Asset Management Limited
2801-2803, Two Exchange Square
8 Connaught Place
Central

Auditors of the Master ETF
PwC CN
11/F PwC Center
Lingzhanqiye Plaza Tower 2
202 Hubin Road
Huangpu District
Shanghai

3. KEY OPERATORS AND SERVICE PROVIDERS

*Manager of the Master ETF ("**MF Manager**")*

The MF Manager is Yinhua Fund Management Co., Ltd. Established in the early stage of

Chinese Mainland's asset management industry, the MF Manager is a major asset management firm with 18 years' experience in the market. It now manages over RMB 600 billion across a wide range of equity, fixed income, money market and quantitative investment solutions products.

*Custodian of the Master ETF ("**MF Custodian**")*

Agricultural Bank of China Limited acts as the Master ETF's fund custodian. The predecessor of Agricultural Bank of China Limited was Agricultural Cooperative Bank established in 1951. Since the late 1970s, the Bank has evolved from a state-owned specialized bank to a wholly state-owned commercial bank and subsequently a state-controlled commercial bank. The Bank was restructured into a joint stock limited liability company in January 2009. In July 2010, the Bank was listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

*Hong Kong representative ("**Hong Kong Representative**")*

CSOP Asset Management Limited has been appointed as the Hong Kong Representative for the Master ETF in accordance with the requirements of the Code.

Auditors of the Master ETF

The auditors of the Master ETF are PricewaterhouseCoopers Zhong Tian LLP.

4. INVESTMENT OBJECTIVE AND STRATEGY

The Master ETF aims to track the performance of the Underlying Index while minimising tracking difference and tracking error.

1. Stock investment strategy

At least 90% of the net asset value of the Master ETF is invested in accordance with the constituents and their respective weights in the Underlying Index, and stocks on the constituent reserve list of the Master ETF, which is regarded as a "full replication" strategy to track the Underlying Index in accordance with applicable regulations in Chinese Mainland. The constituent reserve list is established by the China Securities Index Co., Ltd. during each regular index rebalancing to be used for temporary adjustments between periodical adjustments. When the Underlying Index has constituent vacancies due to reasons such as delisting or merger, or there is a need to temporarily replace constituents for other reasons, securities that comply with the index methodology of the Underlying Index and are ranked at the top of the constituent reserve list are selected as index constituents. Adjustments to the Master ETF's portfolio is made in accordance with those of the Underlying Index. For the avoidance of doubt, not more than 10% of the net asset value of the Master ETF will be invested in investments other than the foregoing, including not more than 10% of the net asset value of the Master ETF in non-constituents of the Underlying Index.

Under normal market conditions, the absolute value of the daily tracking difference shall not exceed 0.2%, and the annual tracking error shall not exceed 2%. However, under exceptional market circumstances (e.g. market crash, major crisis, continuous massive redemption orders), such figures may be exceeded. The MF Manager will nevertheless endeavour to re-balance the Master ETF's holdings to minimise the daily tracking difference and annual tracking error.

2. Financial derivative investment strategy

The Master ETF may invest up to 10% of its net asset value in financial derivative instruments related to the Underlying Index or constituents of the Underlying Index, such as stock options and stock index futures, as permitted by the CSRC, for hedging purpose only to better able the Master ETF to more closely track the Underlying Index and achieve the investment objective of the Master ETF.

3. Bond investment strategy

The Master ETF aims to increase the yield of idle funds where possible. The Master ETF may invest not more than 10% of its net asset value in bonds whereby the MF Manager constructs a bond portfolio based on in-depth analysis of macroeconomic data, monetary policy and interest rate, and factors such as yield, liquidity and credit risk of different types of bonds.

4. Asset-backed securities investment strategy

The Master ETF may invest not more than 10% of its net asset value in asset-backed securities to increase the yield of the idle funds where possible. In doing so, the Master ETF will conduct an in-depth analysis of relevant fundamentals such as the market interest rate, issuance terms, composition and quality of underlying assets, prepayment rate, risk compensation and market liquidity of asset-backed securities. Besides, the Master ETF will assess asset default risk and prepayment risk, simulate the cash flow of principal repayment and interest return of asset-backed securities according to the yield structure of asset securitization, as well as estimate the intrinsic value by using quantitative pricing models such as Monte Carlo simulation.

5. Securities financing transactions strategy

The Master ETF may engage not more than 30% of its net asset value in securities lending transactions to better achieve its investment objective, whereby the Master ETF will reasonably determine the scope of securities lent, the average remaining maturity of securities lent and the proportion of securities lent in fund assets based on the analysis of market conditions, types of investors, historical subscription and redemption patterns, and liquidity of securities lent.

Not more than 10% of the net asset value of the Master ETF may in aggregate be invested in repurchase transactions and reverse repurchase transactions.

5. INVESTMENT RESTRICTIONS

The Master ETF is subject to the following investment restrictions:

1. Not less than 90% of the Master ETF's net asset value shall be invested in constituents of the Underlying Index and stocks on the constituent reserve list of the Master ETF. Not less than 80% of the Master ETF's non-cash assets shall be invested in the foregoing. At the end of each trading day, after deducting the trading margins to be paid in respect of the Master ETF's investments in stock index futures contracts and stock options contracts, cash of not less than twice such trading margins shall be held by the Master ETF;

2. Subject to the limitations also set out in the investment strategy of the Master ETF, the Master ETF's investment in bond repurchase transactions in the national interbank market shall not exceed 40% of its net asset value. The maximum term for such bond repurchase transactions shall be one year. Such bond repurchase transactions shall not be extended after maturity;

3. The amount declared by the Master ETF for participation in equity issuances and subscriptions shall not exceed the total assets of the Master ETF. The number of shares declared by the Master ETF shall not exceed the total number to be issued by the issuer;

4. The total assets of the Master ETF shall not exceed 140% of its net assets;

5. The following restrictions are applicable to the Master ETF's investment in stock index futures:

   - At the end of each trading day, the value of long stock index futures contracts held by the Master ETF shall not exceed 10% of its net asset value;
   - At the end of each trading day, the sum of the value of long stock index futures contracts and the market value of negotiable securities shall not exceed 100% of the net asset value of the Master ETF. "Negotiable securities" refer to stocks, bonds (excluding government bonds with maturity of less than one year), asset-backed securities, financial assets under repurchase agreements (excluding pledged repurchase), etc.;
   - At the end of each trading day, the value of short stock index futures contracts held by the Master ETF shall not exceed 20% of the total market value of stocks held by the Master ETF;
   - The sum (netting calculation) of the market value of the stocks held by the Master ETF and the value of the long and short stock index futures contracts shall conform to the relevant provisions on the proportion of stock investment in the Fund Contract;
   - The trading volume of the stock index futures contract traded (excluding closing out) within any trading day shall not exceed 20% of the Master ETF's net asset value on the previous trading day;
   - At the end of each trading day, after deducting the trading margins to be paid for the stock index futures contracts, cash shall be kept at not less than twice such trading margins;
   - If the Master ETF invests in stock index futures, the MF Manager shall, in accordance with the content, format and time limit required by the China Financial Futures Exchange (CFFE), report to the CFFE about the futures contract traded and held, the purpose of trading and the corresponding securities assets, etc.;

6. Subject to the limitations also set out in the investment strategy of the Master ETF, the Master ETF shall not invest more than 10% of its net asset value in asset-backed securities originated by the same entity. The market value of all asset-backed securities held by the Master ETF shall not exceed 20% of its net asset value;

7. The Master ETF shall not invest in more than 10% of any issuance of the same asset-backed security. The asset-backed securities originated by the same entity invested by all funds managed by the MF Manager shall not exceed 10% of the total asset-backed securities held by the Master ETF;

8. The Master ETF shall invest in asset-backed securities with a credit rating of BBB or above. If the credit rating of an asset-backed security held by the Master ETF falls and no longer meets such investment standard, the Master ETF shall sell all of holdings in such security within three months from the date of issuance of the rating report;

9. The total market value of the Master ETF's active investment in liquidity-restricted assets shall not exceed 15% of its net asset value; if the Master ETF fails to meet such proportion limit due to factors outside the MF Manager's direct control, such as fluctuations in the

securities market, suspension of stocks of listed companies, and change of the fund scale, the MF Manager shall not actively increase the Master ETF's investment in liquidity-restricted assets;

10. Where the Master ETF engages in reverse repurchase transactions with private securities asset management products and other entities identified by the CSRC as counterparties, the qualification requirements for acceptable pledges shall be consistent with the investment scope agreed in the Fund Contract;

11. If the Master ETF participates in financing, the sum of the market value of the purchased stocks and other negotiable securities held by the Master ETF for the financing at the end of each trading day shall not exceed 95% of the Master ETF's net asset value;

12. The securities lending transactions engaged by the Master ETF shall meet the following requirements:

    i. The assets involved in securities lending transactions shall not exceed 30% of the Master ETF's net asset value, of which the securities lent with a lending period of more than 10 trading days shall be included in the scope of liquidity-restricted securities as set out in the *Provisions on the Administration of Liquidity Risk*;
    ii. The single security involved in securities lending transactions shall not exceed 30% of the total amount held by the Master ETF;
    iii. The Master ETF's average daily net asset value in the last six months shall not be less than RMB200 million;
    iv. The average remaining maturity of securities lent shall not exceed 30 days, and the average remaining maturity shall be calculated based on the weighted average of market value;

13. The following restrictions are applicable to the Master ETF's investment in share options:

    - The total amount of premium paid and collected in an open option contract shall not exceed 10% of the Master ETF's net asset value;
    - If a call option is written and sold, the full amount of Underlying Index securities shall be held by the Master ETF;
    - If a put option is written and sold, the full amount of cash required for the exercise of the contract or the cash equivalent that can offset option margin approved by the CFFE's rules shall be held;
    - The face value of open option contracts shall not exceed 20% of the Master ETF's net asset value. The contract face value is calculated by multiplying the exercise price by the contract multiplier;
    - The Master ETF's options shall meet the proportion restrictions agreed in the Fund Contract (such as stock position, proportion of individual stock), investment objectives and risk-return characteristics;

14. Other proportion restrictions stipulated in the relevant laws, regulations and the Fund Contract:

    Notwithstanding the requirements stipulated in paragraphs 8, 9, 10, and 12 above, where the investment proportion of the Master ETF does not meet the investment proportion requirement due to factors outside the MF Manager's direct control, such as fluctuation in securities and futures markets, merger of securities issuers, change of the fund scale, adjustment of constituents of the benchmark index or price change, liquidity restrictions of

constituents of the Underlying Index, the MF Manager shall make adjustments within 10 trading days upon the date of adjustment becoming possible, except for the special circumstances stipulated by the CSRC. Where the Master ETF's investment does not comply with the provisions of paragraph 12 above due to factors outside the MF Manager's direct control, such as the fluctuation in securities market, merger of listed companies and change of the fund scale, the MF Manager shall not engage in further securities lending transactions. The above is subject to stipulations in relevant laws and regulations stating otherwise, if any.

The MF Manager shall, within six months from the effective date of the Fund Contract, make the investment portfolio proportion of the Fund conform to the relevant provisions of the Fund Contract. During the above period, the investment scope and investment strategy of the Master ETF shall abide by the provisions of the Fund Contract. The MF Custodian's supervision and inspection of investment in the Master ETF shall commence as of the effective date of the Fund Contract.

If the above investment portfolio proportion restrictions are changed by laws and regulations, the Manager may adjust the provisions on investment proportion restrictions accordingly after performing appropriate procedures. If the said restrictions are cancelled by relevant laws, regulations or regulatory authorities, the Master ETF will no longer be subject to the relevant restrictions if it is applicable to the Master ETF after the MF Manager performs the appropriate procedures.

6. FEES AND CHARGES

The following fees are payable out of the assets of the Master ETF:

Management fee	Currently 0.50% per annum of the net asset value of the Master ETF accrued daily and payable monthly in arrears to the MF Manager
Custodian fee	Currently 0.10% per annum of the net asset value of the Master ETF accrued daily and payable monthly in arrears to the MF Custodian

The following fees and charges will also be borne by the Master ETF:

a) index licence fees;
b) information disclosure expenses payable after the Fund Contract has taken effect;
c) accountant fees, auditor's fees, legal fees, litigation costs and arbitration fees related to the Master ETF payable after the Fund Contract has taken effect;
d) expenses of MF Unitholders' meetings;
e) settlement expenses arising from securities and futures trading;
f) bank transfer fees of the Master ETF;
g) initial fees and annual fees for Master ETF listing;
h) opening fees for securities and futures accounts and maintenance fees for bank accounts;
i) other expenses that may be disbursed from the fund property in accordance with relevant laws, regulations and the provisions of the Fund Contract.

Expenses incurred during the course of the termination or liquidation of the Master ETF shall also be deducted from the fund property according to the actual expenditures.

7. SUBSCRIPTION AND REDEMPTION OF UNITS IN THE MASTER ETF

The Master ETF is not available for direct investment by Hong Kong investors. Hong Kong investors should refer to "***Schedule 2 – Provisions relating to the Offer, Creation, Redemption, Listing and Trading of the Listed Class of Units***" to Part 1 of the Prospectus and the section "***2. Dealing***" of this Appendix for further information on investing and trading of Units of the CSOP Yinhua 5G ETF which substantially invests in the Master ETF.

8. VALUATION OF THE MASTER ETF

The net asset value of the Master ETF is calculated on each day on which the SZSE is open for normal trading, any non-trading day on which the Master ETF is required to disclose the net asset value of the Master ETF in accordance with the relevant Chinese Mainland laws and regulations, or such other day or days as may from time to time be determined by the MF Manager.

9. SUSPENSION OF DEALING AND CALCULATION OF NET ASSET VALUE OF THE MASTER ETF

The dealing and calculation of the net asset value of units of the Master ETF may be suspended upon the occurrence of any of the following events:

1. the securities and futures trading markets involved in the Master ETF's investment are temporarily closed for statutory holidays or other reasons;

2. the MF Manager or the MF Custodian cannot accurately value the Master ETF's asset value due to force majeure;

3. if the asset of more than 50% of the Master ETF's net asset value on the previous valuation day has no active market price for reference and the fair value is still subject to material uncertainty even with valuation techniques applied, the MF Manager shall suspend valuation after confirmation from the MF Custodian upon consultation;

4. other circumstances identified by relevant laws and regulations, the CSRC and the Fund Contract.

10. DISTRIBUTION POLICY

The MF Manager may, at its discretion after review by the MF Custodian and subject to the relevant laws, regulations, and stipulations of relevant regulatory authorities, make payment of distribution to investors from the net distributable income of the Master ETF. It is not currently intended that distributions will be made out of the capital of the Master ETF, or out of gross income of the Master ETF while charging all or part of the Master ETF's fees and expenses out of the capital of the Master ETF.

Distribution may be made to investors if the performance of the Master ETF exceeds that of the Underlying Index by more than 1% in the same period.

11. SOFT DOLLAR COMMISSIONS AND CONNECTED PARTY TRANSACTIONS

When the MF Manager uses fund property to buy and sell securities issued by the MF Manager,

the MF Custodian and its controlling shareholder, the actual controller or the company with a significant holding in it or the securities underwritten during the underwriting period by the foregoing parties, or to engage in other significant connected party transactions, the MF Manager shall comply with the investment objective and investment strategy of the Master ETF, and follow the principle of priority of Unitholders' interests, so as to mitigate any conflicts of interest.

In addition, an internal approval mechanism and evaluation mechanism shall be established and improved, and execution shall be at fair and reasonable market prices. Relevant transactions must be agreed by the MF Custodian in advance and disclosed in accordance with relevant laws and regulations.

Significant connected party transactions shall be submitted to the Board of Directors of the MF Manager for deliberation and approved by more than two thirds of independent directors. The Board of Directors of the MF Manager shall review connected party transactions at a minimum on a semi-annual basis.

12. TAXATION

All taxpayers involved in the operation of the Master ETF shall be subject to their tax obligations in accordance with relevant Chinese Mainland national tax laws and regulations. The relevant taxes on investment of fund property shall be borne by MF Unitholders, and the MF Manager or other withholding agents shall withhold and remit the tax in accordance with the relevant provisions of the state on tax collection.

13. FINANCIAL REPORTING

The Master ETF's financial year end is 31 December of each year.

14. MF UNITHOLDER MEETINGS

The manner in which the meeting of MF Unitholders is conducted should comply with the relevant laws, regulations, and any stipulations by the CSRC, and should be in accordance with the provisions of the Fund Contract. Some of the key requirements are set out below.

A Unitholder meeting may be convened by the MF Manager, by the MF Custodian (if the MF Manager fails to convene according to the relevant regulations), or if MF Unitholders representative at least 10% of the units of the Master ETF proposes in writing to convene a Unitholder meeting on the same matter. 30 days' prior notice is required to convene a Unitholder meeting.

Unitholders shall have one voting right for each voting unit of Units that they hold. Votes may be given in person, by the Unitholder's proxy in person, via mail, telephone, SMS, online, or in another way as permitted and described under the Fund Contract and as further detailed in notices of meetings of Unitholders.

A general resolution is only valid when the votes of MF Unitholders or proxies attending the meeting account for 50% or more of the total number units of the Master ETF in issue. Other than matters specified below, all matters may be resolved via a general resolution.

A special resolution is only made when the votes of MF Unitholders or proxies attending the meeting account for 75% or more of the total number units of the Master ETF in issue. The

following matters shall only be valid upon the passing of a special resolution: change of the operation method of the Master ETF, replacement of MF Manager or MF Custodian, termination of Fund Contract, and the merger of the Master ETF and other funds, unless otherwise agreed in the Fund Contract.

15. TERMINATION OF THE MASTER ETF

The Master ETF shall be terminated upon the circumstances set out in the Fund Contract, including the following:

1. resolution to terminate adopted through voting at the MF Unitholders' meeting;

2. after the Fund Contract takes effect, if: (i) the number of MF Unitholders is less than 200 for 20 consecutive business days or (ii) the net asset value of the Master ETF is less than RMB50 million for 20 consecutive business days, the MF Manager shall disclose it in the periodic report. If the aforementioned situation occurs for 50 consecutive business days, the Manager shall terminate the Fund Contract and conduct liquidation according to the procedures stipulated in the Fund Contract. This matter does not require a voting at the Unitholders' meeting;

3. the responsibilities of the MF Manager and/or the MF Custodian are/is terminated, and no new fund manager or new fund custodian has taken over the responsibilities within 6 months of such termination;

4. the Master ETF no longer meets the conditions for listing as stipulated in the "Rules of Shenzhen Stock Exchange Governing the Listing of Securities Investment Funds";

5. any other circumstances stipulated by the CSRC in the relevant laws and regulations;

6. such other circumstances as stipulated in the Fund Contract.

16. THE UNDERLYING INDEX

The Underlying Index of the Master ETF is the price return index of the CSI 5G Communication Index. The Underlying Index is a free float adjusted, capitalization-weighted index which measures the price performance of China A-Shares listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange with business related to 5G construction or application , including but not limited to 5G infrastructure construction, terminal devices and application scenarios.

The Underlying Index is a price return index which means that it does not include the reinvestment of dividends from the constituents, such dividends being net of any withholding tax. The Underlying Index is denominated and quoted in RMB.

The Underlying Index was launched on 31 December 2015 and had a base level of 1,000.

The Underlying Index is calculated and disseminated in RMB and is maintained by the Index Provider, a joint-venture established on 25 August 2005 between the Shanghai Stock Exchange and the Shenzhen Stock Exchange, which specialises in the management of securities indices and the provision of related services.

The Manager and the MF Manager (and each of its Connected Persons) are independent of CSI.

Index Universe

The selection universe of the Underlying Index (the "**Index Universe**") includes all the China A-Shares (each a "**Stock**") listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange satisfying the following conditions:

(a) a Stock with a listing history of more than three months. If a Stock has a listing history of less than three months, it will be considered for inclusion in the Index Universe if the daily average total market value of the Stock since its initial listing is ranked within the top 30 of all China A-shares; and

(b) the Stock is not suspended from trading and is not designated for special treatment by any of the CSRC, the Shanghai Stock Exchange or the Shenzhen Stock Exchange as a result of continuous financial losses.

Selection criteria of constituent companies

The Index Provider selects the Underlying Index constituent companies (each an "**Index Constituent**" and collectively the "**Index Constituents**") as follows:

1. ranks the rest of the stocks in the Index Universe by the average daily total market capitalisation and the average daily trading value over the past year in descending order, and then deletes the bottom-ranked 20% of stocks; and

2. selects the stocks with business related to 5G construction or application, including but not limited to 5G infrastructure construction, terminal devices and application scenarios.

3. selects top 50 stocks from the above samples according to the ranking of average daily total market capitalization in the past year from high to low.

Index calculation method

The Underlying Index is calculated using the following formula:

$$\text{Current Index Level} = \frac{\text{Current total adjusted market capitalisation} \times \text{Base Level}}{\text{Divisor}}$$

Where: Current total adjusted market capitalisation = ∑ (Stock price x Number of free float adjusted shares of the Index Constituent x Weight Factor)

The value of the Weight Factor is between 0 and 1, and is calculated at each rebalancing so as to make each constituent weight no more than 10%.

In calculating the number of free float adjusted shares of each Index Constituent, the Index Provider will apply a certain inclusion factor to the total shares of the relevant share class according to the total free float shares as a proportion of total shares to ensure index stability, in accordance with the following formulae:

$$\text{Free float ratio} = \text{Free float / Total shares of Index Constituent}$$

Adjusted shares of Index Constituent = Total shares x Inclusion Factor

The inclusion factor is determined according to the following table:

Free float ratio (%)	≤15	(15 , 20)	(20 , 30)	(30 , 40)	(40 , 50)	(50 , 60)	(60 , 70)	(70 , 80)	>80
Inclusion factor (%)	nearest higher percentage point	20	30	40	50	60	70	80	100

Examples: If the free float ratio of a certain Index Constituent is 6.5%, which is less than 15%, the Inclusion Factor will be 7%. If the free float ratio of a certain Index Constituent is 35%, which falls within the (30, 40) range, the Inclusion Factor will be 40%.

Free float shares exclude restricted shares and non-free float shares due to strategic holdings or other reasons from the total shares of listed companies. The remaining shares available for trading shall be deemed as free-float shares. For: (1) long term holdings by founders, families, and senior executives, etc.; (2) state-owned shares; (3) strategic holdings; and (4) employee share plans, if the holdings are 5% or greater by a shareholder or shareholders acting in concert, such shares shall be deemed as non-free float shares.

Index periodical review

Index Constituents are reviewed every six months and adjustments to the Underlying Index performed in accordance with such periodical review become effective as of the trading day after the second Friday of June and December each year.

Index adjustments

Necessary adjustments are made by CSI when exceptional corporate events happen so as to maintain the representativeness and investability of the Underlying Index. Such events include without limitation the bankruptcy, restructuring, merger, acquisition and spin-off, of an Index Constituent issuer and the delisting, temporary suspension from trading, of an Index Constituent.

In general, CSI will publicise Index Constituent adjustments lists as soon as practicable after the adjustments are decided and before their implementation.

Index Constituents

You can obtain the most updated list of the Index Constituents with their respective weightings and additional information of the Underlying Index from the website of CSI at http://www.csindex.com.cn/en/indices/index-detail/931079

Index codes

Bloomberg Code: SH931079
Reuters Code: .CSI1931079

Index Provider disclaimer

The Underlying Index is compiled and calculated by CSI. All copyright in the Underlying Index values and constituent list vest in CSI. CSI will apply all necessary means to ensure the accuracy of the Underlying Index. However, CSI does not guarantee its instantaneity, completeness or accuracy, nor shall it be liable (whether in negligence or otherwise) to any person for any error in the Underlying Index or under any obligation to advise any person of any error therein.

17. INDEX LICENCE AGREEMENT

The MF Manager has been granted a non-exclusive, non-assignable and non-transferable licence pursuant to index licence agreement dated 1 August 2019 (the "**Licence Agreement**") entered into between the MF Manager and CSI, to use the Underlying Index (i.e. CSI 5G Communication Index) in connection with the creation, issue, offering, marketing, promotion, sale, management, administration and listing of the Master ETF.

The Licence Agreement is subject to an initial fixed term of three years from 1 August 2019, and can thereafter be automatically renewed for successive terms of two years at a time, unless either party raises an objection for such renewal prior to the expiry of the term of the Licence Agreement.

The MF Manager and CSI may terminate the Licence Agreement by written notice to the other party given at least three months prior to the end of the then-current term. The Licence Agreement may also be terminated in circumstances as summarised below:

(a) there is a material breach by the MF Manager or CSI of any of the terms or conditions of the Licence Agreement;

(b) the Underlying Index has been discontinued by CSI;

(c) there is legislation or regulation that materially impairs the MF Manager to manage and sell the Master ETF or there is material litigation or regulatory proceeding regarding the Master ETF;

(d) there is legislation or regulation that materially impairs CSI's ability to licence the Underlying Index or there is material litigation or regulatory proceeding;

(e) either party declares bankruptcy, stops operation, dissolves or has its licence revoked; and

(f) the MF Manager is no longer developing or managing the Master ETF.

18. REPLACEMENT OF UNDERLYING INDEX

The MF Manager reserves the right, with the prior approval of the relevant regulatory authority and provided that in its opinion the interests of the MF Unitholders would not be adversely affected, to replace the Underlying Index with a replacement underlying index that is acceptable to the SFC. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;

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

(c) a new index becoming available that supersedes the existing Underlying 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 MF Unitholders than the existing Underlying Index;

(e) investing in the index securities comprised within the Underlying Index becomes difficult;

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

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

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

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

The Manager may change the name of CSOP Yinhua 5G ETF if the name of the Master ETF changes due to the foregoing replacement of the Underlying Index. Any change to (i) the use by the Master ETF of the Underlying Index and/or (ii) the name of the Master ETF and/or the CSOP Yinhua 5G ETF will be notified to investors.

19. FURTHER INFORMATION ON THE MASTER ETF

Further information pertaining to the Master ETF, including the offering documents of the Master ETF, is available at the Master ETF's website at http://www.yhfund.com.cn/main/qxjj/159994/fndFacts.shtml (this website has not been reviewed by the SFC). Such infor mation is disclosed according to all applicable Chinese Mainland laws and regulations, a nd the CSRC's requirements as amended from time to time. This hyperlink is also avail able on the Manager's website.

20. ELIGIBILITY REQUIREMENTS AND AUTHORISATION CONDITIONS

The Master ETF is subject to the following requirements:

a) the Master ETF is established and managed and operates in accordance with Chinese Mainland laws and regulations and its constitutive documents, i.e. its Fund Contract;

b) the Master ETF is publicly offered securities investment fund registered with the CSRC under the Securities Investment Fund Law of the People's Republic of China;

c) the Master ETF will, on an ongoing basis, remain as approved / registered with the CSRC for offering to the Chinese Mainland public, and be subject to the ongoing regulation and supervision of the CSRC;

d) the Master ETF will remain a physical index-tracking exchange traded fund and maintain a primary listing on a principal Chinese Mainland stock exchange, including the SZSE;

e) the MF Manager and the Hong Kong Representative shall ensure that the Master ETF is not offered to the public in Hong Kong;

f) (i) change of the Hong Kong Representative; and (ii) any material change to the purpose or extent of use of financial derivative instruments, securities financing transactions and/or similar transactions and leverage of the Master ETF as disclosed in the Hong Kong offering documents of the CSOP Yinhua 5G ETF shall be subject to the Commission's prior approval;

g) the MF Manager and the MF Custodian or such other entities acceptable to the Commission shall remain as the manager and the custodian of the Master ETF respectively; and

h) the Underlying Index or such other index acceptable to the Commission shall remain as the underlying index of the Master ETF.

APPENDIX 9

CSOP Bitcoin Futures ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 3066

MANAGER

CSOP Asset Management Limited

15 June 2026

This is an active exchange traded fund

CSOP Bitcoin Futures ETF

Stock Code: 3066

1. KEY INFORMATION

1.1 General

This Appendix sets out information specific to CSOP Bitcoin Futures ETF ("**CSOP Bitcoin Futures ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in CSOP Bitcoin Futures ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***10. Risk Factors relating to the CSOP Bitcoin Futures ETF***" of this Appendix, before investing in the CSOP Bitcoin Futures ETF.

Investors should note that the CSOP Bitcoin Futures ETF offers both Listed Class of Units and Unlisted Class of Units. Please refer to the sections relevant to your intended holding of Units.

In respect of the Listed Class of Units, 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.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP Bitcoin Futures ETF, and should be read in conjunction with the full text of this Prospectus.

Key information applicable to both Listed Class of Units and Unlisted Class of Units

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapter 8.9 and Chapter 8.10 of the Code
Investment Strategy	The CSOP Bitcoin Futures ETF invests in CME Bitcoin Futures (as defined below). Please refer to section ***"4. Investment Objective and Strategy***" of this Appendix for further details.
Base Currency	US dollars (USD)
Dividend Policy	The Manager has discretion as to whether or not the CSOP Bitcoin Futures ETF will make any distribution, the frequency and amount of distribution. Currently the Manager does not intend to make any distribution to Unitholders (whether out of income or out of capital).

		Please refer to section "***7. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP Bitcoin Futures ETF.
Parties	Manager	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
Financial Year		Ending 31 December each year
Website		https://www.csopasset.com/en/products/hk-btcfut (this website has not been reviewed by the Commission)

Key information applicable to Listed Class of Units only

Initial Issue Date		15 December 2022
Listing Date		16 December 2022
Dealing on SEHK Commencement Date		16 December 2022
Exchange Listing		SEHK - Main Board
Stock Code		3066
Stock Short Name		FA CSOP BTC
ISIN Number		HK0000900347
Trading Board Lot Size		100 Units
Trading Currency		Hong Kong dollars (HKD counter)
Application Unit size for Creation/Redemption (only by or through Participating Dealers)		Minimum 500,000 Units (or multiples thereof)
Method of Creation/Redemption		Cash (USD) only
Parties	Participating Dealers	Please refer to the Manager's website set out above for the latest list
	Market Maker	Please refer to the Manager's website set out above for the latest list
	Service Agent	HK Conversion Agency Services Limited

Management Fee	Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 1.99% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.

Key information applicable to the Unlisted Class of Units only

Initial Offer Period	For Class A Units: 9:00 a.m. (Hong Kong time) on 31 May 2024 to 5:00 p.m. (Hong Kong time) on 31 May 2024
Initial Subscription Price per Unit during Initial Offer Period	For Class A Units: USD10
Dealing Deadline	5:30 p.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee
Management Fee	Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. For Class A Units, the current rate is 1.99% per annum of the Net Asset Value of the Class accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.

Key similarities and differences between Listed Class of Units and Unlisted Class of Units

Investment Objective	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the section *"**4. Investment Objective and Strategy**"* of this Appendix.
Investment Strategy	
Valuation Policy	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the section *"**8.1 Determination of the Net Asset Value**"* in Part 1 of this Prospectus.
Dealing Frequency	Same for both Listed Class of Units and Unlisted Class of Units – each Business Day.
Dealing arrangements	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. **In respect of the Listed Class of Units:**

- the dealing period on each Dealing Day for a Creation Application or Redemption Application commences at 9:30 a.m. (Hong Kong time) and ends at the Dealing Deadline at 5:30 p.m. (Hong Kong time) (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time; and
- a Secondary Market Investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price.

In respect of the Unlisted Class of Units:

- the Dealing Deadline for a subscription or redemption application is 5:30 p.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee; and
- investors can buy or sell the Unlisted Class of Units at Net Asset Value.

	Listed Class of Units	**Unlisted Class of Units**
Dealing Deadline in respect of a Dealing Day	5:30 p.m. (Hong Kong time) on the Dealing Day*	5:30 p.m. (Hong Kong time) on the Dealing Day
Valuation Point	Approximately 4:00 p.m. CT on the applicable Valuation Day (i.e. approximately 5:00 a.m. (with daylight saving time) or 6:00 a.m. (without daylight saving time) Hong Kong time on the calendar day immediately following the applicable Valuation Day), or such other time or times as determined by the Manager, in consultation with the Trustee	

** Investors should note that Creation and Redemption Applications for Listed Class of Units received during the Dealing Period in respect of a Dealing Day ("**Day T**") (i.e. between 9:30 a.m. to 5:30 p.m. (Hong Kong time) will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T, which is determined at the Valuation Point in respect of Day T (which is on Day T+1 in Hong Kong time). For example:*

In respect of the Listed Class of Units:

	- *a Creation or Redemption Application for Listed Class of Units received at or before 5:30 p.m. (Hong Kong time) on Day T will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T (which is determined at the Valuation Point on Day T+1 in Hong Kong time); and* - *a Creation or Redemption Application for Listed Class of Units received after 5:30 p.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Listed Class of Units of Day T+1 (which is determined at the Valuation Point on Day T+2 in Hong Kong time).* ***In respect of the Unlisted Class of Units:*** - *a subscription or redemption application for Unlisted Class of Units received at or before 5:30 p.m. (Hong Kong time) on Day T, i.e. at or before the Dealing Deadline of Day T for such class, will be processed on Day T at the Net Asset Value per Unit of Unlisted Class of Units of Day T (which is determined at the Valuation Point on Day T+1 in Hong Kong time); and* - *a subscription or redemption application for Unlisted Class of Units received after 5:30 p.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Unlisted Class of Units of Day T+1 (which is determined at the Valuation Point on Day T+2 in Hong Kong time).* Please refer to the sections "***2. Dealing of Listed Class of Units***" and "***3. Dealing of Unlisted Class of Units***" of this Appendix for information relating to the Listed Class of Units and the Unlisted Class of Units respectively.
Fee Structure	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. The management fee and the Trustee's and Registrar's fee are the same in respect of both Listed Class of Units and Unlisted Class of Units. An investment in the Listed Class of Units in the secondary market is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service Agent's fee, brokerage fee, transaction levies, trading fee etc.). An investment in the Unlisted Classes of Units may be subject to the payment of subscription fees. Please refer to the section "***11. Fees and Charges***" of this Appendix.

Investment return / Net asset Value	Different in respect of each of the Listed Class of Units and the Unlisted Class of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Class of Units are bought and sold at Net Asset Value), costs (such as Transaction Fee and Duties and Charges in respect of creation and redemption of Listed Class of Units in the primary market and fees payable in respect of trading of Listed Class of Units in the secondary market) and stamp duty. Accordingly, the performance of the different classes of Units will be different. There is a separate Net Asset Value for each class of Units. Please refer to the risk factor "***4.4 Differences in dealing, fee and cost arrangements between Listed Class and Unlisted Class of Units***" in Part 1 of this Prospectus.
Termination procedures	Different in respect of each of the Listed Class of Units and the Unlisted Class of Units. Please refer to the section "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus.

1.3 Market Maker (in respect of the Listed Class of Units)

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 the Listed Class of Units of the CSOP Bitcoin Futures ETF. 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 to facilitate the efficient trading of the Listed Class of Units of the CSOP Bitcoin Futures ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker is required to give not less than ninety (90) days' prior notice to terminate market making under the relevant market making agreement.

The list of market markers in respect of the CSOP Bitcoin Futures ETF is available on https://www.csopasset.com/en/products/hk-btcfut (this website has not been reviewed by the Commission) and from time to time will be displayed on www.hkex.com.hk.

2. DEALING OF LISTED CLASS OF UNITS

2.1 Exchange Listing and Trading

The Listed Class of Units of the CSOP Bitcoin Futures ETF are listed and traded on the SEHK.

Currently, the Listed Class of Units are listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in the future for a listing of the Listed Class of Units on other stock exchanges.

If trading of the Listed Class of Units of the CSOP Bitcoin Futures ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Listed Class of Units.

2.2 Buying and Selling of Listed Class of Units of CSOP Bitcoin Futures ETF on SEHK

A Secondary Market Investor can buy and sell the Listed Class of Units of the CSOP Bitcoin Futures ETF on the SEHK through his stockbroker at any time the SEHK is open. Listed Class of Units of the CSOP Bitcoin Futures ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 100 Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the Listed Class of Units of the CSOP Bitcoin Futures ETF due to market demand and supply, liquidity and scale of trading spread for the Listed Class of Units in the secondary market. As a result, the market price of the Listed Class of Units of the CSOP Bitcoin Futures ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the Listed Class of Units of the CSOP Bitcoin Futures ETF.

Please refer to section "***Schedule 2 – 3. Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of the Listed Class of Units on the SEHK.

2.3 Switching

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Participating Dealers who wish to switch between Listed Class of Units and Unlisted Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

2.4 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Schedule 2 – 2. Creation and Redemption of Application Units (Primary Market)***" of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP Bitcoin Futures ETF only.

The Manager currently only allows In-Cash (in USD) Creation Applications and Redemption Applications for the Listed Class of Units of the CSOP Bitcoin Futures ETF.

Settlement in cash for subscribing the Listed Class of Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The Application Unit size for the Listed Class of Units of CSOP Bitcoin Futures ETF is 500,000 Units. Creation Applications submitted in respect of the Listed Class of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP Bitcoin Futures ETF is one Application Unit.

2.4.1 Dealing Period

The dealing period for the Listed Class of Units on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP Bitcoin Futures ETF commences at 9:30 a.m. (Hong Kong time) and ends at the Dealing Deadline at 5:30 p.m. (Hong Kong time) (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.4.2 Issue Price and Redemption Price

The Issue Price of a Unit in respect of the Listed Class of Units in the CSOP Bitcoin Futures ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units redeemed in respect of the Listed Class of Units shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP Bitcoin Futures ETF.

The "**Valuation Day**" of the CSOP Bitcoin Futures ETF, coincides with, and shall mean, the Dealing Day of the CSOP Bitcoin Futures ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's website at https://www.csopasset.com/en/products/hk-btcfut(this website has not been reviewed by the Commission) or published in such other publications as the Manager decides.

2.4.3 Dealing Day

In respect of the CSOP Bitcoin Futures ETF, "**Dealing Day**" means each Business Day.

3. DEALING OF UNLISTED CLASS OF UNITS

3.1 Available Classes

The CSOP Bitcoin Futures ETF currently has the following Unlisted Class of Units which are available to investors:

- Class A Units

3.2 Initial Offer Period

The Initial Offer Period of the Class A Units will be 9:00 a.m. (Hong Kong time) on 31 May 2024 to 5:00 p.m. (Hong Kong time) on 31 May 2024.

The initial Subscription Price in respect of each Unlisted Class of Units during the Initial Offer Period is as follows:

Class	**Initial Subscription Price per Unit**
Class A Units	USD10

3.3 Dealing Procedures

For details of dealing procedures, please refer to the sections headed "***Schedule 3 – 1. Subscription of Unlisted Class of Units***", "***Schedule 3 – 2. Redemption of Unlisted Class of Units***" and "***Schedule 3 – 3. Switching of Unlisted Class of Units***" in Part 1 of this Prospectus.

The following apply to the Unlisted Class of Units:

Dealing Day	each Business Day
Valuation Day	each Dealing Day or such other days as the Manager may determine
Dealing Deadline	5:30 p.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee

3.4 Switching

Subject to the prior consent of the Manager either generally or in any particular case, Unitholders may switch part or all of their Unlisted Class of Units of the CSOP Bitcoin Futures ETF into another Unlisted Class of Units of the CSOP Bitcoin Futures ETF (where available). Switching of Unlisted Class of Units of the CSOP Bitcoin Futures ETF to unlisted shares, units or interests in any other collective schemes (including any other Sub-Funds of the Trust) is currently not permitted.

3.5 Payment of Redemption Proceeds

Save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds in respect of Unlisted Class of Units will normally be paid by telegraphic transfer, within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless legal or regulatory requirements (such as foreign currency controls) to which the CSOP Bitcoin Futures ETF is subject render the payment of the redemption proceeds within the aforesaid time period not practicable, and such extended time frame should reflect the additional time needed in light of the specific circumstances in the relevant market.

3.6 Investment Minima

The following investment minima apply to the Unlisted Class of Units:

	Class A Units
Minimum initial investment	USD10 or equivalent
Minimum subsequent investment	USD0.01 or equivalent
Minimum holding	USD0.01 or equivalent
Minimum redemption amount	USD0.01 or equivalent

The Manager may, in its absolute discretion, waive or agree to a lower amount of any of the above investment minima (either generally or in any particular case).

4. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP Bitcoin Futures ETF is to achieve long-term capital growth by primarily investing in CME Bitcoin Futures adopting an active investment strategy. **The CSOP Bitcoin Futures ETF does not invest directly in bitcoin.** There is no assurance that the CSOP Bitcoin Futures ETF will achieve its investment objective.
The CSOP Bitcoin Futures ETF invests in CME Bitcoin Futures which price movement may deviate significantly from the spot price of bitcoin. The CSOP Bitcoin Futures ETF does not seek to deliver a return of the spot price of bitcoin.

Investment Strategy

The CSOP Bitcoin Futures ETF seeks to achieve its investment objective by primarily investing in standardised, cash-settled bitcoin futures contracts and/or micro bitcoin futures contracts traded on the Chicago Mercantile Exchange (the "**CME**") (collectively, the "**CME Bitcoin Futures**"). The CME is a commodity exchange registered with the Commodity Futures Trading Commission of the United States (the "**CFTC**").

It is expected that the notional value of CME Bitcoin Futures to which the CSOP Bitcoin Futures ETF has exposure will not exceed 100% of the Net Asset Value of the CSOP Bitcoin Futures ETF. The CSOP Bitcoin Futures ETF deposits initial margins to clearing houses for an open interest in CME Bitcoin Futures based on the notional value of its exposure to CME Bitcoin Futures. The Manager anticipates that up to 60% of the Net Asset Value of the CSOP Bitcoin Futures ETF from time to time will be used as margin to acquire the CME Bitcoin Futures. Under exceptional circumstances, such as increased margin requirements in extreme market turbulence, the CSOP Bitcoin Futures ETF's exposure to margin may increase substantially beyond 60% of its Net Asset Value. **The CSOP Bitcoin Futures ETF does not invest directly in bitcoin.**

The CSOP Bitcoin Futures ETF seeks to invest in cash-settled, front-month CME Bitcoin Futures, and may also invest in cash-settled, back-month CME Bitcoin Futures. Front-month CME Bitcoin Futures are those contracts with the shortest time to maturity. Back-month CME Bitcoin Futures are those with longer times to maturity.

Futures contracts expire on a designated date (the "**expiration date**"). The CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests are cash settled on their expiration date unless they are "rolled" (i.e. the replacement of shorter-dated futures contracts with longer-dated futures contracts) prior to expiration. The CSOP Bitcoin Futures ETF generally intends to "roll" its CME Bitcoin Futures prior to expiration. In determining whether to roll the CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests, the Manager will take into account, among other things, the liquidity, roll spread level and bid-offer spread of the CME Bitcoin Futures, the prevailing market conditions as well as the best interest of the investors. There is no guarantee that such a strategy will produce the desired results.

The CSOP Bitcoin Futures ETF may also invest at least 40% of its NAV (this percentage may be reduced proportionally under exceptional circumstances when there is a higher margin exposure, as described above) in cash (USD) such as deposits with banks in Hong Kong or cash equivalents such as USD-denominated money market funds (which are authorised under Chapter 8.2 of the Code or eligible schemes under Chapter 7.11A of the Code or non-eligible schemes and not authorised by the Commission under Chapter 7.11 of the Code, including those which are managed by the Manager or its Connected Persons) in accordance with the Code for cash management purpose. Yield from such cash or cash equivalents will be used to meet the CSOP Bitcoin Futures ETF's fees and expenses and after deduction of such fees and expenses will form part of the assets of the CSOP Bitcoin Futures ETF.

Under exceptional circumstances and in the best interest of investors, no more than 10% of the Net Asset Value of the CSOP Bitcoin Futures ETF will be invested in exchange traded funds with primary exposure to bitcoin. For the avoidance of doubt, the sum of notional value of CME Bitcoin Futures and investments in such bitcoin exchange traded funds will not exceed 100% of the Net Asset Value of the CSOP Bitcoin Futures ETF. Any investments in exchange traded funds will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in Chapter 7.11, 7.11A and 7.11B of the Code. The CSOP Bitcoin Futures ETF will not hold more than 10% of any units, shares or interests in any single collective investment scheme. For the avoidance of doubt, the CSOP Bitcoin Futures ETF's investment in non-eligible scheme and not authorised by the Commission will be no more than 10% of its Net Asset Value.

Other than CME Bitcoin Futures, the CSOP Bitcoin Futures ETF may invest in financial derivative instruments such as currency forward contracts and currency futures for hedging purposes only. The Manager will seek the prior approval of the Commission (if required) and provide at least one month's prior notice to Unitholders before the CSOP Bitcoin Futures ETF engages in any such investments for purposes other than hedging.

The CSOP Bitcoin Futures ETF will not invest in sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions. Prior approval of the Commission will be sought (if required) and not less than one month's prior notice will be given to the Unitholders in the event the Manager wishes to invest in any such sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions on behalf of the CSOP Bitcoin Futures ETF.

Reference Benchmark

The Sub-Fund is actively managed and does not track a benchmark. The reference benchmark for performance comparison purposes is S&P Bitcoin Futures Index (the "**Reference Benchmark**").

The Reference Benchmark tracks the performance of the nearest maturing monthly Bitcoin Futures Contracts (Symbol: BTC) trading on CME and is designed to measure the performance of the CME Bitcoin Futures market and is expected to share a similar investment universe as that of the Sub-Fund. The Reference Benchmark is compiled and managed by an independent third party, S&P Dow Jones Indices LLC.

The Reference Benchmark is not used for the purpose of portfolio construction of the Sub-Fund. The management of the Sub-Fund is discretionary and the Sub-Fund does not seek to track or replicate the Reference Benchmark. It is expected that the Sub-Fund's performance may differ significantly from the Reference Benchmark over time.

5. SECURITIES LENDING TRANSACTIONS

The Manager does not currently intend to enter into securities lending transactions on behalf of the CSOP Bitcoin Futures ETF.

Prior approval of the Commission (if required) will be sought and not less than one month's prior notice will be given to the Unitholders in the event the Manager wishes to enter into any such securities lending transactions on behalf of the CSOP Bitcoin Futures ETF.

6. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of CSOP Bitcoin Futures ETF to acquire investments, to redeem Units or to pay expenses relating to CSOP Bitcoin Futures ETF.

7. DISTRIBUTION POLICY

The Manager has discretion as to whether or not the CSOP Bitcoin Futures ETF will make any distribution, the frequency and amount of distribution. Currently the Manager

does not intend to make any distribution to Unitholders (whether out of income or out of capital).

The distribution policy may be amended subject to the Commission's prior approval (if required) and upon giving not less than one month's prior notice to Unitholders.

8. WAIVER FROM COMPLIANCE WITH THE CODE

The Manager has requested the Commission, and the Commission has granted, a waiver in respect of the CSOP Bitcoin Futures ETF from the requirements under Chapter 7.26 of the Code. The purpose of the waiver is to enable the CSOP Bitcoin Futures ETF to invest in CME Bitcoin Futures to the extent that the net derivative exposure of the CSOP Bitcoin Futures ETF shall not exceed 100% of its Net Asset Value.

9. BITCOIN AND CME BITCOIN FUTURES

9.1 Bitcoin

Bitcoin is a digital asset, the ownership and behaviour of which are determined by participants in an online, peer-to-peer network that connects computers that run publicly accessible, or "open source", software that follows the rules and procedures governing the bitcoin network, commonly referred to as the "bitcoin protocol". No single entity owns or operates the bitcoin network, the infrastructure of which is collectively maintained by (i) a decentralised group of participants who run computer software that results in the recording and validation of transactions (commonly referred to as "miners"); (ii) developers who propose improvements to the bitcoin protocol and the software that enforces the bitcoin protocol; and (iii) users who choose what bitcoin software to run. The source code for the bitcoin network is open-source, and anyone can contribute to its development.

Ownership of and the ability to transfer or take other actions with respect to bitcoin as well as transaction records of bitcoin are protected through public key cryptography. Bitcoin is "stored" on a digital transaction ledger commonly known as a "blockchain". A blockchain is a type of shared and continually reconciled database, stored in a decentralised manner on the computers of certain users of the digital asset and is protected by cryptography. Units of bitcoin are treated as fungible, meaning they can be traded or exchanged for one another. The Bitcoin blockchain contains a record and history for each bitcoin transaction.

Bitcoin may be used as a medium of exchange or unit of account. Although a number of large and small retailers accept bitcoin as a form of payment in the United States and foreign markets, there is relatively limited use of bitcoin for commercial and retail payments. Similarly, bitcoin may be used as a store of value, although it has experienced significant periods of price volatility.

The value of bitcoin and CME Bitcoin Futures, like the value of other digital assets and related derivatives, is not backed by any government, corporation or other identified body. The value of bitcoin is determined in part by the supply of, and demand for, bitcoin in the markets for exchange that have been organised to facilitate the trading of bitcoin. The price of bitcoin is influenced by many factors, such as, global demand and supply of bitcoin, maintenance and development of

the open-source software protocol of the bitcoin network, competition of other digital assets, investor sentiments on the value or utility of bitcoin etc. Please refer to "Extremely high volatility risk" below for further information.

As the bitcoin network is an open-source project, the developers may suggest changes to the bitcoin software from time to time. If the updated bitcoin software is not compatible with the original bitcoin software and a sufficient number (but not necessarily a majority) of users and miners elect not to migrate to the updated bitcoin software, this would result in a "hard fork" of the bitcoin network, with one prong running the earlier version of the bitcoin software and the other running the updated bitcoin software, resulting in the existence of two versions of bitcoin network running in parallel and a split of the blockchain underlying the bitcoin network, but with each version's underlying asset and blockchain lacking interchangeability. In August 2017, bitcoin "forked" into bitcoin and a new digital asset, bitcoin cash, as a result of a several-year dispute over how to increase the rate of transactions that the bitcoin network can process. Since then, bitcoin has been forked numerous times to launch new digital assets, such as bitcoin gold, bitcoin silver and bitcoin diamond.

By design, the supply of bitcoin is limited to 21 million bitcoins. As of the date of this Appendix, there are approximately 19 million bitcoins in circulation. Price discovery occurs through secondary market trading on bitcoin exchanges, over-the-counter trading desks and direct peer-to-peer payments. Bitcoin and bitcoin exchanges and over-the-counter trading desks have a relatively limited history. Limited liquidity and trading across exchange order books have resulted in periods of high volatility and price divergence among exchanges. Bitcoin was released in 2009 and, as a result, there is little data on its long-term investment potential.

Bitcoin spot price (from 16 November 2012 to 15 November 2022)

Source: Bloomberg

9.2 CME Bitcoin Futures

Futures contracts are financial contracts the value of which depends on, or is derived from, the underlying reference asset. In the case of CME Bitcoin Futures, the underlying reference asset is bitcoin. Futures contracts may be physically-settled or cash-settled. The only futures contracts in which the CSOP Bitcoin Futures ETF invests are cash-settled CME Bitcoin Futures. "Cash-settled" means

that when the relevant futures contract expires, if the value of the underlying asset exceeds the futures contract price, the seller pays to the purchaser cash in the amount of that excess, and if the futures contract price exceeds the value of the underlying asset, the purchaser pays to the seller cash in the amount of that excess. In a cash-settled CME Bitcoin Futures, the amount of cash to be paid is equal to the difference between the value of the bitcoin underlying the futures contract at the close of the last trading day of the contract and the futures contract price specified in the agreement.

CME Bitcoin Futures exhibit "futures basis", which refers to the difference between the current market value of the underlying bitcoin (the "spot" price) and the price of the cash-settled CME Bitcoin Futures. A negative futures basis exists when cash-settled CME Bitcoin Futures generally trade at a premium to the current market value of bitcoin.

CME Bitcoin Futures are subject to margin requirements. As discussed above, the CSOP Bitcoin Futures ETF deposits initial margins to its futures brokers for an open interest in CME Bitcoin Futures based on the notional value of the CSOP Bitcoin Futures ETF's exposure to CME Bitcoin Futures. The futures broker, in turn, generally transfers such deposits to the clearing house to protect the clearing house against non-payment by the CSOP Bitcoin Futures ETF. The clearing house becomes substituted for each counterparty to a CME Bitcoin Futures and, in effect, guarantees performance. In addition, the futures broker may require the CSOP Bitcoin Futures ETF to deposit additional margin in excess of the clearing house's requirements for the futures broker's own protection. Generally, margin requirements for the CME Bitcoin Futures may be substantially higher than margin requirements for other types of futures contracts.

CME's bitcoin futures contracts commenced trading on the CME Globex electronic trading platform on 17 December 2017 under the ticker symbol "BTC" and represents a lot of 5 bitcoin. CME's micro bitcoin futures contracts commenced trading on the CME Globex electronic trading platform on 3 May 2021 under the ticker symbol "MBT" and represents a lot of 0.1 bitcoin. CME's bitcoin futures contracts and micro bitcoin futures contracts are cash-settled in USD, based on a volume-weighted composite of USD-bitcoin trading activity on multiple constituent exchanges selected by CF Benchmarks, which is a digital asset index provider regulated by the Financial Conduct Authority of the United Kingdom (the "**FCA**"), based on the Constituent Exchange Criteria (as defined below) (the **"CME CF Bitcoin Reference Rate**"). The "Constituent Exchange Criteria" requires each constituent exchange to implement policies and procedures to ensure fair and transparent market conditions and to identify and impede illegal, unfair or manipulative trading practices. Additionally, each constituent exchange must comply with, among other things, capital market regulations, money transmission regulations, client money custody regulations, know-you-client regulations and anti-money laundering regulations. Each constituent exchange is reviewed annually by an oversight committee established by CF Benchmarks to confirm that the constituent exchange continues to meet all criteria. The CME CF Bitcoin Reference Rate is subject to regulation by the FCA.

In the event of a hard fork (as described above), the CME Bitcoin Futures shall continue to settle to the CME CF Bitcoin Reference Rate corresponding to the original token pair (BTC:USD). The CME may, in its sole discretion, take alternative action with respect to hard forks in consultation with market participants as may be appropriate. This may have adverse impact on the price of the CME Bitcoin Futures.

The key specifications of the CME Bitcoin Futures are as follows:

	CME's bitcoin futures contracts	**CME's micro bitcoin futures contracts**
Exchange	CME	
Ticker symbol	BTC	MBT
Contract value (as at 15 November 2022)	83,450 (contract month of November 2022)	1,669 (contract month of November 2022)
Contract size (as defined by the CME CF Bitcoin Reference Rate)	5 bitcoin	0.1 bitcoin
Minimum tick	5	
Dollar value of one tick	USD25	USD0.5
Trading hours	• **CME Globex:** Sunday to Friday 5:00 p.m. to 4:00 p.m. CT with a 60-minute break each day beginning at 4:00 p.m. CT • **CME ClearPort**: Sunday 5:00 p.m. to Friday 5:45 p.m. CT with no reporting on from 5:45 p.m. - 6:00 p.m. CT on Monday to Thursday	
Contract months	Monthly contracts listed for 6 consecutive months, quarterly contracts (March, June, September, December) listed for 4 additional quarters and a second December contract if only one is listed.	
Settlement method	Cash settlement	
Termination of trading	Trading terminates at 4:00 p.m. London time on the last Friday of the contract month that is either a London or U.S. business day. If the last Friday of the contract month is not a business day in both London and the U.S., trading terminates on the prior London or U.S. business day.	

Position limit	Spot position limits are set at 4,000 contracts. *Note:* The limits include both bitcoin futures contracts and micro bitcoin futures contracts holdings on the CME. Micro bitcoin futures contracts held are expressed in equivalent bitcoin futures contracts (i.e. 1/50th of a bitcoin futures contract).	
Price limit	The daily price limit table is published on CME's website https://www.cmegroup.com/trading/price-limits.html#equityIndex (this website has not been reviewed by the Commission). CME Bitcoin Futures are subject to price limits on a dynamic basis. At the commencement of each trading day, CME Bitcoin Futures are assigned a price limit variant which equals a percentage of the prior day's settlement price determined by the CME, or a price deemed appropriate by the CME. In the event that the price limits are triggered in the primary contract market (i.e. lead month), all associated contract markets will immediately transition into a two-minute pre-open state (i.e. trading pause).	
Position accountability level	A position accountability level of 5,000 contracts will be applied to positions in single months outside the spot month and in all months combined.	
Vendor code	Bloomberg: BTCA	Bloomberg: BMR

Liquidity of CME Bitcoin Futures

CME Bitcoin Futures is one of the most liquid financial derivatives that provides investors access to invest in the evolving digital asset market.

According to the CME, CME's bitcoin futures contracts traded more than 10,000 futures contracts daily in 2022 year-to-day (as at 4 November 2022) with an average open interest of 12,300 contracts which is equivalent to 61,500 bitcoin. In addition, over 6.9 million contracts have been traded since the launch of the CME's micro bitcoin futures contracts on 3 May 2021 until 4 November 2022, with a year-to-date (as at 4 November 2022) average daily volume of 15,300 contracts and an average open interest of 20,800 contracts which is equivalent to 2,080 bitcoins.

The Manager believes the liquidity of CME Bitcoin Futures is sufficiently abundant in terms of turnover and open interest for the CSOP Bitcoin Futures ETF to implement its investment strategy.

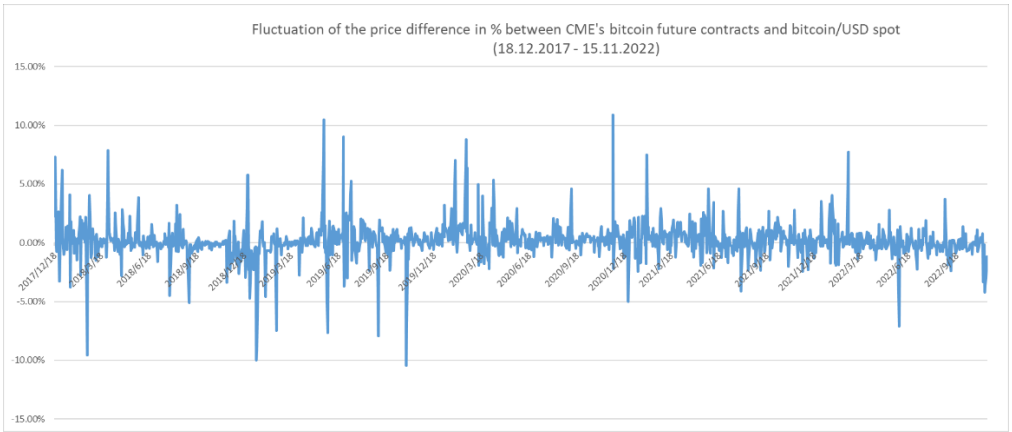
Difference between bitcoin spot price and CME Bitcoin Futures price

CME Bitcoin Futures is financially settled by cash and therefore does not involve the exchange of bitcoin nor the need of a digital wallet as compared to bitcoin on spot market.

Investors should note that the CSOP Bitcoin Futures ETF does not invest in the bitcoin spot market. The price of CME Bitcoin Futures reflects the expected value of bitcoin in the future, whereas the spot price of bitcoin reflects the immediate

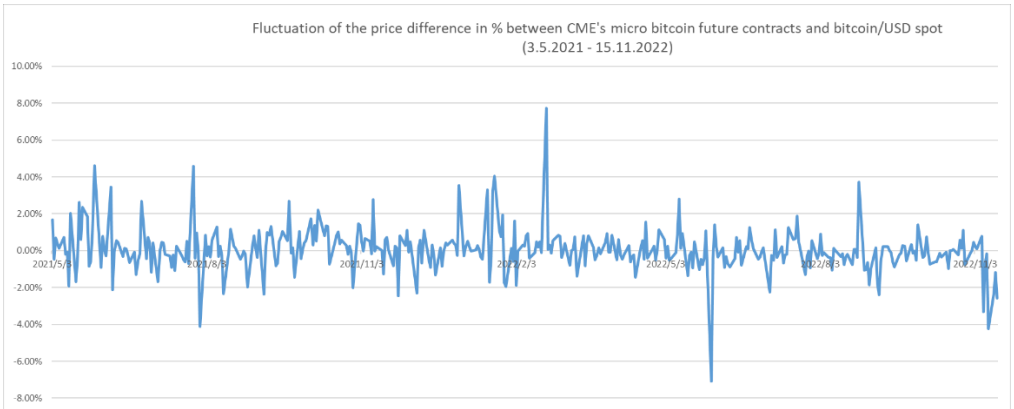
delivery value of bitcoin. A variety of factors can lead to a disparity between the expected future price of bitcoin and the spot price at a given point in time, such as interest charges incurred to finance the purchase of bitcoin and expectations concerning supply and demand for bitcoin. The price movements of CME Bitcoin Futures are typically correlated with the movements of the bitcoin spot price, but the correlation is generally imperfect and price movements in the spot market may not be reflected in the futures market (and vice versa). As such, the CSOP Bitcoin Futures ETF may underperform the bitcoin spot price.

The below chart shows the fluctuation of the price difference in percentage terms between CME's bitcoin futures contracts (BTC) and bitcoin spot price (as represented by bitcoin/USD spot cross referenced from Bloomberg) for the period from 18 December 2017 to 15 November 2022:



The fluctuation of price difference in percentage terms between CME's bitcoin futures contracts and bitcoin spot price was on average around 0.52% (in case where the price of CME's bitcoin futures contracts is higher than bitcoin spot price, i.e. contango) and -0.35% (in case where the price of CME's bitcoin futures contracts is lower than bitcoin spot price, i.e. backwardation) of the bitcoin spot price, with the largest price difference of around 10.90% (in case of contango) and -10.45% (in case of backwardation) of the bitcoin spot price.

The below chart shows the fluctuation of the price difference in percentage terms between CME's micro bitcoin futures contracts (MBT) and bitcoin spot price (as represented by bitcoin/USD spot cross referenced from Bloomberg) for the period from 3 May 2021 to 15 November 2022:



The fluctuation of price difference in percentage terms between CME's micro bitcoin futures contracts (MBT) and bitcoin spot price was on average around 0.40% (in case of contango) and -0.34% (in case of backwardation) of the bitcoin spot price, with the largest price difference of around 7.74% (in case of contango) and -7.09% (in case of backwardation) of the bitcoin spot price.

10. RISK FACTORS RELATING TO THE CSOP BITCOIN FUTURES ETF

The CSOP Bitcoin Futures ETF is a futures based ETF. The risks of investing in the CSOP Bitcoin Futures ETF are therefore greater than those of investing in other conventional ETFs. In particular, bitcoin and CME Bitcoin Futures are relatively new investments with limited history, which are subject to significant price volatility. Investment in CME Bitcoin Futures involves specific risks such as high volatility, leverage, high rollover costs and margin risks. The value of the CSOP Bitcoin Futures ETF could decline significantly in a short period of time including to zero. Investors may suffer substantial or total loss by investing in the CSOP Bitcoin Futures ETF.

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP Bitcoin Futures ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP Bitcoin Futures ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP Bitcoin Futures ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

10.1 Active investment management risk

The Manager employs an actively managed investment strategy for the CSOP Bitcoin Futures ETF. The CSOP Bitcoin Futures ETF does not seek to track any index or benchmark, and there is no replication or representative sampling conducted by the Manager. Instead, investments of the CSOP Bitcoin Futures ETF will be based on the Manager's view of market conditions and international investment trends and environment. The CSOP Bitcoin Futures ETF may fail to meet its objective as a result of the Manager's selection of investments for the CSOP Bitcoin Futures ETF, and/or the implementation of processes which may cause the CSOP Bitcoin Futures ETF to underperform as compared to other funds with a similar objective.

Whilst it is the intention of the Manager to implement strategies which are designed to achieve the investment objective, there can be no assurance that these strategies will be successful. The Manager may not be successful in selecting the best-performing instruments or investment techniques. Accordingly, there is a risk that investors may not recoup the original amount invested in the CSOP Bitcoin Futures ETF or may lose a substantial part or all of their initial investment.

10.2 Market and volatility risk

The value of the CSOP Bitcoin Futures ETF's investments, including CME Bitcoin Futures, is subject to market risk. Market risk is the risk that the value of the investments to which the CSOP Bitcoin Futures ETF is exposed will fall, which could occur due to general market or economic conditions or other factors. **The value of bitcoin and, therefore, of the CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests, could decline rapidly, including to zero. Investors should be prepared to lose their entire investment.**

10.3 Investment risk

The CSOP Bitcoin Futures ETF is not principal guaranteed and investors' investments may suffer losses. There is no assurance that the CSOP Bitcoin Futures ETF will achieve its investment objective. The CSOP Bitcoin Futures ETF will generally hold its CME Bitcoin Futures during periods in which the value of bitcoin is flat or declining as well as during periods in which the value of bitcoin is rising, and the Manager will generally not seek to change the CSOP Bitcoin Futures ETF's exposure based on daily price changes under normal circumstances. As a result, any decrease in value of the CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests will result in a decrease its Net Asset Value.

10.4 Risks related to bitcoin

The CSOP Bitcoin Futures ETF is indirectly exposed to the risks of bitcoin through investment in CME Bitcoin Futures, and that risks which adversely affect the price of bitcoin may also affect the price of CME Bitcoin Futures and the CSOP Bitcoin Futures ETF.

Bitcoin and bitcoin industry risk. Bitcoin is a relatively new innovation and the market for bitcoin is subject to rapid price swings, changes and uncertainty. The further development and acceptance of the bitcoin network, which is part of a new and rapidly changing industry, is subject to a variety of factors that are difficult to evaluate and unforeseeable. The slowing, stopping or reversing of the development or acceptance of the bitcoin network may adversely affect the price of bitcoin and accordingly, of CME Bitcoin Futures, and therefore cause the CSOP Bitcoin Futures ETF to suffer losses.

The use of bitcoin to, among other things, buy and sell goods and services is part of a new and rapidly evolving industry that employs digital assets based upon computer-generated mathematical and/or cryptographic protocols. Bitcoin is a prominent, but not unique, part of this industry. The growth of this industry is subject to a high degree of uncertainty.

Factors affecting the further development of this industry and therefore the value of bitcoin and CME Bitcoin Futures, include, but are not limited to:

(i) continued worldwide growth or possible cessation or reversal in the adoption and use of bitcoin and other digital assets;

(ii) government and quasi-government regulation of bitcoin and other digital assets and their use, or restrictions on or regulation of access to and operation of the bitcoin network and other digital asset networks;

(iii) changes in consumer demographics and public tastes and preferences, including the possibility that market participants may come to prefer other digital assets to bitcoin for a variety of reasons, including that such other digital assets may have features (like different consensus mechanisms) or uses (like the ability to facilitate smart contracts) that bitcoin lacks;

(iv) the maintenance and development of the open-source software protocol of the bitcoin network;

(v) the use of the networks supporting digital assets for developing smart contracts and distributed applications;

(vi) general economic conditions and the regulatory environment relating to digital assets; and

(vii) negative consumer or public perception of bitcoin specifically and other digital assets generally.

The adoption of bitcoin will require growth in its usage for various applications that include retail and commercial payments, cross-border and remittance transactions, speculative investment and technical applications. The adoption of bitcoin will also require an accommodating regulatory environment. A lack of expansion in usage of bitcoin could adversely affect the CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests. In addition, there is no assurance that bitcoin will maintain its value over the long-term. The value of bitcoin is subject to risks related to its usage. Even if growth in bitcoin adoption occurs in the near or medium-term, there is no assurance that bitcoin usage will continue to grow over the long-term. To the extent market participants come to prefer other digital assets or other mechanisms that use non-blockchain technology, the value of bitcoin, and therefore the CSOP Bitcoin Futures ETF's investment in CME Bitcoin Futures, may be adversely affected.

Speculative nature risk. Bitcoin is a new technological innovation with a limited history. Investing in bitcoin is highly speculative, and market movements are difficult to predict. Supply and demand for bitcoin could change rapidly and subject to a large variety of factors, including governmental regulations and investors' sentiments.

Unforeseeable risks. Bitcoin has gained commercial acceptance only in recent years. Consequently, there is limited data on its long-term investment potential available to investors. Given the rapidly evolving nature of bitcoin, including advancements in the underlying technology, market disruptions and resulting governmental interventions that are unforeseeable, an investor may be exposed to additional risks which cannot currently be predicted .

Limited use risk. Despite that certain retailers have started to accept bitcoin as a form of payment in recent years, there is still relatively limited use of bitcoin for commercial and retail transactions. Price volatility undermines the ability of

bitcoin as a medium of exchange, and a contraction of the use of bitcoin may result in a decrease in its value, which could adversely impact the Net Asset Value.

Risk relating to the limited and short history of bitcoin and CME Bitcoin Futures. The bitcoin network and bitcoin as digital asset or token have a limited history. Due to this short history, it is not clear how all elements of bitcoin will unfold over time. The history of open source software development would indicate that vibrant communities are able to change the software under development at a pace sufficient to stay relevant. The continuation of such vibrant communities is not guaranteed, and insufficient software development or any other unforeseen challenges that the community is not able to navigate could have an adverse impact on bitcoin and the CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests.

Extremely high volatility risk. Investments linked to bitcoin can be highly volatile compared to investments in traditional securities and the CSOP Bitcoin Futures ETF may experience sudden and substantial losses. An investor should be prepared to lose the full principal value of their investment within a single day. Historically, the prices of bitcoin and CME Bitcoin Futures have been highly volatile, based on a variety of factors, including:

- *Global demand and supply of bitcoin*: The demand and supply of bitcoin are impacted by the investors' perception of the security of bitcoin, the level of commercial acceptance of bitcoin as payment for goods and services, the abundance of regulatory restrictions on the use of bitcoin, etc.;

- *Maintenance and development of the open-source software protocol of the bitcoin network*: The bitcoin network is open-source, and any user or miner could propose amendments to the bitcoin network's protocols which may adversely affect the long-term viability of bitcoin, and consequently, an investment in the CSOP Bitcoin Futures ETF;

- *Competition from other digital assets*: A competitor to bitcoin which gains greater share in the market of digital assets may lead to a reduction in demand and price of bitcoin, which may negatively affect the Net Asset Value;

- *Investor sentiments on the value or utility of bitcoin*: The bitcoin market is sensitive to new developments, and any significant changes in market sentiments could induce large swings in trading volume and price of bitcoin;

- *Insufficient mining reward risk*: If the revenue a miner earns from creating bitcoins and verification of transactions is not sufficiently high, he/she may cease operations, leading to a drop in the collective processing power of the bitcoin network, adverse effect to the confirmation process for bitcoin transactions and vulnerability of the bitcoin network to malicious manipulation;

- *Changing investors' confidence on digital assets*: Investors' confidence regarding the security and long-term stability of a digital asset's network and

its blockchain may fluctuate based on market developments and the investors' own experience with the digital asset;

- *Contagious effect on the price of bitcoin from incidents on digital assets and trading platforms*: For example, the price of bitcoin dropped significantly following the collapse of FTX, one of the largest digital assets exchanges, in November 2022.

- *Manipulation and speculation:* A significant portion of bitcoin is held by a small number of holders sometimes referred to as "whales". These holders have the ability to manipulate the price of bitcoin. It is believed that speculators and investors who seek to profit from trading and holding bitcoin currently account for a significant portion of bitcoin demand. Such speculation regarding the potential future appreciation in the price of bitcoin may artificially inflate or deflate the price of bitcoin. Market fraud and/or manipulation and other fraudulent trading practices such as the intentional dissemination of false or misleading information (e.g. false rumours) can, among other things, lead to a disruption of the orderly functioning of markets, significant market volatility, and cause the value of CME Bitcoin Futures to fluctuate quickly and without warning.

The market price of bitcoin has been subject to extreme fluctuations. For example, the price of bitcoin dropped from USD19,100 on 18 December 2017 to USD3,145 on 14 December 2018, representing a decrease of over 80%. If bitcoin markets continue to be subject to sharp fluctuations, the CSOP Bitcoin Futures ETF may experience substantial losses. The value of CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests could also decline significantly including to zero.

Regulatory risk. The regulation of bitcoin, digital assets and related products and services continues to evolve. There is a trend of increase regulations. As bitcoin and digital assets have grown in both popularity and market size, certain regulatory authorities have been examining the operations of digital asset exchanges and service providers. Certain regulatory authorities have brought enforcement actions and issued advisories and rules relating to digital asset markets. Regulatory changes and actions with respect to digital assets generally or any single digital asset in particular may alter, perhaps to a materially adverse extent, the nature of an investment in the bitcoin.

Regulatory changes or actions may alter the nature of an investment in bitcoin, or affect whether CME Bitcoin Futures may continue to operate, or restrict the use and exchange of bitcoin or the operations of the bitcoin network or venues on which bitcoin trades in a manner that adversely affects the price of bitcoin and CME Bitcoin Futures. Similarly, future regulatory changes could expose the CSOP Bitcoin Futures ETF to potential new costs and expenses as well as adversely impact the ability of the CSOP Bitcoin Futures ETF to achieve its investment objective.

Corporate governance risk. The decentralised structure of the bitcoin network may prevent the formation of consensus among parties with potentially competing motives on improving and modifying the bitcoin network. If a proposal to improve the bitcoin network protocol has failed to obtain an overwhelming

consensus for adoption, it may be abandoned, delayed or result in a fork. If a desirable improvement to the bitcoin network protocol is not implemented, the functioning of the bitcoin network may be negatively affected. Such negative impact may be extended to the price of bitcoin and CME Bitcoin Futures.

Moreover, the open-source structure of the bitcoin network protocol means that miners and developers are not rewarded with compensation for maintaining and developing the protocol. The lack of incentive in properly monitoring the protocol by users or developers may damage the bitcoin network.

Bitcoin trading venues risk. Bitcoin exchanges and other trading venues on which bitcoin trades are relatively new and, in most cases, largely unregulated and may therefore be more exposed to theft, fraud, failure, security breaches, market manipulation and insider dealing than established, regulated exchanges for securities, derivatives and other currencies. Bitcoin exchanges have in the past, and may in the future, collapse, stop operating or permanently shut down due to fraud, cybersecurity issues, manipulation, technical glitches, hackers or malware, failure or security breaches, which may also affect the price of bitcoin and thus the CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests.

Bitcoin trading venues that are regulated typically must comply with minimum net worth, cybersecurity, and anti-money laundering requirements, but are not typically required to protect customers to the same extent that regulated securities exchanges or futures exchanges are required to do so. Even if the trading venues are regulated, they are typically not subject to the same robust regulation as traditional platform in traditional financial markets.

Furthermore, many bitcoin trading venues lack certain safeguards put in place by exchanges for more traditional assets to enhance the stability of trading on the exchanges and prevent “flash crashes”, such as limit-down circuit breakers. As a result, the prices of bitcoin on trading venues may be subject to larger and/or more frequent sudden declines than assets traded on more traditional exchanges. Operational problems or failures by bitcoin trading venues and fluctuations in bitcoin prices may reduce confidence in these venues or in bitcoin generally, which could adversely affect the price of bitcoin and therefore adversely affect the CSOP Bitcoin Futures ETF’s investment in CME Bitcoin Futures.

The CSOP Bitcoin Futures ETF’s investment in CME Bitcoin Futures remains subject to volatility experienced by the bitcoin exchanges and other bitcoin trading venues. Investors may also have little or no recourse should theft, fraud, failure, security breaches, market manipulation or insider dealing occur on the bitcoin exchanges and could suffer significant losses.

Cybersecurity risks. Bitcoin is susceptible to theft, loss and destruction. The bitcoin network is also vulnerable to various deliberate cybersecurity attacks, such as hacking or malicious software coding for purposes of misappropriating information and assets or causing operational disruption. Accordingly, the CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests are also susceptible to these risks. Cybersecurity risks of the bitcoin protocol and of entities that custody or facilitate the transfers or trading of bitcoin could result in

a loss of public confidence in bitcoin, a decline in the value of bitcoin and, as a result, adversely impact the CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests.

All networked systems are vulnerable to various kinds of attacks. As with any computer network, the bitcoin network contains certain flaws. For example, the bitcoin network is currently vulnerable to a “51% attack” where, if a mining pool were to gain control of more than 50% of the “hash” rate (i.e. the amount of processing and computing power being given to the bitcoin network through mining), or the amount of computing and process power being contributed to the network through mining, a malicious actor would be able to gain full control of the network and the ability to manipulate the blockchain. As a digital asset, bitcoin is subject to cybersecurity risks, including the risk that malicious actors will exploit flaws in its code or structure that will allow them to, among other things, steal bitcoin held by others, control the blockchain, steal personally identifying information, or issue significant amounts of bitcoin in contravention of the bitcoin protocols. The occurrence of any of these events is likely to have a significant adverse impact on the price and liquidity of bitcoin and CME Bitcoin Futures and therefore the value of the CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests.

Internet risk. The bitcoin network’s functionality relies on the Internet. A significant disruption of Internet connectivity affecting large numbers of users or geographic areas could impede the functionality of the bitcoin network. Any technical disruptions or regulatory limitations that affect Internet access may have an adverse effect on the bitcoin network, the price of bitcoin and the value of the CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests.

Open-source risk. The bitcoin network operates based on open-source protocol maintained by a group of core developers. As the bitcoin network protocol is not sold and its use does not generate revenue for development teams, core developers may not be directly compensated for maintaining and updating the bitcoin network protocol. Consequently, developers may lack a financial incentive to maintain or develop the network, and the core developers may lack the resources to adequately address emerging issues with the network. There can be no guarantee that developer support will continue or be sufficient in the future. Additionally, some development and developers are funded by companies whose interests may be at odds with other participants in the network or with investors’ interests. To the extent that material issues arise with the bitcoin network protocol and the core developers and open-source contributors are unable or unwilling to address the issues adequately or in a timely manner, the bitcoin network and the CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests may be adversely affected.

Forks risk. As the bitcoin network is an open-source project, the developers may suggest changes to the bitcoin software from time to time. If the updated bitcoin software is not compatible with the original bitcoin software and a sufficient number (but not necessarily a majority) of users and miners elect not to migrate to the updated bitcoin software, this would result in a “hard fork” of the bitcoin network, with one prong running the earlier version of the bitcoin software and the other running the updated bitcoin software, resulting in the existence of two versions of bitcoin network running in parallel and a split of the blockchain

underlying the bitcoin network. This could impact demand for bitcoin or other digital assets and could adversely impact the CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests.

"Air drop" risk. A substantial giveaway of bitcoin (sometimes referred to as an "air drop") may also result in a significant and unexpected declines in the value of bitcoin, CME Bitcoin Futures, and the CSOP Bitcoin Futures ETF.

Intellectual property risk. Third parties may assert intellectual property claims relating to the holding and transfer of bitcoin and its source code. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in long-term viability or the ability of end-users to hold and transfer bitcoin may adversely affect the value of the CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests. Additionally, a meritorious intellectual property claim could prevent end-users from accessing, holding, or transferring bitcoin. As a result, an intellectual property claim against large bitcoin participants could adversely affect the CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests.

Environment and energy consumption risk. Mining bitcoin requires significant computing power, and the amount of energy consumed by bitcoin miners is high, making the bitcoin network unsustainable. Environmental concerns relating to the mining of bitcoin may suppress the demand for bitcoin and the speed of its adoption in the market. These may hinder the broader and sustained acceptance of the bitcoin network as peer-to-peer transactional platforms and adversely impact the value of the CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests.

Political or economic crisis risk. Bitcoin operates without central authority (such as a bank) and is not backed by any government. As opposed to fiat currencies that are backed by central governments, bitcoin is subject to supply and demand forces based upon the desirability of decentralised means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by regulatory policy on bitcoin. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of bitcoin, either globally or locally. Large-scale sales of bitcoin would result in a reduction in its price and adversely affect the CME Bitcoin Futures in which the CSOP Bitcoin Futures ETF invests.

Halving Risk. The supply of new bitcoin is mathematically controlled and the number of bitcoin grows at a limited rate pursuant to a pre-set schedule. The number of bitcoin awarded for solving a new block is automatically cut in half after every 210,000 blocks are added to the Bitcoin Network, which occurs roughly every 4 years. The prior reward halving event occurred in April 2024 when the block reward reduced from 6.25 to 3.125 bitcoin. The reduction in mining rewards of bitcoin could be inadequate to incentivize miners to continue to perform mining activities, thereby jeopardizing the security of the Bitcoin Network, which could harm the value of bitcoin, CME Bitcoin Futures, and the CSOP Bitcoin Futures ETF.

10.5 CME Bitcoin Futures risk

Market risk. The use of futures contracts involves risks that are in addition to, and potentially greater than, the risks of investing directly in securities and other more traditional assets. The market for CME Bitcoin Futures may be less developed, and potentially less liquid and more volatile, than more established futures markets. While the CME Bitcoin Futures market has grown substantially since CME Bitcoin Futures commenced trading, there can be no assurance that this growth will continue. Other risks arise from the CSOP Bitcoin Futures ETF's potential inability to terminate or sell positions. A liquid secondary market may not always exist for the CSOP Bitcoin Futures ETF's positions at times when the CSOP Bitcoin Futures ETF wishes to terminate or sell such positions.

CME Bitcoin Futures exhibit "futures basis", which refers to the difference between the current market value of the underlying bitcoin (the "spot" price) and the price of the cash-settled CME Bitcoin Futures. A negative futures basis exists when cash-settled CME Bitcoin Futures generally trade at a premium to the current market value of bitcoin. If a negative futures basis exists, the CSOP Bitcoin Futures ETF's investments in CME Bitcoin Futures will generally underperform a direct investment in bitcoin. The values of futures contracts may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility, among other consequences. There may be imperfect correlation between changes in the market value of a futures contract and the value of its underlying reference asset, and this may be exaggerated in times of market stress or volatility.

Valuation risk. The use of CME Bitcoin Futures involves the risk of mispricing or improper valuation. The market value of CME Bitcoin Futures may be subject to greater fluctuation than futures on traditional assets. The CSOP Bitcoin Futures ETF's ability to value the CME Bitcoin Futures may also be impacted by technological issues or errors by pricing services or other third-party service providers. There is no assurance that the CSOP Bitcoin Futures ETF could sell or close out the CME Bitcoin Futures position for the value established for it at any time, and it is possible that the CSOP Bitcoin Futures ETF would incur a loss because the CME Bitcoin Futures position is sold or closed out at a discount to the valuation established by the CSOP Bitcoin Futures ETF at that time.

Liquidity risk. The market for CME Bitcoin Futures is still developing and may be subject to periods of illiquidity. During such times it may be difficult or impossible to buy or sell a position at the desired price. Market disruptions or volatility can also make it difficult to find a counterparty willing to transact at a reasonable price and sufficient size. Illiquid markets may cause losses, which could be significant. Also, unlike other futures markets, the longer-term CME Bitcoin Futures have very thin trading volume and the most liquid contracts will only be available at near term and next near term. The large size of the positions which the CSOP Bitcoin Futures ETF may acquire increases the risk of illiquidity, may make its positions more difficult to liquidate, and increase the losses incurred while trying to do so. Such large positions may also impact the price of the CME Bitcoin Futures, which could decrease the correlation between the performance of CME Bitcoin Futures and a spot price of bitcoin. It is also possible that, if the CSOP Bitcoin Futures ETF's assets become significant relative to the overall market, the large size of its positions potentially could impact futures contracts prices and contribute to illiquidity. Limits imposed by counterparties, exchanges or other regulatory organisations, such as accountability levels,

position limits and daily price fluctuation limits, may contribute to a lack of liquidity and have a negative impact on the CSOP Bitcoin Futures ETF's performance. During periods of market illiquidity, including periods of market disruption and volatility, it may be difficult or impossible for the CSOP Bitcoin Futures ETF to buy or sell CME Bitcoin Futures at desired prices or at all. The rolling strategy of the CSOP Bitcoin Futures ETF and the ability of the CSOP Bitcoin Futures ETF in diversifying its futures position may also be adversely affected.

Volatility risk. The price of CME Bitcoin Futures can be highly volatile and is influenced by, among others, changing investor confidence in future fluctuations in the price of bitcoin, and other factors contributing to volatility of the price of bitcoin as discussed under "Risks related to Bitcoin - Extremely high volatility risk" above.

Spot vs. futures risk. The CSOP Bitcoin Futures ETF does not invest in bitcoin. The risk of investing in CME Bitcoin Futures is that it can be speculative in nature. CME Bitcoin Futures is a standardised financial contract where the parties agree to purchase or sell bitcoin at a future date at a future price, and are settled in cash. As a result, a futures market for bitcoin is not a spot market, does not involve primary activity and is speculative in nature as deals are struck at future prices where the holder of CME Bitcoin Futures is purchasing an obligation to buy or sell the bitcoin at a future specified date, which may not be the best price at the time the contract is completed, and may not accurately reflect or correspond to bitcoin spot price on the specified date, depending on the prevailing market conditions during the intervening period. By contrast, in a spot market, bitcoin is sold for cash at current prices and delivered immediately. A spot market is a real time market where the transaction becomes effective immediately and the purchaser accepts delivery of, or immediately, resells bitcoin. Accordingly, the CSOP Bitcoin Futures ETF is exposed to the potential risks involved of using CME Bitcoin Futures which are speculative in nature.

Leverage risk. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a CME Bitcoin Futures may result in a proportionally high impact and substantial losses to the CSOP Bitcoin Futures ETF, having a material adverse effect on the Net Asset Value. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested by the CSOP Bitcoin Futures ETF.

Margin requirement risk. Generally, most leveraged transactions, such as CME Bitcoin Futures, involve the posting of margin. Margin requirements for CME Bitcoin Futures may be substantially higher than margin requirements for many other types of futures contracts. High margin requirements could prevent the CSOP Bitcoin Futures ETF from obtaining sufficient exposure to CME Bitcoin Futures and may adversely affect its ability to achieve its investment objective. Additional funds may need to be posted as margin to meet such calls based upon daily marking to market of CME Bitcoin Futures. Increases in the amount of margin or similar payments may result in the need for the CSOP Bitcoin Futures ETF to liquidate its investments at unfavourable prices in order to meet margin calls. If the CSOP Bitcoin Futures ETF is unable to meet its investment objective as a result of margin requirements imposed by the CSOP Bitcoin Futures ETF's

futures broker, the CME or the CFTC, the CSOP Bitcoin Futures ETF may experience significant losses.

Exchange's clearing house's failure risk. In the event of the bankruptcy of the exchange's clearing house, the CSOP Bitcoin Futures ETF could be exposed to a risk of loss with respect to its assets that are posted as margin. If such a bankruptcy were to occur, the CSOP Bitcoin Futures ETF would be afforded the protections granted to participants to transactions cleared through a clearing house, under the United States Bankruptcy Code and applicable CFTC regulations. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt exchange's clearing house if the exchange's clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that these protections will be effective in allowing the CSOP Bitcoin Futures ETF to recover all, or even any, of the amounts it has deposited as margin.

Counterparty risk. Investing in CME Bitcoin Futures involves risks that are different from those associated with ordinary portfolio securities transactions as involves entering into contracts with third parties (i.e. counterparties). The counterparty to exchange-traded CME Bitcoin Futures is the clearing house. Exchange-traded CME Bitcoin Futures are held through a futures broker acting on behalf of the CSOP Bitcoin Futures ETF. Consequently, the counterparty risk on exchange-traded CME Bitcoin Futures is the creditworthiness of the futures broker and the clearing house. The Manager is committed to continuous efforts to diversify counterparty risk by having at least two futures brokers with which it transacts CME Bitcoin Futures, but from time to time, the CSOP Bitcoin Futures ETF may only have one futures broker, which may heighten such counterparty risk. The Manager will use reasonable efforts to onboard more futures brokers for the CSOP Bitcoin Futures ETF from time to time in order to mitigate such risk. The futures broker or the clearing house could fail to perform its obligations, causing significant losses to the CSOP Bitcoin Futures ETF. For example, the CSOP Bitcoin Futures ETF could lose margin payments it has deposited with a futures broker as well as any gains owed but not paid to the CSOP Bitcoin Futures ETF, if the futures broker or clearing house becomes insolvent or otherwise fails to perform its obligations. Under current CFTC regulations, a futures broker maintains customers' assets in a bulk segregated account. If a futures broker fails to do so, or is unable to satisfy a substantial deficit in a customer account, its other customers may be subject to risk of loss of their funds in the event of that futures broker's bankruptcy. In that event, in the case of CME Bitcoin Futures, the futures broker's customers (including the CSOP Bitcoin Futures ETF) are entitled to recover, even in respect of property specifically traceable to them, only a proportional share of all property available for distribution to all of that futures broker's customers. In addition, if a futures broker does not comply with the applicable laws and regulations, or in the event of a fraud or misappropriation of customer assets by the futures broker, the CSOP Bitcoin Futures ETF could have only an unsecured creditor claim in an insolvency of the futures broker with respect to the margin held by the futures broker.

Negative roll yields and "contango" market risk. The CSOP Bitcoin Futures ETF may "roll" out of one futures contract as the expiration date approaches and into another futures contract on bitcoin with a later expiration date. The "rolling" feature creates the potential for a significant negative effect on the CSOP Bitcoin

Futures ETF 's performance that is independent of the performance of the spot prices of the bitcoin. The "spot price" of a commodity is the price of that commodity for immediate delivery, as opposed to a futures price, which represents the agreed price on a specified date in the future. The CSOP Bitcoin Futures ETF would be expected to experience negative roll yield if the futures prices of bitcoin tend to be greater than the spot price of bitcoin. Such roll costs may be potentially substantial. A market where futures prices are generally greater than spot prices is referred to as a “contango” market. Therefore, if the futures market for a given commodity is in contango, then the value of a futures contract on that commodity would tend to decline over time (assuming the spot price remains unchanged), because the higher futures price would fall as it converges to the lower spot price by expiration. Extended period of contango may cause significant and sustained losses to the CSOP Bitcoin Futures ETF. Additionally, because of the frequency with which the CSOP Bitcoin Futures ETF may roll CME Bitcoin Futures, the impact of contango on the CSOP Bitcoin Futures ETF’s performance may be greater than it would have been if the CSOP Bitcoin Futures ETF rolled CME Bitcoin Futures less frequently.

Also, the price difference between shorter-dated and longer-dated contract CME Bitcoin Futures is typically substantially higher than the price difference associated with rolling other types of futures contracts. The CME Bitcoin Futures have historically experienced extended periods of contango. The impact of contango may also be greater to the extent the CSOP Bitcoin Futures ETF invests in back-month CME Bitcoin Futures.

Position limit risk. The CME has established position limits and accountability levels on the maximum CME Bitcoin Futures that the CSOP Bitcoin Futures ETF may acquire. The CME will exercise greater scrutiny and control over the CSOP Bitcoin Futures ETF's position if it is reached. If the CSOP Bitcoin Futures ETF exceeds the position limit, its ability to seek additional exposure by acquiring further CME Bitcoin Futures as a result of new creations of Units could be impaired. The CSOP Bitcoin Futures ETF’s ability to achieve its investment objective could be affected and, as a result, the Manager may be required to suspend new creations of Units. This may result in divergence between the trading price of the Unit and the Net Asset Value per Unit.

Price limit risk. The CME has set dynamic price fluctuation limits on CME Bitcoin Futures. Once the dynamic price fluctuation limit has been reached, trading may be temporarily halted or no trades may be made at a price beyond that limit. This may limit the CSOP Bitcoin Futures ETF’s ability to invest in CME Bitcoin Futures.

Mandatory measures imposed by relevant parties risk. Regarding the CSOP Bitcoin Futures ETF’s futures positions, relevant parties (such as clearing brokers, execution brokers, participating dealers and stock exchanges) may impose certain mandatory measures under extreme market circumstances. These measures may include limiting the size and number of the CSOP Bitcoin Futures ETF’s futures positions (as described above) and/or mandatory liquidation of part or all of the CSOP Bitcoin Futures ETF’s futures positions without advance notice to the Manager. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interests of the Unitholders and in accordance with the CSOP Bitcoin Futures

ETF's constitutive documents, including suspension of creation of the Units and/or secondary market trading, implementing alternative investment and termination of the CSOP Bitcoin Futures ETF. These corresponding actions may have an adverse impact on the operation, secondary market trading and the Net Asset Value of the CSOP Bitcoin Futures ETF. While the Manager will endeavour to provide advance notice to investors regarding these actions, such advance notice may not be possible in some circumstances.

10.6 Risk of material non-correlation with spot price of bitcoin

As the CSOP Bitcoin Futures ETF invests in CME Bitcoin Futures but not in bitcoin, the performance of CME Bitcoin Futures and therefore the performance of CSOP Bitcoin Futures ETF may differ significantly from the performance of the current market or spot price of bitcoin. As such, the CSOP Bitcoin Futures ETF may underperform a similar investment that is linked to the spot price of bitcoin or direct investment in bitcoin.

The performance of back-month CME Bitcoin Futures is likely to differ more significantly from the performance of the spot prices of bitcoin and to the extent the CSOP Bitcoin Futures ETF is invested in back-month CME Bitcoin Futures, the performance of the CSOP Bitcoin Futures ETF is expected to deviate more significantly from the performance of the spot prices of bitcoin.

10.7 Concentration risk

The exposure of the CSOP Bitcoin Futures ETF is concentrated in the bitcoin market by investing in CME Bitcoin Futures, and may be concentrated in CME Bitcoin Futures with near term maturity. This may result in higher concentration risk than a fund having more diverse portfolio of investments. The value of the CSOP Bitcoin Futures ETF is more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting bitcoin, the CME or the CME Bitcoin Futures market.

10.8 New product risk

The CSOP Bitcoin Futures ETF is an actively managed futures-based exchange-traded fund investing directly in CME Bitcoin Futures. The novelty of such an exchange-traded fund and the fact that the CSOP Bitcoin Futures ETF is the first active futures-based exchange-traded fund in Hong Kong investing in CME Bitcoin Futures makes the CSOP Bitcoin Futures ETF potentially riskier than traditional exchange-traded funds investing in equity securities or other futures-based exchange-traded funds.

10.9 No rights in the bitcoin and CME Bitcoin Futures risk

As an owner of Units, a Unitholder will not have rights that holders of bitcoin or CME Bitcoin Futures may have. A Unitholder will have no right to receive delivery of any bitcoin or CME Bitcoin Futures. A Unitholder will have no right to receive any payment or delivery of amounts in respect of the CME Bitcoin Futures.

10.10 Risks of investing in other collective investment schemes

The CSOP Bitcoin Futures ETF may invest in other collective investment schemes, and may therefore be subject to the risks associated with such underlying schemes. The CSOP Bitcoin Futures ETF does not have control of

the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which may have a negative impact to the Net Asset Value of the CSOP Bitcoin Futures ETF.

The underlying schemes in which the CSOP Bitcoin Futures ETF may invest may not be authorised by the Commission. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the CSOP Bitcoin Futures ETF's redemption requests as and when made.

If the CSOP Bitcoin Futures ETF invests in other active or passive collective investment schemes managed by the Manager or its Connected Persons, all initial charges and redemption charges on these listed or unlisted schemes must be waived, and the Manager must not obtain rebate of any fees or charges levied by these schemes or any quantifiable monetary benefits in connection with investments in these schemes. In addition, where an underlying scheme is managed by the Manager, all management and performance fees charged by the underlying scheme will be waived for the CSOP Bitcoin Futures ETF. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

10.11 Proprietary investment / seed money risk

The assets under management at any time during the life of the CSOP Bitcoin Futures ETF may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the CSOP Bitcoin Futures ETF; and (ii) redeem its investment in the CSOP Bitcoin Futures ETF at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the CSOP Bitcoin Futures ETF by an interested party for any particular length of time. As many of the expenses of the CSOP Bitcoin Futures ETF are fixed, a higher amount of assets under management may reduce the expenses of the CSOP Bitcoin Futures ETF per Unit and a lower amount of assets under management may increase the expenses of the CSOP Bitcoin Futures ETF per Unit. As with any other redemption representing a material portion of the CSOP Bitcoin Futures ETF's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the CSOP Bitcoin Futures ETF and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the CSOP Bitcoin Futures ETF, (ii) cause other investors in the CSOP Bitcoin Futures ETF to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the CSOP Bitcoin Futures ETF, has become unmanageable and to consider taking exceptional measures, such as terminating the CSOP Bitcoin Futures ETF, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

10.12 Risks specific to the Listed Class of Units

Foreign exchange risk. The CSOP Bitcoin Futures ETF's Base Currency is in USD but has Listed Class of Units traded in HKD. Accordingly Secondary Market Investors may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and HKD when trading the Listed Class of Units in the secondary market.

Trading difference risk. As the CME may be open when the Listed Class of Units in the CSOP Bitcoin Futures ETF are not priced, the value of the CME Bitcoin Futures in the CSOP Bitcoin Futures ETF's portfolio may change on days when investors will not be able to purchase or sell the Listed Class of Units in the CSOP Bitcoin Futures ETF. Differences in trading hours between the CME and the SEHK may also increase the level of premium or discount of the Unit price to its Net Asset Value.

No market in the Units risk. Although the Listed Class of Units are listed on the SEHK and 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 the Listed Class of Units, investors should be aware that there may be no liquid trading market for the Listed Class of Units or that such market maker(s) may cease to fulfil that role. Further, there can be no assurance that Listed Class of Units will experience trading or pricing patterns similar to those of other exchange traded fund which are traded on the SEHK and which are based upon indices.

Termination of market maker risk. A market maker may cease to act as a market maker for the Listed Class of Units of the CSOP Bitcoin Futures ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for the Listed Class of Units of the CSOP Bitcoin Futures ETF will be ninety (90) days. The liquidity for the Listed Class of Units of the CSOP Bitcoin Futures ETF may be affected if there is no market maker for the Listed Class of Units. The Manager will use its best endeavours to put in place arrangements so that that there is at least one market maker for the Listed Class of the CSOP Bitcoin Futures ETF to facilitate efficient trading of the Listed Class of Units. It is possible that there is only one SEHK market maker for the Listed Class of the CSOP Bitcoin Futures ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. The Listed Class of Units will be a new security and following listing on the SEHK, it is unlikely that the Listed Class of Units will initially be widely held. Accordingly, any investor buying the Listed Class of Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Listed Class of Units in the secondary market. Therefore, Unitholders may not be able to sell their Listed Class of Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Listed Class of Units.

11. FEES AND CHARGES

11.1 General

The following fees apply to investors of both Listed Class of Units and Unlisted Class of Units.

Management Fees

The Manager is entitled to receive a management fee, currently at the rate of 1.99% per annum of the Net Asset Value of the CSOP Bitcoin Futures ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

Trustee's and Registrar's Fee

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

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP Bitcoin Futures ETF all out-of-pocket expenses incurred.

Other Charges and Expenses of CSOP Bitcoin Futures ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP Bitcoin Futures ETF.

Establishment costs of CSOP Bitcoin Futures ETF

The establishment costs of the CSOP Bitcoin Futures ETF is estimated to be HKD1.8 million and will be amortised over the first five financial years of the CSOP Bitcoin Futures ETF or such other period as determined by the Manager after consulting the auditor.

11.2 Listed Class of Units

The following fees apply to the investors of Listed Class of Units only.

Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP Bitcoin Futures ETF. For any period less than a month, the reconciliation fee is payable by the CSOP Bitcoin Futures ETF on a pro-rata basis and accrues on a daily basis.

Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarized in the respective tables below:

Participating Dealers

Creation and Redemption of Listed Class of Units by a Participating Dealer

Application Cancellation Fee	USD1,200 per cancellation (See Note 1)
Extension Fee	USD1,200 per extension (See Note 1)
Transaction Fee	USD320 per Application (See Note 2)
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges in relation to an Application.

Primary Market Investors creating or redeeming Listed Class of Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

Secondary Market Investors Dealing in Listed Class of Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% (see Note 4)
Accounting and Financial Reporting Council ("**AFRC**") transaction levy	0.00015% (see Note 5)
Trading fee	0.00565% (see Note 6)
Stamp duty	Nil (see Note 7)
Investor compensation levy	0.002% (currently suspended) (see Note 8)

Notes:

1. *The Application Cancellation Fee of USD1,200 and the Extension Fee of USD1,200 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.*

2. *A Transaction Fee of USD320 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.*

3. *A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.*

4. *A transaction levy of 0.0027% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.*

5. *An AFRC transaction levy of 0.00015% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.*

6. *A trading fee of 0.00565% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.*

7. *For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the Listed Class of Units of the CSOP Bitcoin Futures ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.*

8. *The investor compensation levy of the trading price of the Listed Class of Units, payable by each of the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.*

9. *The transaction levy and trading fee will be paid by intermediaries to HKEX in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.*

   Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

11.3 Unlisted Class of Units

The following fees apply to investors of Unlisted Class of Units only.

Subscription, Redemption and Switching fees payable by Unitholders of Unlisted Class of Units

	Unlisted Class of Units
Subscription fee	Up to 5% of the subscription amount
Redemption fee	Nil
Switching fee	N/A

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Distributors who wish to switch between Unlisted Class of Units and Listed Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of the documents that are available for inspection.

13. TERMINATION OF CSOP BITCOIN FUTURES ETF

Without prejudice to the grounds of termination as set out in the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP Bitcoin Futures ETF shall be less than USD10 million, the CSOP Bitcoin Futures ETF and/or any classes of Units relating to the CSOP Bitcoin Futures ETF may be terminated by the Manager in its absolute discretion by notice in writing.

14. PUBLICATION OF INFORMATION RELATING TO CSOP BITCOIN FUTURES ETF

The following information relating to the CSOP Bitcoin Futures ETF will be published on the Manager's website at https://www.csopasset.com/en/products/hk-btcfut (this website has not been reviewed by the Commission):

- (in respect of the Listed Class of Units only) the near real-time indicative Net Asset Value per Unit of the CSOP Bitcoin Futures ETF updated every 15 seconds throughout the SEHK trading hours in HKD; and

- the last Net Asset Value of the CSOP Bitcoin Futures ETF in USD only, and the last Net Asset Value per Unit of each class of Units of the CSOP Bitcoin Futures ETF (including, in respect of the Listed Class of Units, the last Net Asset Value per Unit in USD and HKD).

In respect of the Listed Class of Units, the near real time indicative Net Asset Value per Unit of the CSOP Bitcoin Futures ETF in HKD is indicative and for reference purposes only. The near real-time indicative Net Asset Value per Unit of the CSOP Bitcoin Futures ETF in HKD uses a real-time HKD:USD foreign exchange rate – it is calculated using the near real-time indicative Net Asset Value per Unit in USD multiplied by a real-time HKD:USD foreign exchange rate provided by S&P Global when the SEHK is opened for trading.

In respect of the Listed Class of Units, the last Net Asset Value per Unit of the CSOP Bitcoin Futures ETF in HKD is indicative and for reference purposes only. The last Net Asset Value per Unit of the CSOP Bitcoin Futures ETF in HKD is calculated using the last Net Asset Value per Unit in USD multiplied by an assumed foreign exchange rate using the USD exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day.

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for the information relating to the CSOP Bitcoin Futures ETF that will be published on the Manager's website and HKEX's website.

APPENDIX 10

CSOP Ether Futures ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 3068

MANAGER

CSOP Asset Management Limited

15 June 2026

This is an active exchange traded fund

CSOP Ether Futures ETF

Stock Code: 3068

1. KEY INFORMATION

1.1 General

This Appendix sets out information specific to CSOP Ether Futures ETF ("**CSOP Ether Futures ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in CSOP Ether Futures ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***10. Risk Factors relating to the CSOP Ether Futures ETF***" of this Appendix, before investing in the CSOP Ether Futures ETF.

Investors should note that the CSOP Ether Futures ETF offers both Listed Class of Units and Unlisted Class of Units. Please refer to the sections relevant to your intended holding of Units.

In respect of the Listed Class of Units, 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.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP Ether Futures ETF, and should be read in conjunction with the full text of this Prospectus.

Key information applicable to both Listed Class of Units and Unlisted Class of Units

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapter 8.9 and Chapter 8.10 of the Code
Investment Strategy	The CSOP Ether Futures ETF invests in CME Ether Futures (as defined below). Please refer to section ***"4. Investment Objective and Strategy***" of this Appendix for further details.
Base Currency	US dollars (USD)
Dividend Policy	The Manager has discretion as to whether or not the CSOP Ether Futures ETF will make any distribution, the frequency and amount of distribution. Currently the Manager does not intend to make any distribution to Unitholders (whether out of income or out of capital).

		Please refer to section "7. Distribution Policy" in this Appendix for further information on the distribution policy of the CSOP Ether Futures ETF.
Parties	Manager	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
Financial Year		Ending 31 December each year
Website		https://www.csopasset.com/en/products/hk-dcrfut (this website has not been reviewed by the Commission)

Key information applicable to Listed Class of Units only

Initial Issue Date		15 December 2022
Listing Date		16 December 2022
Dealing on SEHK Commencement Date		16 December 2022
Exchange Listing		SEHK - Main Board
Stock Code		3068
Stock Short Name		FA CSOP ETH
ISIN Number		HK0000900354
Trading Board Lot Size		100 Units
Trading Currency		Hong Kong dollars (HKD counter)
Application Unit size for Creation/Redemption (only by or through Participating Dealers)		Minimum 500,000 Units (or multiples thereof)
Method of Creation/Redemption		Cash (USD) only
Parties	Participating Dealers	Please refer to the Manager's website set out above for the latest list
	Market Maker	Please refer to the Manager's website set out above for the latest list

	Service Agent	HK Conversion Agency Services Limited
Management Fee		Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 1.99% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.

Key information applicable to the Unlisted Class of Units only

Initial Offer Period	For Class A Units: 9:00 a.m. (Hong Kong time) on 31 May 2024 to 5:00 p.m. (Hong Kong time) on 31 May 2024
Initial Subscription Price per Unit during Initial Offer Period	For Class A Units: USD10
Dealing Deadline	5:30 p.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee
Management Fee	Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. For Class A Units, the current rate is 1.99% per annum of the Net Asset Value of the Class accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.

Key similarities and differences between Listed Class of Units and Unlisted Class of Units

Investment Objective	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the section *"**4. Investment Objective and Strategy**"* of this Appendix.
Investment Strategy	
Valuation Policy	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the section *"**8.1 Determination of the Net Asset Value**"* in Part 1 of this Prospectus.
Dealing Frequency	Same for both Listed Class of Units and Unlisted Class of Units – each Business Day.
Dealing arrangements	Different in respect of each of the Listed Class of Units and Unlisted Class of Units.

In respect of the Listed Class of Units:

- the dealing period on each Dealing Day for a Creation Application or Redemption Application commences at 9:30 a.m. (Hong Kong time) and ends at the Dealing Deadline at 5:30 p.m. (Hong Kong time) (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time; and
- a Secondary Market Investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price.

In respect of the Unlisted Class of Units:

- the Dealing Deadline for a subscription or redemption application is 5:30 p.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee; and
- investors can buy or sell the Unlisted Class of Units at Net Asset Value.

	Listed Class of Units	**Unlisted Class of Units**
Dealing Deadline in respect of a Dealing Day	5:30 p.m. (Hong Kong time) on the Dealing Day*	5:30 p.m. (Hong Kong time) on the Dealing Day
Valuation Point	Approximately 4:00 p.m. CT on the applicable Valuation Day (i.e. approximately 5:00 a.m. (with daylight saving time) or 6:00 a.m. (without daylight saving time) Hong Kong time on the calendar day immediately following the applicable Valuation Day), or such other time or times as determined by the Manager, in consultation with the Trustee	

** Investors should note that Creation and Redemption Applications for Listed Class of Units received during the Dealing Period in respect of a Dealing Day ("**Day T**") (i.e. between 9:30 a.m. to 5:30 p.m. (Hong Kong time) will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T, which is determined at the Valuation Point in respect of Day T (which is on Day T+1 in Hong Kong time). For example:*

In respect of the Listed Class of Units:

	- *a Creation or Redemption Application for Listed Class of Units received at or before 5:30 p.m. (Hong Kong time) on Day T will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T (which is determined at the Valuation Point on Day T+1 in Hong Kong time); and* - *a Creation or Redemption Application for Listed Class of Units received after 5:30 p.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Listed Class of Units of Day T+1 (which is determined at the Valuation Point on Day T+2 in Hong Kong time).* ***In respect of the Unlisted Class of Units:*** - *a subscription or redemption application for Unlisted Class of Units received at or before 5:30 p.m. (Hong Kong time) on Day T, i.e. at or before the Dealing Deadline of Day T for such class, will be processed on Day T at the Net Asset Value per Unit of Unlisted Class of Units of Day T (which is determined at the Valuation Point on Day T+1 in Hong Kong time); and* - *a subscription or redemption application for Unlisted Class of Units received after 5:30 p.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Unlisted Class of Units of Day T+1 (which is determined at the Valuation Point on Day T+2 in Hong Kong time).* Please refer to the sections "***2. Dealing of Listed Class of Units***" and "***3. Dealing of Unlisted Class of Units***" of this Appendix for information relating to the Listed Class of Units and the Unlisted Class of Units respectively.
Fee Structure	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. The management fee and the Trustee's and Registrar's fee are the same in respect of both Listed Class of Units and Unlisted Class of Units. An investment in the Listed Class of Units in the secondary market is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service Agent's fee, brokerage fee, transaction levies, trading fee etc.). An investment in the Unlisted Classes of Units may be subject to the payment of subscription fees. Please refer to the section "***11. Fees and Charges***" of this Appendix.

Investment return / Net asset Value	Different in respect of each of the Listed Class of Units and the Unlisted Class of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Class of Units are bought and sold at Net Asset Value), costs (such as Transaction Fee and Duties and Charges in respect of creation and redemption of Listed Class of Units in the primary market and fees payable in respect of trading of Listed Class of Units in the secondary market) and stamp duty. Accordingly, the performance of the different classes of Units will be different. There is a separate Net Asset Value for each class of Units. Please refer to the risk factor "***4.4 Differences in dealing, fee and cost arrangements between Listed Class and Unlisted Class of Units***" in Part 1 of this Prospectus.
Termination procedures	Different in respect of each of the Listed Class of Units and the Unlisted Class of Units. Please refer to the section "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus.

1.3 Market Maker (in respect of the Listed Class of Units)

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 the Listed Class of Units of the CSOP Ether Futures ETF. 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 to facilitate the efficient trading of the Listed Class of Units of the CSOP Ether Futures ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker is required to give not less than ninety (90) days' prior notice to terminate market making under the relevant market making agreement.

The list of market markers in respect of the CSOP Ether Futures ETF is available on https://www.csopasset.com/en/products/hk-dcrfut (this website has not been reviewed by the Commission) and from time to time will be displayed on www.hkex.com.hk.

2. DEALING OF LISTED CLASS OF UNITS

2.1 Exchange Listing and Trading

The Listed Class of Units of the CSOP Ether Futures ETF are listed and traded on the SEHK.

Currently, the Listed Class of Units are listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges

is being sought as at the date of this Prospectus. Application may be made in the future for a listing of the Listed Class of Units on other stock exchanges.

If trading of the Listed Class of Units of the CSOP Ether Futures ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Listed Class of Units.

2.2 Buying and Selling of Listed Class of Units of CSOP Ether Futures ETF on SEHK

A Secondary Market Investor can buy and sell the Listed Class of Units of the CSOP Ether Futures ETF on the SEHK through his stockbroker at any time the SEHK is open. Listed Class of Units of the CSOP Ether Futures ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 100 Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the Listed Class of Units of the CSOP Ether Futures ETF due to market demand and supply, liquidity and scale of trading spread for the Listed Class of Units in the secondary market. As a result, the market price of the Listed Class of Units of the CSOP Ether Futures ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the Listed Class of Units of the CSOP Ether Futures ETF.

Please refer to section "***Schedule 2 – 3. Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of the Listed Class of Units on the SEHK.

2.3 Switching

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Participating Dealers who wish to switch between Listed Class of Units and Unlisted Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

2.4 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Schedule 2 – 2. Creation and Redemption of Application Units (Primary Market)***" of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP Ether Futures ETF only.

The Manager currently only allows In-Cash (in USD) Creation Applications and Redemption Applications for the Listed Class of Units of the CSOP Ether Futures ETF.

Settlement in cash for subscribing the Listed Class of Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The Application Unit size for the Listed Class of Units of CSOP Ether Futures ETF is 500,000 Units. Creation Applications submitted in respect of the Listed Class of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP Ether Futures ETF is one Application Unit.

2.4.1 Dealing Period

The dealing period for the Listed Class of Units on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP Ether Futures ETF commences at 9:30 a.m. (Hong Kong time) and ends at the Dealing Deadline at 5:30 p.m. (Hong Kong time) (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.4.2 Issue Price and Redemption Price

The Issue Price of a Unit in respect of the Listed Class of Units in the CSOP Ether Futures ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units redeemed in respect of the Listed Class of Units shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP Ether Futures ETF.

The "**Valuation Day**" of the CSOP Ether Futures ETF, coincides with, and shall mean, the Dealing Day of the CSOP Ether Futures ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's website at https://www.csopasset.com/en/products/hk-dcrfut (this website has not been reviewed by the Commission) or published in such other publications as the Manager decides.

2.4.3 Dealing Day

In respect of the CSOP Ether Futures ETF, "**Dealing Day**" means each Business Day.

3. DEALING OF UNLISTED CLASS OF UNITS

3.1 Available Classes

The CSOP Ether Futures ETF currently has the following Unlisted Class of Units which are available to investors:

- Class A Units

3.2 Initial Offer Period

The Initial Offer Period of the Class A Units will be 9:00 a.m. (Hong Kong time) on 31 May 2024 to 5:00 p.m. (Hong Kong time) on 31 May 2024.

The initial Subscription Price in respect of each Unlisted Class of Units during the Initial Offer Period is as follows:

Class	**Initial Subscription Price per Unit**
Class A Units	USD10

3.3 Dealing Procedures

For details of dealing procedures, please refer to the sections headed "***Schedule 3 – 1. Subscription of Unlisted Class of Units***", "***Schedule 3 – 2. Redemption of Unlisted Class of Units***" and "***Schedule 3 – 3. Switching of Unlisted Class of Units***" in Part 1 of this Prospectus.

The following apply to the Unlisted Class of Units:

Dealing Day	each Business Day
Valuation Day	each Dealing Day or such other days as the Manager may determine
Dealing Deadline	5:30 p.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee

3.4 Switching

Subject to the prior consent of the Manager either generally or in any particular case, Unitholders may switch part or all of their Unlisted Class of Units of the CSOP Ether Futures ETF into another Unlisted Class of Units of the CSOP Ether Futures ETF (where available). Switching of Unlisted Class of Units of the CSOP Ether Futures ETF to unlisted shares, units or interests in any other collective schemes (including any other Sub-Funds of the Trust) is currently not permitted.

3.5 Payment of Redemption Proceeds

Save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds in respect of Unlisted Class of Units will normally be paid by telegraphic transfer, within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless legal or regulatory requirements (such as foreign currency controls) to which the CSOP Ether Futures ETF is subject render the payment of the redemption proceeds within the aforesaid time period not practicable, and such extended time frame should reflect the additional time needed in light of the specific circumstances in the relevant market.

3.6 Investment Minima

The following investment minima apply to the Unlisted Class of Units:

	Class A Units
Minimum initial investment	USD10 or equivalent
Minimum subsequent investment	USD0.01 or equivalent
Minimum holding	USD0.01 or equivalent
Minimum redemption amount	USD0.01 or equivalent

The Manager may, in its absolute discretion, waive or agree to a lower amount of any of the above investment minima (either generally or in any particular case).

4. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP Ether Futures ETF is to achieve long-term capital growth by primarily investing in CME Ether Futures adopting an active investment strategy. **The CSOP Ether Futures ETF does not invest directly in ether.** There is no assurance that the CSOP Ether Futures ETF will achieve its investment objective.

The CSOP Ether Futures ETF invests in CME Ether Futures which price movement may deviate significantly from the spot price of ether. The CSOP Ether Futures ETF does not seek to deliver a return of the spot price of ether.

Investment Strategy

The CSOP Ether Futures ETF seeks to achieve its investment objective by primarily investing in standardised, cash-settled ether futures contracts and/or micro ether futures

contracts traded on the Chicago Mercantile Exchange (the "**CME**") (collectively, the "**CME Ether Futures**"). The CME is a commodity exchange registered with the Commodity Futures Trading Commission of the United States (the "**CFTC**").

It is expected that the notional value of CME Ether Futures to which the CSOP Ether Futures ETF has exposure will not exceed 100% of the Net Asset Value of the CSOP Ether Futures ETF. The CSOP Ether Futures ETF deposits initial margins to clearing houses for an open interest in CME Ether Futures based on the notional value of its exposure to CME Ether Futures. The Manager anticipates that up to 65% of the Net Asset Value of the CSOP Ether Futures ETF from time to time will be used as margin to acquire the CME Ether Futures. Under exceptional circumstances, such as increased margin requirements in extreme market turbulence, the CSOP Ether Futures ETF's exposure to margin may increase substantially beyond 65% of its Net Asset Value. **The CSOP Ether Futures ETF does not invest directly in ether.**

The CSOP Ether Futures ETF seeks to invest in cash-settled, front-month CME Ether Futures, and may also invest in cash-settled, back-month CME Ether Futures. Front-month CME Ether Futures are those contracts with the shortest time to maturity. Back-month CME Ether Futures are those with longer times to maturity.

Futures contracts expire on a designated date (the "**expiration date**"). The CME Ether Futures in which the CSOP Ether Futures ETF invests are cash settled on their expiration date unless they are "rolled" (i.e. the replacement of shorter-dated futures contracts with longer-dated futures contracts) prior to expiration. The CSOP Ether Futures ETF generally intends to "roll" its Ether Futures prior to expiration. In determining whether to roll the CME Ether Futures in which the CSOP Ether Futures ETF invests, the Manager will take into account, among other things, the liquidity, roll spread level and bid-offer spread of the CME Ether Futures, the prevailing market conditions as well as the best interest of the investors. There is no guarantee that such a strategy will produce the desired results.

The CSOP Ether Futures ETF may also invest at least 35% of its NAV (this percentage may be reduced proportionally under exceptional circumstances when there is a higher margin exposure, as described above) in cash (USD) such as deposits with banks in Hong Kong or cash equivalents such as USD-denominated money market funds (which are authorised under Chapter 8.2 of the Code or eligible schemes under Chapter 7.11A of the Code or non-eligible schemes and not authorised by the Commission under Chapter 7.11 of the Code, including those which are managed by the Manager or its Connected Persons) in accordance with the Code for cash management purpose. Yield from such cash or cash equivalents will be used to meet the CSOP Ether Futures ETF's fees and expenses and after deduction of such fees and expenses will form part of the assets of the CSOP Ether Futures ETF.

Under exceptional circumstances and in the best interest of investors, no more than 10% of the Net Asset Value of the CSOP Ether Futures ETF will be invested in exchange traded funds with primary exposure to ether. For the avoidance of doubt, the sum of notional value of CME Ether Futures and investments in such ether exchange traded funds will not exceed 100% of the Net Asset Value of the CSOP Ether Futures ETF. Any investments in exchange traded funds will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in Chapter 7.11, 7.11A and 7.11B of the Code. The CSOP Ether Futures ETF will not hold more

than 10% of any units, shares or interests in any single collective investment scheme. For the avoidance of doubt, the CSOP Ether Futures ETF's investment in non-eligible scheme and not authorised by the Commission will be no more than 10% of its Net Asset Value.

Other than CME Ether Futures, the CSOP Ether Futures ETF may invest in financial derivative instruments such as currency forward contracts and currency futures for hedging purposes only. The Manager will seek the prior approval of the Commission (if required) and provide at least one month's prior notice to Unitholders before the CSOP Ether Futures ETF engages in any such investments for purposes other than hedging.

The CSOP Ether Futures ETF will not invest in sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions. Prior approval of the Commission will be sought (if required) and not less than one month's prior notice will be given to the Unitholders in the event the Manager wishes to invest in any such sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions on behalf of the CSOP Ether Futures ETF.

5. SECURITIES LENDING TRANSACTIONS

The Manager does not currently intend to enter into securities lending transactions on behalf of the CSOP Ether Futures ETF.

Prior approval of the Commission (if required) will be sought and not less than one month's prior notice will be given to the Unitholders in the event the Manager wishes to enter into any such securities lending transactions on behalf of the CSOP Ether Futures ETF.

6. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of CSOP Ether Futures ETF to acquire investments, to redeem Units or to pay expenses relating to CSOP Ether Futures ETF.

7. DISTRIBUTION POLICY

The Manager has discretion as to whether or not the CSOP Ether Futures ETF will make any distribution, the frequency and amount of distribution. Currently the Manager does not intend to make any distribution to Unitholders (whether out of income or out of capital).

The distribution policy may be amended subject to the Commission's prior approval (if required) and upon giving not less than one month's prior notice to Unitholders.

8. WAIVER FROM COMPLIANCE WITH THE CODE

The Manager has requested the Commission, and the Commission has granted, a waiver in respect of the CSOP Ether Futures ETF from the requirements under Chapter 7.26 of the Code. The purpose of the waiver is to enable the CSOP Ether Futures ETF to invest in CME Ether Futures to the extent that the net derivative exposure of the CSOP Ether Futures ETF shall not exceed 100% of its Net Asset Value.

9. ETHER AND ETHER FUTURES

9.1 Ether

Ether is a digital asset which serves as the unit of account on an open-source, decentralised, peer-to-peer computer network, commonly referred to as the "Ethereum computer network". No single entity owns or operates the Ethereum computer network. The Ethereum computer network is accessed through software and governs ether's creation and movement. The source code for the Ethereum computer network is open-source, and anyone can contribute to its development.

Before 15 September 2022, Ethereum used the proof-of-work consensus mechanism. Ethereum transitioned to a proof-of-stake chain in an upgrade known as Ethereum 2.0 on 15 September 2022. Unlike proof-of-work, in which miners expend computational resources to compete to validate transactions and are rewarded ether in proportion to the amount of computational resources expended, in proof-of-stake, miners (sometimes called validators) stake ether to compete to be randomly selected to validate transactions and are rewarded ether in proportion to the amount of ether staked. Proof-of-stake is viewed as more energy efficient and scalable than proof-of-work.

Ownership of and the ability to transfer or take other actions with respect to ether as well as transaction records of ether are protected through public key cryptography. Ether is "stored" on a digital transaction ledger commonly known as a "blockchain". A blockchain is a type of shared and continually reconciled database, stored in a decentralised manner on the computers of certain users of the digital asset and is protected by cryptography. The Ether blockchain contains a record and history for each ether transaction.

The adoption of ether has been relatively limited. The Ethereum software source code allows for the creation of decentralised applications that are supported by a transaction protocol referred to as "smart contracts". A "smart contract" is a programme that runs on the Ethereum blockchain when predetermined conditions are met. It is a collection of code and data that resides at a specific address on the Ethereum blockchain, which includes the cryptographic operations that verify and secure ether transactions. Although there are many alternatives, the Ethereum computer network is the largest smart contract platform in terms of market capitalisation, available applications and development activity. Further, smart contracts serve to underpin efforts to decentralise traditional operations in finance ("**DeFi**"). DeFi offers many opportunities for innovation and has the potential to create an open, transparent and immutable financial infrastructure.

The value of ether and CME Ether Futures, like the value of other digital assets and related derivatives, is not backed by any government, corporation, or other identified body. The value of ether is determined in part by the supply of, and demand for, ether in the markets for exchange that have been organised to facilitate the trading of ether. The price of ether is influenced by many factors, such as, global demand and supply of ether, maintenance and development of the open-source software protocol of the Ethereum network, competition of other digital assets, investor sentiments on the value or utility of ether etc. Please refer to "Extremely high volatility risk" below for further information.

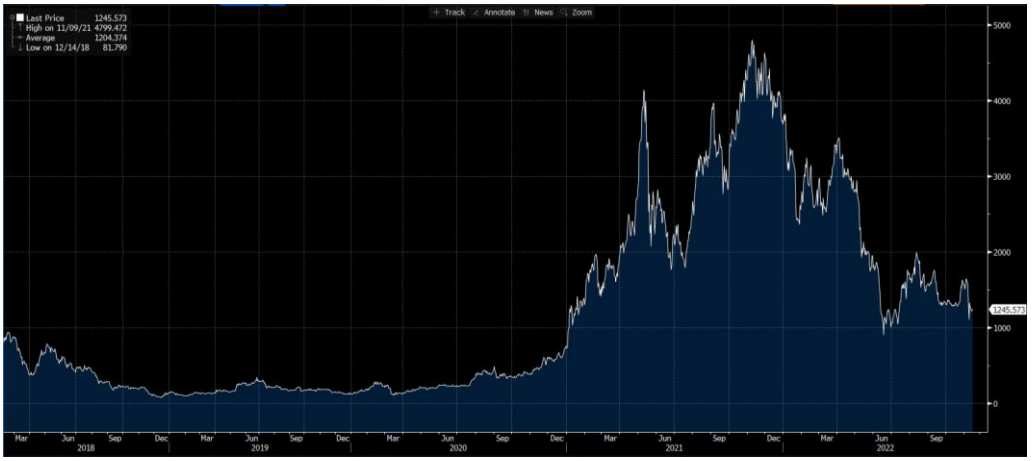
As the Ethereum computer network is an open-source project, the developers may suggest changes to the Ethereum software from time to time. If the updated

Ethereum software is not compatible with the original Ethereum software and a sufficient number (but not necessarily a majority) of users and miners elect not to migrate to the updated Ethereum software, this would result in a “hard fork” of the Ethereum computer network, with one prong running the earlier version of the Ethereum software and the other running the updated Ethereum software, resulting in the existence of two versions of Ethereum computer network running in parallel and a split of the blockchain underlying the Ethereum computer network, but with each version’s underlying asset and blockchain lacking interchangeability. On 15 September 2022, the Ethereum blockchain transitioned from a proof-of-work consensus mechanism to a proof-of-stake consensus mechanism. Shortly after, a sizable community of miners banded together to create ETHPoW (or “ETHW”), a spinoff network which continues to use proof-of-work methods.

Ether is the second largest digital asset by market capitalisation behind bitcoin. Unlike bitcoin, the amount of ether that can be created is unlimited. As of the date of this Appendix, there are approximately 122 million ether in circulation. Price discovery occurs through secondary market trading on Ethereum exchanges, over-the-counter trading desks and direct peer-to-peer payments. While bitcoin and ether are both digital assets, there are technical differences between the two in terms of, among others, their consensus mechanism, block time (i.e. the time for new blocks of data to be added, which determines the time required to confirm transactions), transaction throughput and supply. Also, transactions on the Ethereum network may contain executable codes, while data affixed to bitcoin network transactions is only used to record transaction information which are monetary in nature. In addition to being a digital asset, the Ethereum network is also intended for smart contracts and decentralised applications as discussed above.

Ethereum was introduced in 2015. The Ethereum platform, as well as Ethereum exchanges and over-the-counter trading desks have a relatively limited history. Limited liquidity and trading across exchange order books have resulted in periods of high volatility and price divergence among exchanges.

Ether spot price (from 1 January 2015 to 15 November 2022)



Source: Bloomberg

9.2 CME Ether Futures

Futures contracts are financial contracts the value of which depends on, or is derived from, the underlying reference asset. In the case of CME Ether Futures, the underlying reference asset is ether. Futures contracts may be physically-settled or cash-settled. The only futures contracts in which the CSOP Ether Futures ETF invests are cash-settled CME Ether Futures. "Cash-settled" means that when the relevant futures contract expires, if the value of the underlying asset exceeds the futures contract price, the seller pays to the purchaser cash in the amount of that excess, and if the futures contract price exceeds the value of the underlying asset, the purchaser pays to the seller cash in the amount of that excess. In a cash-settled CME Ether Futures, the amount of cash to be paid is equal to the difference between the value of the ether underlying the futures contract at the close of the last trading day of the contract and the futures contract price specified in the agreement.

CME Ether Futures exhibit "futures basis", which refers to the difference between the current market value of the underlying ether (the "spot" price) and the price of the cash-settled CME Ether Futures. A negative futures basis exists when cash-settled CME Ether Futures generally trade at a premium to the current market value of ether.

CME Ether Futures are subject to margin requirements. As discussed above, the CSOP Ether Futures ETF deposits initial margins to its futures brokers for an open interest in CME Ether Futures based on the notional value of the CSOP Ether Futures ETF's exposure to CME Ether Futures. The futures broker, in turn, generally transfers such deposits to the clearing house to protect the clearing house against non-payment by the CSOP Ether Futures ETF. The clearing house becomes substituted for each counterparty to a CME Ether Futures and, in effect, guarantees performance. In addition, the futures broker may require the CSOP Ether Futures ETF to deposit additional margin in excess of the clearing house's requirements for the futures broker's own protection. Generally, margin requirements for the CME Ether Futures may be substantially higher than margin requirements for other types of futures contracts.

CME's ether futures contracts commenced trading on the CME Globex electronic trading platform on 8 February 2021 under the ticker symbol "ETH" and represents a lot of 50 ether. CME's micro ether futures contracts commenced trading on the CME Globex electronic trading platform on 6 November 2021 under the ticker symbol "MET" and represents a lot of 0.1 ether. CME's ether futures contracts and micro ether futures contracts are cash-settled in USD, based on a volume-weighted composite of USD-ether trading activity on multiple constituent exchanges selected by CF Benchmarks, which is a digital asset index provider regulated by the Financial Conduct Authority of the United Kingdom (the "**FCA**"), based on the Constituent Exchange Criteria (as defined below) (the "**CME CF Ether Reference Rate**"). The "Constituent Exchange Criteria" requires each constituent exchange to implement policies and procedures to ensure fair and transparent market conditions and to identify and impede illegal, unfair or manipulative trading practices. Additionally, each constituent exchange must comply with, among other things, capital market regulations, money transmission regulations, client money custody regulations, know-you-client regulations and anti-money laundering regulations. Each constituent exchange is reviewed annually by an oversight committee established by CF Benchmarks to confirm that the constituent exchange continues to meet all criteria. The CME CF Ether Reference Rate is subject to regulation by the FCA.

In the event of a hard fork (as described above), the CME Ether Futures shall continue to settle to the CME CF Ether Reference Rate corresponding to the original token pair (ETH:USD). The CME may, in its sole discretion, take alternative action with respect to hard forks in consultation with market participants as may be appropriate. This may have adverse impact on the price of the CME Ether Futures.

The key specifications of the CME Ether Futures are as follows:

	CME's ether futures contracts	**CME's micro ether futures contracts**
Exchange	CME	
Ticker symbol	ETH	MET
Contract value (as at 15 November 2022)	61,925 (contract month of November 2022)	123.85 (contract month of November 2022)
Contract size (as defined by the CME CF Ether Reference Rate)	50 ether	0.1 ether
Minimum tick	0.5	
Dollar value of one tick	USD25	USD0.05
Trading hours	• **CME Globex:** Sunday to Friday 5:00 p.m. to 4:00 p.m. CT with a 60-minute break each day beginning at 4:00 p.m. CT • **CME ClearPort:** Sunday 5:00 p.m. to Friday 5:45 p.m. CT with no reporting on from 5:45 p.m. - 6:00 p.m. CT on Monday to Thursday	
Contract months	Monthly contracts listed for 6 consecutive months, quarterly contracts (March, June, September, December) listed for 4 additional quarters and a second December contract if only one is listed.	
Settlement method	Cash settlement	
Termination of trading	Trading terminates at 4:00 p.m. London time on the last Friday of the contract month that is either a London or U.S. business day. If the last Friday of the contract month is not a business day in both London and the U.S., trading	

	terminates on the prior London or U.S. business day.	
Position limit	Spot position limits are set at 8,000 contracts. *Note:* The limits include both ether futures contracts and micro ether futures contracts holdings on the CME. Micro ether futures contracts held are expressed in equivalent ether futures contracts (i.e. 1/500th of a ether futures contract).	
Price limit	The daily price limit table is published on CME's website https://www.cmegroup.com/trading/price-limits.html#equityIndex (this website has not been reviewed by the Commission). CME Ether Futures are subject to price limits on a dynamic basis. At the commencement of each trading day, CME Ether Futures are assigned a price limit variant which equals a percentage of the prior day's settlement price determined by the CME, or a price deemed appropriate by the CME. In the event that the price limits are triggered in the primary contract market (i.e. lead month), all associated contract markets will immediately transition into a two-minute pre-open state (i.e. trading pause).	
Position accountability level	A position accountability level of 20,000 contracts will be applied to positions in single months outside the spot month and in all months combined.	
Vendor code	Bloomberg: DCRA	Bloomberg: MERA

Liquidity of CME Ether Futures

CME Ether Futures is one of the most liquid financial derivatives that provides investors access to invest in the evolving digital asset market.

According to the CME, as at 4 November 2022, CME's ether futures contracts traded over 2.2 million futures contracts since its launch in February 2021 that worth nearly 110 million equivalent ether. The daily average volume is 6,309 contracts year-to-date in 2022 (up to 4 November 2022) with an average open interest of 3,700 contracts equivalent to 185,000 ethers. In addition, CME's micro ether futures traded over 4.5 million futures contracts since its launch on 6 December 2021. The daily average volume is 20,300 contracts year-to-date (as at 4 November 2022) with an open interest of 44,700 contracts on average equivalent to 4,470 ethers.

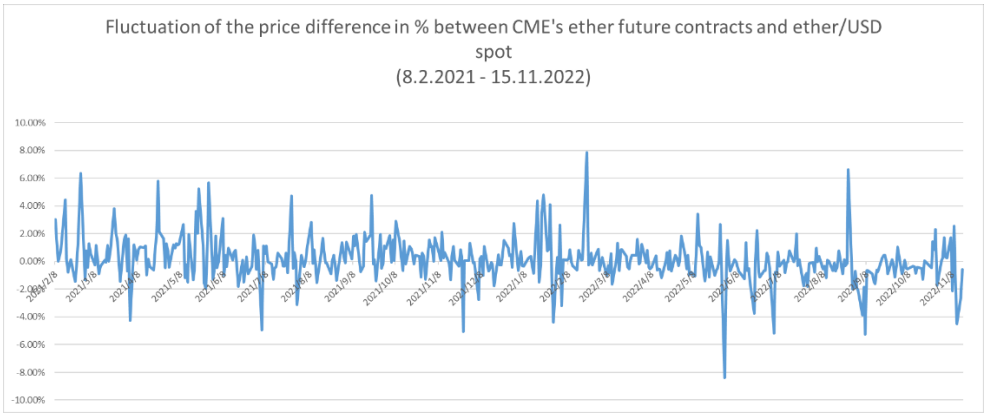
The Manager believes that the liquidity of CME Ether Futures is sufficiently abundant in terms of turnover and open interest for the CSOP Ether Futures ETF to implement its investment strategy.

Difference between ether spot price and CME Ether Futures price

CME Ether Futures is financially settled by cash and therefore do not involve the exchange of ether nor the need of a digital wallet as compared to ether on spot market.

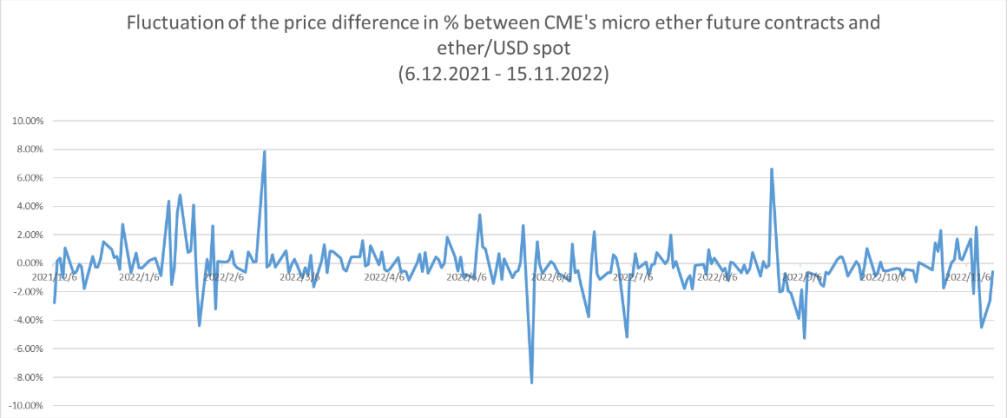
Investors should note that the CSOP Ether Futures ETF does not invest in the ether spot market. The price of CME Ether Futures reflects the expected value of ether in the future, whereas the spot price of ether reflects the immediate delivery value of ether. A variety of factors can lead to a disparity between the expected future price of ether and the spot price at a given point in time, such as interest charges incurred to finance the purchase of ether and expectations concerning supply and demand for ether. The price movements of CME Ether Futures are typically correlated with the movements of the ether spot price, but the correlation is generally imperfect and price movements in the spot market may not be reflected in the futures market (and vice versa). As such, the CSOP Ether Futures ETF may underperform the ether spot price.

The below chart shows the fluctuation of the price difference in percentage terms between CME's ether futures contracts (ETH) and ether spot price (as represented by ether/USD spot cross referenced from Bloomberg) for the period from 8 February 2021 to 15 November 2022:



The fluctuation of price difference in percentage terms between CME's ether futures contracts and ether spot price was on average around 0.59% (in case where the price of CME's ether futures contracts is higher than ether spot price, i.e. contango) and -0.44% (in case where the price of CME's ether futures contracts is lower than ether spot price, i.e. backwardation) of the ether spot price, with the largest price difference of around 7.86% (in case of contango) and -8.38% (in case of backwardation) of the ether spot price.

The below chart shows the fluctuation of the price difference in percentage terms between CME's micro ether futures contracts (MET) and ether spot price (as represented by ether/USD spot cross referenced from Bloomberg) for the period from 6 December 2021 to 15 November 2022:



The fluctuation of price difference in percentage terms between CME's micro ether futures contracts (MET) and ether spot price was on average around 0.41% (in case of contango) and -0.55% (in case of backwardation) of the ether spot price, with the largest price difference of around 7.86% (in case of contango) and -8.38% (in case of backwardation) of the ether spot price.

10. RISK FACTORS RELATING TO THE CSOP ETHER FUTURES ETF

The CSOP Ether Futures ETF is a futures based ETF. The risks of investing in the CSOP Ether Futures ETF are therefore greater than those of investing in other conventional ETFs. In particular, ether and CME Ether Futures are relatively new investments with limited history, which are subject to significant price volatility. Investment in CME Ether Futures involves specific risks such as high volatility, leverage, high rollover costs and margin risks. The value of the CSOP Ether Futures ETF could decline significantly in a short period of time including to zero. Investors may suffer substantial or total loss by investing in the CSOP Ether Futures ETF.

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP Ether Futures ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP Ether Futures ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP Ether Futures ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

10.1 Active investment management risk

The Manager employs an actively managed investment strategy for the CSOP Ether Futures ETF. The CSOP Ether Futures ETF does not seek to track any index or benchmark, and there is no replication or representative sampling conducted by the Manager. Instead, investments of the CSOP Ether Futures ETF will be based on the Manager's view of market conditions and international investment trends and environment. The CSOP Ether Futures ETF may fail to meet its objective as a result of the Manager's selection of investments for the

CSOP Ether Futures ETF, and/or the implementation of processes which may cause the CSOP Ether Futures ETF to underperform as compared to other funds with a similar objective.

Whilst it is the intention of the Manager to implement strategies which are designed to achieve the investment objective, there can be no assurance that these strategies will be successful. The Manager may not be successful in selecting the best-performing instruments or investment techniques. Accordingly, there is a risk that investors may not recoup the original amount invested in the CSOP Ether Futures ETF or may lose a substantial part or all of their initial investment.

10.2 Market and volatility risk

The value of the CSOP Ether Futures ETF's investments, including CME Ether Futures, is subject to market risk. Market risk is the risk that the value of the investments to which the CSOP Ether Futures ETF is exposed will fall, which could occur due to general market or economic conditions or other factors. **The value of ether and, therefore, of the CME Ether Futures in which the CSOP Ether Futures ETF invests, could decline rapidly, including to zero. Investors should be prepared to lose their entire investment.**

10.3 Investment risk

The CSOP Ether Futures ETF is not principal guaranteed and investors' investments may suffer losses. There is no assurance that the CSOP Ether Futures ETF will achieve its investment objective. The CSOP Ether Futures ETF will generally hold its CME Ether Futures during periods in which the value of ether is flat or declining as well as during periods in which the value of ether is rising, and the Manager will generally not seek to change the CSOP Ether Futures ETF's exposure based on daily price changes under normal circumstances. As a result, any decrease in value of the CME Ether Futures in which the CSOP Ether Futures ETF invests will result in a decrease its Net Asset Value.

10.4 Risks related to ether

The CSOP Ether Futures ETF is indirectly exposed to the risks of ether through investment in CME Ether Futures, and that risks which adversely affect the price of ether may also affect the price of CME Ether Futures and the CSOP Ether Futures ETF.

Ether and ether industry risk. Ether is a relatively new innovation and the market for ether is subject to rapid price swings, changes and uncertainty. The further development and acceptance of the Ethereum computer network, which is part of a new and rapidly changing industry, is subject to a variety of factors that are difficult to evaluate and unforeseeable. The slowing, stopping or reversing of the development or acceptance of the Ethereum computer network may adversely affect the price of ether and accordingly, of CME Ether Futures, and therefore cause the CSOP Ether Futures ETF to suffer losses.

Notwithstanding that ether is part of the virtual asset industry, the growth of this industry is subject to a high degree of uncertainty.

Factors affecting the further development of this industry and therefore the value of ether and CME Ether Futures, include, but are not limited to:

(i) continued worldwide growth or possible cessation or reversal in the adoption and use of ether and other digital assets;

(ii) government and quasi-government regulation of ether and other digital assets and their use, or restrictions on or regulation of access to and operation of the Ethereum computer network and other digital asset networks;

(iii) changes in consumer demographics and public tastes and preferences, including the possibility that market participants may come to prefer other digital assets to ether for a variety of reasons, including that such other digital assets may have features (like different consensus mechanisms) that ether lacks;

(iv) the maintenance and development of the open-source software protocol of the Ethereum computer network;

(v) the use of the networks supporting digital assets for developing smart contracts and distributed applications;

(vi) general economic conditions and the regulatory environment relating to digital assets; and

(vii) negative consumer or public perception of ether specifically and other digital assets generally.

The adoption of ether will require growth in its usage for various applications that include decentralised smart contract applications, retail and commercial payments, cross-border and remittance transactions, speculative investment and technical applications. The adoption of ether will also require an accommodating regulatory environment. A lack of expansion in usage of ether could adversely affect the CME Ether Futures in which the CSOP Ether Futures ETF invests. In addition, there is no assurance that ether will maintain its value over the long-term. The value of ether is subject to risks related to its usage. Even if growth in ether adoption occurs in the near or medium-term, there is no assurance that ether usage will continue to grow over the long-term. To the extent market participants come to prefer other digital assets or other mechanisms that use non-blockchain technology, the value of ether, and therefore the CSOP Ether Futures ETF's investment in CME Ether Futures, may be adversely affected.

***Speculative nature risk*.** Ether is a new technological innovation with a limited history. Investing in ether is highly speculative, and market movements are difficult to predict. Supply and demand for ether could change rapidly and subject to a large variety of factors, including governmental regulations and investors' sentiments.

Unforeseeable risks. Ether has gained commercial acceptance only in recent years. Consequently, there is limited data on its long-term investment potential available to investors. Given the rapidly evolving nature of ether, including advancements in the underlying technology, market disruptions and resulting governmental interventions that are unforeseeable, an investor may be exposed to additional risks which cannot currently be predicted.

Limited use risk. There is limited use of ether for commercial and retail transactions. Price volatility undermines the ability of ether as a medium of exchange, and a contraction of the use of ether may result in a decrease in its value, which could adversely impact the Net Asset Value.

Risk relating to the limited and short history of ether and CME Ether Futures. The Ethereum network and ether as digital asset or token have a limited history. Due to this short history, it is not clear how all elements of ether will unfold over time. The history of open source software development would indicate that vibrant communities are able to change the software under development at a pace sufficient to stay relevant. The continuation of such vibrant communities is not guaranteed, and insufficient software development or any other unforeseen challenges that the community is not able to navigate could have an adverse impact on ether and the CME Ether Futures in which the CSOP Ether Futures ETF invests.

Extremely high volatility risk. Investments linked to ether can be highly volatile compared to investments in traditional securities and the CSOP Ether Futures ETF may experience sudden and substantial losses. An investor should be prepared to lose the full principal value of their investment within a single day. Historically, the prices of ether and CME Ether Futures have been highly volatile, based on a variety of factors including:

- *Global demand and supply of ether*: The demand and supply of ether are impacted by the investors' perception of the security of ether, the level of commercial acceptance of ether, the abundance of regulatory restrictions on the use of ether, etc.;

- *Maintenance and development of the open-source software protocol of the Ethereum network*: The Ethereum network is open-source, and any user or miner could propose amendments to the Ethereum network's protocols which may adversely affect the long-term viability of ether, and consequently, an investment in the CSOP Ether Futures ETF;

- *Competition from other digital assets*: A competitor to ether which gains greater share in the market of digital assets may lead to a reduction in demand and price of ether, which may negatively affect the Net Asset Value;

- *Investor sentiments on the value or utility of ether*: The ether market is sensitive to new developments, and any significant changes in market sentiments could induce large swings in trading volume and price of ether;

- *Changing investors' confidence on digital assets*: Investors' confidence regarding the security and long-term stability of a digital asset's network and its blockchain may fluctuate based on market developments and the investors' own experience with the digital asset;

- *Contagious effect on the price of ether from incidents on digital assets and trading platforms*: For example, the price of ether dropped significantly following the collapse of FTX, one of the largest digital assets exchanges, in November 2022;

- *Manipulation and speculation:* A significant portion of ether is held by a small number of holders sometimes referred to as "whales". These holders have the ability to manipulate the price of ether. It is believed that speculators and investors who seek to profit from trading and holding ether currently account for a significant portion of ether demand. Such speculation regarding the potential future appreciation in the price of ether may artificially inflate or deflate the price of ether. Market fraud and/or manipulation and other fraudulent trading practices such as the intentional dissemination of false or misleading information (e.g. false rumours) can, among other things, lead to a disruption of the orderly functioning of markets, significant market volatility, and cause the value of CME Ether Futures to fluctuate quickly and without warning.

The market price of ether has been subject to extreme fluctuations. For example, the price of ether dropped from USD4,802 on 11 September 2021 to USD1,014 on 30 June 2022, representing a decrease of over 78%. If ether markets continue to be subject to sharp fluctuations, the CSOP Ether Futures ETF may experience substantial losses. The value of CME Ether Futures in which the CSOP Ether Futures ETF invests could also decline significantly including to zero.

Regulatory risk. The regulation of ether, digital assets and related products and services continues to evolve. There is a trend of increase regulations. As ether and digital assets have grown in both popularity and market size, certain regulatory authorities have been examining the operations of digital asset exchanges and service providers. Certain regulatory authorities have brought enforcement actions and issued advisories and rules relating to digital asset markets. Regulatory changes and actions with respect to digital assets generally or any single digital asset in particular may alter, perhaps to a materially adverse extent, the nature of an investment in the ether.

Regulatory changes or actions may alter the nature of an investment in ether, or affect whether CME Ether Futures may continue to operate, or restrict the use and exchange of ether or the operations of the Ethereum computer network or venues on which ether trades in a manner that adversely affects the price of ether and CME Ether Futures. Similarly, future regulatory changes could expose the CSOP Ether Futures ETF to potential new costs and expenses as well as adversely impact the ability of the CSOP Ether Futures ETF to achieve its investment objective.

Corporate governance risk. The decentralised structure of the Ethereum network may prevent the formation of consensus among parties with potentially competing motives on improving and modifying the Ethereum network. If a proposal to improve the Ethereum network protocol has failed to obtain an overwhelming consensus for adoption, it may be abandoned, delayed or result in a fork. If a desirable improvement to the Ethereum network protocol is not implemented, the functioning of the Ethereum network may be negatively affected. Such negative impact may be extended to the price of ether and CME Ethereum Futures.

Moreover, the open-source structure of the Ethereum network protocol means that miners and developers are not rewarded with compensation for maintaining and developing the protocol. The lack of incentive in properly monitoring the protocol by users or developers may damage the Ethereum network.

Ether trading venues risk. Ether exchanges and other trading venues on which ether trades are relatively new and, in most cases, largely unregulated and may therefore be more exposed to theft, fraud, failure, security breaches, market manipulation and insider dealing than established, regulated exchanges for securities, derivatives and other currencies. Ether exchanges have in the past, and may in the future, collapse, stop operating or permanently shut down due to fraud, cybersecurity issues, manipulation, technical glitches, hackers or malware, failure or security breaches, which may also affect the price of ether and thus the CME Ether Futures in which the CSOP Ether Futures ETF invests.

Ether trading venues that are regulated typically must comply with minimum net worth, cybersecurity, and anti-money laundering requirements, but are not typically required to protect customers to the same extent that regulated securities exchanges or futures exchanges are required to do so. Even if the trading venues are regulated, they are typically not subject to the same robust regulation as traditional platform in traditional financial markets.

Furthermore, many ether trading venues lack certain safeguards put in place by exchanges for more traditional assets to enhance the stability of trading on the exchanges and prevent “flash crashes”, such as limit-down circuit breakers. As a result, the prices of ether on trading venues may be subject to larger and/or more frequent sudden declines than assets traded on more traditional exchanges. Operational problems or failures by ether trading venues and fluctuations in ether prices may reduce confidence in these venues or in ether generally, which could adversely affect the price of ether and therefore adversely affect the CSOP Ether Futures ETF’s investment in CME Ether Futures.

The CSOP Ether Futures ETF’s investment in CME Ether Futures remains subject to volatility experienced by the ether exchanges and other ether trading venues. Investors may also have little or no recourse should theft, fraud, failure, security breaches, market manipulation or insider dealing occur on the ether exchanges and could suffer significant losses.

Cybersecurity risks. Ether is susceptible to theft, loss and destruction. The Ethereum network is also vulnerable to various deliberate cybersecurity attacks, such as hacking or malicious software coding for purposes of misappropriating

information and assets or causing operational disruption. Accordingly, the CME Ether Futures in which the CSOP Ether Futures ETF invests are also susceptible to these risks. Cybersecurity risks of the Ethereum protocol and of entities that custody or facilitate the transfers or trading of ether could result in a loss of public confidence in ether, a decline in the value of ether and, as a result, adversely impact the CME Ether Futures in which the CSOP Ether Futures ETF invests.

All networked systems are vulnerable to various kinds of attacks. As with any computer network, the Ethereum computer network contains certain flaws. As a digital asset, ether is subject to cybersecurity risks, including the risk that malicious actors will exploit flaws in its code or structure that will allow them to, among other things, steal ether held by others, control the blockchain, steal personally identifying information, or issue significant amounts of ether in contravention of the Ethereum protocols. The occurrence of any of these events is likely to have a significant adverse impact on the price and liquidity of ether and CME Ether Futures and therefore the value of the CME Ether Futures in which the CSOP Ether Futures ETF invests.

Internet risk. The Ethereum computer network's functionality relies on the Internet. A significant disruption of Internet connectivity affecting large numbers of users or geographic areas could impede the functionality of the Ethereum computer network. Any technical disruptions or regulatory limitations that affect Internet access may have an adverse effect on the Ethereum computer network, the price of ether and the value of the CME Ether Futures in which the CSOP Ether Futures ETF invests.

Open-source risk. The Ethereum computer network operates based on open-source protocol maintained by a group of core developers. As the Ethereum computer network protocol is not sold and its use does not generate revenue for development teams, core developers may not be directly compensated for maintaining and updating the Ethereum computer network protocol. Consequently, developers may lack a financial incentive to maintain or develop the network, and the developers may lack the resources to adequately address emerging issues with the network. There can be no guarantee that developer support will continue or be sufficient in the future. Additionally, some development and developers are funded by companies whose interests may be at odds with other participants in the network or with investors' interests. To the extent that material issues arise with the Ethereum computer network protocol and the core developers and open-source contributors are unable or unwilling to address the issues adequately or in a timely manner, the Ethereum computer network and the CME Ether Futures in which the CSOP Ether Futures ETF invests may be adversely affected.

Forks risk. As the Ethereum computer network is an open-source project, the developers may suggest changes to the Ethereum software from time to time. If the updated Ethereum software is not compatible with the original Ethereum software and a sufficient number (but not necessarily a majority) of users and miners elect not to migrate to the updated Ethereum software, this would result in a "hard fork" of the Ethereum computer network, with one prong running the earlier version of the Ethereum software and the other running the updated Ethereum software, resulting in the existence of two versions of Ethereum

computer network running in parallel and a split of the blockchain underlying the Ethereum computer network. This could impact demand for ether or other digital assets and could adversely impact the CME Ether Futures in which the CSOP Ether Futures ETF invests.

"Air drop" risk. A substantial giveaway of ether (sometimes referred to as an "air drop") may also result in a significant and unexpected declines in the value of ether, CME Ether Futures, and the CSOP Ether Futures ETF.

"Ethereum 2.0" risk. The Ethereum network is in the early stages of an upgrade called Ethereum 2.0. Ethereum 2.0 is intended to be a new iteration of the Ethereum network that would include switching from a proof-of-work consensus mechanism to a proof-of-stake consensus mechanism. There is no guarantee that the Ethereum community will embrace Ethereum 2.0, and the new protocol may never reach critical mass. Ethereum 2.0 is supported by many of the Ethereum network's core developers as it is expected to improve network efficiency, scalability and security. Subsequent to the transition of the Ethereum blockchain from a proof-of-work consensus mechanism to a proof-of-stake consensus mechanism on 15 September 2022, a sizable community of miners banded together to create ETHPoW (or "ETHW"), a spinoff network which continues to use proof-of-work methods. The two protocols will compete going forward. Lack of adoption of Ethereum 2.0 may have a negative effect on the market value of ether, and thus the CME Ether Futures in which the CSOP Ether Futures ETF invests.

Intellectual property risk. Third parties may assert intellectual property claims relating to the holding and transfer of ether and its source code. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in long-term viability or the ability of end-users to hold and transfer ether may adversely affect the value of the CME Ether Futures in which the CSOP Ether Futures ETF invests. Additionally, a meritorious intellectual property claim could prevent end-users from accessing, holding, or transferring ether. As a result, an intellectual property claim against large ether participants could adversely affect the CME Ether Futures in which the CSOP Ether Futures ETF invests.

Political or economic crisis risk. Ether operates without central authority (such as a bank) and is not backed by any government. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of ether, either globally or locally. Large-scale sales of ether would result in a reduction in its price and adversely affect the CME Ether Futures in which the CSOP Ether Futures ETF invests.

10.5 CME Ether Futures risk

Market risk. The use of futures contracts involves risks that are in addition to, and potentially greater than, the risks of investing directly in securities and other more traditional assets. The market for CME Ether Futures may be less developed, and potentially less liquid and more volatile, than more established futures markets. While the CME Ether Futures market has grown substantially since CME Ether Futures commenced trading, there can be no assurance that

this growth will continue. Other risks arise from the CSOP Ether Futures ETF's potential inability to terminate or sell positions. A liquid secondary market may not always exist for the CSOP Ether Futures ETF's positions at times when the CSOP Ether Futures ETF wishes to terminate or sell such positions.

CME Ether Futures exhibit "futures basis", which refers to the difference between the current market value of the underlying ether (the "spot" price) and the price of the cash-settled CME Ether Futures. A negative futures basis exists when cash-settled CME Ether Futures generally trade at a premium to the current market value of ether. If a negative futures basis exists, the CSOP Ether Futures ETF's investments in CME Ether Futures will generally underperform a direct investment in ether. The values of futures contracts may move in unexpected ways, especially in unusual market conditions, and may result in increased volatility, among other consequences. There may be imperfect correlation between changes in the market value of a futures contract and the value of its underlying reference asset, and this may be exaggerated in times of market stress or volatility.

Valuation risk. The use of CME Ether Futures involves the risk of mispricing or improper valuation. The market value of CME Ether Futures may be subject to greater fluctuation than futures on traditional assets. The CSOP Ether Futures ETF's ability to value the CME Ether Futures may also be impacted by technological issues or errors by pricing services or other third-party service providers. There is no assurance that the CSOP Ether Futures ETF could sell or close out the CME Ether Futures position for the value established for it at any time, and it is possible that the CSOP Ether Futures ETF would incur a loss because the CME Ether Futures position is sold or closed out at a discount to the valuation established by the CSOP Ether Futures ETF at that time.

Liquidity risk. The market for CME Ether Futures is still developing and may be subject to periods of illiquidity. During such times it may be difficult or impossible to buy or sell a position at the desired price. Market disruptions or volatility can also make it difficult to find a counterparty willing to transact at a reasonable price and sufficient size. Illiquid markets may cause losses, which could be significant. Also, unlike other futures markets, the longer-term CME Ether Futures have very thin trading volume and the most liquid contracts will only be available at near term and next near term. The large size of the positions which the CSOP Ether Futures ETF may acquire increases the risk of illiquidity, may make its positions more difficult to liquidate, and increase the losses incurred while trying to do so. Such large positions may also impact the price of the CME Ether Futures, which could decrease the correlation between the performance of CME Ether Futures and a spot price of ether. It is also possible that, if the CSOP Ether Futures ETF's assets become significant relative to the overall market, the large size of its positions potentially could impact futures contracts prices and contribute to illiquidity. Limits imposed by counterparties, exchanges or other regulatory organisations, such as accountability levels, position limits and daily price fluctuation limits, may contribute to a lack of liquidity and have a negative impact on the CSOP Ether Futures ETF's performance. During periods of market illiquidity, including periods of market disruption and volatility, it may be difficult or impossible for the CSOP Ether Futures ETF to buy or sell Ether Futures at desired prices or at all. The rolling strategy of the CSOP Ether Futures ETF and

the ability of the CSOP Ether Futures ETF in diversifying its futures position may also be adversely affected.

Volatility risk. The price of CME Ether Futures can be highly volatile and is influenced by, among others, changing investor confidence in future fluctuations in the price of ether, and other factors contributing to volatility of the price of ether as discussed under "Risks related to ether - Extremely high volatility risk" above.

Spot vs. futures risk. The CSOP Ether Futures ETF does not invest in ether. The risk of investing in CME Ether Futures is that it can be speculative in nature. CME Ether Futures is a standardised financial contract where the parties agree to purchase or sell ether physically at a future date at a future price, and are settled in cash. As a result, a futures market for ether is not a spot market, does not involve primary activity and is speculative in nature as deals are struck at future prices where the holder of CME Ether Futures is purchasing an obligation to buy or sell the ether at a future specified date, which may not be the best price at the time the contract is completed, and may not accurately reflect or correspond to ether spot price on the specified date, depending on the prevailing market conditions during the intervening period. By contrast, in a spot market, ether is sold for cash at current prices and delivered immediately. A spot market is a real time market where the transaction becomes effective immediately and the purchaser accepts delivery of, or immediately, resells ether. Accordingly, the CSOP Ether Futures ETF is exposed to the potential risks involved of using CME Ether Futures which are speculative in nature.

Leverage risk. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a CME Ether Futures may result in a proportionally high impact and substantial losses to the CSOP Ether Futures ETF, having a material adverse effect on the Net Asset Value. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested by the CSOP Ether Futures ETF.

Margin requirement risk. Generally, most leveraged transactions, such as CME Ether Futures, involve the posting of margin. Margin requirements for CME Ether Futures may be substantially higher than margin requirements for many other types of futures contracts. High margin requirements could prevent the CSOP Ether Futures ETF from obtaining sufficient exposure to CME Ether Futures and may adversely affect its ability to achieve its investment objective. Additional funds may need to be posted as margin to meet such calls based upon daily marking to market of CME Ether Futures. Increases in the amount of margin or similar payments may result in the need for the CSOP Ether Futures ETF to liquidate its investments at unfavourable prices in order to meet margin calls. If the CSOP Ether Futures ETF is unable to meet its investment objective as a result of margin requirements imposed by the CSOP Ether Futures ETF's futures broker, the CME or the CFTC, the CSOP Ether Futures ETF may experience significant losses.

Exchange's clearing house's failure risk. In the event of the bankruptcy of the exchange's clearing house, the CSOP Ether Futures ETF could be exposed to a risk of loss with respect to its assets that are posted as margin. If such a

bankruptcy were to occur, the CSOP Ether Futures ETF would be afforded the protections granted to participants to transactions cleared through a clearing house, under the United States Bankruptcy Code and applicable CFTC regulations. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt exchange's clearing house if the exchange's clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that these protections will be effective in allowing the CSOP Ether Futures ETF to recover all, or even any, of the amounts it has deposited as margin.

Counterparty risk. Investing in CME Ether Futures involves risks that are different from those associated with ordinary portfolio securities transactions as involves entering into contracts with third parties (i.e. counterparties). The counterparty to exchange-traded CME Ether Futures is the clearing house. Exchange-traded CME Ether Futures are held through a futures broker acting on behalf of the CSOP Ether Futures ETF. Consequently, the counterparty risk on exchange-traded CME Ether Futures is the creditworthiness of the futures broker and the clearing house. The Manager is committed to continuous efforts to diversify counterparty risk by having at least two futures brokers with which it transacts CME Ether Futures, but from time to time, the CSOP Ether Futures ETF may only have one futures broker, which may heighten such counterparty risk. The Manager will use reasonable efforts to onboard more futures brokers for the CSOP Ether Futures ETF from time to time in order to mitigate such risk. The futures broker or the clearing house could fail to perform its obligations, causing significant losses to the CSOP Ether Futures ETF. For example, the CSOP Ether Futures ETF could lose margin payments it has deposited with a futures broker as well as any gains owed but not paid to the CSOP Ether Futures ETF, if the futures broker or clearing house becomes insolvent or otherwise fails to perform its obligations. Under current CFTC regulations, a futures broker maintains customers' assets in a bulk segregated account. If a futures broker fails to do so, or is unable to satisfy a substantial deficit in a customer account, its other customers may be subject to risk of loss of their funds in the event of that futures broker's bankruptcy. In that event, in the case of CME Ether Futures, the futures broker's customers (including the CSOP Ether Futures ETF) are entitled to recover, even in respect of property specifically traceable to them, only a proportional share of all property available for distribution to all of that futures broker's customers. In addition, if a futures broker does not comply with the applicable laws and regulations, or in the event of a fraud or misappropriation of customer assets by the futures broker, the CSOP Ether Futures ETF could have only an unsecured creditor claim in an insolvency of the futures broker with respect to the margin held by the futures broker.

Negative roll yields and "contango" market risk. The CSOP Ether Futures ETF may "roll" out of one futures contract as the expiration date approaches and into another futures contract on ether with a later expiration date. The "rolling" feature creates the potential for a significant negative effect on the CSOP Ether Futures ETF 's performance that is independent of the performance of the spot prices of the ether. The "spot price" of a commodity is the price of that commodity for immediate delivery, as opposed to a futures price, which represents the agreed on a specified date in the future. The CSOP Ether Futures ETF would be expected to experience negative roll yield if the futures prices of ether tend to be

greater than the spot price of ether. Such roll costs may be potentially substantial. A market where futures prices are generally greater than spot prices is referred to as a “contango” market. Therefore, if the futures market for a given commodity is in contango, then the value of a futures contract on that commodity would tend to decline over time (assuming the spot price remains unchanged), because the higher futures price would fall as it converges to the lower spot price by expiration. Extended period of contango may cause significant and sustained losses to the CSOP Ether Futures ETF. Additionally, because of the frequency with which the CSOP Ether Futures ETF may roll CME Ether Futures, the impact of contango on the CSOP Ether Futures ETF’s performance may be greater than it would have been if the CSOP Ether Futures ETF rolled CME Ether Futures less frequently.

Also, the price difference between shorter-dated and longer-dated contract CME Ether Futures is typically substantially higher than the price difference associated with rolling other types of futures contracts. The CME Ether Futures have historically experienced extended periods of contango. The impact of contango may also be greater to the extent the CSOP Ether Futures ETF invests in back-month CME Ether Futures.

Position limit risk. The CME has established position limits and accountability levels on the maximum CME Ether Futures that the CSOP Ether Futures ETF may acquire. The CME will exercise greater scrutiny and control over the CSOP Ether Futures ETF's position if it is reached. If the CSOP Ether Futures ETF exceeds the position limit, its ability to seek additional exposure by acquiring further CME Ether Futures as a result of new creations of Units could be impaired. The CSOP Ether Futures ETF’s ability to achieve its investment objective could be affected and, as a result, the Manager may be required to suspend new creations of Units. This may result in divergence between the trading price of the Unit and the Net Asset Value per Unit.

Price limit risk. The CME has set dynamic price fluctuation limits on CME Ether Futures. Once the dynamic price fluctuation limit has been reached, trading may be temporarily halted or no trades may be made at a price beyond that limit. This may limit the CSOP Ether Futures ETF’s ability to invest in CME Ether Futures.

Mandatory measures imposed by relevant parties risk. Regarding the CSOP Ether Futures ETF’s futures positions, relevant parties (such as clearing brokers, execution brokers, participating dealers and stock exchanges) may impose certain mandatory measures under extreme market circumstances. These measures may include limiting the size and number of the CSOP Ether Futures ETF’s futures positions (as described above) and/or mandatory liquidation of part or all of the CSOP Ether Futures ETF’s futures positions without advance notice to the Manager. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interests of the Unitholders and in accordance with the CSOP Ether Futures ETF’s constitutive documents, including suspension of creation of the Units and/or secondary market trading, implementing alternative investment and termination of the CSOP Ether Futures ETF. These corresponding actions may have an adverse impact on the operation, secondary market trading and the Net Asset Value of the CSOP Ether Futures ETF. While the Manager will endeavour to provide advance notice to

investors regarding these actions, such advance notice may not be possible in some circumstances.

10.6 Risk of material non-correlation with spot price of ether

As the CSOP Ether Futures ETF invests in CME Ether Futures but not in ether, the performance of CME Ether Futures and therefore the performance of CSOP Ether Futures ETF may differ significantly from the performance of the current market or spot price of ether. As such, the CSOP Ether Futures ETF may underperform a similar investment that is linked to the spot price of ether or direct investment in ether.

The performance of back-month CME Ether Futures is likely to differ more significantly from the performance of the spot prices of ether and to the extent the CSOP Ether Futures ETF is invested in back-month CME Ether Futures, the performance of the CSOP Ether Futures ETF is expected to deviate more significantly from the performance of the spot prices of ether.

10.7 Concentration risk

The exposure of the CSOP Ether Futures ETF is concentrated in the ether market by investing in CME Ether Futures, and may be concentrated in CME Ether Futures with near term maturity. This may result in higher concentration risk than a fund having more diverse portfolio of investments. The value of the CSOP Ether Futures ETF is more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting ether, the CME or the CME Ether Futures market.

10.8 New product risk

The CSOP Ether Futures ETF is an actively managed futures-based exchange-traded fund investing directly in CME Ether Futures. The novelty of such an exchange-traded fund and the fact that the CSOP Ether Futures ETF is the first active futures-based exchange-traded fund in Hong Kong investing in CME Ether Futures makes the CSOP Ether Futures ETF potentially riskier than traditional exchange-traded funds investing in equity securities or other futures-based exchange-traded funds.

10.9 No rights in the ether and CME Ether Futures risk

As an owner of Units, a Unitholder will not have rights that holders of ether or CME Ether Futures may have. A Unitholder will have no right to receive delivery of any ether or CME Ether Futures. A Unitholder will have no right to receive any payment or delivery of amounts in respect of the CME Ether Futures.

10.10 Risks of investing in other collective investment schemes

The CSOP Ether Futures ETF may invest in other collective investment schemes, and may therefore be subject to the risks associated with such underlying schemes. The CSOP Ether Futures ETF does not have control of the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully

achieved which may have a negative impact to the Net Asset Value of the CSOP Ether Futures ETF.

The underlying schemes in which the CSOP Ether Futures ETF may invest may not be authorised by the Commission. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the CSOP Ether Futures ETF's redemption requests as and when made.

If the CSOP Ether Futures ETF invests in other active or passive collective investment schemes managed by the Manager or its Connected Persons, all initial charges and redemption charges on these listed or unlisted schemes must be waived, and the Manager must not obtain rebate of any fees or charges levied by these schemes or any quantifiable monetary benefits in connection with investments in these schemes. In addition, where an underlying scheme is managed by the Manager, all management and performance fees charged by the underlying scheme will be waived for the CSOP Ether Futures ETF. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

10.11 Proprietary investment / seed money risk

The assets under management at any time during the life of the CSOP Ether Futures ETF may include proprietary money (or "seed money") invested by one or more interested parties, such as participating dealers, and such investment may constitute a significant portion of such assets under management. Investors should be aware that such an interested party may (i) hedge any of its investments in whole or part, thereby reducing or removing its exposure to the performance of the CSOP Ether Futures ETF; and (ii) redeem its investment in the CSOP Ether Futures ETF at any time, without notice to Unitholders. Such an interested party is under no obligation to take the interests of other Unitholders into account when making its investment decisions. There is no assurance that any such monies will continue to be invested in the CSOP Ether Futures ETF by an interested party for any particular length of time. As many of the expenses of the CSOP Ether Futures ETF are fixed, a higher amount of assets under management may reduce the expenses of the CSOP Ether Futures ETF per Unit and a lower amount of assets under management may increase the expenses of the CSOP Ether Futures ETF per Unit. As with any other redemption representing a material portion of the CSOP Ether Futures ETF's assets under management, a significant redemption of any such proprietary investment may affect the management and/or performance of the CSOP Ether Futures ETF and may, in certain circumstances (i) cause remaining investors' holdings to represent a higher percentage of the Net Asset Value of the CSOP Ether Futures ETF, (ii) cause other investors in the CSOP Ether Futures ETF to redeem their investment, and/or (iii) lead the Manager, with the consultation of the Trustee, to determine that the CSOP Ether Futures ETF, has become unmanageable and to consider taking exceptional measures, such as terminating the CSOP Ether Futures ETF, in accordance with the Trust Deed, in which case Unitholders' investments would be redeemed in their entirety.

10.12 Risks specific to the Listed Class of Units

Foreign exchange risk. The CSOP Ether Futures ETF's Base Currency is in USD but has Listed Class of Units traded in HKD. Accordingly Secondary Market Investors may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and HKD when trading the Listed Class of Units in the secondary market.

Trading difference risk. As the CME may be open when the Listed Class of Units in the CSOP Ether Futures ETF are not priced, the value of the CME Ether Futures in the CSOP Ether Futures ETF's portfolio may change on days when investors will not be able to purchase or sell the Listed Class of Units in the CSOP Ether Futures ETF. Differences in trading hours between the CME and the SEHK may also increase the level of premium or discount of the Unit price to its Net Asset Value.

No market in the Units risk. Although the Listed Class of Units are listed on the SEHK and 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 the Listed Class of Units, investors should be aware that there may be no liquid trading market for the Listed Class of Units or that such market maker(s) may cease to fulfil that role. Further, there can be no assurance that Listed Class of Units will experience trading or pricing patterns similar to those of other exchange traded fund which are traded on the SEHK and which are based upon indices.

Termination of market maker risk. A market maker may cease to act as a market maker for the Listed Class of Units of the CSOP Ether Futures ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for the Listed Class of Units of the CSOP Ether Futures ETF will be ninety (90) days. The liquidity for the Listed Class of Units of the CSOP Ether Futures ETF may be affected if there is no market maker for the Listed Class of Units. The Manager will use its best endeavours to put in place arrangements so that that there is at least one market maker for the Listed Class of the CSOP Ether Futures ETF to facilitate efficient trading of the Listed Class of Units. It is possible that there is only one SEHK market maker for the Listed Class of the CSOP Ether Futures ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. The Listed Class of Units will be a new security and following listing on the SEHK, it is unlikely that the Listed Class of Units will initially be widely held. Accordingly, any investor buying the Listed Class of Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Listed Class of Units in the secondary market. Therefore, Unitholders may not be able to sell their Listed Class of Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Listed Class of Units.

11. FEES AND CHARGES

11.1 General

The following fees apply to investors of both Listed Class of Units and Unlisted Class of Units.

Management Fees

The Manager is entitled to receive a management fee, currently at the rate of 1.99% per annum of the Net Asset Value of the CSOP Ether Futures ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

Trustee's and Registrar's Fee

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

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP Ether Futures ETF all out-of-pocket expenses incurred.

Other Charges and Expenses of CSOP Ether Futures ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP Ether Futures ETF.

Establishment costs of CSOP Ether Futures ETF

The establishment costs of the CSOP Ether Futures ETF is estimated to be HKD1.8 million and will be amortised over the first five financial years of the CSOP Ether Futures ETF or such other period as determined by the Manager after consulting the auditor.

11.2 Listed Class of Units

The following fees apply to the investors of Listed Class of Units only.

Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP Ether Futures ETF. For any period less than a month, the reconciliation fee is payable by the CSOP Ether Futures ETF on a pro-rata basis and accrues on a daily basis.

Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarized in the respective tables below:

Participating Dealers

Creation and Redemption of Listed Class of Units by a Participating Dealer

Application Cancellation Fee	USD1,200 per cancellation (See Note 1)
Extension Fee	USD1,200 per extension (See Note 1)
Transaction Fee	USD320 per Application (See Note 2)
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges in relation to an Application.

Primary Market Investors creating or redeeming Listed Class of Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

Secondary Market Investors Dealing in Listed Class of Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% (see Note 4)
Accounting and Financial Reporting Council ("**AFRC**")	0.00015% (see Note 5)
Trading fee	0.00565% (see Note 6)
Stamp duty	Nil (see Note 7)
Investor compensation levy	0.002% (currently suspended) (see Note 8)

Notes:

1. *The Application Cancellation Fee of USD1,200 and the Extension Fee of USD1,200 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.*

2. *A Transaction Fee of USD320 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.*

3. *A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.*

4. *A transaction levy of 0.0027% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.*

5. *An AFRC transaction levy of 0.00015% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.*

6. *A trading fee of 0.00565% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.*

7. *For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the Listed Class of Units of the CSOP Ether Futures ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.*

8. *The investor compensation levy of the trading price of the Listed Class of Units, payable by each of the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.*

9. *The transaction levy and trading fee will be paid by intermediaries to HKEX in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.*

   Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

11.3 Unlisted Class of Units

The following fees apply to investors of Unlisted Class of Units only.

Subscription, Redemption and Switching fees payable by Unitholders of Unlisted Class of Units

	Unlisted Class of Units
Subscription fee	Up to 5% of the subscription amount
Redemption fee	Nil
Switching fee	N/A

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Distributors who wish to switch between Unlisted Class of Units and Listed Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of the documents that are available for inspection.

13. TERMINATION OF CSOP ETHER FUTURES ETF

Without prejudice to the grounds of termination as set out in the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP Ether Futures ETF shall be less than USD10 million, the CSOP Ether Futures ETF and/or any classes of Units relating to the CSOP Ether Futures ETF may be terminated by the Manager in its absolute discretion by notice in writing.

14. PUBLICATION OF INFORMATION RELATING TO CSOP ETHER FUTURES ETF

The following information relating to the CSOP Ether Futures ETF will be published on the Manager's website at https://www.csopasset.com/en/products/hk-dcrfut (this website has not been reviewed by the Commission):

- (in respect of the Listed Class of Units only) the near real-time indicative Net Asset Value per Unit of the CSOP Ether Futures ETF updated every 15 seconds throughout the SEHK trading hours in HKD; and

- the last Net Asset Value of the CSOP Ether Futures ETF in USD only, and the last Net Asset Value per Unit of each class of Units of the CSOP Ether Futures ETF (including, in respect of the Listed Class of Units, the last Net Asset Value per Unit in USD and HKD).

In respect of the Listed Class of Units, the near real time indicative Net Asset Value per Unit of the CSOP Ether Futures ETF in HKD is indicative and for reference purposes only. The near real-time indicative Net Asset Value per Unit of the CSOP Ether Futures ETF in HKD uses a real-time HKD:USD foreign exchange rate – it is calculated using the near real-time indicative Net Asset Value per Unit in USD multiplied by a real-time HKD:USD foreign exchange rate provided by ICE Data Indices when the SEHK is opened for trading.

In respect of the Listed Class of Units, the last Net Asset Value per Unit of the CSOP Ether Futures ETF in HKD is indicative and for reference purposes only. The last Net Asset Value per Unit of the CSOP Ether Futures ETF in HKD is calculated using the last Net Asset Value per Unit in USD multiplied by an assumed foreign exchange rate using the USD exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day.

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for the information relating to the CSOP Ether Futures ETF that will be published on the Manager's website and HKEX's website.

APPENDIX 11

CSOP Saudi Arabia ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 2830 (HKD counter) and 82830 (RMB counter)

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP Saudi Arabia ETF
Stock Code: 2830 (HKD counter) and 82830 (RMB counter)

1. KEY INFORMATION

1.1 General

This appendix sets out information specific to CSOP Saudi Arabia ETF ("**CSOP Saudi Arabia ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in CSOP Saudi Arabia ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***8. Risk Factors relating to the CSOP Saudi Arabia ETF***" of this Appendix, before investing in the CSOP Saudi Arabia ETF. **Investors should note that the CSOP Saudi Arabia ETF offers both Listed Class of Units and Unlisted Class of Units. Please refer to the sections relevant to your intended holding of Units.**

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP Saudi Arabia ETF, and should be read in conjunction with the full text of this Prospectus.

Key information applicable to both Listed Class of Units and Unlisted Class of Units

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapter 8.6 of the Code
Underlying Index	FTSE Saudi Arabia Index (net total return version) Inception Date: 18 March 2019 Number of constituents: 71 (as of 27 February 2026) Base Currency of Index: Saudi riyal ("**SAR**")
Type of Underlying Index	A net total return index which means that it reflects the reinvestment of dividends or distributions, after deduction of any withholding tax. The Underlying Index is denominated and quoted in SAR.
Index Provider	FTSE International Limited
Investment Strategy	The Manager intends to adopt a combination of physical and synthetic representative sampling strategy. Please

		refer to section "***4. Investment Objective and Strategy***" of this Appendix for further details.
Parties	Manager	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
	Sub-Custodian	HSBC Saudi Arabia
Base Currency		SAR
Financial Year		Ending 31 December each year (The first financial year-end of the CSOP Saudi Arabia ETF will be 31 December 2024. The first semi-annual unaudited interim reports and first audited accounts of the CSOP Saudi Arabia ETF will be for the period ending 30 June 2024 and 31 December 2024 respectively.)
Dividend Policy		The Manager has discretion as to whether or not the CSOP Saudi Arabia ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP Saudi Arabia ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any). The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Saudi Arabia ETF are charged to/paid out of the capital of the CSOP Saudi Arabia ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Saudi Arabia ETF and therefore, the CSOP Saudi Arabia ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital

	amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of the CSOP Saudi Arabia ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP Saudi Arabia ETF. **Distributions for all Units (whether traded in HKD or RMB counter) will be in HKD only (in respect of the Listed Class of Units) or in the class currency of the relevant Unlisted Class of Units only (in respect of the Unlisted Class of Units).** Please refer to section "***7. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP Saudi Arabia ETF and the risk factor under section "***8.12 Distributions out of or effectively out of capital risk***" in this Appendix for the risk associated with distributions paid out of capital.
Website	http://www.csopasset.com/en/products/hk-sau (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission)

Key information applicable to Listed Class of Units only

Initial Issue Date	28 November 2023
Listing Date	29 November 2023
Dealing on SEHK Commencement Date	HKD counter: 29 November 2023 RMB counter: 29 November 2023
Exchange Listing	SEHK – Main Board
Stock Codes	HKD counter: 2830 RMB counter: 82830
Stock Short Names	HKD counter: CSOP SAUDI RMB counter: CSOP SAUDI-R
ISIN Numbers	HKD counter: HK0000952678

		RMB counter: HK0000952678
Trading Board Lot Size		HKD counter: 10 Units RMB counter: 10 Units
Trading Currencies		HKD counter: Hong Kong dollars (HKD) RMB counter: Renminbi (CNH)
Application Unit size for Creation/ Redemption (only by or through Participating Dealers)		Minimum 100,000 Units (or multiples thereof)
Method of Creation/ Redemption		Cash (USD) only
Management Fee		Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.99% per annum of the Net Asset Value of the Class accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Parties	Participating Dealer(s)	Please refer to the Manager's website set out above for the latest list.
	Market Maker(s) (for HKD counter and RMB counter)	Please refer to the Manager's website set out above for the latest list.
	Service Agent	HK Conversion Agency Services Limited
	Listing Agent	Altus Capital Limited

Key information applicable to Unlisted Class of Units only

Initial Offer Period	For Class A Units: 9:00 a.m. (Hong Kong time) on 10 July 2024 to 4:15 p.m. (Hong Kong time) on 10 July 2024
Initial Subscription Price per Unit during Initial Offer Period	For Class A Units: USD10

Dealing Frequency	Each Business Day
Dealing Deadline	4:15 p.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee
Management Fee	Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. For Class A Units, the current rate is 0.99% per annum of the Net Asset Value of the Class accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.

Key similarities and differences between Listed Class of Units and Unlisted Class of Units

Investment Objective Investment Strategy Investment Policy	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the section "4***. Investment Objective and Strategy***" of this Appendix.
Valuation Policy	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the section "***8.1 Determination of the Net Asset Value***" in Part 1 of this Prospectus.
Dealing Frequency	Same for both Listed Class of Units and Unlisted Class of Units – each Business Day.
Dealing Arrangements	Although the Dealing Deadline is the same, dealing arrangements are different in respect of each of the Listed Class of Units and Unlisted Class of Units. **In respect of the Listed Class of Units:** - the dealing period on each Dealing Day for a Creation Application or Redemption Application commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline for a Creation Application or Redemption Application at 4:15 p.m. (Hong Kong time), as may be revised by the Manager from time to

time; and

- a Secondary Market Investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price.

In respect of the Unlisted Class of Units:

- the Dealing Deadline for a subscription or redemption application is 4:15 p.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee; and
- investors can buy or sell the Unlisted Class of Units at Net Asset Value.

	Listed Class of Units	**Unlisted Class of Units**
Dealing Deadline in respect of each Dealing Day	4:15 p.m. (Hong Kong time) on the relevant Dealing Day*	
Valuation Point	Approximately 3:00 p.m. (Saudi Arabia Standard Time) (i.e. approximately 8:00 p.m. (Hong Kong time)) on each applicable Valuation Day, or such other time or times as determined by the Manager, in consultation with the Trustee	

** Investors should note that Creation and Redemption Applications for Listed Class of Units received during the Dealing Period in respect of a Dealing Day ("**Day T**") (i.e. between 9:00 a.m. to 4:15 p.m. (Hong Kong time)) will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T, which is determined at the Valuation Point on Day T. For example:*

In respect of the Listed Class of Units:

- *a Creation or Redemption Application*

for Listed Class of Units received at or before 4:15 p.m. (Hong Kong time) on Day T will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T; and

- *a Creation or Redemption Application for Listed Class of Units received after 4:15 p.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Listed Class of Units of Day T+1.*

In respect of the Unlisted Class of Units:

- *a subscription or redemption application for Unlisted Class of Units received at or before 4:15 p.m. (Hong Kong time) on Day T, i.e. at or before the Dealing Deadline of Day T for such class, will be processed on Day T at the Net Asset Value per Unit of Unlisted Class of Units of Day T; and*
- *a subscription or redemption application for Unlisted Class of Units received after 4:15 p.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Unlisted Class of Units of Day T+1.*

Please refer to the sections "***2. Dealing of Listed Class of Units***" and "***3. Dealing of Unlisted Class of Units***" of this Appendix for information relating to the Listed Class of Units and the Unlisted Class of Units respectively.

Fee Structure	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. The management fee and the Trustee's and Registrar's fee are the same in respect of both Listed Class of Units and Unlisted Class of Units. An investment in the Listed Class of Units in the secondary market is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service

	Agent's fee, brokerage fee, transaction levies, trading fee etc.). An investment in the Unlisted Classes of Units may be subject to the payment of subscription fees. Please refer to the section "***9. Fees and Charges***" of this Appendix.
Investment return / Net Asset Value	Different in respect of each of the Listed Class of Units and the Unlisted Class of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Class of Units are bought and sold at Net Asset Value), costs (such as Transaction Fee and Duties and Charges in respect of creation and redemption of Listed Class of Units in the primary market and fees payable in respect of trading of Listed Class of Units in the secondary market) and stamp duty. Accordingly, the performance of the different classes of Units will be different. There is a separate Net Asset Value for each class of Units. Please refer to the risk factor "***4.4 Differences in dealing, fee and cost arrangements between Listed Class and Unlisted Class of Units***" in Part 1 of this Prospectus.
Termination procedures	Different in respect of each of the Listed Class of Units and the Unlisted Class of Units. Please refer to the section "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus.

1.3 Custodian and Sub-Custodian for the CSOP Saudi Arabia ETF

The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee as custodian (the "**Custodian**") to act through its delegate, the Sub-Custodian, and will be responsible for the safe custody of the CSOP Saudi Arabia ETF's assets.

As of the date of this Prospectus, the Custodian has appointed HSBC Saudi Arabia (the "**Sub-Custodian**") as the Sub-Custodian. The Sub-Custodian is

established as a Saudi closed joint stock company headquartered in Riyadh, Saudi Arabia and is a 51%-owned subsidiary of the Custodian. The Sub-Custodian possesses the applicable qualification to provide custody services to KSA QFIs (as defined below).

Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the Sub-Custodian. Neither the Custodian nor its delegate is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "***1.3 Custodian and Sub-Custodian for the CSOP Saudi Arabia ETF***".

1.4 Market Maker (in respect of the Listed Class of Units)

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 the Listed Class of Units of the CSOP Saudi Arabia ETF traded in the HKD counter and at least one market maker for the Listed Class of Units of the CSOP Saudi Arabia ETF traded in the RMB counter, although these market makers may be the same entity. 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 counter to facilitate the efficient trading of the Listed Class of Units of the CSOP Saudi Arabia ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker per counter is required to give not less than three months' notice prior to terminating market making arrangement under the relevant market making agreement.

The list of market markers in respect of the CSOP Saudi Arabia ETF is available on http://www.csopasset.com/en/products/hk-sau and from time to time will be displayed on www.hkex.com.hk.

2. DEALING OF LISTED CLASS OF UNITS

2.1 Exchange Listing and Trading

The Listed Class of Units of the CSOP Saudi Arabia ETF are listed and traded on the SEHK. The Listed Class of Units of the CSOP Saudi Arabia ETF have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS. 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 Listed Class of Units of the CSOP Saudi Arabia ETF in HKD and RMB have already commenced.

Currently, the Listed Class of Units are listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in the future for a listing of the Listed Class of Units on other

stock exchanges.

If trading of the Listed Class of Units of the CSOP Saudi Arabia ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Listed Class of Units.

2.2 Buying and Selling of the Listed Class of Units of the CSOP Saudi Arabia ETF on SEHK

A Secondary Market Investor can buy and sell the Listed Class of Units of the CSOP Saudi Arabia ETF on the SEHK through his stockbroker at any time the SEHK is open. The Listed Class of Units of the CSOP Saudi Arabia ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 10 Units for the HKD counter and 10 Units for the RMB counter.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the Listed Class of Units of the CSOP Saudi Arabia ETF due to market demand and supply, liquidity and scale of trading spread for the Listed Class of Units in the secondary market. As a result, the market price of the Listed Class of Units of the CSOP Saudi Arabia ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the Listed Class of Units of the CSOP Saudi Arabia ETF.

Please refer to section "***Schedule 2 – 3. Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of the Listed Class of Units on the SEHK.

2.3 Switching

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Participating Dealers who wish to switch between Listed Class of Units and Unlisted Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

2.4 Renminbi Equity Trading Support Facility

The Renminbi Equity Trading Support Facility (the "**TSF**") was launched on 24 October 2011 by the HKEX to provide a facility to enable investors who wish to buy RMB traded shares in the secondary market with Hong Kong dollars if they do not have sufficient RMB or have difficulty in obtaining RMB from other channels. The coverage of TSF has been extended to equity-related exchange traded funds and real estate investment trusts traded in RMB with effect from 6 August 2012. As such, the TSF is currently available to investors who wish to invest in the Listed Class of Units of the CSOP Saudi Arabia ETF and trading in RMB on the SEHK.

For further details on the TSF, please refer to the website of HKEX at https://www.hkex.com.hk/Global/Exchange/FAQ/Featured/RMB-Readiness-and-Services/RMB-Equity-Trading-Support-

Facility?sc_lang=en (this website has not been reviewed by the Commission). Investors should consult their advisers if they have any query on the TSF.

2.5 Dual Counter Trading

2.5.1 Introduction of Dual Counter Trading (Secondary Market)

The Manager has arranged for the Listed Class of Units of the CSOP Saudi Arabia ETF to be available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in SAR. The CSOP Saudi Arabia ETF will offer two trading counters on the SEHK, i.e. HKD counter and RMB counter, to investors for secondary trading purposes.

The Listed Class of Units of the CSOP Saudi Arabia ETF traded under the two counters sharing the same ISIN can be distinguished by their stock codes and their stock short names as follows:

Counter	Stock Code	Stock Short Name	Trading Currency	ISIN Number
HKD counter	2830	CSOP SAUDI	HKD	HK0000952678
RMB counter	82830	CSOP SAUDI-R	RMB	

The Listed Class of Units of the CSOP Saudi Arabia ETF traded in the HKD counter will be settled in HKD and the Listed Class of Units traded in the RMB counter will be settled in RMB. Apart from settlement in different currencies, the trading prices of the Listed Class of Units of the CSOP Saudi Arabia ETF in the two counters may be different.

Please note that despite the Dual Counter arrangement, creations and redemptions of new Listed Class of Units for the CSOP Saudi Arabia ETF in the primary market will be made in USD only.

Investors can buy and sell the Listed Class of Units of the CSOP Saudi Arabia ETF traded in the same counter. Alternatively, they can buy in one counter and sell in the other counter provided their brokers/intermediaries or CCASS participants provide both HKD and RMB trading services at the same time. However, investors should note that the trading price of the Listed Class of Units of the CSOP Saudi Arabia ETF traded in the HKD counter and the RMB counter may be different and there is a risk that due to different factors such as market liquidity, market demand and supply in the respective counters and the exchange rate between HKD and RMB, the market price on the SEHK of the Listed Class of Units traded in HKD may deviate significantly

from the market price on the SEHK of the Listed Class of Units traded in RMB.

Inter-counter buy and sell is permissible even if the trades take place within the same trading day. Investors should also note that some brokers / intermediaries may not provide inter-counter day trade services due to various reasons including operations, system limitations, associated settlement risks and other business considerations. Even if a broker / intermediary is able to provide such service, it may impose an earlier cut-off time, other procedures and/or fees.

More information with regard to the Dual Counter is available in the frequently asked questions in respect of the Dual Counter published on the HKEX's website https://www.hkex.com.hk/Global/Exchange/FAQ/Featured/RMB-Readiness-and-Services/Dual-Tranche-Dual-Counter-Model?sc_lang=en (this website has not been reviewed by the Commission).

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Dual Counter, including inter-counter trading. Investors' attention is also drawn to the risk factors headed "Dual Counter risk", "Inter-counter trading risk" and "Difference in trading prices risk" under section "***8.13 Risks specific to the Listed Class of Units***" in this Appendix.

2.5.2 Unitholders' Rights

The Listed Class of Units of both the HKD and RMB counters belong to the same class in the CSOP Saudi Arabia ETF and Unitholders of the Listed Class of Units traded on both counters are entitled to identical rights and are therefore treated equally.

2.5.3 Fees and Other Transaction Costs

The fees and costs payable by a Secondary Market Investor for buying and selling the Listed Class of Units of the CSOP Saudi Arabia ETF on the SEHK are the same for both the RMB and HKD counters.

2.6 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Schedule 2 – 2. Creation and Redemption of Application Units (Primary Market)***" of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP Saudi Arabia ETF only.

The Manager currently only allows Cash Creations and Cash Redemptions

(in each case, in USD only) for the Listed Class of Units of the CSOP Saudi Arabia ETF. Notwithstanding the Dual Counter, any cash payable by Participating Dealers in a Cash Creation must be in USD.

Settlement for subscribing the Listed Class of Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The Application Unit size in respect of Listed Class of Units for CSOP Saudi Arabia ETF is 100,000 Units (or multiples thereof). Creation Applications submitted in respect of Listed Class of Units other than in Application Unit size will not be accepted. The minimum subscription for Listed Class of Units of the CSOP Saudi Arabia ETF is one Application Unit.

Both RMB traded Listed Class of Units and HKD traded Listed Class of Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Notwithstanding the Dual Counter, the process of redemption is the same and any cash proceeds received by Participating Dealers in a Cash Redemption shall be paid only in USD.

2.6.1 Dealing Period

The dealing period for the Listed Class of Units on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP Saudi Arabia ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 4:15 p.m. (Hong Kong time) (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.6.2 Issue Price and Redemption Price

The Issue Price of a Unit of the Listed Class of Units in the CSOP Saudi Arabia ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units of the Listed Class of Units redeemed shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP Saudi Arabia ETF.

The "**Valuation Day**" of the CSOP Saudi Arabia ETF, coincides with, and shall mean, the Dealing Day of the CSOP Saudi Arabia ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Listed Class of Units will be available on the Manager's website http://www.csopasset.com/en/products/hk-sau (this website has not been reviewed by the Commission) or published in such other publications as the Manager decides.

2.6.3 Dealing Day

In respect of the CSOP Saudi Arabia ETF, "**Dealing Day**" means each Business Day.

"**Business Day**" in respect of the CSOP Saudi Arabia ETF means a day on which (a) both the SEHK and the stock exchange of Saudi Arabia (the "**Saudi Exchange**") are open for normal trading, and (b) the Underlying Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

For the avoidance of doubt, the Saudi Exchange is open Sunday through Thursday. In other words, "Business Day" and "Dealing Day" for the purpose of the CSOP Saudi Arabia ETF are generally Monday through Thursday, subject to qualifications in (a) and (b) in the preceding paragraph.

The Manager will update information regarding Dealing Days in each month on the Manager's website on a monthly basis, prior to the beginning of the relevant month. Where any such previously disclosed Dealing Day is no longer a Dealing Day due to any unexpected circumstance (for example, where the period during which the SEHK and/or the Saudi Exchange is open for normal trading is reduced or the SEHK and/or the Saudi Exchange is closed as a result of any unforeseen events), the Manager will inform investors accordingly via the Manager's website as soon as practicable.

3. DEALING OF UNLISTED CLASS OF UNITS

3.1 Available Classes

The CSOP Saudi Arabia ETF currently has the following Unlisted Class of Units which are available to investors:

- Class A Units

3.2 Initial Offer Period

The Initial Offer Period of the Class A Units will be 9:00 a.m. (Hong Kong time) on 10 July 2024 to 4:15 p.m. (Hong Kong time) on 10 July 2024.

The initial Subscription Price in respect of each Unlisted Class of Units during the Initial Offer Period is as follows:

Class	Initial Subscription Price per Unit
Class A Units	USD10

3.3 Dealing Procedures

For details of dealing procedures, please refer to the sections headed "***Schedule 3 – 1. Subscription of Unlisted Class of Units***", "***Schedule 3 – 2. Redemption of Unlisted Class of Units***" and "***Schedule 3 – 3. Switching of Unlisted Class of Units***" in Part 1 of this Prospectus.

The following apply to the Unlisted Class of Units:

Dealing Day	each Business Day
Valuation Day	each Dealing Day or such other days as the Manager may determine
Dealing Deadline	4:15 p.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee

3.4 Switching

Subject to the prior consent of the Manager either generally or in any particular case, Unitholders may switch part or all of their Unlisted Class of Units of the CSOP Saudi Arabia ETF into another Unlisted Class of Units of the CSOP Saudi Arabia ETF (where available). Switching of Unlisted Class of Units of the CSOP Saudi Arabia ETF to unlisted shares, units or interests in any other collective schemes (including any other Sub-Funds of the Trust) is currently not permitted.

3.5 Payment of Redemption Proceeds

Save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds in respect of Unlisted Class of Units will normally be paid by telegraphic transfer, within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless legal or regulatory requirements (such as foreign currency controls) to which the CSOP Saudi Arabia ETF is subject render the payment of the redemption proceeds within the aforesaid time period not practicable, and such extended time frame should reflect the additional time needed in light of the specific circumstances in the relevant market.

3.6 Investment Minima

The following investment minima apply to the Unlisted Class of Units:

	Class A Units
Minimum initial investment	USD10 or equivalent
Minimum subsequent investment	USD0.01 or equivalent
Minimum holding	USD0.01 or equivalent

Minimum redemption amount	USD0.01 or equivalent

The Manager may, in its absolute discretion, waive or agree to a lower amount of any of the above investment minima (either generally or in any particular case).

4. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP Saudi Arabia ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the FTSE Saudi Arabia Index (net total return version) (the "**Underlying Index**"). There is no assurance that the CSOP Saudi Arabia ETF will achieve its investment objective.

Investment Strategy

The Manager intends to adopt a combination of physical and synthetic representative sampling strategy to achieve the investment objective of the CSOP Saudi Arabia ETF. The CSOP Saudi Arabia ETF will (i) primarily use a physical representative sampling strategy through investing up to 100% of its Net Asset Value in a representative portfolio of securities that collectively has a high correlation with the Underlying Index; and (ii) where the Manager believes such investments will help the CSOP Saudi Arabia ETF achieve its investment objective and are beneficial to the CSOP Saudi Arabia ETF, use a synthetic representative sampling strategy as an ancillary strategy by investing no more than 50% of its Net Asset Value in FDIs, including futures and swaps.

Physical representative sampling sub-strategy

The CSOP Saudi Arabia ETF primarily uses a physical representative sampling strategy through investing up to 100% of its Net Asset Value in a representative portfolio of securities that collectively has a high correlation with the Underlying Index, but whose constituents may or may not themselves be constituents of the Underlying Index ("**Index Securities**"). In pursuing a physical representative sampling strategy, the CSOP Saudi Arabia ETF may or may not hold all Index Securities, and may hold securities which are not Index Securities.

The CSOP Saudi Arabia ETF may invest up to 100% of its Net Asset Value directly in equity securities listed on the Saudi Exchange.

The CSOP Saudi Arabia ETF has registered with the Capital Market Authority in Saudi Arabia (the "**CMA**") as a Qualified Foreign Investor ("**KSA QFI**") pursuant to the KSA QFI Rules (as defined below). As the CSOP Saudi Arabia ETF is a KSA QFI, it can invest in shares listed on the Saudi Exchange subject to the applicable foreign ownership limits under the KSA QFI Rules and the Capital Market Law of Saudi Arabia (the "**KSA Capital Market Law**"). The Manager will closely monitor the CSOP Saudi Arabia ETF's position against the applicable foreign ownership limits and ensure that any such limit applicable to the CSOP Saudi Arabia ETF as a KSA QFI on the ownership of listed shares or convertible debt instruments of an issuer (as described in further detail under the risk factor "***Foreign ownership limit risk***" below) will not be exceeded.

For the purposes of this Appendix, "**KSA QFI Rules**" means the Rules for Qualified Foreign Financial Institutions Investment in Listed Securities issued by the CMA pursuant to its Resolution Number (1-42-2015) on 15/07/1436 Hijri (corresponding to 04/05/2015 Gregorian) and based on the KSA Capital Market Law, and any other relevant rules governing the KSA QFI regime.

Synthetic representative sampling sub-strategy

The CSOP Saudi Arabia ETF's synthetic representative sampling strategy will involve investing in FDIs, including futures and swaps, with no more than 50% of the CSOP Saudi Arabia ETF's Net Asset Value. The Manager will only use a synthetic representative sampling strategy where it considers that such investments will help the CSOP Saudi Arabia ETF achieve its investment objective and are beneficial to the CSOP Saudi Arabia ETF. The futures which may be invested by the CSOP Saudi Arabia ETF will be index futures to manage exposure to the constituents of the Underlying Index. On the other hand, the swaps which may be invested by the CSOP Saudi Arabia ETF will be funded total return swap transaction(s) whereby the CSOP Saudi Arabia ETF will pass on the relevant portion of cash to the swap counterparty(ies) and in return the swap counterparty(ies) will provide the CSOP Saudi Arabia ETF with an exposure to the economic gain/loss in the performance of the relevant securities (net of indirect costs). The expected proportion of the CSOP Saudi Arabia ETF's Net Asset Value subject to investments in futures and swaps will not exceed 20% and 50% of its Net Asset Value respectively, and will be no more than 50% of its Net Asset Value in aggregate.

The CSOP Saudi Arabia ETF will bear the swap fees, which include all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis. The swap fees represent the brokerage commission and the swap counterparty's cost of financing the underlying hedge.

Currently, the swap fees are expected to range from 0.8% to 1.6%^ per annum of the swap notional amount (i.e. from 0.4% to 0.8%^ per annum of the CSOP Saudi Arabia ETF's Net Asset Value). These are a best estimate only and the actual swap fees may deviate from the aforesaid estimates depending on actual market conditions. In extreme market conditions and exceptional circumstances, the brokerage commission and the swap counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. When the actual swap fee level exceeds the disclosed level, the Manager will issue notice to the investors. Swap fees are accrued daily and spread out over the month. The CSOP Saudi Arabia ETF shall bear the swap fees (including any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swaps). The maximum unwinding fee (inclusive of any fee for early termination of swaps) payable by the CSOP Saudi Arabia ETF is 0.50%^ per transaction on the notional amount of the swap unwound. The Manager will disclose the swap fees in the semi-annual and annual financial reports of the CSOP Saudi Arabia ETF. The swap fees will be borne by the CSOP Saudi Arabia ETF and hence may have an adverse impact on the Net Asset Value and the performance of the CSOP Saudi Arabia ETF, and may result in higher tracking error.

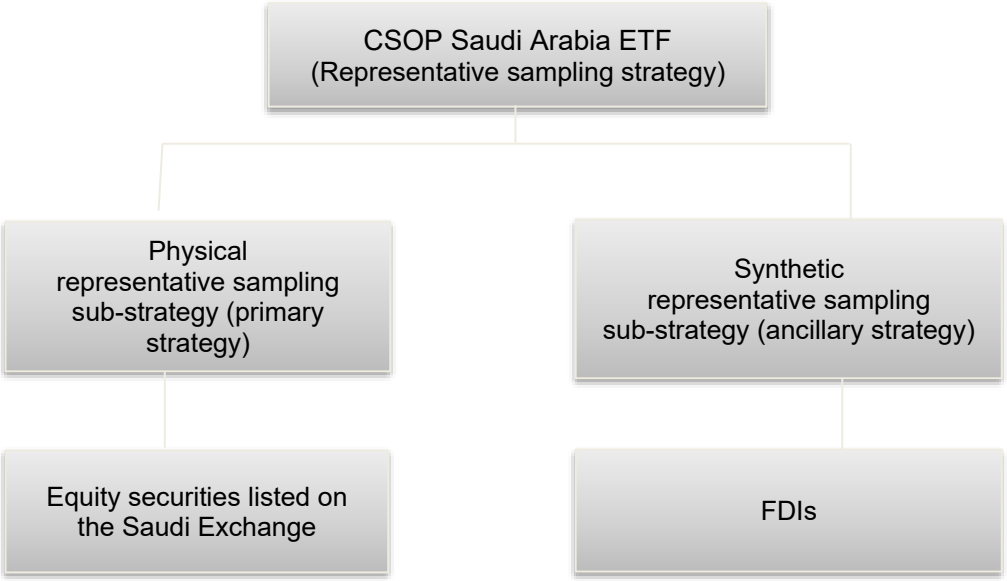
Exposure of the CSOP Saudi Arabia ETF to the Index Securities (either through direct investment or FDIs) will be in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index. The Manager may cause the CSOP Saudi Arabia ETF to deviate from the index weighting on condition that the maximum deviation from the index weighting of any constituent will not exceed 3%

^ A positive figure refers to the fees borne by the CSOP Saudi Arabia ETF. A negative figure denotes the fees are paid by the swap counterparties to the CSOP Saudi Arabia ETF.

or such other percentage as determined by the Manager after consultation with the Commission.

The full holdings of the CSOP Saudi Arabia ETF are available on the Manager's website and will be updated on a daily basis.

The diagram below shows the investment strategies of the CSOP Saudi Arabia ETF:



No more than 10% of the Net Asset Value of the CSOP Saudi Arabia ETF will be invested in collective investment scheme(s) which may be an ETF or an unlisted index tracking fund that tracks an index that has a high correlation with the Underlying Index. Such collective investment scheme(s) may be eligible schemes or authorised by the Commission, or non-eligible schemes and not authorised by the Commission in accordance with all the applicable requirements of the Code, including those which are managed by the Manager or its Connected Persons or other third parties. Any investments in ETFs will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11, 7.11A and 7.11B of the Code.

The CSOP Saudi Arabia ETF may also invest not more than 5% of its Net Asset Value in cash and money market funds for cash management purpose.

Other than as set out above, the CSOP Saudi Arabia ETF may also invest in FDIs for hedging purposes. The Manager does not currently enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions.

Prior approval of the Commission (to the extent required under applicable regulatory requirements) will be sought and not less than one month's prior notice (or such shorter notice period as may be permitted under applicable regulatory requirements) will be given to Unitholders in the event (i) the Manager wishes to enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions, or (ii) the Manager wishes to adopt an investment strategy other than a combination of physical and synthetic representative sampling strategy.

4A. SECURITIES LENDING TRANSACTIONS

The Manager may, on behalf of the CSOP Saudi Arabia ETF, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value. The Manager will be 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 CSOP Saudi Arabia ETFand as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1 in Part 1 of this Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the CSOP Saudi Arabia ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus) of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis and be safekept by the Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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. Any reinvestment of cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent the CSOP Saudi Arabia ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP Saudi Arabia ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to the section "***8.10 Securities lending transactions risk***" of this Appendix for further details.

5. OVERVIEW OF SAUDI ARABIA CAPITAL MARKET

The Saudi Exchange was formed in 2007 as a joint stock company and is the sole entity currently authorised in Saudi Arabia to act as a securities exchange, carrying out listing and trading in securities. It is also the official source of all market information. The legal status, duties, and responsibilities of the Saudi Exchange are explicitly defined in the KSA Capital Market Law.

The Saudi Exchange comprises the Main Market and the Nomu - Parallel Market. The Main Market is the flagship market of the Saudi Exchange, which hosts over 200 publicly traded companies. The Nomu - Parallel Market is a parallel equity market launched in 2017 with lighter listing requirements that serves as an alternative platform for companies to be publicly listed, and the investment in the Nomu - Parallel Market is restricted to qualified investors.

The official currency of Saudi Arabia, and the currency of the Saudi Exchange, is SAR. SAR is freely convertible into other major currencies, and is pegged to USD at a constant rate of exchange.

The key index of the Main Market of the Saudi Exchange is the Tadawul All Share Index (TASI), which tracks performance of all listed stocks on the Main Market.

During the year 2022, the total value of shares traded on the Saudi Exchange reached SAR1,708.04 billion (approximately USD455.48 billion) and the total number of transactions executed reached 87.90 million. The total market capitalisation at the end of the year 2022 reached SAR9,878.10 billion (approximately USD2,634.16 billion). At end of the first quarter of the year 2023, the Saudi Exchange has the largest stock market in the Arab world and in the Middle East and North Africa (MENA) region in terms of market capitalization.

The key features in respect of trading of equities on the Main Market of the Saudi Exchange are set out below:

Opening days and trading hours	Sunday – Thursday • Opening Auction: 09:30 – 10:00@ • Continuous Trading: 10:00 – 15:00 • Closing Auction: 15:00 – 15:20@ @ + *30 seconds variable uncross*
Minimum lot	1 share
Settlement cycle	T+2
Fluctuation limits	<u>Daily price fluctuation limits</u> • Daily price fluctuation limit is ±30% based on the previous day closing price or the listing price in the case of the first day of trading after listing. • ±30% is applicable only during the first 3 days of trading newly listed equities, real estate investment traded funds and closed-ended investment traded funds. • On the fourth day of trading: Daily price fluctuation Limit will revert to ±10%. <u>Static price fluctuation limits</u> • Static Price Fluctuation Limit is set at ±10% based on reference price, for the first three days of trading newly listed equities, real estate investment traded funds and closed-ended investment traded funds. • On the fourth day of trading: No static price fluctuation limit is applied.
Issuer disclosure	The CMA's Rules on the Offer of Securities and Continuing Obligations require all listed companies to disclose interim financial reports no later than 30 days after the end of the financial period, and their annual report no later than 3 months after end of the annual financial period.

A foreign investor who is non-resident in Saudi Arabia may only invest in shares listed on the Main Market of the Saudi Exchange as: (i) a KSA QFI, (ii) a foreign strategic investor, (iii) an ultimate beneficiary in swap agreements with a capital market institution, and (iv) a foreign natural or legal person, which is a client of a capital market institution authorised by the CMA to conduct managing activity, provided that the capital market institution has been appointed on conditions that enable it to make all investment decisions on the client behalf without obtaining prior approval from the client.

The CSOP Saudi Arabia ETF has registered with the CMA as a KSA QFI pursuant

to the KSA QFI Rules in order to invest in shares listed on the Saudi Exchange. In order to become a KSA QFI, an application has to be submitted to one of the capital market institutions that have been licensed by the CMA to conduct custody or dealing activities (which institution, in the case of the CSOP Saudi Arabia ETF, is HSBC Saudi Arabia). If the relevant capital market institution accepts the application, the KSA QFI can invest in listed shares in such capacity, subject to the relevant investment restrictions stipulated in the KSA QFI Rules.

Under the KSA QFI Rules, a KSA QFI may invest in securities listed on the Saudi Exchange, including equity, debt instruments and listed funds. A KSA QFI is subject to the following investment restrictions:

(1) each KSA QFI may not own 10% or more of the shares of any issuer whose shares are listed or convertible debt instrument of the issuer; and

(2) the maximum proportion of the shares of any issuer whose shares are listed or convertible debt instrument of the issuer that may be owned by all foreign investors (in all categories, whether residents or non-residents, except the foreign strategic investors) in aggregate is 49%.

6. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of CSOP Saudi Arabia ETF to acquire investments, to redeem Units or to pay expenses relating to the CSOP Saudi Arabia ETF.

7. DISTRIBUTION POLICY

The Manager has discretion as to whether or not the CSOP Saudi Arabia ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP Saudi Arabia ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the CSOP Saudi Arabia ETF.

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Saudi Arabia ETF are charged to/paid out of the capital of the CSOP Saudi Arabia ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Saudi Arabia ETF and therefore, the CSOP Saudi Arabia ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of or effectively out of the CSOP Saudi Arabia ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP Saudi Arabia ETF and will reduce any capital appreciation for the Unitholders of the CSOP Saudi Arabia ETF.**

The composition of the distributions (i.e. the relative amounts paid out of net

distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website http://www.csopasset.com/en/products/hk-sau (this website has not been reviewed by the Commission).

The distribution policy may be amended subject to the Commission's prior approval (where required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in HKD only (in respect of the Listed Class of Units) or in the class currency of the relevant Unlisted Class of Units only (in respect of the Unlisted Class of Units). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only (in respect of the Listed Class of Units) or in the class currency of the relevant Unlisted Class of Units only (in respect of the Unlisted Class of Units). The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website http://www.csopasset.com/en/products/hk-sau (this website has not been reviewed by the Commission) and on HKEX's website.

There can be no assurance that a distribution will be paid.

In respect of the Listed Class of Units, each Unitholder will receive distributions in HKD only (whether holding HKD traded Listed Class of Units or RMB traded Listed Class of Units). Unitholders holding RMB traded Listed Class of Units may have to bear the fees and charges associated with the conversion of such dividend from HKD into RMB or any other currency. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning distributions.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

8. RISK FACTORS RELATING TO THE CSOP SAUDI ARABIA ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP Saudi Arabia ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP Saudi Arabia ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP Saudi Arabia ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

8.1 Equity market risk

The CSOP Saudi Arabia ETF'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.

The stocks of 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.

Please also refer to the risk factor "***Investment risks – Equity Risk***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

8.2 Saudi Arabia concentration and emerging market risk

Saudi Arabia concentration risk

The CSOP Saudi Arabia ETF's investments are concentrated in Saudi Arabia. The value of the CSOP Saudi Arabia ETF may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event in Saudi Arabia, and may therefore be more volatile than that of a fund having a more diverse portfolio of investments.

Economic risk

The economy of Saudi Arabia is dominated by petroleum exports. Consequently, a sustained decrease in petroleum prices could have a negative impact on all aspects of the economy of Saudi Arabia. Any instability in the larger Middle East region could adversely impact the economy of Saudi Arabia. Saudi Arabia has historically experienced strained relations with economic partners worldwide, including other countries in the Middle East due to geopolitical events.

The CSOP Saudi Arabia ETF invests in Saudi Arabian companies that are susceptible to fluctuations in certain commodity markets and to price changes due to trade relations. Any negative changes in commodity markets that may be due to changes in supply and demand for commodities, market events, war, regulatory developments, other catastrophic events, or other factors that the CSOP Saudi Arabia ETF cannot control could have an adverse impact on those companies.

Political risk

The performance of the CSOP Saudi Arabia ETF may be affected by political developments in Saudi Arabia, changes in government policies and changes in regulatory requirements. Governmental actions in the future could have a significant effect on economic conditions in Saudi Arabia, which could affect private sector companies, as well as the value of securities in the CSOP Saudi Arabia ETF's portfolio.

Any political changes, social instability and adverse diplomatic developments which may take place in or in relation to Saudi Arabia could result in economic sanctions (e.g. trade embargoes against a particular issuer or Saudi Arabia generally), the imposition of additional governmental

restrictions, expropriation of assets, confiscatory taxes (e.g. increased excise duties for products that have an increased perceived risk of socio-economic harm to Saudi Arabia) or nationalisation of some or all of the constituents of the Underlying Index.

Incidents involving a country's or region's security may cause uncertainty in their markets and may adversely affect its economy and the CSOP Saudi Arabia ETF's investments.

Legal and regulatory risks

The Saudi legal system is based on Shari'ah law. Prior court decisions may be cited for reference but do not have precedent value. Because of the lack of volume of published cases and judicial interpretation and the fact that, in any event, the outcome of previously determined cases would not be binding in nature, the interpretation and enforcement of applicable Saudi laws and regulations involves significant uncertainties. In addition, as the Saudi legal system, and the KSA QFI regime in particular, 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 CSOP Saudi Arabia ETF's operations or the ability of the CSOP Saudi Arabia ETF to acquire Saudi listed shares.

In addition, the regulatory framework and legal system in Saudi Arabia may not provide the same degree of investor information or protection as would generally apply to other developed markets. The ability of foreign investors (such as the CSOP Saudi Arabia ETF) to invest in the securities of Saudi Arabian companies could be restricted by the Saudi Arabian government at any time, and unforeseen risks could materialise with respect to foreign ownership in such securities.

Nationalisation risk

Investments in Saudi Arabia may be subject to loss due to expropriation or nationalisation of assets and property or the imposition of restrictions on foreign investments or repatriation of capital.

Privatisation risk

Saudi Arabia has privatised, or has begun the process of privatising, certain entities and industries. Newly privatised companies may face strong competition from government-sponsored competitors that have not been privatised.

Emerging market risk

Saudi Arabia is an emerging market and may involve increased risks and special considerations not typically associated with investment in other 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. Investments in Saudi Arabia may be less liquid and experience greater volatility than

investments in other developed markets due to generally lower trading volumes, smaller market capitalisations of companies and potential settlement difficulties in Saudi Arabia, which may adversely affect the value of the CSOP Saudi Arabia ETF.

8.3 Risks relating to trading on Saudi Exchange

KSA QFI regime general risks

The application and interpretation of the KSA QFI Rules are untested and in certain material respects, there remains a lack of clarity and certainty as to how they will be applied by the regulator and/or interpreted by KSA QFIs. It is not possible to predict the future development of the KSA QFI regime. Any change in the KSA QFI regime generally, including the possibility of the CSOP Saudi Arabia ETF losing its KSA QFI status, may affect the CSOP Saudi Arabia ETF's ability to invest in shares listed on the Saudi Exchange through the Manager.

The ability of the Manager to trade in Saudi listed shares is dependent on the ability of the CSOP Saudi Arabia ETF to maintain its KSA QFI status. Only once an investment fund is approved as a KSA QFI under the KSA QFI Rules can it, via its investment manager, invest in Saudi listed shares on the Saudi Exchange. To the extent that the CSOP Saudi Arabia ETF loses its KSA QFI status or laws and regulations change such that the KSA QFI regime is no longer available to the CSOP Saudi Arabia ETF, it will be more difficult for the CSOP Saudi Arabia ETF to achieve its investment objective. In such an event, the CSOP Saudi Arabia ETF may need to adopt an investment strategy other than a combination of physical and synthetic representative sampling strategy to obtain a similar exposure to the return of the Underlying Index.

Foreign ownership limit risk

The CSOP Saudi Arabia ETF's investment in Saudi shares is dependent on the Manager being able to buy and sell shares listed on the Saudi Exchange. The ability of the CSOP Saudi Arabia ETF to trade in Saudi listed shares is dependent on none of the prescribed foreign ownership limits, as set out below, being exceeded. The KSA QFI Rules and KSA Capital Market Law prescribe certain foreign ownership limits on KSA QFIs (e.g. the CSOP Saudi Arabia ETF) and their affiliates, which take the form of various maximum ownership thresholds.

One of the key threshold limits is an aggregate total cap (at 49%) on foreign ownership of Saudi listed shares, which applies not just to KSA QFIs, but all other categories of foreign investors as well (e.g. foreigners resident in Saudi Arabia; investors holding interests in Saudi listed shares via swap contracts or participation notes; and non-resident foreign shareholders who owned stakes in companies prior to their listings). Also, a KSA QFI (such as the CSOP Saudi Arabia ETF) may not own 10% or more of the shares of any issuer whose shares are listed or convertible debt instruments of the issuer. The Manager will closely monitor the CSOP Saudi Arabia ETF's position against the applicable foreign ownership limits and ensure that any such limit applicable to the CSOP Saudi Arabia ETF as a KSA QFI on the

ownership of listed shares or convertible debt instruments of an issuer will not be exceeded.

In the event that a relevant foreign ownership limit is reached or exceeded, it could result in the CSOP Saudi Arabia ETF not being able to acquire additional Saudi listed shares.

The CMA may introduce further limitations or restrictions on the foreign ownership of securities in the Saudi Arabia, which may have adverse effects on the liquidity and the performance of the CSOP Saudi Arabia ETF. Such limitations and restrictions may restrict the CSOP Saudi Arabia ETF's ability to acquire the shares of one or more constituents of its Underlying Index and therefore may impact on the CSOP Saudi Arabia ETF's ability to closely track the performance of the Underlying Index.

Potential market volatility risk

Market volatility may result in significant fluctuation in the prices of securities traded on the Saudi Exchange, which would therefore impact upon the Net Asset Value of the CSOP Saudi Arabia ETF.

Index tracking risk under KSA QFI regime

The CSOP Saudi Arabia ETF's return may deviate from the return of the Underlying Index for various reasons, for example, the revocation of the CSOP Saudi Arabia ETF's KSA QFI status, the inability of the Manager to trade in one or more Saudi listed issuer due to a foreign ownership threshold having been reached or exceeded, the investment limitations imposed by Saudi laws and regulations, temporary or permanent suspension of particular securities imposed from time to time by the stock exchange in Saudi Arabia, the liquidity of the underlying market, taxation implications, regulatory changes in Saudi Arabia that may affect the Manager's ability to reflect the return of the Underlying Index and any foreign exchange costs.

Electronic trading platform risk

Brokers submit trade orders through an electronic system which is linked and received by the Saudi Exchange's system. The use of electronic systems by the broker or the Saudi Exchange is subject to software, hardware, or communication failure which may cause halts or delays in acquiring the intended securities for the CSOP Saudi Arabia ETF.

Settlement risk

Saudi stocks can only be purchased on a pre-funded basis, whereby the CSOP Saudi Arabia ETF or its broker (on behalf of the CSOP Saudi Arabia ETF), must deliver an estimated amount of local currency (the "**Pre-Funding Amount**") to cover purchases before trade settlements may take place. In the event that the Pre-Funding Amount is not delivered on time or is insufficient to purchase all the underlying securities in connection with a creation, trade settlements would be delayed. In this situation, additional

local currency would have to be delivered to enable additional purchases on subsequent days. This could result in higher brokerage guarantee costs or a higher tracking error.

Settlement procedures in Saudi Arabia may be different compared to those in other developed markets. The clearing, settlement and registration systems available to effect trades in Saudi Arabia may be different and may experience delays and other material difficulties in settling trades and in registering transfer of securities, thereby affecting the Net Asset Value of the CSOP Saudi Arabia ETF. Any delay could result in substantial losses for the CSOP Saudi Arabia ETF if investment opportunities are missed or if the CSOP Saudi Arabia ETF is unable to acquire or dispose of a security as a result. The CSOP Saudi Arabia ETF may also incur substantial loss if a broker defaults in the performance of its responsibilities or if a counterparty fails to complete its contractual obligation owed to the CSOP Saudi Arabia ETF.

Broker risk and custody risk

The number of brokers who can provide services to the CSOP Saudi Arabia ETF may be limited, which may have an adverse impact on the prices, quantity or timing of the transactions for the CSOP Saudi Arabia ETF's portfolio. Emerging securities markets are more likely to experience problems with clearing and settling of trades, as well as the holding of securities by local banks and depositories.

The Trustee has appointed the Custodian, who will act through its delegate, the Sub-Custodian, for the safe custody of the CSOP Saudi Arabia ETF's assets. The CSOP Saudi Arabia ETF will be exposed to the credit risk of the Custodian and/or the Sub-Custodian to the extent that the cash and/or assets in the portfolio of the CSOP Saudi Arabia ETF are held by the Custodian and/or the Sub-Custodian. Since the custodial and/or settlement systems in Saudi Arabia may be different from those systems in other developed markets, the assets of the CSOP Saudi Arabia ETF may be exposed to custodial risk. In the event of the liquidation, bankruptcy or insolvency of the Custodian and/or the Sub-Custodian, the CSOP Saudi Arabia ETF may take a longer time to recover its assets. In extreme circumstances such as the retroactive application of legislation and fraud or improper registration of title, the CSOP Saudi Arabia ETF may even be unable to recover part or all of its assets.

Trading band risk

Trading band limits are imposed by the Saudi Exchange, where trading in any security on the stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit during the day. Any dealing suspension of that security will render it impossible for the CSOP Saudi Arabia ETF to acquire the relevant Index Security or liquidate positions to reflect creation/redemption of the Units. This may result in a higher tracking error and may expose the CSOP Saudi Arabia ETF to losses. Units of the CSOP Saudi Arabia ETF may also be traded at a significant premium or discount to its Net Asset Value.

Trading prohibition risk

If there is an unexecuted purchase or sell trade in respect of any Saudi security then an opposing trade via the same custodial account for the same Saudi security will be rejected in the market (the "**Saudi Trading Prohibition**") – for example, if a purchase trade fails and there is another sell trade on the same custodial account for the same Saudi security, then the sell trade will also fail to settle. Therefore, any trading activity that triggers the Saudi Trading Prohibition may cause a delay in trading. This may impact the CSOP Saudi Arabia ETF's ability to rebalance and cause an increase of its tracking error.

8.4 Saudi Arabia tax risk

There are risks and uncertainties associated with the Saudi tax laws, regulations and practice. Any increased tax liabilities on the CSOP Saudi Arabia ETF may adversely affect the CSOP Saudi Arabia ETF's value.

Based on professional and independent tax advice, the CSOP Saudi Arabia ETF may generally apply for exemption from KSA domestic tax on capital gains for trading of securities listed on the Saudi Exchange. Where in certain cases the exemption would not be applicable, 20% Saudi capital gains tax should apply in respect of capital gains realised by the CSOP Saudi Arabia ETF from disposal of Saudi securities. 5% withholding tax should apply in respect of dividends distributed by Saudi securities. Please refer to the section "***17. Saudi Arabia Taxation***" of this Appendix for further details.

8.5 Risks associated with SAR, foreign exchange and other currency distributions

The CSOP Saudi Arabia ETF's Base Currency is SAR and the underlying investments of the CSOP Saudi Arabia ETF are primarily denominated in SAR, but cash creations and redemptions of the Listed Class of Units in the primary market will be in USD and a class of the Unlisted Class of Units may be designated in a currency other than SAR, while dividend distributions (if any) will be in HKD (in respect of the Listed Class of Units) or in the class currency of the relevant Unlisted Class of Units (in respect of the Unlisted Class of Units). The Net Asset Value of the CSOP Saudi Arabia ETF may be affected unfavourably by fluctuations in the exchange rates between the relevant currency and SAR and by changes in exchange rate controls.

The Listed Class of Units of the CSOP Saudi Arabia ETF are traded in the secondary market in HKD and RMB. Secondary Market Investors may be subject to additional costs or losses associated with fluctuations in the exchange rates between the trading currencies (HKD and RMB) and the Base Currency when trading the Listed Class of Units in the secondary market.

Investors should note that all Listed Class of Units will receive distributions in HKD only (whether holding HKD traded Listed Class of Units or RMB traded Listed Class of Units). Unitholders holding RMB traded Listed Class of Units may have to bear the fees and charges associated with the

conversion of such dividend from HKD into RMB or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

8.6 Sector concentration risks

The constituents of the Underlying Index, and accordingly the CSOP Saudi Arabia ETF's investments, may from time to time be concentrated in companies in a particular industry. The value of the CSOP Saudi Arabia ETF 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.

In particular, the constituents of the Underlying Index, and accordingly the CSOP Saudi Arabia ETF's investments, may at times be concentrated in the financial sector. Performance of companies in the financial sector may be adversely impacted by many factors, including, among others, changes in government regulations, economic conditions, and interest rates, credit rating downgrades, and decreased liquidity in credit markets. Companies in the financial sector are subject to extensive governmental regulation, which may adversely affect the scope of their activities, the prices they can charge and the amount of capital they must maintain. Cybersecurity incidents and technology malfunctions and failures have become increasingly frequent and have caused significant losses to companies in this sector. Such risks may impact the prices of shares of such companies and the performance of the CSOP Saudi Arabia ETF.

The CSOP Saudi Arabia ETF's investments may also at times be concentrated in other sectors, such as the basic materials sector (which consists of companies that extract or process raw materials (such as metals, precious materials and timber), and manufacturers of semi-finished goods (such as chemicals, textile and paper)) and the energy sector (which consists of companies that engage in energy extraction, process and production activities and produce related energy equipment). Companies in these sectors are particularly susceptible to adverse development affecting the availability of natural resources and may be heavily dependent on the general supply situation, expected output, extraction and production of natural resources as well as the expected demand. Prices for certain resources such as oil and gas can be highly volatile and may fluctuate widely and may be affected by numerous events or factors such as production and sale, complex interaction of supply and demand, weather, inventory level, war, speculator's activities, behaviour and control of the resources exporting countries, economic activity of significant user countries and other financial market factors. These companies may also operate in countries with less developed markets and legal framework, and may be more prone to risks linked to political instability, changes in taxation or regulation.

8.7 Risks associated with investment in FDIs

The CSOP Saudi Arabia ETF's synthetic representative sampling strategy will involve investing up to 50% of its Net Asset Value in FDIs, including

futures and swaps (which will be funded total return swaps). In the case of swaps, the CSOP Saudi Arabia ETF may suffer significant loss if a swap counterparty fails to perform its obligations, or in case of insolvency or default of the swap counterparty(ies). The CSOP Saudi Arabia ETF may also invest in FDIs for hedging purposes.

Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the CSOP Saudi Arabia ETF. Exposure to FDIs may lead to a high risk of significant loss by the CSOP Saudi Arabia ETF.

Please also refer to the risk factor "***Investment risks – Financial Derivative Instruments and Collateral Risks***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the CSOP Saudi Arabia ETF will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the CSOP Saudi Arabia ETF. Please also refer to the headings "**Financial Derivative Instruments**" and "**Collateral**" under Schedule 1 in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

8.8 Synthetic representative sampling risk

The Manager seeks to mitigate the counterparty risks by fully collateralising all counterparty exposures. There is a risk that the value of the collateral may be substantially lower than the amount secured and so the CSOP Saudi Arabia ETF may suffer significant losses. Any loss would result in a reduction in the Net Asset Value of the CSOP Saudi Arabia ETF and impair the ability of the CSOP Saudi Arabia ETF to achieve its investment objective to track the Underlying Index.

In the case of funded swaps, the CSOP Saudi Arabia ETF may suffer significant losses if the counterparty fails to perform its obligations under the funded swap. The value of the collateral assets may be affected by market events and may diverge substantially from the performance of the Underlying Index, which may cause the CSOP Saudi Arabia ETF's exposure to the swap counterparty to be under-collateralised and therefore result in significant losses.

8.9 Risks relating to the Underlying Index of CSOP Saudi Arabia ETF

The CSOP Saudi Arabia ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's licence from the Index Provider under the relevant Licence Agreement is

terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. Please refer to section "***15. Replacement of the Underlying Index***" below on the circumstances in which the Underlying Index may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP Saudi Arabia ETF's investment objective.

The Manager has been granted a licence by the Index Provider to use the Underlying Index as a basis for determining the composition of the CSOP Saudi Arabia ETF and to use certain trade marks in the Underlying Index. The licence granted shall take effect from the date of the Licence Agreement (i.e. 1 September 2023), and shall continue until terminated pursuant to the agreement. There is no guarantee that the Licence Agreement will be perpetually renewed.

The CSOP Saudi Arabia ETF may be terminated if the Underlying Index is discontinued and/or the Licence Agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria under Chapter 8.6(e) of the Code. Any such replacement index will be subject to the prior approval of the Commission under the Code and Unitholders will be duly notified of the same. Accordingly, investors should note that the ability of the CSOP Saudi Arabia ETF to track the Underlying Index depends on the continuation in force of the Licence Agreement in respect of the Underlying Index or a suitable replacement. The CSOP Saudi Arabia ETF may also be terminated if the Underlying Index ceases to be compiled or published and there is no replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index.

The Manager and the Index Provider may by mutual agreement terminate or postpone the parties' obligations under the Licence Agreement upon the occurrence of a force majeure event such that the terms of the Licence Agreement can no longer be performed. There is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

For further information on the grounds for terminating the Licence Agreement in respect of the Underlying Index, please refer to section "***13. Index Licence Agreement***" in this Appendix.

(ii) There may be changes in the constituent securities of the

Underlying Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the CSOP Saudi Arabia ETF, the Manager may rebalance portfolio of the CSOP Saudi Arabia ETF. The price of the Units may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to the section "***16. The Underlying Index***" of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

8.10 Securities lending transactions risk

Collateral risk

As part of the securities lending transactions, the CSOP Saudi Arabia ETF 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 CSOP Saudi Arabia ETF if the borrower fails to return the securities lent out. The CSOP Saudi Arabia ETF 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 CSOP Saudi Arabia ETF 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 financing 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.

8.11 Risks of investing in other collective investment schemes

The CSOP Saudi Arabia ETF may invest in other collective investment schemes, and may therefore be subject to the risks associated with such

underlying schemes. The CSOP Saudi Arabia ETF does not have control of the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which may have a negative impact to the Net Asset Value of the CSOP Saudi Arabia ETF.

Any tracking error of these underlying schemes will also contribute to the tracking error of the CSOP Saudi Arabia ETF. In addition, the tax provision made by the other collective investment schemes may be more or less than their actual tax liabilities. Any shortfall of such tax provision may adversely affect the performance of such other collective investment schemes.

The underlying schemes in which the CSOP Saudi Arabia ETF may invest may not be authorised by the Commission. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the CSOP Saudi Arabia ETF's redemption requests as and when made.

8.12 Distributions out of or effectively out of capital risk

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Saudi Arabia ETF are charged to/paid out of the capital of the CSOP Saudi Arabia ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Saudi Arabia ETF and therefore, the CSOP Saudi Arabia ETF may effectively pay dividends out of the capital. **Investors should note that payment of distributions out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that amount. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the CSOP Saudi Arabia ETF.**

8.13 Risks specific to the Listed Class of Units

Trading risk in respect of RMB traded Listed Class of Units: The Listed Class of Units in the RMB counter are RMB denominated securities traded on the SEHK. Not all stockbrokers or custodians may be ready and able to carry out trading of the RMB traded Listed Class of Units and settlement in RMB. The limited availability of RMB outside the PRC may also affect the liquidity and trading price of the RMB traded Listed Class of Units.

Reliance on RMB market makers risk. Investors should note that the Listed Class of Units of the CSOP Saudi Arabia ETF on the RMB counter are traded and settled in RMB. There may be less interest by potential market makers making a market in the Listed Class of Units denominated and traded in RMB. Furthermore, any disruption to the availability of RMB may adversely affect the capability of market makers in providing liquidity for the Listed Class of Units.

No market in the Listed Class of Units risk. Although the Listed Class of Units are to be listed on the SEHK and 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 the Listed Class of Units traded in the RMB counter and one market maker for the Listed Class of Units traded in the HKD

counter, investors should be aware that there may be no liquid trading market for the Listed Class of Units or that such market maker(s) may cease to fulfil that role. Further, there can be no assurance that the Listed Class of Units will experience trading or pricing patterns similar to those of other ETFs which are traded on the SEHK and which are based upon indices.

Termination of market maker risk. A market maker may cease to act as a market maker for any counter of the Listed Class of Units of the CSOP Saudi Arabia ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for the Listed Class of Units of the CSOP Saudi Arabia ETF for each counter will be no less than three months. The liquidity for the Listed Class of Units of the CSOP Saudi Arabia ETF may be affected if there is no market maker for the Listed Class of Units. The Manager will use its best endeavours to put in place arrangements so that that there is at least one market maker for each counter (although these market makers may be the same entity) to facilitate efficient trading of the Listed Class of Units in the relevant trading currency (i.e. HKD and RMB). It is possible that there is only one market maker for each counter of the Listed Class of Units of the CSOP Saudi Arabia ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. The Listed Class of Units will be a new security and following listing on the SEHK, it is unlikely that the Listed Class of Units will initially be widely held. Accordingly, any investor buying the Listed Class of Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Listed Class of Units in the secondary market. Therefore, Unitholders may not be able to sell their Listed Class of Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Listed Class of Units.

Trading difference risk. The Saudi Exchange is open Sunday through Thursday. As such, “Business Day” and “Dealing Day” for the purpose of the CSOP Saudi Arabia ETF are generally Monday through Thursday, subject to other circumstances as set out in the definition of “Business Day” in this Appendix. As the Saudi Exchange may be open when the Listed Class of Units in the CSOP Saudi Arabia ETF are not priced, the value of the securities in the CSOP Saudi Arabia ETF’s portfolio may change on days when investors will not be able to purchase or sell the Listed Class of Units. Differences in trading hours between the Saudi Exchange and the SEHK may also increase the level of premium or discount of the price per Unit of the Listed Class of Units to its Net Asset Value.

While shares listed on the Saudi Exchange are subject to trading bands which restrict increases and decreases in the trading price, the Listed Class of Units of the CSOP Saudi Arabia ETF listed on the SEHK are not. This difference may also increase the level of premium or discount of the price per Unit of the Listed Class of Units to its Net Asset Value.

Dual Counter risk. Investors without RMB accounts may buy and sell HKD traded Listed Class of Units only and such investors will not be able to buy or sell RMB traded Listed Class of Units.

Inter-counter trading risk. Although an investor may buy from one counter and sell the same on the other counter in the same day, it is possible that some brokers/intermediaries and CCASS Participants may not be familiar with and may not be able to (i) buy Listed Class of Units in one counter and sell Listed Class of Units in the other, or (ii) trade Listed Class of Units in both RMB counter and HKD counter at the same time. In such cases of (i) to (ii), another broker, intermediary or CCASS Participant may need to be used. This may inhibit or delay dealing in both HKD traded Listed Class of Units and RMB traded Listed Class of Units and may mean investors may only be able to trade their Listed Class of Units in one currency. Investors are recommended to check the readiness of their brokers / intermediaries in respect of the Dual Counter trading and inter-counter trading.

Investors should therefore consult their brokers/intermediaries on the services that the brokers/intermediaries may provide in this regard along with the associated risks and fees. In particular, some brokers/intermediaries may not have in place systems and controls to facilitate inter-counter trading and/or inter-counter day trades.

Difference in trading prices risk. There is a risk that due to different factors such as market liquidity, market supply and demand in the respective counters and the exchange rate between HKD and RMB, the market price on the SEHK of Listed Class of Units traded in HKD may deviate significantly from the market price on the SEHK of Listed Class of Units traded in RMB. The trading price of HKD traded Listed Class of Units or RMB traded Listed Class of Units 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 Listed Class of Units traded in HKD or buying Listed Class of Units traded in HKD, an investor may receive less or pay more than the equivalent amount in RMB if the trade of the relevant Listed Class of Units is in RMB and vice versa. There can be no assurance that the price of Listed Class of Units in each counter will be equivalent.

8.14 Other risks

Operating risk. There is no assurance that the performance of the CSOP Saudi Arabia ETF will be identical to the performance of the Underlying Index. The level of fees, taxes and expenses payable by the CSOP Saudi Arabia ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP Saudi Arabia ETF can be estimated, the growth rate of the CSOP Saudi Arabia ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP Saudi Arabia ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP Saudi Arabia ETF. On the termination of the CSOP Saudi Arabia ETF, the CSOP Saudi Arabia ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions

in specie.

Tracking error risk. The CSOP Saudi Arabia ETF may be subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index. Factors such as the fees and expenses of the CSOP Saudi Arabia ETF, imperfect correlation between the CSOP Saudi Arabia ETF's assets and the Index Securities, inability to rebalance the CSOP Saudi Arabia ETF's holdings of Index Securities in response to changes in the constituents of the Underlying Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. These factors may cause the CSOP Saudi Arabia ETF's returns to deviate from the Underlying Index.

Investments in Saudi Arabian companies may also entail higher brokerage costs and/or result in higher tracking error in the case of a portfolio rebalance.

9. FEES AND CHARGES

9.1 General

The following fees apply to investors of both the Listed Class of Units and the Unlisted Class of Units.

Management Fee

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum of the Net Asset Value of the CSOP Saudi Arabia ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

Trustee's and Registrar's Fee

The management fee is inclusive of the Registrar's fee and the Manager will pay the fees of the Registrar out of the management fee.

The Trustee is entitled to receive a fee of up to 0.20% per annum of the Net Asset Value of the CSOP Saudi Arabia ETF. The Trustee's fee is inclusive of the fees payable to the Custodian. The Sub-Custodian currently does not charge any fee to the CSOP Saudi Arabia ETF.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP Saudi Arabia ETF all out-of-pocket expenses incurred.

Other Charges and Expenses of CSOP Saudi Arabia ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP Saudi Arabia ETF.

Establishment costs of CSOP Saudi Arabia ETF

The establishment costs of the CSOP Saudi Arabia ETF are estimated to be HKD1,800,000; such costs shall be borne by the CSOP Saudi Arabia ETF (unless otherwise determined by the Manager) and amortised over the first five financial years of CSOP Saudi Arabia ETF or such other period as determined by the Manager after consulting the auditor.

9.2 Listed Class of Units

The following fees apply to investors of the Listed Class of Units only.

Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP Saudi Arabia ETF. For any period less than a month, the reconciliation fee is payable by the CSOP Saudi Arabia ETF on a pro-rata basis and accrues on a daily basis.

Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarised in the respective tables below:

Participating Dealers

Creation and Redemption of Listed Class of Units by a Participating Dealer

Application Cancellation Fee	USD1,200 per cancellation *(See Note 1)*
Extension Fee	USD1,200 per extension *(See Note 1)*
Transaction Fee	USD2,500 per Application *(See Note 2)*
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges.

Primary Market Investors creating or redeeming Listed Class of Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check

the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

Secondary Market Investors Dealing in Listed Class of Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% *(see Note 4 and Note 9)*
Accounting and Financial Reporting Council ("**AFRC**") transaction levy	0.00015% of the trading price *(see Note 5)*
Trading fee	0.00565% *(see Note 6 and Note 9)*
Stamp duty	Nil *(see Note 7)*
Investor compensation levy	0.002% (currently suspended) *(see Note 8)*

Note:

1. The Application Cancellation Fee of USD1,200 and the Extension Fee of USD1,200 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.

2. A Transaction Fee of USD2,500 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.

3. A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.

4. A transaction levy of 0.0027% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.

5. An AFRC transaction levy of 0.00015% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.

6. A trading fee of 0.00565% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.

7. For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the CSOP Saudi Arabia ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.

8. The investor compensation levy of the trading price of the Listed Class of Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.

9. The transaction levy and trading fee will be paid by intermediaries to HKEX in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.

   Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

9.3 Unlisted Class of Units

The following fees apply to investors of the Unlisted Class of Units only.

Subscription, redemption and switching fees payable by Unitholders of Unlisted Class of Units

	Class A Units
Subscription fee	Up to 5% of the subscription amount
Redemption fee	Nil
Switching fee	N/A

Investors should note that switching between the Unlisted Class of Units and the Listed Class of Units on the secondary market is not available. Distributors who wish to switch between the Unlisted Class of Units and the Listed Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of the documents that are available for inspection.

11. TERMINATION OF CSOP SAUDI ARABIA ETF

Without prejudice to the grounds of termination as set out in the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP Saudi Arabia ETF shall be less than the equivalent of RMB100 million in the Base Currency of the CSOP Saudi Arabia ETF,

the CSOP Saudi Arabia ETF and/or any classes of Units relating to the CSOP Saudi Arabia ETF may be terminated by the Manager in its absolute discretion by notice in writing.

12. PUBLICATION OF INFORMATION RELATING TO CSOP SAUDI ARABIA ETF

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for the information relating to the CSOP Saudi Arabia ETF that will be published on the Manager's website and HKEX's website.

13. INDEX LICENCE AGREEMENT

The Manager has entered into a licence agreement (the "**Licence Agreement**") with FTSE International Limited. The initial term of the licence of the Underlying Index commenced on 1 September 2023 and shall remain in full force and effect for 12 months. The Licence Agreement shall be automatically renewed for 12 months unless either party to the Licence Agreement serves a written notice of the termination of at least 3 months prior to the end of the then current term to the other party. The Licence Agreement may otherwise be terminated in accordance with the provisions of the Licence Agreement.

14. MATERIAL CHANGES TO THE UNDERLYING INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

15. REPLACEMENT OF THE UNDERLYING INDEX

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;

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

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

(e) investing in the Index Securities comprised within the Underlying 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 Underlying Index having in the opinion of the Manager, deteriorated;

(h) a significant modification of the formula or calculation method of the Underlying 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 CSOP Saudi Arabia ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to (i) the use by CSOP Saudi Arabia ETF of the Underlying Index and/or (ii) the name of CSOP Saudi Arabia ETF will be notified to investors.

16. THE UNDERLYING INDEX

This section is a brief overview of the Underlying Index. It contains a summary of the principal features of the Underlying Index and is not a complete description of the Underlying Index. As of the date of this Prospectus, the summary of the Underlying Index in this section is accurate and consistent with the complete description of the Underlying Index. Complete information on the Underlying Index appears on the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Underlying Index

The Underlying Index is an investability, free float and foreign ownership limit adjusted market-capitalisation weighted index representing the performance of large and mid-cap publicly listed companies that have a nationality assignment of Saudi Arabia[#] that are constituents of the FTSE Global Equity Index Series (the "**Series**"), which covers 99% of the world's investable market capitalisation.

The Underlying Index is denominated and quoted in SAR.

The Underlying 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 Underlying Index was launched on 18 March 2019 and had a base level of 3191.7338774332215 as of 15 March 2019. As of 27 February 2026, the Underlying Index had a total market capitalisation of USD 337.23 billion and 71 constituents.

Index Provider

The Underlying Index is compiled and managed by FTSE International Limited (the "**Index Provider**").

The Manager (and each of its Connected Persons) is independent of the Index

[#] Please refer to the Index Provider's guide on determining nationality of securities at https://research.ftserussell.com/products/downloads/Determining_Nationality.pdf (the contents of which has not been reviewed by the Commission) for further details on how a company is allocated to a single country for the purposes of the Underlying Index.

Provider.

Index methodology

Ground Rules

FTSE is the benchmark administrator responsible for the daily calculation, production and operation of the Series, which includes the Underlying Index. FTSE will, amongst other things, maintain records of the index weightings of all constituents and make changes to the constituents and their weightings in accordance with specified rules (the "**Ground Rules**"). The Ground Rules for the Series may be viewed on the Index Provider's website at https://www.ftserussell.com/products/indices/wisauntu (the contents of which has not been reviewed by the Commission).

Screens applicable to eligible securities

The Underlying Index is derived from the Series, which covers 99% of the world's investable market capitalisation. Since Saudi Arabia belongs to the Middle East & Africa region based on the Index Provider's classification, eligible securities are first subject to the following screens at the Middle East & Africa regional level before being added to the Series:

Investability weightings screen

Constituents of the Series at the Middle East & Africa regional level are adjusted for free float and foreign ownership limits.

(A) Initial weighting – free float is calculated using available published information rounded to 12 decimal places. Securities with a free float of 5% or below are excluded from the Underlying Index.

(B) Foreign ownership restrictions – restrictions placed on the equity holdings of foreign investors in a company where these have been imposed by a government, regulatory authority or the company's constitution are taken into account. Where the presence of a foreign ownership restriction creates a limit on foreign ownership (the "**Foreign Ownership Limit**" or "**FOL**") that is more restrictive than the calculated free float for a company, the precise Foreign Ownership Limit is used in place of the free float for the purposes of calculating the company's investability weight. If the foreign ownership restriction is less restrictive or equal to the free float restriction, the free float restriction is applied, subject to (A) above.

In certain jurisdictions (including Saudi Arabia), despite the presence of a foreign ownership restriction, the acquisition of shares above the stated Foreign Ownership Limit is still permitted. In the case of Saudi Arabia, designated Foreign Strategic Investors (FSIs) are not subject to Foreign Ownership Limit, while designated Qualified Foreign Investors (i.e. KSA QFIs) are subject to a 49% Foreign Ownership Limit. Therefore, when assessing Saudi securities for headroom (see (C) below), the FSIs' holdings will not be considered as foreign holdings.

(C) Minimum foreign headroom requirement – the Index Provider defines "foreign headroom" as the percentage of shares available to foreign investors as a proportion of the company's Foreign Ownership Limit, i.e. (FOL – foreign holdings)/FOL. For a non-constituent that is subject to Foreign Ownership Limit, a minimum headroom of 20% must be available in order to be added to the Underlying Index. For an existing constituent that is subject to Foreign Ownership Limit, a minimum headroom of 10% must be available. The investability weight will be reduced at the next quarterly review when the headroom of an existing constituent falls below 10%.

Please refer to the Ground Rules for further details on foreign ownership restrictions and minimum foreign headroom requirement.

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. For the March review, liquidity will be tested from the first exchange trading day of January to the last exchange trading day of December of the previous year; and for the September review, liquidity will be tested from the first exchange trading of July of the previous year to the last exchange trading day of June of the current year. Security volume data will be taken on trading days from Sunday to Friday (where applicable) when markets are open. For each month, the daily trading volumes, as a percentage against that security's free float adjusted shares, are ranked and the median value selected. When testing liquidity, the free float weight as at the last date in the testing period will be used for the calculation for the whole of that period. Shares in issue used for the calculation is that as of the date of volume traded.

When calculating the median of daily trades per month, a minimum of 5 trading days in each month must exist, otherwise the month will be ignored and not used in the count. Daily totals with zero trades are included, therefore a security that fails to trade for more than half of the days in a month will have a zero median trading volume for that month. Any period of suspension will not be included in the test. For newly eligible securities where the testing period is less than 12 months, the liquidity test will be applied on a pro-rata basis.

In terms of liquidity thresholds:

(A) new issues and newly eligible securities which do not have a 12-month trading record must have a minimum 3-month trading record when reviewed and will be tested from the date of eligibility. Trading records prior to this date will not be taken into account. A non-constituent must pass at least 10 out of 12 months with a monthly median turnover of at least 0.05% of their shares in issue (after adjusting for investability weightings) based on their median daily trading volume each month, on a pro-rata basis since their listing;

(B) existing constituents are required to pass at least 8 out of 12 months with a monthly median turnover of at least 0.04% of their shares in issue (after the application of any investability weightings). Those existing constituents which fail the foregoing test will be subject to a further test whereby the last 6 months of the testing period will be assessed on a pro-rata basis. If the constituent passes at least 4 out of the last 6 months (equating to 8 out of 12 months on a pro-rata basis), it will be considered to have passed the liquidity test; and

(C) existing constituents which fail the liquidity test will be ineligible for inclusion in the Series for a period of 12 months after which they will be treated as a new issue.

Trading screen

Existing and non-constituent securities which have not traded on 60 or more trading days during the past year (up to and including the review cut-off date and pro-rated according to the number of available trading days passed since its listing if a security does not have a full year of trading) will not be eligible for inclusion in the Underlying Index. For the purpose of calculating the 60 or more trading days, regular/ad-hoc market holidays and unscheduled market closures will not be considered, and all standard trading days will be incorporated while ad-hoc non-standard trading days will not be incorporated. A security which has been removed from the Underlying Index as a result of this screen will only be re-considered for inclusion after a period of 12 months from its deletion and will be treated as a new issue for the purposes of

screening for eligibility.

Selection of constituents for the Underlying Index

Companies within the Middle East & Africa region that pass the above screenings are then ranked by their full market capitalisation in descending order, and the top 98% by weight of the regional universe is selected to form the investment universe of the Underlying Index.

The investment universe is then categorised into:

- large-cap (being the top 70% of the companies in the investment universe ranked by full market capitalisation);
- mid-cap (being the next 20% of the companies in the investment universe ranked by full market capitalisation); and
- small-cap (being the bottom 10% of the companies in the investment universe ranked by full market capitalisation).

Such securities in the investment universe which are (i) assigned a nationality of Saudi Arabia based on the Index Provider's classification and (ii) issued by large and mid-cap companies (i.e. falling within the top 90% of the investment universe) will be included in the Underlying Index. For the foregoing purpose, only ordinary stocks listed on the Main Market of the Saudi Exchange will be selected.

Corporate actions and events

The treatment of (i) corporate actions and events (such as capital repayments, rights issues, splits and reverse splits), (ii) spin-offs, (iii) takeovers, mergers and demergers and (iv) suspension of dealings can be found within the FTSE Corporate Actions and Events Guide:

http://www.ftse.com/products/downloads/Corporate_Actions_and_Events_Guide.pdf.

Index Reviews

The Index Provider undertakes semi-annual reviews for each region in March and September, based on the data as at the close of business on the last business day of December and June. Any constituent changes resulting from the periodic review will be implemented after the close of business on the third Friday (i.e. effective the following Monday) of March and September.

To reduce turnover, existing and potential constituents are subject to a series of "buffer zones" to determine the cut-off points between large-cap, mid-cap and small-cap as set out in the table below.

	Turnover Bands (based on the index universe)	
	Eligible for inclusion	**Eligible for exclusion**
Large-cap	68%	72%
Mid-cap	86%	92%
Small-cap	98%	101%

For example:

- for an existing constituent of the Underlying Index (which comprises large and mid-cap stocks), in order to remain as an index constituent, it will need to remain

in the top 92% of the ranking within the Middle East & Africa region ranked by full market capitalisation. If it falls below the top 92%, it will move to small-cap and accordingly will not be eligible for inclusion in the Underlying Index;

- for a non-constituent, in order to be eligible for inclusion in the Underlying Index, it will need to fall within the top 86% of the ranking within the Middle East & Africa region ranked by full market capitalisation.

Index Securities of the Underlying Index

You can obtain the most updated list of the index constituents with their respective weightings and additional information of the Underlying Index from the website https://www.ftserussell.com/products/indices/wisauntu.

Index codes

Bloomberg: WISAUNT
Refinitiv: .TFTWISAUNTL

Index Provider disclaimer

The CSOP Saudi Arabia ETF has been developed solely by the Manager. The CSOP Saudi Arabia ETF 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 Underlying Index, the FTSE Saudi Arabia Index, vest in the relevant LSE Group company which owns the Underlying Index. FTSE® is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under licence. The Underlying 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 Underlying Index or (b) investment in or operation of the CSOP Saudi Arabia ETF. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the CSOP Saudi Arabia ETF or the suitability of the Underlying Index for the purpose to which it is being put by the Manager.

17. SAUDI ARABIA TAXATION

Corporate income tax ("CIT")

KSA resident companies should be subject to a 2.5% Zakat proportional to a share in their capital held by residents of Gulf Cooperation Council ("**GCC**") states and 20% CIT proportional to non-GCC residents' participation in their share capital. However, KSA companies listed in the Saudi Exchange should be subject to Zakat at 2.5% rather than 20% CIT irrespective of their shareholders.

It is the intention of the CSOP Saudi Arabia ETF that its business activities will not be carried out in KSA through a permanent establishment. The CSOP Saudi Arabia ETF should be considered as a non-resident in KSA under the KSA Income tax law ("**ITL**") given that it is not formed under the KSA Company Law and provided that its central management is located outside KSA. Based on KSA tax practice, Zakat, Tax, and Customs Authority ("**ZATCA**") considers that foreign funds should be taxed based on general principles applied to the taxation of non-residents. In this regard, ZATCA would generally not look through the foreign funds, treating them as opaque rather than transparent entities.

Withholding Tax ("WHT")

Article 68 of the ITL and Article 63 of the Income Tax By-laws ("**ITBL**") state that if a non-resident without a permanent establishment in KSA derives income from sources in KSA, its income should be subject to WHT, specifically for dividends 5% KSA WHT should apply.

Distribution of dividends

Dividends distributed by KSA investments should be subject to 5% KSA WHT with no further protection under the KSA-Hong-Kong tax treaty ("**KSA-HK DTT**").

Capital Gains Tax

In principle, any capital gain realised by a non-resident upon the disposal of its shares in KSA companies should be subject to 20% KSA capital gains tax ("**CGT**") unless the exemption under Article 10(a) ITL and Article 7(1) ITBL is applicable.

The CSOP Saudi Arabia ETF will own KSA securities traded in Saudi Exchange, but there should not be any KSA CGT implications from the disposal of such securities provided the conditions for the following exemptions are met: (i) the investments disposed of were not existing before the enforcement of the tax law, i.e., 30 July 2004; and (ii) the disposed shares are traded on the Saudi Exchange; and (iii) the disposal is done in compliance with the KSA Capital Market Law.

Investors should consider the risk factor "***8.4 Saudi Arabia tax risk***" above in this Appendix.

APPENDIX 12

CSOP Nikkei 225 Index ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 3153

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP Nikkei 225 Index ETF
Stock Code: 3153

1. KEY INFORMATION

1.1 General

This appendix sets out information specific to CSOP Nikkei 225 Index ETF ("**CSOP Nikkei 225 Index ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in CSOP Nikkei 225 Index ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***8. Risk Factors relating to the CSOP Nikkei 225 Index ETF***" of this Appendix, before investing in the CSOP Nikkei 225 Index ETF. **Investors should note that the CSOP Nikkei 225 Index ETF offers both Listed Class of Units and Unlisted Class of Units. Please refer to the sections relevant to your intended holding of Units.**

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP Nikkei 225 Index ETF, and should be read in conjunction with the full text of this Prospectus.

Key information applicable to both Listed Class of Units and Unlisted Class of Units

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapter 8.6 of the Code
Underlying Index	Nikkei Stock Average Index (net total return version) Launch Date: 3 December 2012 Inception Date: 7 September 1950 Number of constituents: 225 (as of 27 February 2026) Base Currency of Index: Japanese Yen ("**JPY**")
Type of Underlying Index	A net total return index which means that it reflects the reinvestment of dividends or distributions, after deduction of any withholding tax. The Underlying Index is denominated and quoted in JPY.
Index Provider	Nikkei Inc.
Investment Strategy	The Manager will use a full replication strategy. The Manager may also use a

		representative sampling strategy in exceptional circumstances. Please refer to section "***4. Investment Objective and Strategy***" of this Appendix for further details.
Parties	Manager	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
Base Currency		JPY
Financial Year		Ending 31 December each year (The first financial year-end of the CSOP Nikkei 225 Index ETF will be 31 December 2024. The first semi-annual unaudited interim reports and first audited accounts of the CSOP Nikkei 225 Index ETF will be for the period ending 30 June 2024 and 31 December 2024 respectively.)
Dividend Policy		The Manager has discretion as to whether or not the CSOP Nikkei 225 Index ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP Nikkei 225 Index ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any). The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Nikkei 225 Index ETF are charged to/paid out of the capital of the CSOP Nikkei 225 Index ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Nikkei 225 Index ETF and therefore, the CSOP Nikkei 225 Index ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of the CSOP Nikkei 225 Index ETF's

	capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP Nikkei 225 Index ETF. **Distributions will be in HKD (in respect of the Listed Class of Units) or in the class currency of the relevant Unlisted Class of Units only (in respect of the Unlisted Class of Units).** Please refer to section "***7. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP Nikkei 225 Index ETF and the risk factor under section "***8.11 Distributions out of or effectively out of capital risk***" in this Appendix for the risk associated with distributions paid out of capital.
Website	https://www.csopasset.com/en/products/hk-nik225 (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission)

Key information applicable to Listed Class of Units only

Initial Issue Date	30 January 2024
Listing Date	31 January 2024
Dealing on SEHK Commencement Date	31 January 2024
Exchange Listing	SEHK – Main Board
Stock Code	3153
Stock Short Name	CSOP NIKKEI225
ISIN Number	HK0000986254
Trading Board Lot Size	10 Units
Trading Currency	Hong Kong dollars (HKD)
Application Unit size for Creation/ Redemption (only by or through Participating Dealers)	Minimum 50,000 Units (or multiples thereof)
Method of Creation/ Redemption	Cash (in USD / JPY), in-Kind or a combination of both

Management Fee		Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.99% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Parties	Participating Dealer(s)	Please refer to the Manager's website set out above for the latest list.
	Market Maker(s)	Please refer to the Manager's website set out above for the latest list.
	Service Agent	HK Conversion Agency Services Limited
	Listing Agent	Altus Capital Limited

Key information applicable to Unlisted Class of Units only

Initial Subscription Price per Unit during Initial Offer Period	For Class A Units: USD10
Dealing Frequency	Each Business Day
Dealing Deadline	1:30 p.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee
Management Fee	Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. For Class A Units, the current rate is 0.99% per annum of the Net Asset Value of the Class accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.

Key similarities and differences between Listed Class of Units and Unlisted Class of Units

Investment Objective Investment Strategy	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the section "***4. Investment Objective***

	and Strategy" of this Appendix.
Investment Policy	
Valuation Policy	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the section "***8.1 Determination of the Net Asset Value***" in Part 1 of this Prospectus.
Dealing Frequency	Same for both Listed Class of Units and Unlisted Class of Units – each Business Day.
Dealing Arrangements	Although the Dealing Deadline is the same, dealing arrangements are different in respect of each of the Listed Class of Units and Unlisted Class of Units. **In respect of the Listed Class of Units:** - the dealing period on each Dealing Day for a Creation Application or Redemption Application (whether for Cash, In-Kind or Hybrid Creation or Redemption) commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline for a Creation Application or Redemption Application at 1:30 p.m. (Hong Kong time) (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time; and - a Secondary Market Investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price. **In respect of the Unlisted Class of Units:** - the Dealing Deadline for a subscription or redemption application is 1:30 p.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee; and - investors can buy or sell the Unlisted Class of Units at Net Asset Value.

	Listed Class of Units	**Unlisted Class of Units**

Dealing Deadline in respect of each Dealing Day	1:30 p.m. (Hong Kong time) on the Dealing Day
Valuation Point	Approximately 2:30 p.m. (Hong Kong time) on each applicable Valuation Day, or such other time or times as determined by the Manager, in consultation with the Trustee

** Investors should note that Creation and Redemption Applications for Listed Class of Units received during the Dealing Period in respect of a Dealing Day ("**Day T**") (i.e. between 9:00 a.m. to 1:30 p.m. (Hong Kong time) will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T, which is determined at the Valuation Point on Day T. For example:*

In respect of the Listed Class of Units:

- *a Creation or Redemption Application for Listed Class of Units received at or before 1:30 p.m. (Hong Kong time) on Day T will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T; and*
- *a Creation or Redemption Application for Listed Class of Units received at 6:00 p.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class (i.e. after 1:30 p.m. (Hong Kong time)), will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Listed Class of Units of Day T+1.*

In respect of the Unlisted Class of Units:

- *a subscription or redemption application for Unlisted Class of Units received at or before 1:30 p.m. (Hong Kong time) on Day T, i.e. at or before the Dealing Deadline of Day T for such class, will be processed on Day T at the Net Asset Value per Unit of Unlisted Class of Units of Day T; and*
- *a subscription or redemption*

	application for Unlisted Class of Units received after 1:30 p.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Unlisted Class of Units of Day T+1. Please refer to the sections "*Error! Reference source not found.* ***2. Dealing of Listed Class of Units***" and "***3. Dealing of Unlisted Class of Units***" of this Appendix for information relating to the Listed Class of Units and the Unlisted Class of Units respectively.
Fee Structure	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. The management fee and the Trustee's and Registrar's fee are the same in respect of both Listed Class of Units and Unlisted Class of Units. An investment in the Listed Class of Units in the secondary market is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service Agent's fee, brokerage fee, transaction levies, trading fee etc.). An investment in the Unlisted Classes of Units may be subject to the payment of subscription fees. Please refer to the section "***9. Fees and Charges***" of this Appendix.
Investment return / Net Asset Value	Different in respect of each of the Listed Class of Units and the Unlisted Class of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Class of Units are bought and sold at Net Asset Value), costs (such as Transaction Fee and Duties and Charges in respect of creation and redemption of Listed Class of Units in the primary market and fees payable in respect

	of trading of Listed Class of Units in the secondary market) and stamp duty. Accordingly, the performance of the different classes of Units will be different. There is a separate Net Asset Value for each class of Units. Please refer to the risk factor "***4.4 Differences in dealing, fee and cost arrangements between Listed Class and Unlisted Class of Units***" in Part 1 of this Prospectus.
Termination procedures	Different in respect of each of the Listed Class of Units and the Unlisted Class of Units. Please refer to the section "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus.

1.3 Custodian for the CSOP Nikkei 225 Index ETF

The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee as custodian (the "**Custodian**"), and will be responsible for the safe custody of the CSOP Nikkei 225 Index ETF's assets.

Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the Custodian. Neither the Custodian nor its delegate (if any) is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "***1.3 Custodian for the CSOP Nikkei 225 Index ETF***".

1.4 Market Maker (in respect of the Listed Class of Units)

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 the Listed Class of Units of the CSOP Nikkei 225 Index ETF. 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 to facilitate the efficient trading of the Listed Class of Units of the CSOP Nikkei 225 Index ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker is required to give not less than three months' notice prior to terminating market making arrangement under the relevant market making agreement.

The list of market markers in respect of the CSOP Nikkei 225 Index ETF is available on https://www.csopasset.com/en/products/hk-nik225 and from time to time will be displayed on www.hkex.com.hk.

2. DEALING OF LISTED CLASS OF UNITS

2.1 Exchange Listing and Trading

The Listed Class of Units of the CSOP Nikkei 225 Index ETF are listed and traded on the SEHK. The Listed Class of Units of the CSOP Nikkei 225 Index ETF have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS. 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.

Currently, the Listed Class of Units are listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in the future for a listing of the Listed Class of Units on other stock exchanges.

If trading of the Listed Class of Units of the CSOP Nikkei 225 Index ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Listed Class of Units.

2.2 Buying and Selling of the Listed Class of Units of the CSOP Nikkei 225 Index ETF on SEHK

A Secondary Market Investor can buy and sell the Listed Class of Units of the CSOP Nikkei 225 Index ETF on the SEHK through his stockbroker at any time the SEHK is open. The Listed Class of Units of the CSOP Nikkei 225 Index ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 10 Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the Listed Class of Units of the CSOP Nikkei 225 Index ETF due to market demand and supply, liquidity and scale of trading spread for the Listed Class of Units in the secondary market. As a result, the market price of the Units of the Listed Class of Units of the CSOP Nikkei 225 Index ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the Listed Class of Units of the CSOP Nikkei 225 Index ETF.

Please refer to section "***Schedule 2 – 3. Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of the Listed Class of Units on the SEHK.

2.3 Switching

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Participating Dealers who wish to switch between Listed Class of Units and Unlisted Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

2.4 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Schedule 2 – 2. Creation and Redemption of Application Units (Primary Market)***" of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP Nikkei 225 Index ETF only.

The Manager allows Cash, In-Kind and Hybrid (i.e. a combination of Cash and In-Kind Creations and Redemptions) Creations and Redemptions for the Listed Class of Units of the CSOP Nikkei 225 Index ETF. Any cash payable by Participating Dealers in a Cash Creation must be in JPY / USD.

Settlement for subscribing the Listed Class of Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The Application Unit size for CSOP Nikkei 225 Index ETF is 50,000 Units (or multiples thereof). Creation Applications submitted in respect of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP Nikkei 225 Index ETF is one Application Unit.

The Listed Class of Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Any cash proceeds received by Participating Dealers in a Cash Redemption shall be paid in JPY / USD only.

2.4.1 Dealing Period

The dealing period for the Listed Class of Units on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP Nikkei 225 Index ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 1:30 p.m. (Hong Kong time) (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.4.2 Issue Price and Redemption Price

The Issue Price of a Unit of the Listed Class of Units in the CSOP Nikkei 225 Index ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest second (2nd) decimal place (with 0.005 being rounded up).

The Redemption Price of Units of the Listed Class of Units redeemed shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation

Day rounded to the nearest second (2nd) decimal place (with 0.005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP Nikkei 225 Index ETF.

The "**Valuation Day**" of the CSOP Nikkei 225 Index ETF, coincides with, and shall mean, the Dealing Day of the CSOP Nikkei 225 Index ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Listed Class of Units will be available on the Manager's website at https://www.csopasset.com/en/products/hk-nik225 (the website has not been reviewed by the Commission) or published in such other publications as the Manager decides.

2.4.3 Dealing Day

In respect of the CSOP Nikkei 225 Index ETF, "**Dealing Day**" means each Business Day.

"**Business Day**" in respect of the CSOP Nikkei 225 Index ETF means a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant market on which the securities comprising or held by the CSOP Nikkei 225 Index ETF are traded is open for normal trading, and (b) the Underlying Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

The Manager will update information regarding Dealing Days in each month on the Manager's website on a monthly basis, prior to the beginning of the relevant month. Where any such previously disclosed Dealing Day is no longer a Dealing Day due to any unexpected circumstance (for example, where the period during which the SEHK and/or the Tokyo Stock Exchange is open for normal trading is reduced or the SEHK and/or the Tokyo Stock Exchange is closed as a result of any unforeseen events), the Manager will inform investors accordingly via the Manager's website as soon as practicable.

3. DEALING OF UNLISTED CLASS OF UNITS

3.1 Available Classes

The CSOP Nikkei 225 Index ETF currently has the following Unlisted Class of Units which are available to investors:

- Class A Units

3.2 Initial Offer Period

The Initial Offer Period of the Class A Units was 9:00 a.m. (Hong Kong time) on 8 March 2024 to 12:00 p.m. (Hong Kong time) on 8 March 2024.

The initial Subscription Price in respect of each Unlisted Class of Units during

the Initial Offer Period is as follows:

Class	Initial Subscription Price per Unit
Class A Units	USD10

3.3 Dealing Procedures

For details of dealing procedures, please refer to the sections headed "***Schedule 3 – 1. Subscription of Unlisted Class of Units***", "***Schedule 3 – 2. Redemption of Unlisted Class of Units***" and "***Schedule 3 – 3. Switching of Unlisted Class of Units***" in Part 1 of this Prospectus.

The following apply to the Unlisted Class of Units:

Dealing Day	each Business Day
Valuation Day	each Dealing Day or such other days as the Manager may determine
Dealing Deadline	1:30 p.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee

3.4 Switching

Subject to the prior consent of the Manager either generally or in any particular case, Unitholders may switch part or all of their Unlisted Class of Units of the CSOP Nikkei 225 Index ETF into another Unlisted Class of Units of the CSOP Nikkei 225 Index ETF (where available). Switching of Unlisted Class of Units of the CSOP Nikkei 225 Index ETF to unlisted shares, units or interests in any other collective schemes (including any other Sub-Funds of the Trust) is currently not permitted.

3.5 Payment of Redemption Proceeds

Save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds in respect of Unlisted Class of Units will normally be paid by telegraphic transfer, within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless legal or regulatory requirements (such as foreign currency controls) to which the CSOP Nikkei 225 Index ETF is subject render the payment of the redemption proceeds within the aforesaid time period not practicable, and such extended time frame should reflect the additional time needed in light of the specific circumstances in the relevant market.

3.6 Investment Minima

The following investment minima apply to the Unlisted Class of Units:

	Class A Units
Minimum initial investment	USD10 or equivalent

Minimum subsequent investment	USD0.01 or equivalent
Minimum holding	USD0.01 or equivalent
Minimum redemption amount	USD0.01 or equivalent

The Manager may, in its absolute discretion, waive or agree to a lower amount of any of the above investment minima (either generally or in any particular case).

4. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP Nikkei 225 Index ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Nikkei Stock Average Index (net total return version) (the "**Underlying Index**"). There is no assurance that the CSOP Nikkei 225 Index ETF will achieve its investment objective.

Investment Strategy

In order to achieve the investment objective of the CSOP Nikkei 225 Index ETF, the Manager will primarily use a full replication strategy by directly investing all, or substantially all, of the assets of the CSOP Nikkei 225 Index ETF in securities constituting the Underlying Index ("**Index Securities**") in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index.

The CSOP Nikkei 225 Index ETF may invest up to 100% of its Net Asset Value directly in equity securities listed on the Prime Market of the Tokyo Stock Exchange.

Under exceptional circumstances (i.e. due to restrictions, suspensions of trading and/or limited availability of certain Index Securities), where it is not feasible or not in the best interest of investors to acquire certain Index Securities due to restrictions or limited availability and/or where it is not cost efficient, by reference to the CSOP Nikkei 225 Index ETF's Net Asset Value, to use a full replication strategy, the Manager may use a representative sampling strategy to invest in:

(i) a representative sample whose performance is closely correlated with the Underlying Index, but whose constituents may or may not themselves be constituents of the Underlying Index; and/or

(ii) other 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 Underlying Index. Such CIS may be authorised by the SFC, eligible schemes under Chapter 7.11A of the Code or non-eligible schemes. The CSOP Nikkei 225 Index ETF's aggregate investment in other CIS may be up to 10% of the Net Asset Value of the CSOP Nikkei 225 Index ETF.

Prior notice will not be given to investors if the Manager switches from a full replication strategy to a representative sampling strategy in exceptional circumstances, or vice versa. In pursuing the representative sampling strategy, the Manager may cause the CSOP Nikkei 225 Index ETF 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 Commission.

The CSOP Nikkei 225 Index ETF may also invest not more than 5% of its Net Asset Value in cash and money market funds authorised by the Commission for cash management purpose.

The CSOP Nikkei 225 Index ETF will not invest in financial derivative instruments (including structured deposits, products or instruments) for investment or hedging purposes, and will not enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions. Prior approval of the Commission (to the extent required under applicable regulatory requirements) will be sought and not less than one month's prior notice (or such shorter notice period as may be permitted under applicable regulatory requirements) will be given to Unitholders in the event the Manager wishes to enter into such transactions.

4A. SECURITIES LENDING TRANSACTIONS

The Manager may, on behalf of the CSOP Nikkei 225 Index ETF, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value. The Manager will be 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 CSOP Nikkei 225 Index ETF and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1 in Part 1 of this Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the CSOP Nikkei 225 Index ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus) of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis and be safekept by the Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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. Any reinvestment of cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent the CSOP Nikkei 225 Index ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to

the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP Nikkei 225 Index ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to the section "***8.9 Securities lending transactions risk***" of this Appendix for further details.

5. OVERVIEW OF JAPAN CAPITAL MARKET

The Tokyo Stock Exchange, which is the main Japanese domestic stock market, was established on 15 May 1878. It operates three market segments, namely the Prime Market, Standard Market and Growth Market. The Prime Market are for global companies with large market capitalisation investable to many institutional investors and are committed to sustainable growth through constructive dialogue with global investors. The Standard Market are for medium-sized companies with a base-line, standard level of market capitalisation and governance levels, whereas the Growth Market is oriented to emerging companies with high growth potential.

During the year 2022, the total value of shares traded on the Tokyo Stock Exchange reached JPY872.5 trillion (approximately USD6.7 trillion and the total number of transactions executed reached 425.2 billion. The total market capitalisation at the end of the year 2022 reached JPY705.4 trillion (approximately USD5.4 trillion).

6. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of CSOP Nikkei 225 Index ETF to acquire investments, to redeem Units or to pay expenses relating to the CSOP Nikkei 225 Index ETF.

7. DISTRIBUTION POLICY

The Manager has discretion as to whether or not the CSOP Nikkei 225 Index ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP Nikkei 225 Index ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the CSOP Nikkei 225 Index ETF.

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Nikkei 225 Index ETF are charged to/paid out of the capital of the CSOP Nikkei 225 Index ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Nikkei 225 Index ETF and therefore, the CSOP Nikkei 225 Index ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of or effectively out of the CSOP Nikkei 225 Index ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP Nikkei 225 Index ETF and will reduce any capital appreciation for the Unitholders of the CSOP Nikkei 225 Index ETF.**

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-nik225 (this website has not been reviewed by the Commission).

The distribution policy may be amended subject to the Commission's prior approval (where required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared and paid in HKD only (in respect of the Listed Class of Units) or in the class currency of the relevant Unlisted Class of Units only (in respect of the Unlisted Class of Units). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only (in respect of the Listed Class of Units) or in the class currency of the relevant Unlisted Class of Units only (in respect of the Unlisted Class of Units). The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-nik225 (this website has not been reviewed by the Commission) and on HKEX's website.

There can be no assurance that a distribution will be paid.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

8. RISK FACTORS RELATING TO THE CSOP NIKKEI 225 INDEX ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP Nikkei 225 Index ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP Nikkei 225 Index ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP Nikkei 225 Index ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

8.1 Equity market risk

The CSOP Nikkei 225 Index ETF'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.

Please also refer to the risk factor "***Investment risks – Equity Risk***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

8.2 Price-weighted index risk

The Underlying Index is a price-weighted index whereby the Underlying Index constituents are weighted based on their individual prices instead of their size or market capitalisation. This means that constituents with higher prices will have a greater impact on the value of the Underlying Index. The CSOP Nikkei 225 Index ETF by tracking the Underlying Index may have relatively large holdings in Underlying Index constituents with relatively small market capitalisation than it would have held if tracking a market capitalisation weighted index, leading to higher risks and potential underperformance.

8.3 Risks associated with small / mid-capitalisation companies

The CSOP Nikkei 225 Index ETF may invest in small and mid-sized companies. The stock of small and 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.

8.4 Concentration risk

The CSOP Nikkei 225 Index ETF's investments are concentrated in Japan. The value of the CSOP Nikkei 225 Index ETF 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 Japanese market.

8.5 Risks associated with Japan and the equity market in Japan

The Japanese economy is heavily dependent on international trade and may be adversely affected by protectionist measures, competition from emerging economies, political tensions with its trading partners and their economic conditions, natural disasters and commodity prices. Changes in governmental regulations on trade, decreasing imports or exports and/or an economic recession in Japan may cause the value of the CSOP Nikkei 225 Index ETF's investments to decline. Downturns in the economies of key trading partners such as the United States, China and/or countries in Southeast Asia, including any economic, political or social instability in such countries, could also have a negative impact on the Japanese economy as a whole. Currency fluctuations may also adversely impact the Japanese economy, including its export market.

Japan is prone to natural disasters such as earthquakes, typhoons, flooding and tsunamis and may be subject to other unexpected disruptions such as fires, power outages and outbreaks of pandemic. Such events may have an adverse impact on the Japanese market, and it is impossible to accurately predict the occurrence of such events.

The Tokyo Stock Exchange has the right to suspend trading in any security traded thereon. The Japanese government or the regulators in Japan may also implement policies that may affect the Japanese financial market. All of these may have a negative impact on the CSOP Nikkei 225 Index ETF.

8.6 Risks associated with JPY and foreign exchange

The CSOP Nikkei 225 Index ETF's Base Currency is JPY and the underlying investments of the CSOP Nikkei 225 Index ETF are primarily denominated in JPY, but cash creations and redemptions of the Listed Class of Units in the primary market will be in USD / JPY and a class of the Unlisted Class of Units may be designated in a currency other than JPY, while dividend distributions (if any) will be in HKD (in respect of the Listed Class of Units) or in the class currency of the relevant Unlisted Class of Units (in respect of the Unlisted Class of Units). The Net Asset Value of the CSOP Nikkei 225 Index ETF may be affected unfavourably by fluctuations in the exchange rates between the relevant currency and JPY and by changes in exchange rate controls.

The Listed Class of Units of the CSOP Nikkei 225 Index ETF are traded in the secondary market in HKD. Secondary Market Investors may be subject to additional costs or losses associated with fluctuations in the exchange rates between the trading currency (i.e. HKD) and the Base Currency when trading the Listed Class of Units in the secondary market.

8.7 Sector concentration risks

The constituents of the Underlying Index, and accordingly the CSOP Nikkei 225 Index ETF's investments, may from time to time be concentrated in companies in a particular industry. The value of the CSOP Nikkei 225 Index ETF 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.

In particular, the constituents of the Underlying Index, and accordingly the CSOP Nikkei 225 Index ETF's investments, may at times be concentrated in the technology sector. Many of the companies in the technology sector have a relatively short operating history. Rapid changes could render obsolete the products and services offered by companies in the technology sector and cause severe or complete declines in the prices of the securities of those companies. Additionally, companies in the technology sector may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel.

There may be substantial government intervention in the technology industry, including restrictions on investment in internet and technology companies if such companies are deemed sensitive to relevant national interests. Some governments in the world have sought, and may in the future seek, to censor content available through internet, restrict access to products and services offered by companies in the technology sector from their country entirely or impose other restrictions that may affect the accessibility of such products and services for an extended period of time or indefinitely. In the event that access to the technology products and services is restricted, in whole or in part, in one or more countries, the ability of such companies to retain or increase their user base and user engagement may be adversely affected, and their operating results may be harmed.

The technology business is subject to complex laws and regulations

including privacy, data protection, content regulation, intellectual property, competition, protection of minors, consumer protection and taxation. These laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to the business practices, monetary penalties, increased cost of operations or declines in user growth, user engagement or advertisement engagement, or otherwise harm the technology business. They may also delay or impede the development of new products and services. Compliance with these existing and new laws and regulations can be costly and may require significant time and attention of management and technical personnel. These companies are also subject to the risks of loss or impairment of intellectual property rights or licences, cyber security risks resulting in undesirable legal, financial, operational and reputational consequences. All these may have impact on the business and/or profitability of the technology companies in which the CSOP Nikkei 225 Index ETF invests and this may in turn adversely affect the value of investment of the CSOP Nikkei 225 Index ETF.

The CSOP Nikkei 225 Index ETF's investments may also at times be concentrated in other sectors, such as the consumer goods sector. The performance of companies in the consumer goods sector are correlated to the growth rate of the consumer market, individual income levels and their impact on levels of domestic consumer spending, which in turn depend on the worldwide economic conditions, which have seen significant deterioration in the past. There are many factors affecting the level of consumer spending, including but not limited to interest rates, currency exchange rates, economic growth rate, inflation, deflation, political uncertainty, taxation, stock market performance, unemployment level and general consumer confidence. Any future slowdowns or declines in the economy or consumer spending in the relevant market may materially and adversely affect the business of the companies in the consumer goods sector. This may adversely affect the value of investments of the CSOP Nikkei 225 Index ETF.

8.8 Risks relating to the Underlying Index of CSOP Nikkei 225 Index ETF

The CSOP Nikkei 225 Index ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's licence from the Index Provider under the relevant Licence Agreement is terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. Please refer to section "***15. Replacement of the Underlying Index***" below on the circumstances in which the Underlying Index may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP Nikkei 225 Index ETF's investment objective.

The Manager has been granted a licence by the Index Provider to use the Underlying Index as a basis for determining the

composition of the CSOP Nikkei 225 Index ETF and to use certain trade marks in the Underlying Index. The licence granted shall take effect from the date of the Licence Agreement (i.e. 30 November 2023), and shall continue until terminated pursuant to the agreement. There is no guarantee that the Licence Agreement will be perpetually renewed.

The CSOP Nikkei 225 Index ETF may be terminated if the Underlying Index is discontinued and/or the Licence Agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria under Chapter 8.6(e) of the Code. Any such replacement index will be subject to the prior approval of the Commission under the Code and Unitholders will be duly notified of the same. Accordingly, investors should note that the ability of the CSOP Nikkei 225 Index ETF to track the Underlying Index depends on the continuation in force of the Licence Agreement in respect of the Underlying Index or a suitable replacement. The CSOP Nikkei 225 Index ETF may also be terminated if the Underlying Index ceases to be compiled or published and there is no replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index.

The Manager and the Index Provider may by mutual agreement terminate or postpone the parties' obligations under the Licence Agreement upon the occurrence of a force majeure event such that the terms of the Licence Agreement can no longer be performed. There is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

For further information on the grounds for terminating the Licence Agreement in respect of the Underlying Index, please refer to section "***13. Index Licence Agreement***" in this Appendix.

(ii) There may be changes in the constituent securities of the Underlying Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the CSOP Nikkei 225 Index ETF, the Manager may rebalance portfolio of the CSOP Nikkei 225 Index ETF. The price of the Units may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to the section "***16. The Underlying Index***" of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

8.9 Securities lending transactions risk

Collateral risk

As part of the securities lending transactions, the CSOP Nikkei 225 Index ETF 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 CSOP Nikkei 225 Index ETF if the borrower fails to return the securities lent out. The CSOP Nikkei 225 Index ETF 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 CSOP Nikkei 225 Index ETF 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.

8.10 Risks of investing in other collective investment schemes

The CSOP Nikkei 225 Index ETF may invest in other collective investment schemes, and may therefore be subject to the risks associated with such underlying schemes. The CSOP Nikkei 225 Index ETF does not have control of the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which may have a negative impact to the Net Asset Value of the CSOP Nikkei 225 Index ETF.

Any tracking error of these underlying schemes will also contribute to the tracking error of the CSOP Nikkei 225 Index ETF. In addition, the tax provision made by the other collective investment schemes may be more or less than their actual tax liabilities. Any shortfall of such tax provision may adversely affect the performance of such other collective investment schemes.

The underlying schemes in which the CSOP Nikkei 225 Index ETF may invest may not be authorised by the Commission. There may be additional costs

involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the CSOP Nikkei 225 Index ETF's redemption requests as and when made.

8.11 Distributions out of or effectively out of capital risk

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Nikkei 225 Index ETF are charged to/paid out of the capital of the CSOP Nikkei 225 Index ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Nikkei 225 Index ETF and therefore, the CSOP Nikkei 225 Index ETF may effectively pay dividends out of the capital. **Investors should note that payment of distributions out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that amount. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the CSOP Nikkei 225 Index ETF.**

8.12 Risks specific to the Listed Class of Units

No market in the Listed Class of Units risk. Although the Listed Class of Units are to be listed on the SEHK and 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 the Listed Class of Units, investors should be aware that there may be no liquid trading market for the Listed Class of Units or that such market maker(s) may cease to fulfil that role. Further, there can be no assurance that the Listed Class of Units will experience trading or pricing patterns similar to those of other ETFs which are traded on the SEHK and which are based upon indices.

Termination of market maker risk. A market maker may cease to act as a market maker for the Listed Class of Units of the CSOP Nikkei 225 Index ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for the Listed Class of Units of the CSOP Nikkei 225 Index ETF will be no less than three months. The liquidity for the Listed Class of Units of the CSOP Nikkei 225 Index ETF may be affected if there is no market maker for the Listed Class of Units. The Manager will use its best endeavours to put in place arrangements so that there is at least one market maker for the CSOP Nikkei 225 Index ETF to facilitate efficient trading of the Listed Class of Units. It is possible that there is only one market maker for the Listed Class of Units of the CSOP Nikkei 225 Index ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. The Listed Class of Units will be a new security and following listing on the SEHK, it is unlikely that the Listed Class of Units will initially be widely held. Accordingly, any investor buying the Listed Class of Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Listed Class of Units in the secondary market. Therefore,

Unitholders may not be able to sell their Listed Class of Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Listed Class of Units.

Trading difference risk. As the Tokyo Stock Exchange may be open when the Listed Class of Units in the CSOP Nikkei 225 Index ETF are not priced, the value of the securities in the CSOP Nikkei 225 Index ETF's portfolio may change on days when investors will not be able to purchase or sell the Listed Class of Units. Differences in trading hours between the Tokyo Stock Exchange and the SEHK may also increase the level of premium or discount of the price per Unit of the Listed Class of Units to its Net Asset Value.

While shares listed on the Tokyo Stock Exchange are subject to trading bands which restrict increases and decreases in the trading price, Units of the CSOP Nikkei 225 Index ETF listed on the SEHK are not. This difference may also increase the level of premium or discount of the price per Unit of the Listed Class of Units to its Net Asset Value.

8.13 Other risks

Operating risk. There is no assurance that the performance of the CSOP Nikkei 225 Index ETF will be identical to the performance of the Underlying Index. The level of fees, taxes and expenses payable by the CSOP Nikkei 225 Index ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP Nikkei 225 Index ETF can be estimated, the growth rate of the CSOP Nikkei 225 Index ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP Nikkei 225 Index ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP Nikkei 225 Index ETF. On the termination of the CSOP Nikkei 225 Index ETF, the CSOP Nikkei 225 Index ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

Tracking error risk. The CSOP Nikkei 225 Index ETF may be subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index. Factors such as the fees and expenses of the CSOP Nikkei 225 Index ETF, imperfect correlation between the CSOP Nikkei 225 Index ETF's assets and the Index Securities, inability to rebalance the CSOP Nikkei 225 Index ETF's holdings of Index Securities in response to changes in the constituents of the Underlying Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. These factors may cause the CSOP Nikkei 225 Index ETF's returns to deviate from the Underlying Index.

Japanese tax risk. Dividends and certain interests or other income derived from Japanese securities paid to the CSOP Nikkei 225 Index ETF may be subject to withholding tax in Japan or on certain securities transaction, Japanese corporate tax on certain capital gain which may negatively impact on the CSOP Nikkei 225 Index ETF's performance and distributions (if applicable) that the Unitholders may receive from the CSOP Nikkei 225 Index ETF.

9. FEES AND CHARGES

9.1 General

The following fees apply to investors of both the Listed Class of Units and the Unlisted Class of Units.

Management Fee

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum of the Net Asset Value of the CSOP Nikkei 225 Index ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP Nikkei 225 Index ETF all out-of-pocket expenses incurred.

Other Charges and Expenses of CSOP Nikkei 225 Index ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP Nikkei 225 Index ETF.

Establishment costs of CSOP Nikkei 225 Index ETF

The establishment costs of the CSOP Nikkei 225 Index ETF are estimated to be HKD600,000; such costs shall be borne by the CSOP Nikkei 225 Index ETF (unless otherwise determined by the Manager) and amortised over the first five financial years of CSOP Nikkei 225 Index ETF or such other period as determined by the Manager after consulting the auditor.

9.2 Listed Class of Units

The following fees apply to investors of the Listed Class of Units only.

Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP Nikkei 225 Index ETF. For any period less than a month, the reconciliation fee is payable by the CSOP Nikkei 225 Index ETF on a pro-rata basis and accrues on a daily basis.

Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarised in the respective tables below:

Participating Dealers

Creation and Redemption of Units by a Participating Dealer

Application Cancellation Fee	JPY 170,000 / USD 1,200 per cancellation *(See Note 1)*
Extension Fee	JPY 170,000 / USD 1,200 per extension *(See Note 1)*
Transaction Fee	JPY 142,000 / USD 1,000 per Application *(See Note 2)*
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges.

Primary Market Investors creating or redeeming Listed Class of Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

Secondary Market Investors Dealing in Listed Class of Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% *(see Note 4 and Note 9)*
Accounting and Financial Reporting	0.00015% of the trading price *(see Note 5)*

Council ("**AFRC**") transaction levy	
Trading fee	0.00565% *(see Note 6 and Note 9)*
Stamp duty	Nil *(see Note 7)*
Investor compensation levy	0.002% (currently suspended) *(see Note 8)*

Note:

1. The Application Cancellation Fee of JPY 170,000 / USD 1,200 and the Extension Fee of JPY 170,000 / USD 1,200 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.

2. A Transaction Fee of JPY 142,000 / USD 1,000 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.

3. A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.

4. A transaction levy of 0.0027% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.

5. An AFRC transaction levy of 0.00015% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.

6. A trading fee of 0.00565% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.

7. For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the CSOP Nikkei 225 Index ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.

8. The investor compensation levy of the trading price of the Listed Class of Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.

9. The transaction levy and trading fee will be paid by intermediaries to HKEX in Hong Kong dollars and calculated

based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.

Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

9.3 Unlisted Class of Units

The following fees apply to investors of the Unlisted Class of Units only.

Subscription, redemption and switching fees payable by Unitholders of Unlisted Class of Units

	Class A Units
Subscription fee	Up to 5% of the subscription amount
Redemption fee	Nil
Switching fee	N/A

Investors should note that switching between the Unlisted Class of Units and the Listed Class of Units on the secondary market is not available. Distributors who wish to switch between the Unlisted Class of Units and the Listed Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of the documents that are available for inspection.

11. TERMINATION OF CSOP NIKKEI 225 INDEX ETF

Without prejudice to the grounds of termination as set out in the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP Nikkei 225 Index ETF shall be less than the equivalent of HKD100 million in the Base Currency of the CSOP Nikkei 225 Index ETF, the CSOP Nikkei 225 Index ETF and/or any classes of Units relating to the CSOP Nikkei 225 Index ETF may be terminated by the Manager in its absolute discretion by notice in writing.

12. PUBLICATION OF INFORMATION RELATING TO CSOP NIKKEI 225 INDEX ETF

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for the information relating to the CSOP Nikkei 225 Index ETF that will be published on the Manager's website and HKEX's website.

13. INDEX LICENCE AGREEMENT

The Manager has entered into a licence agreement dated 30 November 2023 (the "**Licence Agreement**") with Nikkei Inc. The initial term of the licence of the Underlying Index shall remain in full force and effect for 3 years from 30 November

2023. The Licence Agreement shall be automatically renewed for 1 year unless either party to the Licence Agreement serves a written notice of the termination of at least 90 days prior to the end of the then current term to the other party. The Licence Agreement may otherwise be terminated in accordance with the provisions of the Licence Agreement.

14. MATERIAL CHANGES TO THE UNDERLYING INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

15. REPLACEMENT OF THE UNDERLYING INDEX

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;
(b) the licence to use the Underlying Index being terminated;
(c) a new index becoming available that supersedes the existing Underlying 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 Underlying Index;
(e) investing in the Index Securities comprised within the Underlying 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 Underlying Index having in the opinion of the Manager, deteriorated;
(h) a significant modification of the formula or calculation method of the Underlying 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 CSOP Nikkei 225 Index ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to (i) the use by CSOP Nikkei 225 Index ETF of the Underlying Index and/or (ii) the name of CSOP Nikkei 225 Index ETF will be notified to investors.

16. THE UNDERLYING INDEX

This section is a brief overview of the Underlying Index. It contains a summary of the principal features of the Underlying Index and is not a complete description of the Underlying Index. As of the date of this Prospectus, the summary of the Underlying Index in this section is accurate and consistent with the complete description of the Underlying Index. Complete information on the Underlying Index appears on the

website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Underlying Index

The Underlying Index, which is also known as the Nikkei 225 Index, is an adjusted price-weighted equity index with highly liquid and representative stocks that consists of 225 stocks listed on the Prime Market of the Tokyo Stock Exchange. In a price-weighted index, constituents are weighted by their price per share, and the Underlying Index is an average of the share prices of all the constituents. For more details, please refer to the section "***Index calculation method***" below.

The Underlying Index is denominated and quoted in JPY.

The Underlying 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 Underlying Index was launched on 3 December 2012 and had a base level of 6569.47 as of 28 December 1979. As of 27 February 2026, the Underlying Index had a total market capitalisation of JPY 992,790.00 billion and 225 constituents.

Index Provider

The Underlying Index is compiled and managed by Nikkei Inc. (the "**Index Provider**").

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index constituents selection and reviews

Selection of constituents

The Underlying Index is calculated with 225 market representative stocks from the Prime Market of the Tokyo Stock Exchange. To be listed on the Prime Market of the Tokyo Stock Exchange, amongst other listing criteria, companies need to have a market capitalisation of tradable shares of at least JPY10 billion, at least 800 shareholders, tradeable shares of at least 20,000 units, and a tradeable share ratio of at least 35%.

However, non-ordinary shares such as ETFs, REITs, preferred stocks, preferred securities or tracking stocks are excluded.

By calculating with highly liquid stocks, the Underlying Index is aimed at fulfilling two objectives, one is to maintain its long-term continuity and the other is to reflect the changes in the industry structure of the Japanese stock market.

Constituents of the Underlying Index are reshuffled based on two types of changes in the constituents, namely (i) periodic review ("**Periodic Review**"), which is conducted twice a year, and (ii) extraordinary replacement ("**Extraordinary Replacement**"), where the vacancies of the constituents created by delisting or other reasons are filled.

Periodic Review

Constituents are reviewed twice a year as evaluated at the end of January and July (the "**base dates**") in accordance with the following rules. Results of the review

become effective on the first trading day of April and October.

The maximum number of constituents reshuffled at a Periodic Review is 3. However, constituent change due to corporate reorganisation near the time of Periodic Review is not included in the foregoing limit of 3.

(1) *Assessment of liquidity*

Highly liquid stocks from the Prime Market of the Tokyo Stock Exchange are selected and grouped as the "High Liquidity Group".

The measures to assess liquidity are (a) trading value of the preceding 5 years and (b) magnitude of price fluctuation by trading value (defined as *(high price / low price) / trading value*) in the preceding 5 years. Top 450 (double the constituent count for the Underlying Index) of the most liquid stocks ranked in descending order of liquidity in terms of the two measures constitute the "High Liquidity Group".

(2) *Deletion of low liquidity constituents*

Those constituents not in the High Liquidity Group (ranked 451st or lower) are deleted from the Underlying Index.

(3) *Addition of high liquidity stocks*

The "High Liquidity Group" stocks which are ranked 75th or higher and are not currently in the list of the constituents are added to the Underlying Index.

(4) *Deletion/Addition based on the sector balance*

The 450 most liquid issues will be categorised into six industrial sectors – Technology, Financials, Consumer Goods, Industrial Materials, Capital Goods/Others and Transportation/Utilities.

After considering the results of steps (2) and (3) above, a rebalancing is conducted if any of the sectors are over-represented or under-represented so as to make the total number of the constituents to be 225. Degree of representation is evaluated by comparing the actual number of constituents in the sector against the "Appropriate number", which is defined as half of the number of stocks in each sector in the "High Liquidity Group".

For over-represented sectors, current constituents in the sector are deleted in the order of the liquidity (low liquidity first) to correct the overage. For under-represented sectors, non-constituent stocks are added from the "High Liquidity Group" in the order of the liquidity (high liquidity first) to correct the shortage.

<u>Extraordinary Replacement</u>

Extraordinary Replacement is intended to fill the vacancy made by deletion due to a specific event.

(1) *Deletion for special reasons*

Constituents which meet the following criteria are deleted from the Underlying Index:

(i) designated as "Securities to be Delisted" or "Securities on Alert";
(ii) delisted due to corporate restructuring such as merger, share exchange or share transfer;
(iii) transfer to a market other than the Prime Market.

A constituent designated as a "Security under Supervision" remains to be a constituent at the time of designation. However, the Index Provider may replace such a constituent with a pre-announcement when it is highly inappropriate to keep the stock as a constituent, e.g. probability of delisting is extremely high.

(2) *Procedure to add new constituents*

When a constituent is deleted for the reasons in step (1) above, a stock to be added will be selected, in principle, from the same sector in the "High Liquidity Group" in the descending order of liquidity.

Notwithstanding the preceding paragraph, the following rules may apply depending on the timing and circumstances of the deletion where a deletion is known in advance:

(i) when such deletion is scheduled close to the Periodic Review, additional stocks may be selected in a part of the Periodic Review process;
(ii) when multiple deletions are scheduled in a season other than the Periodic Review, additions may be selected using steps (3) and (4) of the rules for Periodic Review described above by assessing the liquidity and the balance of the sector.

(3) *Special rules for additions*

Notwithstanding the above, the procedures as exemplified below may be applied to choose the stocks to be added in case of corporate restructuring. Application of these special rules is determined for each case.

(i) Under the following cases, a stock of a company which will succeed the substance of the delisting company will be added in principle, provided such company must be listed or will be listed within a short period on the Prime Market of the Tokyo Stock Exchange:

- stock of a surviving company in mergers where a constituent is merged and delisted;
- stock of a newly established parent company by share transfer or a new parent company receiving shares from a constituent by exchange.

(ii) When a company is split and multiple companies maintain listing on the Prime Market of the Tokyo Stock Exchange, a stock of a company which succeeds the major operation will become a constituent.

(4) *Timing of the constituent change*

In principle, for each reason under step (1) above, constituents are deleted and added with the effective date as follows:

(i) designated as "Securities to be Delisted" or "Securities on Alert" – five business days after the designation;
(ii) delisted due to corporate restructuring such as merger, share exchange or share transfer – effective date of the relevant event;
(iii) transfer to the market other than the Prime Market – effective date of the relevant event.

In case that a constituent designated as a "Security under Supervision" is deemed as highly inappropriate and will be deleted, the announcement will be made approximately two weeks before its effective date. Even if such a constituent is

designated as a stock to be delisted before the pre-announced effective date, the pre-announced effective date prevails.

Implementation of constituent change

For both Periodic Reviews and Extraordinary Replacements, deletions and additions are made effective on the same day to keep the number of constituents at 225.

However, when necessary, as exemplified below, additions are made after the deletions and during such period, the Underlying Index may be calculated with less than 225 constituents. Divisor is adjusted at times when constituents are deleted or added to warrant the continuity.

A constituent company may be delisted when it establishes a parent company by a share transfer or becomes a subsidiary of an unlisted company by a share exchange. If a new parent company is deemed to be succeeding the business of the delisted company, such a new company may become a new constituent if it becomes listed. In such a case, during the period between delisting of the original company and listing of the new succeeding company, the Underlying Index may be calculated with constituents less than 225.

After consultation with academics and market professionals, the Index Provider will decide and announce the list of deleting and adding stocks.

Index calculation method

The Underlying Index is calculated as a weighted price average where the sum of the constituent stock prices adjusted by the price adjustment factor is divided by the divisor.

*Adjusted stock price = Stock price x Price adjustment factor**

Underlying Index = Sum of adjusted stock price / Divisor

* For a constituent to which a capping ratio is applied, price adjustment factor will be replaced by “capped price adjustment factor”.

Selection of the prices

Prices to be used for the calculation are selected in the following order of priority: (1) special quote or sequential trade quote, (2) traded price and (3) base price.

A special quote is declared by the Tokyo Stock Exchange. It is indicated whenever prices look likely to jump beyond a certain price range (special quote renewal price interval) from the last execution price. It is indicated if there is any likelihood of inappropriate price fluctuations, for example, as a result of a major order imbalance between bids and offers, to prevent short-term wild price fluctuations. Special offer quotes are indicated when the next price is anticipated to be at a price lower than the given renewal price interval and special bid quotes are indicated when the next price is anticipated to be at a price higher than the given renewal price interval.

Special quote described above is indicated when price is anticipated to jump beyond a certain range without execution. In high-speed order matching and executing however, sequential buying-up or selling-down with execution may result in instantaneous and sharp price fluctuations without a special quote being displayed at all. If there is sequential execution that is likely to move beyond twice the special quote renewal price interval from the reference execution price, after execution up to the “reference price + (renewal price interval x 2)” (or in the case of offers, down to the “reference price - (renewal price interval x 2)”), a sequential trade quote will be

displayed at this price for one minute.

Following the order of priority mentioned above, if a constituent stock closes trading with special quote, such special quote is used to calculate the closing index even if it had a traded price intraday. Where there are no prices by the definition of "special quote or sequential trade quote" and "traded price", then the base price is used. Base price is obtained based on the priority order of ex-rights theoretical price, the last special quote price or sequential trade quote price, and the latest traded price up to the preceding day. In most cases, the price used for the calculation of the closing index on the preceding day becomes the "base price".

Price adjustment factor

Price adjustment factor ("**PAF**") is a number which adjusts price of the constituents. PAFs are set and revised as follows.

(1) *Setting PAF*

The PAF of a stock to be added to the Underlying Index is 1. However, the value other than 1 (0.1 to 0.9) may be assigned provided that the price of such stock on the base dates (i.e. end of January and July) exceeds 1% of the sum of constituent prices. It is set at the highest value which does not exceed 1% of the sum of the prices by 0.1 interval.

PAF = sum of adjusted stock price of the constituents x 1% / the stock price of the new constituent.

Note: PAF is evaluated on the base date and rounded down to the nearest 0.1.

When a stock of a newly established holding company is added replacing the delisting original company, value other than 1 may be set in accordance with the ratio of stock transfer, etc. in the establishment of the holding company.

Also note that if the stock price of the new constituent fluctuates drastically after the base date until the effective date of the change, the PAF may be adjusted. In this case, such an adjustment will be announced at least 5 business days before the effective date in principle.

(2) *Revising PAF*

PAF is revised under large-scale stock split or reverse split.

When a constituent goes for a large-scale stock split or reverse stock split, PAF is revised to keep the price level of such a constituent unchanged. However, since the PAF has only 1 digit after the decimal point, the above adjustment calculation might result in a fraction. Also, if a result of calculation is less than 0.1, PAF will be set as 0.1. In these cases, the adjusted price before and after the split/reverse split are different. Such difference will be adjusted by divisor. Revision of PAF under large scale stock split or reverse split will be announced at least 5 business days before the effective date in principle.

(3) *Capping ratio*

Capping ratio is a number which is used to temporally decrease the weight of a constituent when such weight exceeds a certain threshold (the "**weight cap threshold**"). The capping ratio is applied, revised, or cancelled as stipulated below.

Weight cap threshold is 12% upon introduction at the Periodic Review of October 2022. It will be reduced to 11% and 10% respectively at the Periodic Reviews in October 2023 and October 2024.

For a constituent to which a capping ratio is applied, the price of such a constituent is adjusted by "capped price adjustment factor" ("**CPAF**") as shown below.

Capped price adjustment factor (CPAF) = Price adjustment factor x Capping ratio

Note: CPAF is rounded down to the nearest 0.1.

If, on the base date of a Periodic Review, the weight of a constituent to which any capping ratio is not yet applied exceeds the weight cap threshold, a capping ratio of 0.9 is applied on the effective date of the constituent change resulting from the Periodic Review. If a capping ratio was already applied to such a constituent, capping ratio will be decreased by 0.1. However, if no change is observed in the CPAF after the application of the new capping ratio, the capping ratio will be decreased further until there is a change in the CPAF.

If, on the base date of a Periodic Review, weight of a constituent to which a CPAF is applied is below 5%, the capping ratio will be increased by 0.1 on the effective date of the constituent change resulting from the Periodic Review. However, if no change is observed in the CPAF after the application of the new capping ratio, the capping ratio will be increased further until there is a change in the CPAF. If the new capping ratio after the increment is 1, capping ratio will be cancelled.

When a constituent to which CPAF is applied goes for a large-scale stock split or reverse split and the PAF is adjusted by the ratio of split or reverse split, the capping ratio may be revised so that the new CPAF does not change the weight of the constituent. For such a constituent, the capping ratio may have fractions after 0.1 and be increased/decreased by the number other than 0.1 in the next revision of the capping ratio.

In principle, the capping ratio is applied, revised, or cancelled on the effective date of the constituent change resulting from the Periodic Review. However, depending on the liquidity of the constituent, changes in the capping ratio may be implemented in two or more steps.

(4) *Divisor*

The Underlying Index is calculated as adjusted price average where the weight is based on the price adjustment factor. This is basically an arithmetic average and the denominator is a number of constituents initially. There will be changes in the constituents etc., and the denominator, which is the "divisor", will be adjusted to maintain the continuity of the Underlying Index.

Divisor is recalculated in case of (a) changes in the constituents, (b) corporate action such as split, reverse split, paid-in capital increase (however, when the split or the reverse split is in a large scale, the price adjustment factor may also be adjusted; the divisor may not be changed so long as the adjusted price is unchanged before and after such split/reverse split) or (c) capping ratio application, revision, or cancellation.

Index Securities of the Underlying Index

You can obtain the most updated list of the index constituents with their respective weightings and additional information and other important news of the Underlying Index from the website https://indexes.nikkei.co.jp/en/nkave/index/profile?idx=nk225

(this website has not been reviewed by the Commission).

Index code

Bloomberg: NKYNTR

Index Provider disclaimer

The Nikkei Stock Average Index is a copyrighted material calculated in a methodology independently developed and created by Nikkei Inc. and Nikkei Inc. is the sole exclusive owner of the copyright and other intellectual property rights in the Nikkei Stock Average Index itself and the methodology to calculate the Nikkei Stock Average Index.

The intellectual property and any other rights in the marks to indicate Nikkei and the Nikkei Stock Average Index shall be vested in Nikkei Inc..

Nikkei Inc. does not sponsor, support, sell or market the CSOP Nikkei 225 Index ETF. Nikkei Inc. has, besides granting the license to the Manager to use certain trademarks and to use the Nikkei Stock Average Index for the CSOP Nikkei 225 Index ETF, no connection with the CSOP Nikkei 225 Index ETF. The License Agreement between Nikkei Inc. and the Manager does not provide any rights to any third parties.

The CSOP Nikkei 225 Index ETF is managed exclusively at the risk of the Manager and Nikkei Inc. shall assume no obligation or responsibility for its management and transactions of the CSOP Nikkei 225 Index ETF. Nikkei Inc. is not responsible for the accuracy and the calculation of the CSOP Nikkei 225 Index ETF or the data contained therein.

Nikkei Inc. shall not have the obligation to continuously announce the Nikkei Stock Average Index and shall not be liable for any error, delay, interruption, suspension or cessation of announcement thereof. Nikkei Inc. shall have the right to change the description of the stocks included in the Nikkei Stock Average Index, the calculation methodology of the Nikkei Stock Average Index or any other details of the Nikkei Stock Average Index and shall have the right to suspend or cease the publication of the Nikkei Stock Average Index without owing any liability to the Manager or any other third party.

APPENDIX 13

CSOP MSCI HK China Connect Select ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 3432

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP MSCI HK China Connect Select ETF
Stock Code: 3432

1. KEY INFORMATION

1.1 General

This appendix sets out information specific to CSOP MSCI HK China Connect Select ETF ("**CSOP MSCI HK China Connect Select ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in CSOP MSCI HK China Connect Select ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***6. Risk Factors relating to the CSOP MSCI HK China Connect Select ETF***" of this Appendix, before investing in the CSOP MSCI HK China Connect Select ETF.

Application has been made to the SEHK for the listing of, and permission to deal in, the Units of the CSOP MSCI HK China Connect Select ETF. Subject to the compliance with the relevant admission requirements of the HKSCC, Units in the CSOP MSCI HK China Connect Select 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 Units on the SEHK or such other date as may be determined by the HKSCC. Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP MSCI HK China Connect Select ETF, and should be read in conjunction with the full text of this Prospectus.

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapter 8.6 of the Code
Underlying Index	MSCI HK China Connect Select Index (net total return version) Launch Date: 3 April 2024 Inception Date: 30 November 2017 Number of constituents: 30 (as of 27 February 2026) Base Currency of Index: Hong Kong dollars (HKD)
Type of Underlying Index	A net total return index which means that it

	reflects the reinvestment of dividends or distributions, after deduction of any withholding tax. The Underlying Index is denominated and quoted in HKD.
Index Provider	MSCI Inc.
Investment Strategy	The Manager will use combination of physical and synthetic representative sampling strategy. Please refer to section "3***. Investment Objective and Strategy***" of this Appendix for further details.
Initial Issue Date	3 July 2024
Listing Date	4 July 2024
Dealing on SEHK Commencement Date	4 July 2024
Exchange Listing	SEHK – Main Board
Stock Code	3432
Stock Short Name	CSOP HKCNCON
ISIN Number	HK0001033544
Trading Board Lot Size	10 Units
Base Currency	HKD
Trading Currency	HKD
Dividend Policy	The Manager has discretion as to whether or not the CSOP MSCI HK China Connect Select ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP MSCI HK China Connect Select ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any). The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP MSCI HK China Connect Select ETF are charged to/paid out of the capital of the CSOP MSCI HK China Connect Select ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP MSCI HK China Connect Select ETF and

		therefore, the CSOP MSCI HK China Connect Select ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of the CSOP MSCI HK China Connect Select ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP MSCI HK China Connect Select ETF. **Distributions will be in HKD** and "purified" in accordance with Sharia investment principles. Please refer to section "***5. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP MSCI HK China Connect Select ETF and the risk factor under section "6.11 ***Distributions out of or effectively out of capital risk***" in this Appendix for the risk associated with distributions paid out of capital.
Application Unit size for Creation/ Redemption (only by or through Participating Dealers)		Minimum 50,000 Units (or multiples thereof)
Method of Creation/ Redemption		Cash (in HKD), in-Kind or a combination of both
Parties	Manager	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
	Participating Dealer(s)	Please refer to the Manager's website set out below for the latest list.
	Market Maker(s)	Please refer to the Manager's website set out below for the latest list.
	Service Agent	HK Conversion Agency Services Limited
	Listing Agent	Altus Capital Limited

Financial Year	Ending 31 December each year (The first financial year-end of the CSOP MSCI HK China Connect Select ETF will be 31 December 2025. The first semi-annual unaudited interim reports and first audited accounts of the CSOP MSCI HK China Connect Select ETF will be for the period ending 30 June 2025 and 31 December 2025 respectively.)
Management Fee	Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.99% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Website	https://www.csopasset.com/en/products/hk-cmcc (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission)

1.3 Custodian for the CSOP MSCI HK China Connect Select ETF

The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee as custodian (the "**Custodian**"), and will be responsible for the safe custody of the CSOP MSCI HK China Connect Select ETF's assets.

Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the Custodian. Neither the Custodian nor its delegate (if any) is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "***1.3 Custodian for the CSOP MSCI HK China Connect Select ETF***".

1.4 Market Maker

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 of the CSOP MSCI HK China Connect Select ETF. 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 to facilitate the efficient trading of Units of the CSOP MSCI HK China Connect Select ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker is required to give not less than three months' notice prior to terminating market making arrangement under the relevant market making agreement.

The list of market markers in respect of the CSOP MSCI HK China Connect Select ETF is available on https://www.csopasset.com/en/products/hk-cmcc and from time to time will be displayed on www.hkex.com.hk.

2. DEALING

2.1 The Initial Offer Period

Units of the CSOP MSCI HK China Connect Select ETF will initially be offered only to the Participating Dealer(s) from 9:00 a.m. (Hong Kong time) on 2 July 2024 to 5:00 p.m. (Hong Kong time) on 2 July 2024, unless otherwise extended by the Manager (the "**Initial Offer Period**"). The purpose of the Initial Offer Period is to enable the Participating Dealer(s) to apply for Units on their own account or on behalf of third party Primary Market Investors in accordance with the terms of the Trust Deed and the Operating Guidelines.

Primary Market Investors who are retail investors may only submit a creation request or redemption request through a Participating Dealer or a stockbroker who has opened an account with a Participating Dealer.

Investors should note that the Participating Dealers and the stockbrokers through whom a Creation Application is made may impose an earlier dealing deadline, require other supporting documents for the Creation Application and adopt other dealing procedures different from those set out for the CSOP MSCI HK China Connect Select ETF in this Prospectus. For example, the dealing deadline set by the Participating Dealers or the stockbrokers may be earlier than that set out for the CSOP MSCI HK China Connect Select ETF in this Prospectus. Investors should therefore check the applicable dealing procedures with the relevant Participating Dealer or stockbroker (as the case may be).

2.2 Extension of the Initial Offer Period

If the Initial Offer Period is extended beyond 2 July 2024, dealings in the Units on the SEHK will commence on the fourth (4th) Business Day following the close of the Initial Offer Period.

2.3 Exchange Listing and Trading

Application has been made to the SEHK for listing of and permission to deal in Units in the CSOP MSCI HK China Connect Select ETF.

Currently, Units are expected to be listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on other stock exchanges.

If trading of the Units of the CSOP MSCI HK China Connect Select ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Units.

2.4 Buying and Selling of Units of the CSOP MSCI HK China Connect

Select ETF on SEHK

Dealings on the SEHK in Units of the CSOP MSCI HK China Connect Select ETF issued after the Initial Offer Period are expected to begin on the trading day after the Initial Issue Date.

A Secondary Market Investor can buy and sell the Units of the CSOP MSCI HK China Connect Select ETF on the SEHK through his stockbroker at any time the SEHK is open. Units of the CSOP MSCI HK China Connect Select ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 10 Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the CSOP MSCI HK China Connect Select ETF 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 of the CSOP MSCI HK China Connect Select ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the CSOP MSCI HK China Connect Select ETF.

Please refer to section "***Schedule 2 – 3. Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of Units on the SEHK.

2.5 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Schedule 2 – 2. Creation and Redemption of Application Units (Primary Market)***" of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP MSCI HK China Connect Select ETF only.

The Manager allows Cash, In-Kind and Hybrid (i.e. a combination of Cash and In-Kind Creations and Redemptions) Creations and Redemptions for Units of the CSOP MSCI HK China Connect Select ETF. Any cash payable by Participating Dealers in a Cash Creation must be in HKD.

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 Application Unit size for CSOP MSCI HK China Connect Select ETF is 50,000 Units (or multiples thereof). Creation Applications submitted in respect of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP MSCI HK China Connect Select ETF is one Application Unit.

Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Any cash proceeds received by Participating Dealers in a Cash Redemption shall be paid in HKD only.

2.5.1 Dealing Period

The dealing period on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP MSCI HK China Connect Select ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 3:30 p.m. (Hong Kong time) for any cash creation and redemption or 4:30 p.m. (Hong Kong time) for any in-kind creation and redemption (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.5.2 Issue Price and Redemption Price

In respect of each Creation Application during the Initial Offer Period, the Issue Price of a Unit of any class which is the subject of a Creation Application in relation to the CSOP MSCI HK China Connect Select ETF shall be equal to HKD78, or such other price as may be determined by the Manager in consultation with the Trustee.

After the Initial Offer Period, the Issue Price of a Unit of any class in the CSOP MSCI HK China Connect Select ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units of any class redeemed shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP MSCI HK China Connect Select ETF.

The "**Valuation Day**" of the CSOP MSCI HK China Connect Select ETF, coincides with, and shall mean, the Dealing Day of the CSOP MSCI HK China Connect Select ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's website at https://www.csopasset.com/en/products/hk-cmcc (the website has not been reviewed by the Commission) or published in such other publications as the Manager decides.

2.5.3 Dealing Day

In respect of the CSOP MSCI HK China Connect Select ETF, "**Dealing Day**" means each Business Day.

"**Business Day**" in respect of the CSOP MSCI HK China Connect Select ETF means a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant market on which the securities comprising or held by the CSOP MSCI HK China Connect Select ETF are traded is open for normal trading, and (b) the Underlying Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

3. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP MSCI HK China Connect Select ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the MSCI HK China Connect Select Index (net total return version) (the "**Underlying Index**"). The Underlying Index adheres to Sharia investment principles, which have been approved by MSCI's Sharia advisors' committee of Sharia scholars as Sharia compliant.

There is no assurance that the CSOP MSCI HK China Connect Select ETF will achieve its investment objective.

Investment Strategy

In order to achieve the investment objective of the CSOP MSCI HK China Connect Select ETF, the Manager will intends to adopt a combination of physical representative sampling and synthetic representative sampling strategy. The CSOP MSCI HK China Connect Select ETF will (i) primarily use a physical representative sampling strategy by investing 50% to 100% of its Net Asset Value in Securities constituting the Index ("**Index Securities**"); and (ii) where the Manager believes such investments are beneficial to the CSOP MSCI HK China Connect Select ETF and will help the CSOP MSCI HK China Connect Select ETF achieve its investment objective, use a synthetic representative sampling strategy as an ancillary strategy by investing up to 50% of its Net Asset Value in FDIs, which will only be funded total return swaps with one or more counterparties.

<u>Physical representative sampling sub-strategy</u>

The CSOP MSCI HK China Connect Select ETF primarily uses a physical representative sampling strategy by investing 50% to 100% of its Net Asset Value in Index Securities. The CSOP MSCI HK China Connect Select ETF may invest up to 100% of its Net Asset Value directly in equity securities listed on the SEHK.

<u>Synthetic representative sampling sub-strategy</u>

By adopting a synthetic representative sampling sub-strategy, the CSOP MSCI HK China Connect Select ETF will only invest up to 50% of its Net Asset Value directly in funded total return swap transaction(s) whereby the CSOP MSCI HK China Connect Select ETF will pass on the relevant portion of cash to the swap counterparty(ies) and in return the swap counterparty(ies) will provide the CSOP MSCI HK China Connect Select ETF with an exposure to the economic gain/loss in the performance of the Index Securities (net of indirect costs).

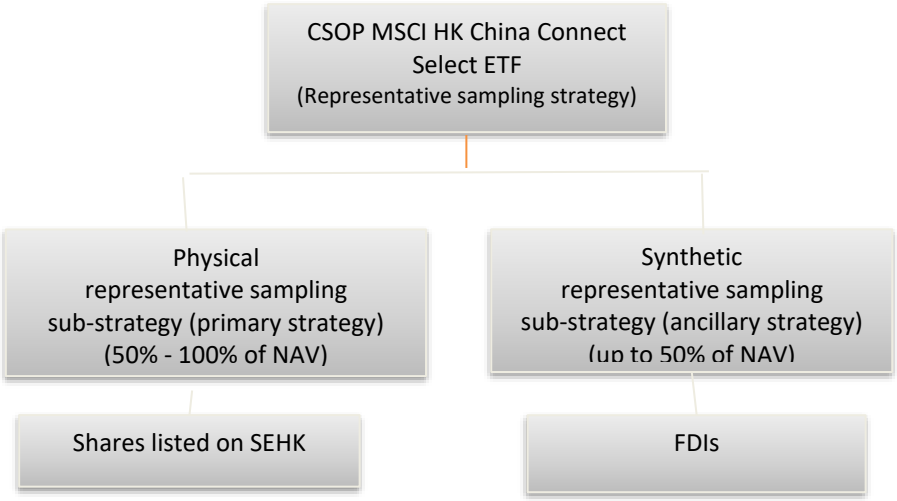
The CSOP MSCI HK China Connect Select ETF will bear the swap fees, which includes all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis (including the brokerage commission

and any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swaps). In extreme market conditions and exceptional circumstances, the brokerage commission and costs associated with the hedging arrangement may increase significantly and in return increase the swap fees. Swap fees are accrued daily and spread out over the month. No fees are payable for the unwinding or early termination of swaps. The swap fees will be disclosed in the interim and annual financial reports of the CSOP MSCI HK China Connect Select ETF. The swap fees will be borne by the CSOP MSCI HK China Connect Select ETF and hence may have an adverse impact on the Net Asset Value and the performance of the CSOP MSCI HK China Connect Select ETF, and may result in higher tracking error. The Manager will only use a synthetic representative sampling sub-strategy when it considers that such investments are beneficial to the CSOP MSCI HK China Connect Select ETF.

Exposure of the CSOP MSCI HK China Connect Select ETF to the Index Securities (either through direct investment or FDIs) will be in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index. The Manager may cause the CSOP MSCI HK China Connect Select ETF to deviate from the index weighting on condition that the maximum deviation from the index weighting of any constituent will not exceed 3% or such other percentage as determined by the Manager after consultation with the SFC.

The full holdings of the CSOP MSCI HK China Connect Select ETF are available on the Manager's website and will be updated on a daily basis.

The diagram below shows the investment strategies of the CSOP MSCI HK China Connect Select ETF:



Other investments

The CSOP MSCI HK China Connect Select ETF may also invest not more than 5% of its Net Asset Value in cash and money market funds for cash management purpose.

3A. SECURITIES LENDING TRANSACTIONS

The Manager may, on behalf of the CSOP MSCI HK China Connect Select ETF, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value. The Manager will be 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 CSOP MSCI HK China Connect Select ETF and as set out in the relevant securities lending agreement. Such transactions

may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1 in Part 1 of this Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the CSOP MSCI HK China Connect Select ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus) of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis and be safekept by the Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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. Any reinvestment of cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent the CSOP MSCI HK China Connect Select ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP MSCI HK China Connect Select ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to the section "***6.9 Securities lending transactions risk***" of this Appendix for further details.

4. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of CSOP MSCI HK China Connect Select ETF to acquire investments, to redeem Units or to pay expenses relating to the CSOP MSCI HK China Connect Select ETF.

5. DISTRIBUTION POLICY

The Manager has discretion as to whether or not the CSOP MSCI HK China Connect Select ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP MSCI HK China Connect Select ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

In accordance with Sharia investment principles, on which the screening of constituents of the Underlying Index is based, the CSOP MSCI HK China Connect Select ETF will adhere to the dividend purification rule as detailed in the section "**14. The Underlying Index – Index constituents selection and reviews**". If a stock held by the CSOP MSCI HK China Connect Select ETF derives part of its total income from interest income and/or from prohibited activities as described in the section "**14. The Underlying Index – Index constituents selection and reviews**", this portion

of income will be deducted from the total distributions paid out to the Unitholders and given to charity. For the avoidance of doubt, in compliance with Sharia investment principles, no interest will be accrued or received in the CSOP MSCI HK China Connect Select ETF's account. Details of the distribution deductions will be set out in the annual financial reports of the CSOP MSCI HK China Connect Select ETF.

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the CSOP MSCI HK China Connect Select ETF.

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP MSCI HK China Connect Select ETF are charged to/paid out of the capital of the CSOP MSCI HK China Connect Select ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP MSCI HK China Connect Select ETF and therefore, the CSOP MSCI HK China Connect Select ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of or effectively out of the CSOP MSCI HK China Connect Select ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP MSCI HK China Connect Select ETF and will reduce any capital appreciation for the Unitholders of the CSOP MSCI HK China Connect Select ETF.**

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-cmcc (this website has not been reviewed by the Commission).

The distribution policy may be amended subject to the Commission's prior approval (where required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared and paid in HKD only. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-cmcc (this website has not been reviewed by the Commission) and on HKEX's website.

There can be no assurance that a distribution will be paid.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

6. RISK FACTORS RELATING TO THE CSOP MSCI HK CHINA CONNECT SELECT ETF

In addition to the general risk factors common to all Sub-Funds set out in

section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP MSCI HK China Connect Select ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP MSCI HK China Connect Select ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP MSCI HK China Connect Select ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

6.1 Equity market risk

The CSOP MSCI HK China Connect Select ETF'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.

Please also refer to the risk factor "***Investment risks – Equity Risk***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

6.2 New index risk

The Underlying Index is a new index. The CSOP MSCI HK China Connect Select ETF may be riskier than other funds tracking more established indices with longer operating history.

6.3 Concentration risk

Insofar as the investments in Index Securities are concerned, the constituents of the Underlying Index, and accordingly the CSOP MSCI HK China Connect Select ETF's investments, are concentrated a single geographical region or country (the PRC including Hong Kong) and companies whose securities listed on the SEHK (including H-Shares, Red-chips and P-chips) and primarily traded in Hong Kong, and have substantial business exposure to the PRC Mainland. The value of the CSOP MSCI HK China Connect Select ETF 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.

Sharia-compliant investments are limited to certain businesses and industries. The value of the CSOP MSCI HK China Connect Select ETF may therefore be more volatile than that of a fund having a more diverse portfolio of investments.

6.4 Sector concentration risks

The screening process of the Underlying Index applies Sharia investment principles which prohibits investments in certain sectors. The constituents

of the Underlying Index, and accordingly the CSOP MSCI HK China Connect Select ETF's investments, may from time to time be concentrated in companies in a particular industry. The value of the CSOP MSCI HK China Connect Select ETF 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.

6.5 Risks associated with investment in FDIs

The CSOP MSCI HK China Connect Select ETF's synthetic representative sampling strategy will involve investing up to 50% of its Net Asset Value in funded total return swaps. In the case of swaps, the CSOP MSCI HK China Connect Select ETF may suffer significant loss if a swap counterparty fails to perform its obligations, or in case of insolvency or default of the swap 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 CSOP MSCI HK China Connect Select ETF. Exposure to FDIs may lead to a high risk of significant loss by the CSOP MSCI HK China Connect Select ETF.

Please also refer to the risk factor "**Investment risks – Financial Derivative Instruments and Collateral Risks**" under "**4. General Risk Factors**" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the CSOP MSCI HK China Connect Select ETF will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the CSOP MSCI HK China Connect Select ETF. Please also refer to the headings "**Financial Derivative Instruments**" and "**Collateral**" under Schedule 1 in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

6.6 Synthetic representative sampling risk

The Manager seeks to mitigate the counterparty risks by fully collateralising all counterparty exposures. There is a risk that the value of the collateral may be substantially lower than the amount secured and so the CSOP MSCI HK China Connect Select ETF may suffer significant losses. Any loss would result in a reduction in the Net Asset Value of the CSOP MSCI HK China Connect Select ETF and impair the ability of the CSOP MSCI HK China Connect Select ETF to achieve its investment objective to track the Underlying Index.

In the case of funded swaps, the CSOP MSCI HK China Connect Select ETF may suffer significant losses if the counterparty fails to perform its obligations under the funded swap. The value of the collateral assets may be affected by market events and may diverge substantially from the performance of the Underlying Index, which may cause CSOP MSCI HK China Connect Select ETF's exposure to the swap counterparty to be under-collateralised and

therefore result in significant losses.

6.7 Sharia investment risks

Regulatory risk

Sharia investment principles are guidelines for investments that comply with Sharia/Islamic law. The laws and regulations surrounding Sharia-compliant investment can change, and this can impact the profitability of certain investments of the CSOP MSCI HK China Connect Select ETF. In response to such a change, the CSOP MSCI HK China Connect Select ETF may need to divest from these assets irrespective of the market condition and may suffer a loss as a result.

Investment risk

The CSOP MSCI HK China Connect Select ETF tracks the Underlying Index, which invest in Sharia compliant investments. Strict adherence to Sharia investment principles may exclude securities of certain issuers and therefore some market opportunities available to funds that do not follow Sharia investment principles may be unavailable for the CSOP MSCI HK China Connect Select ETF, and the CSOP MSCI HK China Connect Select ETF's performance may at times be worse than the performance of relatable funds that do not follow Sharia investment principles.

Compliance risk

No Sharia compliance advisor will be appointed at the CSOP MSCI HK China Connect Select ETF's level. There may be circumstances where the CSOP MSCI HK China Connect Select ETF may have exposure to non-Sharia compliant investments for reasons uncontrollable by or not reasonably foreseeable to the Manager. Sharia is not a codified legal system, and the interpretation of the Sharia compliant investments adopted by the CSOP MSCI HK China Connect Select ETF may not be consistent with the interpretation of certain Islamic professional in other parts of the world.

Purification of income risk

In accordance with Sharia investment principles, on which the screening of constituents of the Underlying Index is based, the CSOP MSCI HK China Connect Select ETF will adhere to the dividend purification rule (for details please refer to the section **"14. The Underlying Index – Index constituents selection and reviews"**). If a stock held by the CSOP MSCI HK China Connect Select ETF derives part of its total income from interest income and/or from prohibited activities, this portion of income will be deducted from the total distributions paid out to the Unitholders and given to charity. The Net Asset Value and in turn the performance of the CSOP MSCI HK China Connect Select ETF may therefore be adversely impacted. In addition, in line with Sharia investment principles, the CSOP MSCI HK China Connect Select ETF will not receive any interest and accordingly, any bank deposits held by the CSOP MSCI HK China Connect Select ETF are non-interest-bearing bank deposits.

Reclassification of Sharia status risk

Sharia is not a codified legal system, there may be circumstances where the underlying investments may be reclassified by the Manager to remove the Sharia compliant status. In the event the Sharia status of the underlying

investment is revoked, the CSOP MSCI HK China Connect Select ETF may be required to liquidate such investment acquired by the CSOP MSCI HK China Connect Select ETF. Such liquidation may have to be undertaken at a substantial discount and the CSOP MSCI HK China Connect Select ETF may suffer significant/substantial losses.

6.8 Risks relating to the Underlying Index of CSOP MSCI HK China Connect Select ETF

The CSOP MSCI HK China Connect Select ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's licence from the Index Provider under the relevant Licence Agreement is terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. Please refer to section "***13. Replacement of the Underlying Index***" below on the circumstances in which the Underlying Index may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP MSCI HK China Connect Select ETF 's investment objective.

The Manager has been granted a licence by the Index Provider to use the Underlying Index as a basis for determining the composition of the CSOP MSCI HK China Connect Select ETF and to use certain trade marks in the Underlying Index. The licence granted shall take effect from the effective date of the Licence Agreement (i.e. 15 June 2024), and shall continue until terminated pursuant to the agreement. There is no guarantee that the Licence Agreement will be perpetually renewed.

The CSOP MSCI HK China Connect Select ETF may be terminated if the Underlying Index is discontinued and/or the Licence Agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria under Chapter 8.6(e) of the Code. Any such replacement index will be subject to the prior approval of the Commission under the Code and Unitholders will be duly notified of the same. Accordingly, investors should note that the ability of the CSOP MSCI HK China Connect Select ETF to track the Underlying Index depends on the continuation in force of the Licence Agreement in respect of the Underlying Index or a suitable replacement. The CSOP MSCI HK China Connect Select ETF may also be terminated if the Underlying Index ceases to be compiled or published and there is no replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index.

The Manager and the Index Provider may by mutual agreement terminate or postpone the parties' obligations under the Licence

Agreement upon the occurrence of a force majeure event such that the terms of the Licence Agreement can no longer be performed. There is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

For further information on the grounds for terminating the Licence Agreement in respect of the Underlying Index, please refer to section "***11. Index Licence Agreement***" in this Appendix.

(ii) There may be changes in the constituent securities of the Underlying Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the CSOP MSCI HK China Connect Select ETF, the Manager may rebalance portfolio of the CSOP MSCI HK China Connect Select ETF. The price of the Units may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to the section "***14. The Underlying Index***" of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

6.9 Securities lending transactions risk

Collateral risk

As part of the securities lending transactions, the CSOP MSCI HK China Connect Select ETF 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 CSOP MSCI HK China Connect Select ETF if the borrower fails to return the securities lent out. The CSOP MSCI HK China Connect Select ETF 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 CSOP MSCI HK China Connect Select ETF 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.

6.10 Risks of investing in other collective investment schemes

The CSOP MSCI HK China Connect Select ETF may invest in other collective investment schemes, and may therefore be subject to the risks associated with such underlying schemes. The CSOP MSCI HK China Connect Select ETF does not have control of the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which may have a negative impact to the Net Asset Value of the CSOP MSCI HK China Connect Select ETF.

Any tracking error of these underlying schemes will also contribute to the tracking error of the CSOP MSCI HK China Connect Select ETF. In addition, the tax provision made by the other collective investment schemes may be more or less than their actual tax liabilities. Any shortfall of such tax provision may adversely affect the performance of such other collective investment schemes.

The underlying schemes in which the CSOP MSCI HK China Connect Select ETF may invest may not be authorised by the Commission. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the CSOP MSCI HK China Connect Select ETF's redemption requests as and when made.

6.11 Distributions out of or effectively out of capital risk

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP MSCI HK China Connect Select ETF are charged to/paid out of the capital of the CSOP MSCI HK China Connect Select ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP MSCI HK China Connect Select ETF and therefore, the CSOP MSCI HK China Connect Select ETF may effectively pay dividends out of the capital. **Investors should note that payment of distributions out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that amount. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the CSOP MSCI HK China Connect Select ETF.**

6.12 Other risks

Operating risk. There is no assurance that the performance of the CSOP MSCI HK China Connect Select ETF will be identical to the performance of the Underlying Index. The level of fees, taxes and expenses payable by the CSOP MSCI HK China Connect Select ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP MSCI HK China Connect Select ETF can be estimated, the growth rate of the CSOP MSCI HK China Connect Select ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given

as to the performance of the CSOP MSCI HK China Connect Select ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP MSCI HK China Connect Select ETF. On the termination of the CSOP MSCI HK China Connect Select ETF, the CSOP MSCI HK China Connect Select ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

No market in the Units risk. Although the Units are to be listed on the SEHK and 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 the Units, investors should be aware that 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 other ETFs which are traded on the SEHK and which are based upon indices.

Termination of market maker risk. A market maker may cease to act as a market maker for the CSOP MSCI HK China Connect Select ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Units of the CSOP MSCI HK China Connect Select ETF will be no less than three months. The liquidity for the Units of the CSOP MSCI HK China Connect Select ETF may be affected if there is no market maker for the Units. The Manager will use its best endeavours to put in place arrangements so that there is at least one market maker for the CSOP MSCI HK China Connect Select ETF to facilitate efficient trading of Units. It is possible that there is only one market maker for the CSOP MSCI HK China Connect Select ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. Units will be a new security and following listing on the SEHK, it is unlikely that the Units will initially be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Units in the secondary market. Therefore, Unitholders may not be able to sell their Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Units.

Tracking error risk. The CSOP MSCI HK China Connect Select ETF may be subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index. Factors such as the fees and expenses of the CSOP MSCI HK China Connect Select ETF, imperfect

correlation between the CSOP MSCI HK China Connect Select ETF's assets and the Index Securities, inability to rebalance the CSOP MSCI HK China Connect Select ETF's holdings of Index Securities in response to changes in the constituents of the Underlying Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. These factors may cause the CSOP MSCI HK China Connect Select ETF's returns to deviate from the Underlying Index.

7. FEES AND CHARGES

7.1 Management Fees

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum of the Net Asset Value of the CSOP MSCI HK China Connect Select ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

7.2 Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP MSCI HK China Connect Select ETF all out-of-pocket expenses incurred.

7.3 Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP MSCI HK China Connect Select ETF. For any period less than a month, the reconciliation fee is payable by the CSOP MSCI HK China Connect Select ETF on a pro-rata basis and accrues on a daily basis.

7.4 Other Charges and Expenses of CSOP MSCI HK China Connect Select ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP MSCI HK China Connect Select ETF.

7.5 Establishment costs of CSOP MSCI HK China Connect Select ETF

The establishment costs of the CSOP MSCI HK China Connect Select ETF are estimated to be HKD0.65 million; such costs shall be borne by the CSOP MSCI HK China Connect Select ETF (unless otherwise determined by the Manager) and amortised over the first five financial years of CSOP MSCI HK China Connect Select ETF or such other period as determined by the Manager after consulting the auditor.

7.6 Fees Payable by Participating Dealers, Primary Market Investors

and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarised in the respective tables below:

7.6.1 Participating Dealers

Creation and Redemption of Units by a Participating Dealer

Application Cancellation Fee	HKD10,000 per cancellation *(See Note 1)*
Extension Fee	HKD10,000 per extension *(See Note 1)*
Transaction Fee	HKD4,000 per Application *(See Note 2)*
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges.

7.6.2 Primary Market Investors creating or redeeming Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

7.6.3 Secondary Market Investors Dealing in Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% *(see Note 4 and Note 9)*
Accounting and Financial Reporting Council ("**AFRC**") transaction levy	0.00015% of the trading price *(see Note 5)*
Trading fee	0.00565% *(see Note 6 and Note 9)*
Stamp duty	Nil *(see Note 7)*

Investor compensation levy	0.002% (currently suspended) *(see Note 8)*

Note:

1. The Application Cancellation Fee of HKD10,000 and the Extension Fee of HKD10,000 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.
2. A Transaction Fee of HKD4,000 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.
3. A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.
4. A transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.
5. An AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.
6. A trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.
7. For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the CSOP MSCI HK China Connect Select ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.
8. The investor compensation levy of the trading price of the Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.
9. The transaction levy and trading fee will be paid by intermediaries to HKEX in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.

   Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of the documents that are available for inspection.

9. TERMINATION OF CSOP MSCI HK CHINA CONNECT SELECT ETF

Without prejudice to the grounds of termination as set out in the section headed

"***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP MSCI HK China Connect Select ETF shall be less than HKD200 million, the CSOP MSCI HK China Connect Select ETF and/or any classes of Units relating to the CSOP MSCI HK China Connect Select ETF may be terminated by the Manager in its absolute discretion by notice in writing.

10. PUBLICATION OF INFORMATION RELATING TO CSOP MSCI HK CHINA CONNECT SELECT ETF

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for the information relating to the CSOP MSCI HK China Connect Select ETF that will be published on the Manager's website and HKEX's website.

11. INDEX LICENCE AGREEMENT

According to the licence agreement entered into between the Manager and MSCI Inc. (the "**Licence Agreement**"), the initial term of the licence of the Underlying Index shall remain in full force and effect for 3 years from 15 June 2024. The Licence Agreement shall be automatically renewed for 2 years unless either party to the Licence Agreement serves a written notice of the termination of at least 90 days prior to the end of the then current term to the other party. The Licence Agreement may otherwise be terminated in accordance with the provisions of the Licence Agreement.

12. MATERIAL CHANGES TO THE UNDERLYING INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

13. REPLACEMENT OF THE UNDERLYING INDEX

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;
(b) the licence to use the Underlying Index being terminated;
(c) a new index becoming available that supersedes the existing Underlying 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 Underlying Index;
(e) investing in the Index Securities comprised within the Underlying 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

Underlying Index having in the opinion of the Manager, deteriorated;

(h) a significant modification of the formula or calculation method of the Underlying 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 CSOP MSCI HK China Connect Select ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to (i) the use by CSOP MSCI HK China Connect Select ETF of the Underlying Index and/or (ii) the name of CSOP MSCI HK China Connect Select ETF will be notified to investors.

14. THE UNDERLYING INDEX

This section is a brief overview of the Underlying Index. It contains a summary of the principal features of the Underlying Index and is not a complete description of the Underlying Index. As of the date of this Prospectus, the summary of the Underlying Index in this section is accurate and consistent with the complete description of the Underlying Index. Complete information on the Underlying Index appears on the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Underlying Index

The Underlying Index is a free float-adjusted market capitalization weighted index. The Underlying Index reflects Sharia investment principles, which have been approved by MSCI's Sharia advisors' committee of Sharia scholars as Sharia compliant. The Underlying Index is designed to measure the performance of the top 30 securities by full market capitalization in the MSCI China and the MSCI Hong Kong Indexes that are listed on the Hong Kong Stock Exchange.

The Underlying Index is denominated and quoted in HKD.

The Underlying 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 Underlying Index was launched on 3 April 2024 and had a base level of 1000 as of 30 November 2017. As of 27 February 2026, the Underlying Index had a total market capitalisation of HK$ 3,250.79 billion and 30 constituents.

Index Provider

The Underlying Index is compiled and managed by MSCI Inc. (the "**Index Provider**").

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index constituents selection and reviews

<u>Index Constituent Selection</u>

The constituents of the Underlying Index are selected and weighted based on following steps at initial rebalancing:

1. Determining the Screened Universe:

a. Construct the "Parent Index" by selecting all constituents of the MSCI China Index (MSCI Index Code: 302400)[1] and MSCI Hong Kong Index (MSCI Index Code: 934400)[2] that are listed on the Hong Kong Stock Exchange, as well as the Hong Kong listing of HSBC

b. Apply Islamic Index M-series screening as per the MSCI Islamic Series Methodology as determined by the Index Provider (the MSCI Islamic Series Methodology is available at https://www.msci.com/index/methodology/latest/Islamic) (this website has not been reviewed by the Commission)

c. Select securities available via the Southbound Trading of the Shanghai-Hong Kong or Shenzhen-Hong Kong Stock Connect Program

2. Selecting the top 30 securities

a. Rank all securities in the Screened Universe in descending order based on their security full market capitalization

b. Select the top 30 securities

3. Determining the constituent weights:

a. Determine an initial weight based on the free float adjusted market capitalization of each security

b. Apply an 8% capping for each issuer and redistribute the excess weight over the remaining issuers in proportion of their free float adjusted market capitalization weight.

Islamic Index M-series screening

1. Business Activity Screening

Sharia investment principles do not allow investment in companies which are directly active in, or derive more than 5% of their revenue (cumulatively) from the following activities ("prohibited activities"):

a. Alcohol: distillers, vintners and producers of alcoholic beverages, including producers of beer and malt liquors, owners and operators of bars and pubs.

b. Tobacco: cigarettes and other tobacco products manufacturers and retailers.

c. Cannabis: manufacture and retail of Cannabis or Cannabis related products.

d. Pork related products: companies involved in the manufacture and retail of pork products.

e. Conventional Financial Services: commercial banks involved in retail banking, corporate lending, investment banking; companies involved in mortgage and mortgage related services; providers of financial services,

[1] The MSCI China Index captures large and mid-cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings (e.g. ADRs). With 703 constituents, the index covers about 85% of this China equity universe.

[2] The MSCI Hong Kong Index is designed to measure the performance of the large and mid-cap segments of the Hong Kong market. With 30 constituents, the index covers approximately 85% of the free float-adjusted market capitalization of the Hong Kong equity universe.

including insurance, capital markets and specialized finance; credit agencies; stock exchanges; specialty boutiques; consumer finance services, including personal credit, credit cards, lease financing, travel-related money services and pawn shops; financial institutions primarily engaged in investment management, related custody and securities fee-based services; companies operating mutual funds, closed-end funds and unit investment trusts; financial institutions primarily engaged in investment banking and brokerage services, including equity and debt underwriting, mergers and acquisitions; securities lending and advisory services institutions; and insurance and reinsurance brokerage firms, including companies providing property, casualty, life disability, indemnity or supplemental health insurance.

f. Defense / Weapons: manufacturers of military aerospace and defense equipment, parts or products, including defense electronics and space equipment.

g. Gambling / Casino: owners and operators of casinos and gaming facilities, including companies providing lottery and betting services.

h. Music: producers and distributors of music, owners and operators of radio broadcasting systems.

i. Hotels: owners and operators of hotels

j. Cinema: companies engaged in the production, distribution and screening of movies and television shows, owners and operators of television broadcasting systems and providers of cable or satellite television services.

k. Adult Entertainment: owners and operators of adult entertainment products and activities

l. Online dating: companies that offer online dating services through the ownership and operation of websites or mobile applications that facilitate profile-based matchmaking, with the goal of developing romantic or sexual relationships.

2. Financial Screening

a. Sharia investment principles do not allow investment in companies deriving significant income from interest or companies that have excessive leverage. MSCI uses the following three financial ratios to screen for these companies:

Numerator	Denominator
Total Debt	Average Issuer Market Capitalization
Sum of a company's cash and interest-bearing securities	
Sum of a company's accounts receivables and cash	

b. None of the financial ratios may exceed the thresholds stipulated in the table below.

Ratio	Islamic M-Series
Total Debt	33.33%
Sum of a company's cash and interest-bearing securities	33.33%
Sum of a company's accounts receivables and cash	49.00%

3. Dividend Purification with adjustment factor provided by the Index Provider

   a. If a company derives part of its total income from interest income and/or from prohibited activities, Sharia investment principles state that this proportion must be deducted from the dividend paid out to shareholders and given to charity.

   b. The Index Provider will apply a "dividend adjustment factor" to all reinvested dividends. The "dividend adjustment factor" is defined as:

$$\frac{\left(total\ earnings\ -\ (income\ from\ prohibited\ activities\ +\ interest\ income)\right)}{total\ earnings}$$

   In this formula, total earnings are defined as total revenues (including interest income), and interest income is defined as operating and non-operating interest. The "dividend adjustment factor" is updated quarterly as part of the business activity screening as described above.

Underlying Index Maintenance

Quarterly Review

The Index is rebalanced on a quarterly basis, with the pro forma Index determined and announced nine business days before the effective date. Changes are generally implemented as of the close of the last business day of each February, May, August and November, to coincide with the Quarterly Index Reviews of the MSCI Global Investable Market Indexes.

During a Quarterly Index Review, the below steps are followed in addition to the steps in the above section:

1. Exclusion of Companies

   a. An additional screen is applied to exclude companies with revenue from the business segment(s) assigned to one or more of the SIC Codes described in the following table from the Screened Universe as below:

SIC Code	Description
0211	Beef cattle feedlots
0212	Beef cattle, except feedlots
0213	Hogs
0214	Sheep and goats
0219	General livestock, except Dairy & Poultry
0241	Dairy farms
0251	Broiler, fryer and roaster chickens
0252	Chicken eggs
0253	Turkeys and turkey eggs
0254	Poultry hatcheries
0259	Poultry and eggs, not elsewhere classified
0271	Fur-bearing animals and rabbits
0272	Horses and other equines
0279	Animal specialties, not elsewhere classified
0291	General farms, primarily livestock
0971	Hunting, trapping, game propagation

2011	Meat packing plants
2013	Sausages and other prepared meats
2015	Poultry slaughtering and processing
2021	Creamery butter
2022	Natural, Processed, and Imitation Cheese
2023	Dry, Condensed, and Evaporated Dairy Products
2024	Ice cream and frozen desserts
2026	Fluid milk
2077	Animal and marine fats and oils
2099	Food preparations, not elsewhere classified
5142	Packaged frozen foods
5143	Dairy products, except dried or canned
5144	Poultry and poultry products
5147	Meats and meat products
5154	Livestock
5421	Meat and Fish (Seafood) Markets, incl Freezer Provisioners
5451	Dairy Products Stores
5812	Eating places
5813	Drinking places (Alcoholic Beverages)

2. Selecting the Top 30 Securities

   The following prioritization steps are followed to select the top 30 securities:

   - Rank all securities in the Screened Universe after the screening for the business segments in descending order based on their security full market capitalization,
   - Select the top 27 securities,
   - Select any existing constituents that are ranked 28 to 33 to reach 30 constituents,
   - Select any non-current constituents based on their ranking to reach 30 constituents.

Ongoing Event Related changes

No new securities are added (except where noted below) to the Underlying Index between Index Reviews. Parent Index deletions are reflected simultaneously.

Securities that are no longer eligible for Southbound Trading (i.e., eligible for both buy and sell) through the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Program are deleted, giving 2 days' notice.

Additionally the Index Provider reviews securities for potential exclusion following changes in GICS* according to section 3.3 of the MSCI Islamic Series Methodology.

* GICS codes are based on the latest GICS structure and sub-industry definitions published on the MSCI website at https://www.msci.com/gics (this website has not been reviewed by the Commission).

Index Securities of the Underlying Index

You can obtain the most updated list of the index constituents of the Underlying Index

with their respective weightings from the website https://www.msci.com/constituents and any additional information and other important news of the Underlying Index from the website https://www.msci.com/equity-fact-sheet-search (this website has not been reviewed by the Commission).

Index code

Bloomberg: NH756451

Index Provider disclaimer

THIS FINANCIAL PRODUCT IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF MSCI'S AFFILIATES, ANY OF MSCI'S OR MSCI'S AFFILIATES' INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING, CALCULATING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARKS OF MSCI OR MSCI'S AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY THE MANAGER. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS FINANCIAL PRODUCT OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FINANCIAL PRODUCTS GENERALLY OR IN THIS FINANCIAL PRODUCT PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS FINANCIAL PRODUCT OR THE ISSUER OR OWNERS OF THIS FINANCIAL PRODUCT OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS FINANCIAL PRODUCT OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS FINANCIAL PRODUCT TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS FINANCIAL PRODUCT IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS FINANCIAL PRODUCT OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS FINANCIAL PRODUCT.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE FINANCIAL PRODUCT, OWNERS OF THE FINANCIAL PRODUCT, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE

FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

No purchaser, seller or holder of this financial product, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this security without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

APPENDIX 14

CSOP HUATAI-PB CSI 300 ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 3133

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP Huatai-PB CSI 300 ETF
Stock Code: 3133

1. KEY INFORMATION

1.1 General

This appendix sets out information specific to CSOP Huatai-PB CSI 300 ETF ("**CSOP CSI 300 ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in CSOP CSI 300 ETF. In particular, investors should consider the general risk factors set out in the section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in the section "***14. Risk Factors relating to the CSOP CSI 300 ETF***" in this Appendix, before investing in the CSOP CSI 300 ETF.

Application has been made to the SEHK for the listing of, and permission to deal in, the Units of the CSOP CSI 300 ETF. Subject to the compliance with the relevant admission requirements of the HKSCC, Units in the CSOP CSI 300 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 Units on the SEHK or such other date as may be determined by the HKSCC. Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP CSI 300 ETF, and should be read in conjunction with the full text of this Prospectus.

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a feeder collective investment scheme by the Commission under Chapters 7 and 8.6 of the Code
Underlying Index	CSI 300 Index (price return version) Inception Date: 8 April 2005 Number of constituents: 300 (as of 27 February 2026) Base Currency of Index: RMB
Type of Underlying Index	A price return index, which means that it calculates the performance of the index constituents on the basis that any dividends or distributions are not included in the index returns. The Underlying Index is denominated and quoted in RMB.
Index Provider	China Securities Index Co., Ltd.
Investment Strategy	The CSOP CSI 300 ETF invests at least 90% of its Net Asset Value in Huatai-PB

	CSI 300 Exchange-traded Open-end Index Securities Investment Fund (the "**Master ETF**"), an exchange traded fund listed on the Shanghai Stock Exchange ("**SSE**"). Please refer to the section "3***. Investment Objective and Strategy***" in this Appendix for further details.
Initial Issue Date	15 July 2024
Listing Date	16 July 2024
Dealing on SEHK Commencement Date	16 July 2024
Exchange Listing	SEHK – Main Board
Stock Code	3133
Stock Short Name	CSOP CSI300
ISIN Number	HK0001005203
Trading Board Lot Size	100 Units
Base Currency	Renminbi (RMB)
Trading Currency	Hong Kong dollars (HKD)
Dividend Policy	The Manager has discretion as to whether or not the CSOP CSI 300 ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP CSI 300 ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any). The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP CSI 300 ETF are charged to/paid out of the capital of the CSOP CSI 300 ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP CSI 300 ETF and therefore, the CSOP CSI 300 ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of the CSOP CSI 300 ETF's capital may result in an immediate reduction

		in the Net Asset Value per Unit of the CSOP CSI 300 ETF. **Distributions will be in RMB only.[#]** Please refer to the section "***8. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP CSI 300 ETF and the risk factor under the section "14.9 ***Distributions Out of or Effectively Out of Capital Risk***" in this Appendix for the risk associated with distributions paid out or effectively out of capital.
Application Unit size for Creation/ Redemption (only by or through Participating Dealers)		Minimum 200,000 Units (or multiples thereof)
Method of Creation/ Redemption		Cash (in RMB) only
Parties	Manager/QFI Holder	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
	PRC Custodian	HSBC Bank (China) Company Limited
	Participating Dealer(s)	Please refer to the Manager's website set out below for the latest list.
	Market Maker(s)	Please refer to the Manager's website set out below for the latest list.
	Service Agent	HK Conversion Agency Services Limited
	Listing Agent	Altus Capital Limited
Financial Year		Ending 31 December each year (The first financial year-end of the CSOP CSI 300 ETF will be 31 December 2025. The first semi-annual unaudited interim reports and first audited accounts of the CSOP CSI 300 ETF will be for the period ending 30 June 2025 and 31 December 2025 respectively.)

[#] 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 dividends from RMB into HKD or any other currency. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning distributions. Please refer to section "8. Distribution Policy" and section "RMB distributions risk" under "14.5 RMB Related Risks" in this Appendix for further details.

	The CSOP CSI 300 ETF's annual audited accounts shall include the investment portfolio of the Master ETF as at the CSOP CSI 300 ETF's financial year-end date.
Management Fee	The management fee of the CSOP CSI 300 ETF can be up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.20% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. The management fee of the Master ETF is currently 0.15% per annum of the net asset value of the Master ETF accrued daily. The aggregate management fee charged in respect of the CSOP CSI 300 ETF is currently 0.35% per annum of the Net Asset Value of the CSOP CSI 300 ETF. The maximum aggregate management fee that can be charged in respect of the CSOP CSI 300 ETF is 2.15% per annum of the Net Asset Value of the CSOP CSI 300 ETF.
Trustee Fee / Custodian Fee	The management fee of the CSOP CSI 300 ETF is inclusive of the Trustee's fee and the Manager will pay the fees of the Trustee out of the management fee. The Trustee's fee is inclusive of the fees payable to the Custodian and the PRC Custodian. The custodian fee of the Master ETF is currently 0.05% per annum of the net asset value of the Master ETF accrued daily. The aggregate trustee / custodian fee charged in respect of the CSOP CSI 300 ETF is currently 0.05% per annum of the Net Asset Value of the CSOP CSI 300 ETF.
Website	https://www.csopasset.com/en/products/hk-csi300 (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission)

1.3 Custodian and PRC Custodian for the CSOP CSI 300 ETF

The CSOP CSI 300 ETF may invest directly in the Master ETF via the QFI status granted to the Manager and/or the Stock Connect.

The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee as custodian (the "**Custodian**") to act through its delegate, the PRC Custodian (as defined below), and will be responsible for the safe custody of the CSOP CSI 300 ETF's assets acquired through investment by remitting offshore RMB utilising the QFI status of the Manager within the PRC mainland under the QFI regime in accordance with the QFI Custody Agreement (as defined below).

The Custodian is entitled to appoint its subsidiary or associates within the HSBC group of companies as delegate for the performance of its services. As of the date of this Prospectus, the Custodian has appointed HSBC Bank (China) Company Limited (the "**PRC Custodian**") as the PRC Custodian. The PRC Custodian is incorporated in the PRC mainland and is a wholly-owned subsidiary of the Custodian. The PRC Custodian possesses the applicable qualification to provide custody services to QFIs.

The "**QFI Custody Agreement**" is the custody agreement entered into between the Custodian, the PRC Custodian, the Manager and the Trustee, as amended from time to time.

Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the Custodian and the PRC Custodian. Neither the Custodian nor its delegate (if any) is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "1.3 ***Custodian and PRC Custodian for the CSOP CSI 300 ETF***".

1.4 Market Maker

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 of the CSOP CSI 300 ETF. 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 to facilitate the efficient trading of Units of the CSOP CSI 300 ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker is required to give not less than three months' notice prior to terminating market making arrangement under the relevant market making agreement.

The list of market markers in respect of the CSOP CSI 300 ETF is available on https://www.csopasset.com/en/products/hk-csi300 and from time to time will be displayed on www.hkex.com.hk.

2. DEALING

2.1 The Initial Offer Period

Units of the CSOP CSI 300 ETF will initially be offered only to the Participating Dealer(s) from 9:00 a.m. (Hong Kong time) on 10 July 2024 to 5:00 p.m. (Hong Kong time) on 12 July 2024, unless otherwise extended by the Manager (the "**Initial Offer Period**"). The purpose of the Initial Offer Period is to enable the Participating Dealer(s) to apply for Units on their own account or on behalf of third party Primary Market Investors in accordance with the terms of the Trust Deed and the Operating Guidelines.

Primary Market Investors who are retail investors may only submit a creation request or redemption request through a Participating Dealer or a stockbroker who has opened an account with a Participating Dealer.

Investors should note that the Participating Dealers and the stockbrokers through whom a Creation Application is made may impose an earlier dealing deadline, require other supporting documents for the Creation Application and adopt other dealing procedures different from those set out for the CSOP CSI 300 ETF in this Prospectus. For example, the dealing deadline set by the Participating Dealers or the stockbrokers may be earlier than that set out for the CSOP CSI 300 ETF in this Prospectus. Investors should therefore check the applicable dealing procedures with the relevant Participating Dealer or stockbroker (as the case may be).

2.2 Extension of the Initial Offer Period

If the Initial Offer Period is extended beyond 12 July 2024, dealings in the Units on the SEHK will commence on the fourth (4th) Business Day following the close of the Initial Offer Period.

2.3 Exchange Listing and Trading

Application has been made to the SEHK for listing of and permission to deal in Units in the CSOP CSI 300 ETF.

Currently, Units are expected to be listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on other stock exchanges.

If trading of the Units of the CSOP CSI 300 ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Units.

2.4 Buying and Selling of Units of the CSOP CSI 300 ETF on SEHK

Dealings on the SEHK in Units of the CSOP CSI 300 ETF issued after the Initial Offer Period are expected to begin on the trading day after the Initial Issue Date.

A Secondary Market Investor can buy and sell the Units of the CSOP CSI 300 ETF on the SEHK through his stockbroker at any time the SEHK is open. Units of the CSOP CSI 300 ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 100 Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the CSOP CSI 300 ETF 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 of the CSOP CSI 300 ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the CSOP CSI 300 ETF.

Please refer to the section "***Schedule 2 – 3. Trading of Listed Class of***

Units on the SEHK (Secondary Market)" in Part 1 of this Prospectus for further information on buying and selling of Units on the SEHK.

2.5 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in the section "***Schedule 2 – 2. Creation and Redemption of Application Units (Primary Market)***" of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP CSI 300 ETF only.

The Manager only allows Cash Creations and Cash Redemptions (in each case, in RMB only) for Units of the CSOP CSI 300 ETF. Any cash payable by Participating Dealers in a Cash Creation 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 Application Unit size for CSOP CSI 300 ETF is 200,000 Units (or multiples thereof). Creation Applications submitted in respect of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP CSI 300 ETF is one Application Unit.

Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Any cash proceeds received by Participating Dealers in a Cash Redemption shall be paid in RMB only.

2.5.1 Dealing Period

The dealing period on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP CSI 300 ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 2:00 p.m. (Hong Kong time) (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.5.2 Issue Price and Redemption Price

In respect of each Creation Application during the Initial Offer Period, the Issue Price of a Unit of any class which is the subject of a Creation Application in relation to the CSOP CSI 300 ETF shall be equal to RMB7.3, or such other price as may be determined by the Manager in consultation with the Trustee.

After the Initial Offer Period, the Issue Price of a Unit of any class in the CSOP CSI 300 ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point (which is approximately 3:00 p.m. (Hong Kong time)) in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units of any class redeemed shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP CSI 300 ETF.

The "**Valuation Day**" of the CSOP CSI 300 ETF, coincides with, and shall mean, the Dealing Day of the CSOP CSI 300 ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's website at https://www.csopasset.com/en/products/hk-csi300 (the website has not been reviewed by the Commission) or published in such other publications as the Manager decides.

2.5.3 Dealing Day

In respect of the CSOP CSI 300 ETF, "**Dealing Day**" means each Business Day during the continuance of the CSOP CSI 300 ETF, or such other day or days as the Manager may from time to time, in consultation with the Trustee, determine.

"**Business Day**" in respect of the CSOP CSI 300 ETF means, unless the Manager and the Trustee otherwise agree, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant market on which the Master ETF is traded is open for normal trading, and (b) the Underlying Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

2.5.4 Rejection of Creation of Applications relating to the CSOP CSI 300 ETF

In addition to the circumstances set out in the section "***2.3.5 Rejection of Creation Applications***" in Schedule 2 of Part 1 of this Prospectus, the Manager, acting reasonably and in good faith, has the absolute discretion to reject a Creation Application in relation to the CSOP CSI 300 ETF, where the QFI status of the Manager relating to the CSOP CSI 300 ETF is cancelled or withdrawn.

3. INVESTMENT OBJECTIVE AND STRATEGY

3.1 Investment Objective

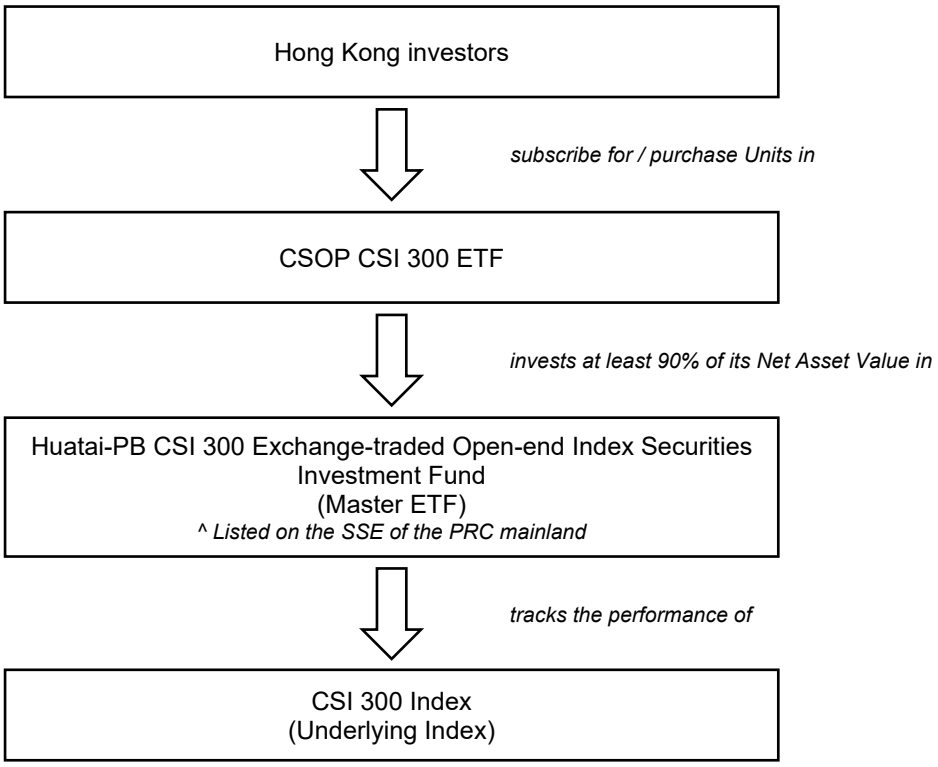
The investment objective of the CSOP CSI 300 ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the CSI 300 Index (the "**Underlying Index**"). There is no assurance that the CSOP CSI 300 ETF will achieve its investment objective.

3.2 Investment Strategy

The CSOP CSI 300 ETF is a feeder fund which, in seeking to achieve its investment objective, will invest at least 90% of its Net Asset Value in the Master ETF via the QFI status granted to the Manager (as explained in the section "***9. QFI Regime***" in this Appendix) and/or the Shanghai-Hong Kong Stock Connect

(as explained in the section "***10.* Stock Connect**" in this Appendix). Investment in units in the Master ETF by the CSOP CSI 300 ETF will be made via the secondary market (i.e. through the SSE on which the Master ETF is listed). The Master ETF is an exchange traded fund listed on the SSE that tracks the performance of the Underlying Index. The Master ETF is not authorised by the Commission and will not be directly offered to the public in Hong Kong. Please refer to the section "5***. Master ETF***" for further details of the Master ETF.

The diagram below shows the investment strategy of the CSOP CSI 300 ETF:



Other investments

No more than 10% of the Net Asset Value of the CSOP CSI 300 ETF may be invested in collective investment scheme(s) other than the Master ETF which may be eligible schemes (as defined by the Commission) or authorised by the Commission, or non-eligible schemes and not authorised by the Commission (including exchange traded funds listed on stock exchanges in the PRC mainland) in accordance with all the applicable requirements of the Code. The above investments may be made through the Manager's status as a QFI and/or Stock Connect. Any investments in the above exchange traded funds will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11, 7.11A and 7.11B of the Code.

The CSOP CSI 300 ETF may also invest up to 10% of its Net Asset Value on an ancillary basis in money market instruments, unlisted and listed money market funds and/or cash and cash equivalents for cash management purposes. For the avoidance of doubt, not more than 10% of the Net Asset Value of the CSOP CSI 300 ETF may be invested in non-eligible schemes which are not authorised by the Commission, including the foregoing money market funds.

The Manager does not intend to invest in financial derivative instruments for any

purpose, or engage in securities lending, sale and repurchase transactions or reverse repurchase transactions on behalf of the CSOP CSI 300 ETF.

3A. USE OF FINANCIAL DERIVATIVE INSTRUMENTS

The CSOP CSI 300 ETF's net derivative exposure may be up to 50% of its Net Asset Value.

4. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of CSOP CSI 300 ETF to acquire investments, to redeem Units or to pay expenses relating to the CSOP CSI 300 ETF.

5. MASTER ETF

The Master ETF is a single fund established and managed and operates in accordance with the laws and regulations of the PRC mainland and its fund contract between its manager, Huatai-PB Fund Management Co., Ltd. (the "**MF Manager**") and its custodian, Industrial and Commercial Bank of China Limited (the "**MF Custodian**") effective on 4 May 2012 (the "**Fund Contract**"). The Master ETF is a publicly offered securities investment fund registered with the CSRC under the Securities Investment Fund Law of the PRC, and remains, on an ongoing basis, registered with the CSRC for offering to the PRC mainland public, and is subject to the ongoing regulation and supervision of the CSRC. The Master ETF is not authorised by the SFC and will not be directly offered to the public in Hong Kong.

The Master ETF is a physical index-tracking exchange traded fund listed on the SSE on 28 May 2012 with stock code 510300 that tracks the performance of the Underlying Index.

The base currency of the Master ETF is RMB.

5.1 Investment Objective and Strategy of the Master ETF

The Master ETF aims to track the performance of the Underlying Index while minimising tracking difference and tracking error.

At least 95% of the net asset value of the Master ETF is invested in accordance with the constituents and their respective weights in the Underlying Index, and stocks on the constituent reserve list of the Master ETF, which is regarded as a "full replication" strategy to track the Underlying Index in accordance with applicable regulations in PRC mainland. The constituent reserve list is established by the China Securities Index Co., Ltd. during each regular index rebalancing to be used for temporary adjustments between periodical adjustments. When the Underlying Index has constituent vacancies due to reasons such as delisting or merger, or there is a need to temporarily replace constituents for other reasons, securities that comply with the index methodology of the Underlying Index and are ranked at the top of the constituent reserve list are selected as index constituents.

For the avoidance of doubt, not more than 5% of the net asset value of the Master ETF will be invested in investments other than the foregoing (stocks newly offered in the primary market, depository receipts, bonds and other financial instruments as permitted by the laws and regulations or by the CSRC), including not more than 5% of the net asset value of the Master ETF in non-constituents of the Underlying Index. In particular, the Master ETF may invest not more than

5% of its net asset value in stock index futures based on risk management principles and for hedging purposes. The Master ETF will select stock index futures with high liquidity which are actively traded for investment, with an aim to reducing trading costs and tracking error in order to track the Underlying Index effectively.

However, where a sufficient number of stocks cannot be obtained due to special circumstances (such as restrictions imposed by laws and regulations, significantly insufficient liquidity of constituent stocks or prolonged suspension of constituent stocks), the MF Manager may adopt other reasonable investment methods (including a representative sampling strategy).

Under normal market conditions, the absolute value of the daily average tracking difference shall not exceed 0.2%, and the annual tracking error shall not exceed 2%. However, under exceptional market circumstances (e.g. market crash, major crisis, continuous massive redemption orders), such figures may be exceeded. The MF Manager will nevertheless endeavour to rebalance the Master ETF's holdings to minimise the daily tracking difference and annual tracking error.

The Master ETF may engage not more than 30% of its net asset value in securities lending transactions. Not more than 10% of the net asset value of the Master ETF may in aggregate be invested in repurchase transactions and reverse repurchase transactions.

The investment strategy of the CSOP CSI 300 ETF is subject to the investment restrictions set out in the Schedule to this Appendix headed "Investment Restrictions of the Master ETF" below.

5.2 Further Information Relating to the Master ETF

Further information pertaining to the Master ETF, including the offering documents of the Master ETF (in simplified Chinese only), is available at the Master ETF's website at http://huatai-pb.com (this website has not been reviewed by the Commission). Such information is disclosed according to all applicable PRC mainland laws and regulations, and the CSRC's requirements as amended from time to time.

5.3 Management of the Master ETF

The Master ETF is managed by the MF Manager, Huatai-PB Fund Management Co., Ltd, which is a Sino-foreign joint venture fund management company. Its shareholders are Huatai Securities Co., Ltd., Heron View Partners LLC, and Suzhou New District Hi-Tech Industrial Co., Ltd. The MF Manager was established on 18 November 2004, with a registered capital of RMB 200 million. It is headquartered in Shanghai and has branches in Beijing and Shenzhen. The MF Manager's business scope includes fund management business, initiating the establishment of funds and other businesses approved by the CSRC.

The MF Custodian, Industrial and Commercial Bank of China Limited, is appointed as the custodian of the assets of the Master ETF. As a trailblazer in custody services in Chinese Mainland, the Industrial and Commercial Bank of China (ICBC) has been providing these services since 1998. Upholding the principles of honesty and diligence, ICBC has built a robust risk management and internal control system, a standardized management model, and an advanced operating system. With a professional service team, ICBC strictly fulfills its duties as an asset custodian, offering secure, efficient, and professional

custody services to a broad range of domestic and international investors, financial asset management institutions, and corporate clients. As of December 2022, ICBC has custody of 1337 securities investment funds. Since 2003, ICBC has won 86 Best Custody Bank awards in twenty consecutive years from authoritative financial media globally. It is the domestic custody bank that has won the most awards, and its excellent service quality has been continuously recognized and widely praised in the financial field globally.

5.4 Termination of the Master ETF

The Master ETF is constituted by way of the Fund Contract which may be terminated under the following circumstances:

1. if it is determined in a general meeting of unitholders of the Master ETF that the Fund Contract shall be terminated;

2. if the appointment of the MF Manager or the MF Custodian is terminated and is not assumed by a new manager or a new custodian (as the case may be) within 6 months;

3. under any other circumstances as stipulated in the Fund Contract; or

4. under any other circumstances stipulated in the relevant laws and regulations and by the CSRC.

6. ELIGIBILITY REQUIREMENTS AND AUTHORISATION CONDITIONS

The CSOP CSI 300 ETF is required to comply with the applicable requirements in the Code and the "Overarching Principles" of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products and all other applicable regulatory requirements and guidelines as may be issued by the Commission from time to time. To be eligible and authorised as a feeder ETF, the CSOP CSI 300 ETF must also be a Hong Kong domiciled ETF authorised by the Commission and managed by a management company which is licensed or registered for Type 9 regulated activity and has a good compliance record.

To be eligible as a master fund and for the CSOP CSI 300 ETF to invest substantially all of its assets in the Master ETF, the Master ETF shall meet the following key requirements as set out in the Commission's Circular on streamlined requirements for eligible exchange-traded funds adopting a master-feeder structure dated 16 May 2024, as amended from time to time (the "**Circular**") (and/or such other requirements as imposed by the Commission from time to time):

(a) the Master ETF must be a scheme with satisfactory safeguards and measures in place to provide substantially comparable investor protection as an ETF authorised under the Code, taking into account its underlying assets, investment strategy, applicable rules and regulations in home jurisdiction;

(b) the Master ETF, together with its management company and trustee/custodian, must have a good compliance record with the rules and regulations of its home jurisdiction and (in the case of Master ETF) the listing venue; and

(c) the Master ETF must have sizeable assets under management with a good track record.

The Manager shall report to the Commission as soon as practicable if the Master ETF ceases to comply with the requirements set out in the Circular and take appropriate remedial action to promptly rectify the situation. The Manager will also inform Unitholders of any material changes to, or events that have significant adverse impact on, the Master ETF in a timely manner.

The CSOP CSI 300 ETF is authorised on the following conditions, unless otherwise approved by the Commission: (1) the Master ETF remains approved by/registered with the CSRC and maintains a primary listing on a principal Chinese Mainland stock exchange, including the SSE; (2) the MF Manager, the MF Custodian and the Underlying Index, or such other entities or indices (as the case may be) acceptable to the Commission, shall remain as the manager, the custodian and the underlying index of the Master ETF respectively; and (3) the CSOP CSI 300 ETF and the Master ETF shall meet the requirements in the Circular.

7. INVESTMENT RESTRICTION WAIVER

The Manager has requested of the Commission, and the Commission has granted, a waiver in respect of the CSOP CSI 300 ETF from:

(a) the requirement under Chapter 7.12(a) of the Code that the Master ETF must be authorised by the Commission; and

(b) the requirement under Chapter 7.12(b)(ii) of the Code that, for the purposes of complying with the investment restrictions, the CSOP CSI 300 ETF and the Master ETF will be deemed as a single entity.

The purpose of the waivers are to enable the CSOP CSI 300 ETF to invest into the Master ETF (which is not authorised by the Commission) as a feeder fund.

8. DISTRIBUTION POLICY

The Manager has discretion as to whether or not the CSOP CSI 300 ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP CSI 300 ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the CSOP CSI 300 ETF.

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP CSI 300 ETF are charged to/paid out of the capital of the CSOP CSI 300 ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP CSI 300 ETF and therefore, the CSOP CSI 300 ETF may effectively pay dividend out of capital. **Investors should note that payment of dividends 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 dividends out of or effectively out of the CSOP CSI 300 ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP CSI 300 ETF and will reduce any capital appreciation for the Unitholders of the CSOP CSI 300 ETF.**

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-csi300 (this website has not been reviewed by the Commission).

The distribution policy may be amended subject to the Commission's prior approval (where required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared and paid in RMB only. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in RMB only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-csi300 (this website has not been reviewed by the Commission) and on HKEX's website.

There can be no assurance that a distribution will be paid.

Each Unitholder will receive distributions in RMB. 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 dividends from RMB into HKD or any other currency. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning distributions.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

9. QFI REGIME

The QFI regime is governed by rules and regulations as promulgated by the PRC mainland authorities, such as the CSRC, the SAFE and the PBOC. Such rules and regulations may be amended from time to time and include (but are not limited to):

(i) the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors jointly issued by the CSRC, the PBOC and the SAFE on 25 September 2020 and effective from 1 November 2020 (《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》);

(ii) the Provisions on Issues Concerning the Implementation of the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors issued by the CSRC on 25 September 2020 and effective from 1 November 2020 (關於實施《合格境外機構投資者和人民幣合格境外機構投資者境內證券期貨投資管理辦法》有關問題的規定);

(iii) the "Regulations on Funds of Domestic Securities and Futures Investment by Foreign Institutional Investors" issued by the PBOC and the SAFE on 7 May 2020 and effective from 6 June 2020 (《境外機構投資者境內證券期貨投資資金管理規定》); and

(iv) any other applicable regulations promulgated by the relevant authorities

(collectively, "**QFI Regulations**").

Based on the above prevailing QFI Regulations, the Qualified Foreign Institutional Investors (QFII) regime and RMB Qualified Foreign Institutional Investors (RQFII) regime have been merged and been regulated by the same set of regulations, and the previously separate requirements for QFII and RQFII qualifications are unified. A foreign institutional investor outside the PRC mainland may apply to the CSRC for the QFI licence, while there is no need for a foreign institutional investor having held either a QFII or RQFII licence to re-apply for the QFI licence. Since the Manager has been granted with QFII licence and RQFII licence by CSRC, it shall be regarded as a QFI, and may freely select to use funds in foreign currencies which can be traded on CFETS (defined below) and/or offshore RMB funds to be remitted in to carry out PRC mainland domestic securities and futures investment as long as separate cash accounts for receiving such cash are duly opened.

For remittance of foreign currencies, the Manager (as a QFI Holder) shall open foreign exchange account(s) for the remitted funds in foreign currencies and a corresponding RMB special deposit account for each relevant foreign exchange account; for remittance of offshore RMB funds, the Manager (as a QFI Holder) shall open RMB special deposit account(s) for the remitted funds in offshore RMB. QFI Holders are not subject to investment quota limits.

Under current regulations in the PRC mainland, generally foreign investors can invest in the domestic securities and/or futures market through (i) certain foreign institutional investors that have obtained status as a QFI from the CSRC to remit foreign freely convertible currencies and RMB into the PRC mainland for the purpose of investing in the PRC mainland's domestic securities and/or futures markets, or (ii) the Stock Connect program (as explained in the section "10***. Stock Connect***" in this Appendix).

The CSOP CSI 300 ETF will directly invest in securities issued within the PRC mainland through the QFI status of the Manager and/or the Stock Connect.

The Manager has obtained QFI status in the PRC mainland. The Custodian has been appointed by the Trustee and the Manager to hold (by itself or through its delegate) the assets of the CSOP CSI 300 ETF in the PRC mainland invested using the QFI status of the Manager in accordance with the terms of the QFI Custody Agreement.

Securities including units of the Master ETF invested through the QFI status of the Manager will be maintained by the Custodian's delegate, the PRC Custodian pursuant to PRC mainland regulations through securities account(s) with the China Securities Depository and Clearing Corporation Limited ("**CSDCC**") in the joint names of the Manager (as the QFI Holder) and the CSOP CSI 300 ETF. An RMB cash account(s) shall be established and maintained with the PRC Custodian in the joint names of the Manager (as the QFI Holder) and the CSOP CSI 300 ETF. The PRC Custodian shall, in turn, have a cash clearing account with CSDCC for trade settlement according to applicable regulations.

Repatriations in RMB conducted by the Manager (as the QFI Holder) on behalf of the CSOP CSI 300 ETF are permitted daily and not subject to any repatriation restrictions, lock-up periods or prior approval from the SAFE.

There are specific risks associated with the QFI regime and investors' attention is drawn to the risk factors "***QFI risk***" and "***PRC mainland brokerage risk***" under the section "***14.2 Risks Relating to the QFI Regime***" in this Appendix.

In the context of investment in securities issued within the PRC mainland using the Manager's QFI status, the Manager will assume dual roles as the Manager of the CSOP CSI 300 ETF and the QFI status holder for the CSOP CSI 300 ETF. The Manager will be responsible for ensuring that all transactions and dealings will be dealt with in compliance with the Trust Deed (where applicable) as well as the relevant laws and regulations applicable to the Manager as a QFI.

The Trustee has put in place proper arrangements to ensure that:

(a) the Trustee takes into its custody or under its control the assets of the CSOP CSI 300 ETF, including onshore PRC assets of the CSOP CSI 300 ETF which will be maintained by the PRC Custodian via the securities account(s) with the relevant depositories and any assets deposited in the cash account(s) with the PRC Custodian (the "**Onshore PRC Assets**"), and holds the same in trust for the Unitholders;

(b) cash and registrable assets of the CSOP CSI 300 ETF, including the Onshore PRC Assets, are registered in the name of or held to the order of the Trustee; and

(c) the Custodian and the PRC Custodian will look to the Trustee for instructions and solely act in accordance with the Trustee's instructions, save as otherwise required under applicable regulations.

10. STOCK CONNECT

The Stock Connect is a securities trading and clearing linked program developed by the HKEX, the SSE, the Shenzhen Stock Exchange ("**SZSE**") and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**"), with an aim to achieve mutual stock market access between the PRC mainland and Hong Kong. It comprises of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

Through the Stock Connect, the SSE, the SZSE and the SEHK enable investors to trade eligible securities listed on the other's market through local securities firms or brokers. Each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, investors, through their Hong Kong brokers and securities trading service companies (in Shanghai and in Shenzhen respectively) establish by the SEHK and the HKSCC, are able to place orders to trade eligible securities listed on the SSE or the SZSE by routing orders to the SSE or the SZSE (as the case may be). Under the Southbound Trading Link, eligible investors, through PRC mainland securities firms and securities trading service companies established by the SSE and the SZSE, are able to place orders to trade eligible securities listed on the SEHK by routing orders to SEHK.

All Hong Kong and overseas investors (including the CSOP CSI 300 ETF) are allowed to trade SSE Securities and SZSE Securities (as described below) through the Stock Connect (through the Northbound Trading Link), subject to rules and regulations issued from time to time.

The following summary presents some key points about the Northbound Trading Link (which may be utilized by the CSOP CSI 300 ETF to invest in the PRC mainland):

Eligible securities

Among the different types of SSE-or SZSE-listed securities, only China A-Shares and ETFs are currently permitted for Northbound trading under the Stock Connect.

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

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

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

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

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

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

In addition, Hong Kong and overseas investors are able to trade eligible SSE-listed and SZSE-listed ETFs that satisfy the relevant criteria at a regular review and are accepted as eligible ETFs for Northbound trading in Stock Connect. Regular reviews will be performed to determine the eligible ETFs for Northbound trading every six months.

The list of eligible securities may be subject to review and approval by the relevant PRC mainland regulators from time to time.

Trading day

Due to differences in public holidays between Hong Kong and the PRC mainland, there may be differences in the trading days in the two markets. Even if the PRC mainland markets are open on a certain day, the CSOP CSI 300 ETF may not necessarily be able to invest in SSE Securities and/or SZSE Securities through Northbound trading. For example, the Hong Kong market closes on Easter and Christmas every year, but those are trading days in the PRC mainland.

Likewise, during Lunar New Year and the National Day golden week periods, the PRC mainland will usually arrange for seven-day consecutive holidays by reshuffling workdays and weekends. Even for days both markets are open for business, there could be differences because of other reasons such as bad weather conditions. Investors (including the CSOP CSI 300 ETF) are only allowed to trade on the other market on days where both markets are open for trading, and banking services are available in both markets on the corresponding settlement days.

Trading quota

Trading under the Stock Connect is subject to a daily quota ("**Daily Quota**") presently set at RMB52 billion for each of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, which is separate for Northbound and Southbound trading. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day.

The quotas do not belong to the CSOP CSI 300 ETF and are utilised on a first-come-first-serve basis. The SEHK publishes the remaining balance of the Northbound Daily

Quota at scheduled times on the HKEX's website. Should there be any change in the Daily Quota, the Manager will not inform the Unitholders.

Settlement and Custody

The Hong Kong Securities Clearing Company Limited ("**HKSCC**"), also a wholly-owned subsidiary of HKEX, is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The SSE Securities and SZSE Securities traded through the Stock Connect are issued in scripless form, so investors will not hold any physical securities. In the operation of the Stock Connect, Hong Kong and overseas investors who have acquired SSE Securities and SZSE Securities through Northbound trading should maintain the SSE Securities and SZSE Securities with their brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

Corporate actions and shareholders' meetings

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

HKSCC monitors the corporate actions affecting SSE Securities or SZSE Securities and keeps the relevant brokers or custodians participating in CCASS ("**CCASS participants**") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

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

Foreign shareholding restrictions

The CSRC stipulates that, when holding China A-Shares through the Stock Connect, Hong Kong and overseas investors are subject to the following shareholding restrictions:

- Single foreign investors' shareholding by any Hong Kong or overseas investor in a China A-Share must not exceed 10% of the total issued shares; and

- Aggregate foreign investors' shareholding by all Hong Kong and overseas investors in a China A-Share must not exceed 30% of the total issue shares.

- When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the rules, the shareholding of the strategic investments is not capped by the above-mentioned percentages.

Should the shareholding of a single investor in a China A-Share listed company exceed the above restriction, the investor may be required to unwind his position on the excessive shareholding according to a last-in- first-out basis within a specific period. The SSE, the SZSE and the SEHK will issue warnings or restrict the buy orders for the related China

A-Shares if the percentage of total shareholding is approaching the upper limit.

SSE and SZSE-listed ETFs are not subject to the aforementioned shareholding restrictions.

Currency

Hong Kong and overseas investors will trade and settle SSE Securities and SZSE Securities in RMB only. Hence, the CSOP CSI 300 ETF needs to use its RMB funds to trade and settle SSE Securities and SZSE Securities.

Trading fees

In addition to paying trading fees and stamp duties in connection with SSE Securities and/or SZSE Securities, the CSOP CSI 300 ETF may be subject to new portfolio fees, dividend tax and tax concerned with income arising from transfers of SSE Securities and/or SZSE Securities which are yet to be determined by the relevant authorities.

Coverage of Investor Compensation Fund

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund covers investors' losses in relation to securities traded on a stock market operated by the SSE and the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the CSOP CSI 300 ETF is carrying out northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, such trading is not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland.

Further information about the Stock Connect is available at the website: https://www.hkex.com.hk/mutual-market/stock-connect?sc_lang=en.

11. PRC MAINLAND TAX PROVISIONS

In light of an announcement jointly promulgated by the Ministry of Finance, the State Administration of Taxation and the CSRC under Caishui [2014] No.79 and No.81 which stipulate that trading of China A-Shares and A-Share ETFs through, amongst others, RQFIIs (without an establishment or place of business in the PRC mainland or having an establishment in the PRC mainland but the income so derived in the PRC mainland is not effectively connected with such establishment) will be temporarily exempted from corporate income tax on gains derived from the transfer of PRC mainland equity investment assets (including China A-Shares and A-Share ETFs) effective from 17 November 2014. Based on professional and independent tax advice, the Manager does not intend to make any WIT provision on the gross unrealised and realised capital gains derived from trading of China A-Shares and A-Share ETFs in respect of the CSOP CSI 300 ETF.

Please refer to the risk factor "***PRC mainland tax considerations***" under the section "***4.1 Risk Factors relating to Chinese Mainland***" in Part 1 of the Prospectus for further information on PRC mainland taxation.

12. PRC MAINLAND MARKET

12.1 The major differences between the PRC mainland market and the Hong Kong market

The table below summarises the differences between the PRC mainland market and the Hong Kong market:

		SEHK	SSE	SZSE
(a)	Key Market Index	Hang Seng Index ("**HSI**")	SSE Composite Index	SZSE Composite Index
(b)	Trading Hours • Morning session • Afternoon session	• 9:30– 12:00 • 13:00 – 16:00	• 9:30– 11:30 • 13:00 – 15:00	• 9:30 – 11:30 • 13:00 – 15:00
	China A-Share market and Hong Kong market have different schedule of holidays.			
(c)	Pre-opening session/ pre-order input/order matching times • Pre-opening session • Order matching times • Close matching times	• 9:00 to 9:15 • 9:15 to 9:20 (pre-order matching period) • 9:20 to 9:28 (order matching period) • 9:28 to 9:30 (blocking period) • N/A	• 9:15 to 9:25 • 9:30 to 11:30 and 13:00 to 15:00 • N/A	• 9:15 to 9:25 • 9:30 to 11:30 and 13:00 to 14:57 • 14:57 to 15:00
(d)	Trading Band Limits	No trading band limit	Daily trading band limits of 10%. Where a listed company is under circumstances deemed abnormal by the SSE and SZSE, the short name of the listed company will be prefixed by "ST" and the daily up and down limit will be reduced to 5%.	
(e)	Trading Rule	The T+1 trading rule do not apply except that some stocks cannot be sold short in Hong Kong market.	The T+1 trading rule applies which means a stock bought on T day (i.e. trading day) can only be sold on T+1 (i.e. one business day after the relevant trading day), and no short-selling is allowed with a few exception (mostly ETFs) permitted by a pilot program.	
(f)	Round Lot	Stocks are generally traded at round lots and odd lots trading have to be facilitated by a broker through a special board.	Stocks can only be bought at the multiples of 100 shares but cannot be bought in odd lots. However, one can sell the shares of any number i.e. even in odd lots.	
(g)	Settlement cycle	The settlement period is 2 business days (i.e. T+2)	The settlement period is one business day (i.e. T+1)	
(h)	Earnings report disclosure requirement	A listed company has to disclose fiscal information twice a year. The annual financial reports have	A listed company on the SSE and SZSE is required to prepare and disclose the annual financial report within four months as of the end date of each fiscal year, the semi-annual financial report within two months as of the end	

		to be published within four months from the financial year end and the interim financial reports have to be published within three months of the end of the period it covers.	date of the first half of each fiscal year, and the quarterly financial report within one month as of the end of the first three months and the end of the first nine months of each fiscal year respectively. The time for disclosing the first-quarter report shall not be earlier than the time for disclosing the annual financial report of the previous year. H-Share listed companies also disclose fiscal information quarterly for consistency with the corresponding A -Share schedules.
(i)	Suspension	There is no requirement to suspend stocks for general assembly or important information disclosure.	Stocks in the China A-Share market will be suspended for general assembly or important information disclosure.

Investors should inform themselves of the risks associated with the differences between the PRC mainland market and the Hong Kong market, as set out in the risk factor "***Risks relating to the differences between the Hong Kong and PRC mainland markets***" in the section "***14.7 Risks Specific to the Master ETF***" in this Appendix.

12.2 Measures Adopted by the Manager to Address the Differences between the PRC Mainland Market and the Hong Kong Market

The Manager has adopted the following measures to address the differences between the PRC mainland market and the Hong Kong market:

(a) Trading hours: As regards the difference in trading hours, the shorter trading hours in the PRC mainland market is not considered to present a major risk, as it is expected that there is a sufficient level of liquidity for the Master ETF and the China A-Shares constituting the Master ETF's portfolio.

(b) Trading days: There is a difference in trading days between the PRC mainland market and the Hong Kong market. It should be noted that Applications are accepted only on a Business Day (normally a day on which both markets are open).

(c) If the Hong Kong market is open while the PRC mainland market is closed, Units of the CSOP CSI 300 ETF will be traded in the Hong Kong market and the Manager will continue to publish information including prices in the manner set out in the section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of the Prospectus. If the PRC mainland market is open while Hong Kong market is closed, the Manager will trade the Master ETF when it is necessary, in order to limit the risk to investors. These trades will be properly settled even when the Hong Kong market is closed for holiday by the Trustee's arrangements in place.

(d) Trading band limits: The Manager will be prevented from trading the Master ETF when it hits the "trading band limit" of 10%. If this happens on a particular trading day, the Manager will continue to trade the Master ETF on the subsequent two trading days if necessary. However if the Manager is still unable to trade the Master ETF on the second trading day after the original trading day due to the trading band limit, the Manager will settle the Master ETF on the latest closing price and the CSOP CSI 300 ETF will make up the

trade whenever the Master ETF resumes trading again. The Manager believes that the average impact to the CSOP CSI 300 ETF in such situations is immaterial.

13. RMB PAYMENT AND ACCOUNT PROCEDURES

Investors may unless otherwise agreed by relevant Participating Dealer, apply for Units through Participating Dealers only if they have sufficient RMB to pay the application monies and the related fees. Investors should note that RMB is the only official currency of the PRC mainland. While both onshore RMB ("**CNY**") and offshore RMB ("**CNH**") are the same currency, they are traded in different and separated markets. Since the two RMB markets operate independently where the flow between them is highly restricted, CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there is a significant amount of RMB held offshore (i.e. outside the PRC mainland), CNH cannot be freely remitted into the PRC mainland and is subject to certain restrictions, and vice versa. As such whilst CNH and CNY are both the same currency, certain special restrictions do apply to RMB outside the PRC mainland. The liquidity and trading price of the CSOP CSI 300 ETF may be adversely affected by the limited availability of, and restrictions applicable to, RMB outside the PRC mainland.

Application monies from Participating Dealers to the CSOP CSI 300 ETF will be paid in RMB only. Accordingly a Participating Dealer may require an investor (as its client) to pay CNH to it. (Payment details will be set out in the relevant Participating Dealer's documentation such as the application form for its clients.) As such, an investor may need to have opened a bank account (for settlement) and a securities dealing account if a Participating Dealer is to subscribe for Units on his behalf as such investor will need to have accumulated sufficient CNH 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 such investor by the Participating Dealer by crediting such amount into such investor's CNH 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 transfer 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 who is a Hong Kong resident opens an RMB bank account or settle RMB payments, he or she will be subject to the daily maximum remittance amount to the PRC mainland which is 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 mainland and provided that the account name of the account in the PRC mainland is identical with that of the RMB bank account with the bank in Hong Kong.

On the other hand, an individual investor who is a non-Hong Kong resident may open an

RMB bank account in Hong Kong and may exchange other currencies for RMB without any limit. However, non-Hong Kong residents may not remit RMB to the PRC mainland unless approval is obtained pursuant to PRC mainland rules and regulations.

Please refer to the section "***14.5 RMB Related Risks***" of this Appendix on risks associated with RMB.

14. RISK FACTORS RELATING TO THE CSOP CSI 300 ETF

In addition to the general risk factors common to all Sub-Funds set out in the section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP CSI 300 ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP CSI 300 ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP CSI 300 ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

14.1 Risks of Investing in the Master ETF

The CSOP CSI 300 ETF invests substantially in the Master ETF and may therefore be subject to the risks associated with the Master ETF. The performance of the CSOP CSI 300 ETF depends on the price of the Master ETF. The ability of the CSOP CSI 300 ETF to meet its investment objective is also largely dependent on the Master ETF. Past performance of the Master ETF is not necessarily a guide to future performance of the Master ETF or the CSOP CSI 300 ETF.

The performance of the CSOP CSI 300 ETF may deviate from the performance of the Master ETF due to the CSOP CSI 300 ETF's holdings in investments other than units in the Master ETF, as well as the CSOP CSI 300 ETF's fees and expenses. While the CSOP CSI 300 ETF seeks to minimise the tracking difference / tracking error arising from the Master ETF, there is no guarantee that the CSOP CSI 300 ETF may achieve such objective via investments other than investment in units in the Master ETF, due to various factors (e.g. timing differences or delays in adjusting the CSOP CSI 300 ETF's investments).

The CSOP CSI 300 ETF does not have control of the investments of the Master ETF and there is no assurance that the investment objective and strategy of the Master ETF will be successfully achieved which may have a negative impact to the Net Asset Value of the CSOP CSI 300 ETF. Unitholders also do not have any direct interest in the units in the Master ETF and will not be able to exercise any voting right in respect of the Master ETF.

There may be additional costs involved when investing into the Master ETF. By investing in the Master ETF, the CSOP CSI 300 ETF will bear a proportion of the fees and charges of the Master ETF. Such fees and charges of the Master ETF will be deducted from the net asset value of the Master ETF and reflected in the net asset value per unit of the Master ETF.

There is also no guarantee that the Master ETF will always have high trading volume and sufficient liquidity and the CSOP CSI 300 ETF may not be able to

realise or liquidate its investment in the Master ETF at such time as it wishes to.

The trading price of the units of the Master ETF on the SSE is driven by market factors such as the demand and supply of the units. Therefore, the units of the Master ETF may trade at a substantial premium or discount to the Master ETF's Net Asset Value.

There is no assurance that the liquidity of the Master ETF will always be sufficient to meet realisation requests. Further, there could be trading suspension of the Master ETF in the secondary market in the PRC mainland and these factors may have an adverse impact on the CSOP CSI 300 ETF and its Unitholders.

The Master ETF is not authorised by the Commission and is structured as an open-ended contract-type investment fund (which is different to the structure of the CSOP CSI 300 ETF). The Master ETF is regulated by the CSRC and is subject to the applicable PRC mainland laws and regulations. Future changes in the applicable PRC mainland laws and regulations may have an impact on the Master ETF. The management and operation of the Master ETF is also dependent on the MF Manager and its service providers.

14.2 PRC Mainland Market Risks

Insofar as the CSOP CSI 300 ETF invests substantially in the units of the Master ETF, which are securities issued in the PRC mainland, it will be subject to risks inherent in the PRC mainland market and additional concentration risks. Please refer to the risk factors under the section "***4.1 Risk Factors relating to Chinese Mainland***" and the section "***4.2 Investment risks***" under headings "***Restricted markets risk***", "***Emerging Market Risk***" and "***Single country risk***" in Part 1 of this Prospectus.

The existence of a liquid trading market for China A-Shares and ETFs listed in PRC mainland (such as the Master ETF) may depend on whether there is supply of, and demand for, such China A-Shares and ETFs. The price at which the China A-Shares may be purchased or sold by the Master ETF may be adversely affected if trading markets for China A-Shares are limited or absent. This may have impact on the price at which units of the Master ETF may be purchased or sold by the CSOP CSI 300 ETF. Further, the price at which units of the Master ETF may be purchased or sold by the Master ETF and the Net Asset Value of the CSOP CSI 300 ETF may be adversely affected if trading markets for the Master ETF are limited or absent. Investors should note that the SZSE and the SSE on which China A-Shares and the Master ETF are traded are undergoing development and the market capitalisation of those stock exchanges are lower than those in more developed markets. The China A-Share and China A-Share ETF market may be more volatile and unstable (for examples due to the risk of suspension of a particular stock or government intervention) than those in more developed markets. A Participating Dealer may not be able to create and redeem Units if the units of the Master ETF is not available. Market volatility and settlement difficulties in the China A-Share and ETF markets may also result in significant fluctuations in the prices of the China A-Shares and ETFs traded on such markets and thereby may affect the value of the CSOP CSI 300 ETF.

Securities exchanges in the PRC mainland typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will

render it impossible for the Manager to liquidate positions and can thereby expose the CSOP CSI 300 ETF to losses. Under such circumstances, while creation/ redemption of the CSOP CSI 300 ETF's Units may be suspended, subject to the Manager's discretion, the trading of the CSOP CSI 300 ETF on the SEHK may or may not be suspended. If trading of the Master ETF on the SZSE is suspended, it may be difficult for the Manager to determine the Net Asset Value of the CSOP CSI 300 ETF. Where trading of the Master ETF on the SZSE is suspended, the Manager may determine to suspend the creation and redemption of Units of the CSOP CSI 300 ETF, and/or delay the payment of any monies in respect of any Redemption Application. If the trading of the CSOP CSI 300 ETF on the SEHK continues when the trading of the Master ETF is suspended, the trading price of the CSOP CSI 300 ETF may deviate away from its Net Asset Value.

As a result of the trading band limits imposed by the stock exchanges in the PRC mainland on China A-Shares and China A-Share ETFs (including the Master ETF), it may not be possible for Participating Dealers to create and/or redeem Units of the CSOP CSI 300 ETF on a Dealing Day, because the Master ETF may not be available if the trading band limit has been exceeded or it is impossible to liquidate positions. This may lead to higher tracking error and may expose the CSOP CSI 300 ETF to losses. Further, the price of the Units of the CSOP CSI 300 ETF may be traded at a premium or discount to its Net Asset Value. The Manager has put in place measures to tackle the trading band limit as disclosed under the section "***12.2 Measures Adopted by the Manager to Address the Differences between the PRC Mainland Market and the Hong Kong Market"*** in this Appendix.

14.3 Risks Relating to the QFI Regime

QFI risk. The CSOP CSI 300 ETF is not a QFI but may obtain access to the Master ETF, or other permissible investments directly using the QFI status of a QFI. The CSOP CSI 300 ETF may invest directly in QFI eligible securities investment via the QFI status of the Manager.

Investors should note that QFI status could be suspended or revoked, which may have an adverse effect on the CSOP CSI 300 ETF's performance as the CSOP CSI 300 ETF may be required to dispose of its securities holdings. In addition, certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on the CSOP CSI 300 ETF's liquidity and performance.

The PBOC and the SAFE regulate and monitor the repatriation of funds out of the PRC mainland by QFIs pursuant to the QFI Regulations. Repatriations by QFIs in respect of the CSOP CSI 300 ETF are currently permitted daily and are not subject to any repatriation restrictions, lock-up periods or prior approval from the SAFE, although authenticity and compliance reviews will be conducted by the PRC Custodian, and monthly reports on remittances and repatriations will be submitted to the SAFE by the PRC Custodian. The repatriation process may be subject to certain requirements set out in the relevant regulations such as submission of certain documents, and completion of the repatriation process may be subject to delay. There is no assurance, however, that PRC mainland rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Further, such changes to the PRC mainland rules and regulations may take effect retrospectively. Any restrictions on repatriation of the invested capital and net profits may impact on the CSOP CSI 300 ETF's ability to meet redemption requests from the Unitholders. Furthermore, as the Custodian's or

the PRC Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the Custodian or the PRC Custodian in case of non-compliance with the QFI Regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Unitholder as soon as practicable, and within 3 Business Days, and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Manager's control.

Relevant PRC mainland regulators are vested with the power to impose regulatory sanctions if the QFI or the PRC Custodian violates any provision of the QFI Regulations. Any violations could result in the revocation of the QFI's status or other regulatory sanctions and may adversely impact on the QFI's status. Therefore in the event that the QFI status of the Manager is revoked or cancelled due to violation of the QFI Regulations in relation to any funds under the management of the Manager, this will have an adverse impact on all the funds (including the CSOP CSI 300 ETF) under the Manager's management as a whole.

Investors should note that there can be no assurance that a QFI will continue to maintain its QFI status, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations. Such circumstances may respectively result in a rejection of applications and a suspension of creation for the CSOP CSI 300 ETF. In extreme circumstances, the CSOP CSI 300 ETF may incur significant losses due to revocation of the QFI status, limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to QFI investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The current QFI laws, rules and regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the QFI laws, rules and regulations will not be abolished. The CSOP CSI 300 ETF, which invests in the PRC mainland markets through a QFI, may be adversely affected as a result of such changes.

Application of QFI rules. The application of the QFI Regulations described under the section "***9. QFI Regime***" in this Appendix may depend on the interpretation given by the relevant Chinese authorities. The Chinese authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future.

Any changes to the relevant rules may have an adverse impact on investors' investment in the CSOP CSI 300 ETF. In the worst scenario, the Manager may determine that the CSOP CSI 300 ETF shall be terminated if it is not legal or viable to operate the CSOP CSI 300 ETF because of changes to the application of the relevant rules.

QFI systems risk. The current QFI Regulations include rules on investment restrictions applicable to the CSOP CSI 300 ETF.

In the event of any default of the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC mainland, the CSOP CSI 300 ETF may encounter delays in recovering its assets

which may in turn impact the Net Asset Value of the CSOP CSI 300 ETF.

Risks relating to liquidity of China A-Shares and ETFs. Due to the potential liquidity constraint of the Master ETF, the Manager may not be able to efficiently process the transactions for the Creation and Redemption Applications without adverse impact on the fund value of the CSOP CSI 300 ETF, and therefore the existing investors' interest. Accordingly, the Manager may impose a limit on the total number of Units to be created or redeemed each day.

PRC Custodian risk. The Trustee shall take into its custody or under its control property of the CSOP CSI 300 ETF and hold it on trust for Unitholders. The assets held/credited in the securities account(s) are segregated and independent from the proprietary assets of the PRC Custodian. However, investors should note that, under PRC mainland law, cash deposited in the cash account(s) of the CSOP CSI 300 ETF with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the CSOP CSI 300 ETF as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the CSOP CSI 300 ETF will not have any proprietary rights to the cash deposited in such cash account(s), and the CSOP CSI 300 ETF will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the PRC Custodian. The CSOP CSI 300 ETF may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the CSOP CSI 300 ETF will suffer.

PRC mainland brokerage risk. The execution and settlement of transactions or the transfer of any funds or securities may be conducted by PRC mainland broker(s) appointed by the Manager as a QFI. More than one PRC mainland brokers can be appointed in respect of each stock exchange in the PRC mainland. If any of the designated PRC mainland broker in the PRC mainland cannot be used, the operation of the CSOP CSI 300 ETF will be adversely affected and may cause Units of the CSOP CSI 300 ETF to trade at a premium or discount to its Net Asset Value or the CSOP CSI 300 ETF may not be able to track the Underlying Index. Further, the operation of the CSOP CSI 300 ETF may be adversely affected in case of any acts or omissions of the PRC mainland brokers, which may result in a higher tracking error or the CSOP CSI 300 ETF being traded at a significant premium or discount to its Net Asset Value.

As only a limited number of PRC mainland brokers may be appointed, the CSOP CSI 300 ETF may not necessarily pay the lowest commission available in the market. The Manager however, in the selection of PRC mainland brokers will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards.

There is a risk that the CSOP CSI 300 ETF may suffer losses from the default, bankruptcy or disqualification of the PRC mainland brokers. In such event, the CSOP CSI 300 ETF may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities. As a result, the Net Asset Value of the CSOP CSI 300 ETF may also be adversely affected.

Subject to the applicable laws and regulations, the Manager will make arrangements to satisfy itself that the PRC mainland brokers have appropriate procedures to properly segregate the CSOP CSI 300 ETF's securities from those of the relevant PRC mainland brokers.

14.4 Risks Associated with Stock Connect

The CSOP CSI 300 ETF may invest through the Stock Connect and is subject to the following additional risks:

Quota limitations risk. The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the CSOP CSI 300 ETF's ability to invest in the eligible securities through the Stock Connect on a timely basis, and the CSOP CSI 300 ETF may not be able to effectively pursue its investment strategies.

Suspension risk. It is contemplated that each of the SEHK, the SSE and the SZSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the Stock Connect is effected, the CSOP CSI 300 ETF's ability to access the PRC mainland market will be adversely affected.

Differences in trading day. The Stock Connect only operates on days when both the PRC mainland (SSE and SZSE) and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC mainland market but Hong Kong investors (such as CSOP CSI 300 ETF) cannot carry out any trading via the Stock Connect. The CSOP CSI 300 ETF may be subject to a risk of price fluctuations in the relevant securities during the time when the Stock Connect is not trading as a result.

Operational risk. The Stock Connect provides a channel for investors from Hong Kong and overseas to access the PRC mainland stock market directly.

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the program to operate, market participants may need to address issues arising from the differences on an ongoing basis.

Further, the "connectivity" in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system was set up by the SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The CSOP CSI 300 ETF's ability to access the PRC mainland market (and hence to pursue its investment strategy) will be adversely affected.

Restrictions on selling imposed by front-end monitoring risk. PRC mainland regulations require that before an investor sells any SSE Securities and/or SZSE Securities, there should be sufficient SSE Securities or SZSE Securities (as the case may be) in the account; otherwise the SSE or the SZSE will reject the sell order concerned. The SEHK will carry out pre-trade checking on SSE Securities and SZSE Securities sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If the CSOP CSI 300 ETF desires to sell certain SSE Securities and/or SZSE Securities it holds, it must transfer such SSE Securities or SZSE Securities (as the case may be) to the respective accounts of its brokers before the market opens on the day of selling ("**trading day**"). If it fails to meet this deadline, it will not be able to sell SSE Securities or SZSE Securities on the trading day. Because of this requirement, the CSOP CSI 300 ETF may not be able to dispose of holdings of SSE Securities or SZSE Securities in a timely manner.

Recalling of eligible securities risk. When a security is recalled from the scope of eligible securities for trading via the Stock Connect, the security can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the CSOP CSI 300 ETF, for example, when the Manager wishes to purchase a security which is recalled from the scope of eligible securities.

Clearing and settlement risk. The HKSCC and ChinaClear have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market would on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC mainland's securities market, ChinaClear operates a comprehensive network of clearing, settlement and security holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, the HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. The HKSCC will in good faith, seek recovery of the outstanding securities and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the CSOP CSI 300 ETF may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Nominee arrangements in holding SSE Securities and SZSE Securities risk. HKSCC is the "nominee holder" of the SSE Securities and the SZSE Securities acquired by Hong Kong and overseas investors through the Stock Connect.

The CSRC Stock Connect rules expressly provide that investors enjoy the rights and benefits of SSE Securities and SZSE Securities acquired through the Stock Connect in accordance with applicable laws.

The CSRC Stock Connect rules are departmental regulations having legal effect

in the PRC mainland. However, the application of such rules is untested, and there is no assurance that PRC mainland courts will recognise such rules, e.g. in liquidation proceedings of PRC mainland companies.

It should be noted that, under the CCASS rules, the HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE Securities and the SZSE Securities in the PRC mainland or elsewhere. Therefore, although the CSOP CSI 300 ETF's ownership may be ultimately recognised, the CSOP CSI 300 ETF may suffer difficulties or delays in enforcing its rights in SSE Securities and SZSE Securities.

Participation in corporate actions and shareholders' meetings risk. The HKSCC will keep CCASS participants informed of corporate actions of SSE Securities and SZSE Securities. Hong Kong and overseas investors (including the CSOP CSI 300 ETF) 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 CSOP CSI 300 ETF may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the CSOP CSI 300 ETF) are holding SSE Securities and SZSE Securities traded via the Stock Connect program through their brokers or custodians. According to existing PRC mainland practice, multiple proxies are not available. Therefore, the CSOP CSI 300 ETF may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE Securities and the SZSE Securities.

Limited Protection by Investor Compensation Fund. Investment through Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers in their obligations. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. For defaults occurring on or after 1 January 2020, the Investor Compensation Fund also covers investors' losses in relation to securities traded on a stock market operated by the SSE and the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement. On the other hand, since the CSOP CSI 300 ETF is carrying out Northbound trading through securities brokers in Hong Kong but not PRC mainland brokers, they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in the PRC mainland. Therefore the CSOP CSI 300 ETF is exposed to the risks of default of the broker(s) it engages in its trading in SSE Securities and SZSE Securities through the program.

Regulatory risk. The Stock Connect is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC mainland and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-boundary legal enforcement in connection with cross-boundary trades under the Stock Connect.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to

change. There can be no assurance that the Stock Connect will not be abolished. The CSOP CSI 300 ETF, which may invest in the PRC mainland markets through the Stock Connect, may be adversely affected as a result of such changes.

Taxation risk. On 14 November 2014, the Ministry of Finance and the State of Administration of Taxation have jointly promulgated Caishui [2014] No.81 ("**Notice No.81**") in relation to the taxation rule on the Stock Connect. Under Notice No.81, with effect from 17 November 2014, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the CSOP CSI 300 ETF) on the trading of China A-Shares through the Stock Connect. However, dividends will be subject to 10% withholding tax and the company distributing the dividend has the withholding obligation. If the recipient of the dividend is entitled to a lower treaty rate, it can apply to the in-charge tax bureau of the payor for a refund. Investments in the CSOP CSI 300 ETF may be subject to the risks associated with changes in the PRC mainland tax laws and such changes may have retrospective effect and may adversely affect the CSOP CSI 300 ETF.

14.5 RMB Related Risks

RMB currency risk. RMB is currently not a freely convertible currency and is subject to foreign exchange control and fiscal policies of and repatriation restrictions imposed by the Chinese government. If such policies change in future, the CSOP CSI 300 ETF's or the investors' position may be adversely affected. Please refer to the risk factor "***Renminbi exchange risk***" under the section "***4.1 Risk Factors relating to Chinese Mainland***" in Part 1 of the Prospectus.

Primary market investors must subscribe for Units of the CSOP CSI 300 ETF and will receive redemption proceeds in RMB. Since the CSOP CSI 300 ETF is denominated in RMB, non-RMB based investors are exposed to fluctuations in the RMB exchange rate against their base currencies and may incur substantial capital loss due to foreign exchange risk. There is no assurance that RMB will not be subject to devaluation, in which case the value of their investments will be adversely affected. If investors wish or intend to convert the redemption proceeds or dividends (in RMB) paid by the CSOP CSI 300 ETF into a different currency, they are subject to the relevant foreign exchange risk and may suffer losses from such conversion as well as associated fees and charges.

Offshore RMB market risk. The onshore RMB (CNY) is the only official currency of the PRC mainland and is used in all financial transactions between individuals, state and corporations in the PRC mainland ("**Onshore RMB Market**"). Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC mainland ("**Offshore RMB Market**"). Since June 2010, the offshore RMB (CNH) is traded officially, regulated jointly by the Hong Kong Monetary Authority and the PBOC. As a result of the controls on cross-boundary transfers of RMB between Hong Kong and PRC mainland, the Onshore RMB Market and the Offshore RMB Market are, to an extent, segregated, and each market may be subject to different regulatory requirements that are applicable to RMB. The CNY may therefore trade at a different foreign exchange rate compared to the CNH. The CSOP CSI 300 ETF's investments may potentially be exposed to both the CNY and the CNH, and the CSOP CSI 300 ETF may consequently be exposed to greater foreign exchange risks and/or higher costs of investment (for example, when converting other currencies to RMB at the CNH rate of exchange).

However, the current size of RMB-denominated financial assets outside the PRC mainland is limited. In addition, participating authorised institutions are required by the Hong Kong Monetary Authority to maintain a total amount of RMB assets (in the form of, *inter alia*, cash and the institution's settlement account balance with the Renminbi clearing bank, holding of RMB sovereign bonds issued in Hong Kong by the PRC Ministry of Finance and bond investment through the PRC mainland interbank bond market) 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 the PBOC. The Renminbi clearing bank only has access to onshore liquidity support from the PBOC (subject to annual and quarterly quotas imposed by the 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-boundary trade settlement. The Renminbi clearing bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions.

Although it is expected that the Offshore RMB Market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC mainland laws and regulations on foreign exchange. There is no assurance that new PRC mainland laws and regulations will not be promulgated, terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC mainland may affect the liquidity of the CSOP CSI 300 ETF. 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.

Offshore RMB (CNH) remittance risk. RMB is not freely convertible at present. The PRC mainland government continues to regulate conversion between RMB and foreign currencies despite the significant reduction over the years by the PRC mainland government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in June 2010 to cover 20 provinces and municipalities in the PRC mainland and to make RMB trade and other current account item settlement available in all countries worldwide. On 25 February 2011, the Ministry of Commence ("**MOFCOM**") promulgated the Circular on Issues concerning Foreign Investment Management（商務部關於外商投資管理工作有關問題的通知）(the "**MOFCOM Circular**"). The MOFCOM Circular states that if a foreign investor intends to make investments in the PRC mainland (whether by way of establishing a new enterprise, increasing the registered capital of an existing enterprise, acquiring an onshore enterprise or providing loan facilities) with RMB that it has generated from cross-border trade settlement or that is lawfully obtained by it outside the PRC mainland, MOFCOM's prior written consent is required. While the MOFCOM Circular expressly sets out the requirement of obtaining MOFCOM's prior written consent for remittance of RMB back in the PRC mainland by a foreign investor, the foreign investor may also be required to obtain approvals from other PRC mainland regulatory authorities, such as the PBOC and SAFE, for transactions under capital account items. As the PBOC and SAFE have not promulgated any specific PRC mainland regulation on the remittance of RMB into the PRC mainland for settlement of capital account items, foreign investors may only remit offshore RMB into the PRC mainland for capital

account purposes such as shareholders' loan or capital contribution upon obtaining specific approvals from the relevant authorities on a case-by-case basis. There is no assurance that the PRC mainland government will continue to gradually liberalise the control over cross-border RMB remittances in the future, that the pilot scheme introduced in July 2009 (as extended in June 2010) will not be discontinued or that new PRC mainland regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of RMB into or outside the PRC mainland. Such an event could have a severe adverse effect on the operations of the CSOP CSI 300 ETF, including limiting the ability of the CSOP CSI 300 ETF to redeem and pay the redemption proceeds and the ability of Participating Dealers to create or redeem and so to settle in RMB to their underlying clients. In addition, such restrictions could cause Units to trade on the SEHK at a significant discount to the Net Asset Value per Unit.

Currently the Bank of China (Hong Kong) Limited is the only clearing bank for offshore RMB in Hong Kong. A clearing bank is an offshore bank that can obtain RMB funding from the PBOC to square the net RMB positions of other participating banks. In February 2004, Bank of China (Hong Kong) Limited launched its RMB clearing services following its appointment by the PBOC. Remittance of RMB funds into the PRC mainland may be dependent on the operational systems developed by the Bank of China (Hong Kong) Limited for such purposes, and there is no assurance that there will not be delays in remittance.

Currency exchange risk. Investors may be subject to currency exchange risk as Units of the CSOP CSI 300 ETF are traded in HKD, while the assets of the CSOP CSI 300 ETF are denominated in RMB and the Net Asset Value of the CSOP CSI 300 ETF will be calculated in RMB. The Net Asset Value of the CSOP CSI 300 ETF in HKD may be affected unfavourably by fluctuations in the exchange rates between these currencies and by changes in exchange rate controls.

RMB distributions risk. Investors should note that distributions are made in RMB only. As such, investors may suffer a foreign exchange loss and incur foreign exchange associated fees and charges to receive their dividends. 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 dividends from RMB into HKD or any other currency. Unitholders are advised to check with their brokers concerning arrangements for distributions.

14.6 Risks Relating to RMB Dealing, Trading and Settlement

Non-RMB or late settlement redemption risk. Currently, RMB cannot be freely remitted into the PRC mainland and such remittance is subject to certain restrictions. In the event that the remittance of RMB from Hong Kong to the PRC mainland is disrupted, this may impact on the ability of the CSOP CSI 300 ETF to acquire units of the Master ETF and other relevant investments. This in turn may result in tracking error and the CSOP CSI 300 ETF may not be able to fully replicate the Underlying Index in such circumstance.

On the other hand, 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 a currency other than RMB (at an exchange rate

determined by the Manager after consultation with the Trustee). As such, there is a risk that investors receive settlement in RMB on a delayed basis or may not be able to receive redemption proceeds in RMB (i.e. such proceeds may be paid in a currency other than RMB).

14.7 Risks Specific to the Master ETF

Given the CSOP CSI 300 ETF invests substantially in the Master ETF as a feeder fund, the CSOP CSI 300 ETF may also be subject to the risks associated with the Master ETF's investments:

Equity market risk: The Master ETF'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 Master ETF's investments are concentrated in the PRC mainland. The value of the Master ETF and the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Master ETF and the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the PRC mainland market. Please refer to "PRC Mainland Market Risks" above for further details.

*Risks associated with the ChiNext market and/or the Science and Technology Innovation Board (the "**STAR Board**")*. The Master ETF may invest in the ChiNext market and/or STAR Board, which are subject to the following risks:

- *Risk relating to overvaluation of stocks.* Securities listed on the ChiNext market or the STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

- *Risk relating to the differences in regulations.* The rules and regulations in relation to the issuance and listing of the securities in the ChiNext market or the STAR Board are less stringent in terms of profitability and share capital than those in the main board market of the SSE or the SZSE. Given the emerging nature of companies listed on the ChiNext market or the STAR Board, there is a risk that the securities traded on ChiNext market or the STAR Board may be susceptible to higher market volatility compared to securities traded on the main board market of the SSE or the SZSE.

- *Risk of delisting.* It may be more common and faster for companies listed on the ChiNext market or the STAR Board to delist. The ChiNext market and the STAR Board have stricter criteria for delisting compared to the main boards. Hence, in more extreme circumstances, they are more susceptible to falling within one of the scenarios for delisting and consequently being delisted by the SZSE or the SSE. This may have an adverse impact on the Master ETF if the companies that it invests in are delisted.

- *Operational risk.* Listed companies in the ChiNext market or the STAR Board are usually in their preliminary stage of development with smaller operating scale and shorter operating history, less mature business model and weaker risk management capacity, and their businesses are usually subject to higher uncertainty and more fluctuations in their performance. Therefore its stability

and resistance to market risks may be lower. These instability and uncertainties may have an adverse impact on the Master ETF which may invest into companies that are listed on the ChiNext market or the STAR Board.

- *Risk associated with the fluctuation in stock prices.* Since the companies listed on the ChiNext market or the STAR Board usually have a smaller scale and shorter operating history, their ability to resist market risks is lower, and hence their stock prices may experience a higher fluctuation as the performance of these companies changes. In extreme circumstances where the trading price of the stock has hit the trading band limit, trading of the stock will be suspended. A suspension will render it impossible for the Master ETF to liquidate positions and will therefore expose the Master ETF to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Master ETF to liquidate positions at a favourable price. Conventional valuation methods may not be entirely applicable to companies listed on the ChiNext market or the STAR Board due to the risky nature of the industries that these companies operate in. There are fewer circulating shares on the ChiNext market or the STAR Board, hence stock prices may be relatively more easily manipulated and may experience higher fluctuation upon market speculation.

- *Risk associated with the technical failures.* The companies listed on the ChiNext market and the STAR Board may have an industry focus on scientific development, technology, innovation or media industries. Since these are areas with rapid development, if there are failures in the process of the scientific development which such companies are involved in and/or any major adverse events happening in the relevant industries or their development, this may result in losses in such companies and hence may have an adverse impact on the Master ETF if the Master ETF invests in those companies.

Risks relating to the differences between the Hong Kong and PRC mainland securities markets. As the SSE may be open when Units in the CSOP CSI 300 ETF are not priced, the value of the Master ETF may change on days when investors will not be able to purchase or sell the CSOP CSI 300 ETF's Units. Furthermore, the market prices of the Master ETF may not be available during part of or all of the SEHK trading sessions due to trading hour differences which may result in Units of the CSOP CSI 300 ETF being traded at a premium or discount to its Net Asset Value.

In addition, differences in trading hours between the SSE and the SEHK may increase the level of premium/discount of the price of Units of the CSOP CSI 300 ETF to its Net Asset Value because if the SSE is closed while the SEHK is open, net asset value of the Master ETF may not be available. The prices quoted by the market maker would therefore be adjusted to take into account any accrued market risk that arises from such unavailability of the net asset value of the Master ETF and as a result, the level of premium or discount of the Unit price of the CSOP CSI 300 ETF to its Net Asset Value may be higher.

There are no trading band limits in Hong Kong. However, trading band limits are imposed by the stock exchanges in the PRC mainland on China A-Shares and China A-Share ETFs, where trading in any China A-Share and China A-Share ETF on the relevant stock exchange may be suspended if the trading price of the China A-Share or China A-Share ETF has hit the trading band limit during the

day. Any dealing suspension of the Master ETF will render it impossible for the CSOP CSI 300 ETF to acquire units of the Master ETF or liquidate positions to reflect creation/redemption of the Units of the CSOP CSI 300 ETF. This may result in higher tracking error and may expose the CSOP CSI 300 ETF to losses. Units of the CSOP CSI 300 ETF may also be traded at a significant premium or discount to its Net Asset Value.

Tracking error risk. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index by the Master ETF. Factors such as the fees and expenses of the Master ETF, imperfect correlation between the Master ETF's assets and the underlying securities constituting the Underlying Index (the "**Index Securities**"), inability to hold the exact constituents of the Underlying Index by the Master ETF or rebalance the Master ETF's holdings of Index Securities in response to changes in the constituents of the Underlying Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the ability of the MF Manager to achieve close correlation with the Underlying Index. These factors may cause the Master ETF, and thus CSOP CSI 300 ETF's returns, to deviate from the Underlying Index. The Manager and the MF Manager will monitor and seek to manage such risk in order to minimise tracking error.

Management risk. The knowledge, experience, judgment, decision-making and skill of the MF Manager will affect its analysis and judgment on the economic and market conditions and the trend of securities prices, thus influencing the return of the Master ETF. In addition, the professional ethics and ethical standards of the MF Manager may also have impact on the return of the Master ETF.

Operational or technical risk. Losses to the Master ETF's assets may occur due to operational errors or violation of operating procedures resulting from deficiencies in internal control or human factors during the operation of various links of the business, for example, unauthorsed illegal transactions, fraud by the accounting department and trading errors.

The failure or error of the MF Manager or Master ETF's technology system may affect the normal progress of a transaction or impact the interests of the investors. This technical risk may come from the MF Manager, registries, sales agencies, interbank bond markets, securities/futures exchanges, securities registries and China Central Depository & Clearing Co., Ltd.

Delisting risk. There is a risk that the units in the Master ETF cannot continue to be traded in the secondary market due to the early termination of listing, for example, by the resolution of the unitholders of the Master ETF or as a result of the Master ETF failing to meet the listing conditions of the relevant stock exchange. In such circumstances the CSOP CSI 300 ETF may not be able to continue to invest in the Master ETF.

Risk of early termination. The Master ETF may be terminated under the circumstances set out in the section "5.4 ***Termination of the Master ETF***" above. If the Master ETF is terminated, or the Master ETF no longer complies with the relevant requirements applicable to the Master ETF as prescribed by the Commission, and the Manager is unable to identify or agree with another master fund that tracks the Underlying Index or a suitable replacement index that is acceptable to the Commission, the CSOP CSI 300 ETF may be terminated, and investors may not be able to recover their investments and suffer loss during such early termination.

Risks associated with investment in FDIs. Although the CSOP CSI 300 ETF will not invest in FDIs for any purpose, the CSOP CSI 300 ETF may have indirect exposure to FDIs through the Master ETF's investment in FDIs. Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Master ETF. Exposure to FDIs may lead to a high risk of significant loss by the Master ETF, and accordingly the CSOP CSI 300 ETF. Please also refer to the risk factor "Investment risks – Financial Derivative Instruments and Collateral Risks" under "4. General Risk Factors" in Part 1 of this Prospectus for further details.

Risk of investing in stock index futures. In the process of using stock index futures to hedge the market risk, the Master ETF's assets may suffer from basis risk (i.e. the risk that the futures price might not move in normal, steady correlation with the price of the underlying assets) because the stock index futures contract may not be fully consistent with the Underlying Index in its price fluctuation.

If sufficient cash is not reserved, the futures position may be subject to the risk of mandatory liquidation due to insufficient margin in case of extreme conditions in the market.

When the delivery date of the spot contract held by the Master ETF is approaching, the contract needs to be replaced for extension of the Master ETF's position. The contract extension is subject to the risk that the basis of the contract changes in an unfavorable direction or the liquidity is insufficient.

Risks associated with securities lending transactions. The Master ETF may engage in securities lending transactions, and the risks include but are not limited to:

- *Counterparty risk*. The borrower may fail to return the securities in a timely manner or at all. The Master ETF may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the Master ETF's ability in meeting delivery or payment obligations from redemption requests.

- *Credit risk*. There is a risk that the borrower may not be able to pay the corresponding equity compensation and borrowing fee. The value of any collateral received may also fall below the value of the securities lent out.

- *Market risk*. After the securities are lent, they may face market risk that the securities cannot be disposed of in a timely manner during the lending period.

Risks associated with repurchase transactions. In the event of the failure of the counterparty with which collateral has been placed, the Master ETF may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Risks associated with reverse repurchase transactions. In the event of the failure of the counterparty with which cash has been placed, the Master ETF may suffer loss as there may be delay in recovering cash placed out or difficulty in realising

collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

14.8 Risks Relating to the Underlying Index of CSOP CSI 300 ETF

The CSOP CSI 300 ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's licence from CSI under the CSOP Licence Agreement or the MF Manager's licence from CSI under the relevant licence agreement is terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Master ETF with another underlying fund that tracks the Underlying Index or an index that is tradable and acceptable to the Commission and has similar objectives to the Underlying Index. Please refer to the section "22***. Replacement of the Master ETF***" below on the circumstances in which the Master ETF may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP CSI 300 ETF's investment objective.

The Manager has been granted a licence by the CSI to in connection with the creation, issue, offering, marketing, promotion, sale, management, administration and listing of the CSOP CSI 300 ETF. The licence granted shall take effect from the date of the CSOP Licence Agreement (i.e. 23 April 2024), and shall continue until terminated pursuant to the agreement. There is no guarantee that the CSOP Licence Agreement will be perpetually renewed, or that the CSOP Licence Agreement will not be terminated. For further information on the grounds for terminating the CSOP Licence Agreement in respect of the Underlying Index, please refer to the section "***19. Index Licence Agreement***" in this Appendix. In addition, there is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

The CSOP CSI 300 ETF may be terminated if the Underlying Index is discontinued and/or the CSOP Licence Agreement is terminated and the Manager is unable to identify or agree with any index provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria under Chapter 8.6(e) of the Code. Any such replacement index will be subject to the prior approval of the Commission under the Code and Unitholders will be duly notified of the same. Accordingly, investors should note that the ability of the CSOP CSI 300 ETF to track the Underlying Index depends on the continuation in force of the CSOP Licence Agreement in respect of the Underlying Index or a suitable replacement. The CSOP CSI 300 ETF may also be terminated if the Underlying Index ceases to be compiled or published and there is no replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index.

(ii) There may be changes in the constituent securities of the Underlying Index

from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the Master ETF, the MF Manager may rebalance portfolio of the Master ETF. The price of the units in the Master ETF, and thus Units in the CSOP CSI 300 ETF, may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Master ETF which in turn generally reflects the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to the section "***21. The Underlying Index***" in this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying Index and any of its related formulae, constituent companies and factors may also be changed or altered by CSI 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 Underlying Index, its computation or any information related thereto.

14.9 Distributions Out of or Effectively Out of Capital Risk

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP CSI 300 ETF are charged to/paid out of the capital of the CSOP CSI 300 ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP CSI 300 ETF and therefore, the CSOP CSI 300 ETF may effectively pay dividends out of the capital. Investors should note that payment of distributions out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that amount. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the CSOP CSI 300 ETF.

14.10 Other Risks

Operating risk. There is no assurance that the performance of the CSOP CSI 300 ETF will be identical to the performance of the Master ETF or the Underlying Index. The level of fees, taxes and expenses payable by the CSOP CSI 300 ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP CSI 300 ETF can be estimated, the growth rate of the CSOP CSI 300 ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP CSI 300 ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP CSI 300 ETF. On the termination of the CSOP CSI 300 ETF, the CSOP CSI 300 ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

No market in the Units risk. Although the Units are to be listed on the SEHK and 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 the Units, investors should be aware that 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 other ETFs which are traded on the SEHK and which are based upon indices.

Termination of market maker risk. A market maker may cease to act as a market maker for the CSOP CSI 300 ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Units of the CSOP CSI 300 ETF will be no less than three months. The liquidity for the Units of the CSOP CSI 300 ETF may be affected if there is no market maker for the Units. The Manager will use its best endeavours to put in place arrangements so that there is at least one market maker for the CSOP CSI 300 ETF to facilitate efficient trading of Units. It is possible that there is only one market maker for the CSOP CSI 300 ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. Units will be a new security and following listing on the SEHK, it is unlikely that the Units will initially be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Units in the secondary market. Therefore, Unitholders may not be able to sell their Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Units.

Tracking error risk. There can be no assurance of exact or identical replication at any time of the performance of the Master ETF and thus the Underlying Index. Factors such as the fees and expenses of the CSOP CSI 300 ETF, investments by the CSOP CSI 300 ETF other than the Master ETF, rounding of the Master ETF's prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. These factors may cause the CSOP CSI 300 ETF's returns to deviate from the Master ETF, and thus the Underlying Index.

Risks of investing in other funds. The CSOP CSI 300 ETF may invest in funds other than the Master ETF, and may therefore be subject to the risks associated with such underlying funds. The CSOP CSI 300 ETF 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 CSOP CSI 300 ETF.

The underlying funds in which the CSOP CSI 300 ETFmay invest may not be authorised by the Commission. There may be additional costs involved when investing into these underlying funds. There is also no guarantee that the underlying funds will always have high trading volume and sufficient liquidity and the CSOP CSI 300 ETF may not be able to realise or liquidate its investment in such underlying funds at such time as it wishes to.

15. FEES AND CHARGES

15.1 Management Fees

The Manager is entitled to receive a management fee, currently at the rate of

0.20% per annum of the Net Asset Value of the CSOP CSI 300 ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

The management fee of the Master ETF is currently 0.15% per annum of the net asset value of the Master ETF accrued daily.

The aggregate management fee charged in respect of the CSOP CSI 300 ETF is currently 0.35% per annum of the Net Asset Value of the CSOP CSI 300 ETF.

The maximum aggregate management fee that can be charged in respect of the CSOP CSI 300 ETF is 2.15% per annum of the Net Asset Value of the CSOP CSI 300 ETF.

15.2 Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's fee and the Registrar's fee and the Manager will pay the fees of the Trustee and the Registrar out of the management fee.

The Trustee's fee is inclusive of the fees payable to the Custodian and the PRC Custodian.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP CSI 300 ETF all out-of-pocket expenses incurred.

The custodian fee of the Master ETF is currently 0.05% per annum of the net asset value of the Master ETF accrued daily.

Currently, the aggregate trustee / custodian fee charged in respect of the CSOP CSI 300 ETF is 0.05% per annum of the Net Asset Value of the CSOP CSI 300 ETF.

15.3 Fees payable by the Master ETF

By investing into the Master ETF, the CSOP CSI 300 ETF will bear indirectly a proportionate share of the fees payable to the MF Manager and MF Custodian and other fees, charges and expenses payable by the Master ETF, which will be reflected in the net asset value per unit of the Master ETF.

15.4 Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP CSI 300 ETF. For any period less than a month, the reconciliation fee is payable by the CSOP CSI 300 ETF on a pro-rata basis and accrues on a daily basis.

15.5 Other Charges and Expenses of CSOP CSI 300 ETF

Please refer to the section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP CSI 300 ETF.

15.6 Establishment Costs of CSOP CSI 300 ETF

The establishment costs of the CSOP CSI 300 ETF are estimated to be HKD1,800,000; such costs shall be borne by the CSOP CSI 300 ETF (unless

otherwise determined by the Manager) and amortised over the first five financial years of CSOP CSI 300 ETF or such other period as determined by the Manager after consulting the auditor.

15.7 Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarised in the respective tables below:

15.7.1 Participating Dealers

Creation and Redemption of Units by a Participating Dealer

Application Cancellation Fee	RMB8,500 per cancellation *(See Note 1)*
Extension Fee	RMB8,500 per extension *(See Note 1)*
Transaction Fee	RMB550 per Application *(See Note 2)*
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges.

15.7.2 Primary Market Investors creating or redeeming Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

15.7.3 Secondary Market Investors Dealing in Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% *(see Note 4 and Note 9)*
Accounting and Financial Reporting Council ("**AFRC**") transaction levy	0.00015% of the trading price *(see Note 5)*
Trading fee	0.00565% *(see Note 6 and Note 9)*
Stamp duty	Nil *(see Note 7)*
Investor compensation levy	0.002% (currently suspended) *(see Note 8)*

Note:

1. The Application Cancellation Fee of RMB8,500 and the Extension Fee of RMB8,500 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application

as provided in this Prospectus.

2. A Transaction Fee of RMB550 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.

3. A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.

4. A transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.

5. An AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.

6. A trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.

7. For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the CSOP CSI 300 ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.

8. The investor compensation levy of the trading price of the Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.

9. The transaction levy and trading fee will be paid by intermediaries to HKEX in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.

10. Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to the section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of the documents that are available for inspection.

17. TERMINATION OF CSOP CSI 300 ETF

Without prejudice to the grounds of termination as set out in the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP CSI 300 ETF shall be less than RMB100 million, the CSOP CSI 300 ETF and/or any classes of Units relating to the CSOP CSI 300 ETF may be terminated by the Manager in its absolute discretion by notice in writing.

18. PUBLICATION OF INFORMATION RELATING TO CSOP CSI 300 ETF

The following information relating to the CSOP CSI 300 ETF will be published on the

Manager's website https://www.csopasset.com/en/products/hk-csi300 (this website has not been reviewed by the Commission):-

- full portfolio information of the CSOP CSI 300 ETF (updated on a daily basis);
- the near real-time indicative Net Asset Value per Unit of the CSOP CSI 300 ETF (updated every 15 seconds during normal trading hours on the SEHK) in HKD; and
- the last Net Asset Value of the CSOP CSI 300 ETF in RMB only and, the last Net Asset Value per Unit of the CSOP CSI 300 ETF in RMB and HKD.

The near real-time indicative Net Asset Value per Unit of the CSOP CSI 300 ETF in HKD is indicative and for reference purposes only. The near real-time indicative Net Asset Value per Unit in HKD is updated every 15 seconds during the SEHK trading hours. The near real-time indicative Net Asset Value per Unit in HKD uses the real-time HKD:CNH 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:CNH 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 securities market is closed, any change in the indicative Net Asset Value per Unit in HKD during such period will be solely due to the change in the foreign exchange rate.

The last Net Asset Value per Unit of the CSOP CSI 300 ETF in HKD is indicative and for reference purposes only and is calculated using the last Net Asset Value per Unit in RMB multiplied by an assumed foreign exchange rate using the CNH exchange rate quoted by Reuters at 3:00 p.m. (Hong Kong time) as of the same Dealing Day. The official last Net Asset Value per Unit in RMB and the indicative last Net Asset Value per Unit in HKD will not be updated when the underlying securities market is closed.

Please refer to the section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for other information relating to the CSOP CSI 300 ETF that will be published on the Manager's website and HKEX's website.

19. INDEX LICENCE AGREEMENT

The Manager has been granted a non-exclusive, non-assignable and non-transferable licence pursuant to index licence agreement dated 23 April 2024 (the "**CSOP Licence Agreement**") entered into between the Manager and China Securities Index Co., Ltd. ("**CSI**"), to use the Underlying Index in connection with the creation, issue, offering, marketing, promotion, sale, management, administration and listing of the CSOP CSI 300 ETF.

The CSOP Licence Agreement is subject to an initial fixed term of three years from 23 April 2024, and can thereafter be automatically renewed for successive terms of two years at a time, unless either party raises an objection for such renewal at least one month prior to the expiry of the term of the CSOP Licence Agreement.

The Manager and CSI may terminate the CSOP Licence Agreement by written notice to the other party given at least three months prior to the end of the then-current term. The CSOP Licence Agreement may also be terminated in circumstances as summarised below:

(a) there is a material breach by the Manager or CSI of any of the terms or conditions of the CSOP Licence Agreement;

(b) the Underlying Index has been discontinued by CSI;

(c) there is legislation or regulation that materially impairs the Manager to manage and sell the CSOP CSI 300 ETF or there is material litigation or regulatory proceeding regarding the CSOP CSI 300 ETF;

(d) there is legislation or regulation that materially impairs CSI's ability to license the Underlying Index or there is material litigation or regulatory proceeding;

(e) either party declares bankruptcy, stops operation, dissolves or has its licence revoked; and

(f) the Manager is no longer developing or managing the CSOP CSI 300 ETF.

20. MATERIAL CHANGES TO THE UNDERLYING INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

21. THE UNDERLYING INDEX

This section is a brief overview of the Underlying Index. It contains a summary of the principal features of the Underlying Index and is not a complete description of the Underlying Index. As of the date of this Prospectus, the summary of the Underlying Index in this section is accurate and consistent with the complete description of the Underlying Index. Complete information on the Underlying Index appears on the website identified below. Such information may change from time to time and details of the changes will appear on that website.

21.1 General Information on the Underlying Index

The Underlying Index is a free float adjusted, category-weighted index which measures the performance of securities traded on the SSE or the SZSE. The Underlying Index consists of the 300 securities with the largest market capitalisation and good liquidity from the entire universe of listed companies in the PRC mainland.

The Underlying Index is a price return index, which means that it calculates the performance of the index constituents on the basis that any dividends or distributions are not included in the index returns.

The Underlying Index is calculated and disseminated in RMB on a real-time basis and is maintained by CSI. The Underlying Index in quoted in RMB. The Manager, the MF Manager and each of their connected persons are independent of the CSI.

The Underlying Index was launched on 8 April 2005 and had a base level of 1,000 on 31 December 2004.

As of 27 February 2026, the Underlying Index had a total market capitalisation of RMB 25,707.40 billion and 300 constituents.

21.2 Index Universe

The selection universe of the Index (the "Index Universe") includes all Non-ST and

*ST securities and Chinese Depositary Receipt (CDRs) issued by red-chip enterprises listed on the SSE and the SZSE satisfying the following conditions:

(a) STAR Board securities and ChiNext Board securities: the listing time of the security is more than 1 year;

(b) other securities: the listing time of the security is more than three months, unless the daily average total market value of the security since its initial listing is ranked top 30 among other securities.

21.3 Selection Criteria

Constituents of the Underlying Index are selected as follows and the candidate constituents should have good performance without serious financial problems or violation of laws and regulations and with no large price volatility that shows strong evidence of market manipulation:

(a) CSI ranks the securities in the universe by average daily trading value over the past year in descending order and delete the bottom ranked 50% securities;

(b) CSI then ranks the remaining securities by average daily total market capitalisation over the past year in descending order and selects the top 300 securities as the constituents.

21.4 Index Calculation Formula

$$Current\ index\ = \frac{Current\ Total\ Adjusted\ Market\ Cap}{Divsor} \times Base\ Value$$

Where: Current Total Adjusted Market Cap = Σ(Security Price × Number of Free Float Adjusted Shares).

21.5 Index Methodology

The calculation of the number of free float adjusted shares depends on two factors, namely category weighted method and free float.

Under the category weighted method, CSI will apply an inclusion factor to the total number of securities of the relevant share class according to the free float ratio, being the percentage of the free float as a proportion of the total shares of the constituent, based on the following formulae:

$$Free\ Flat\ Ratio = Free\ Float \div Total\ Shares\ of\ Constituent$$

$$Adjusted\ Shares = Total\ Shares\ of\ Constituent \times Inclusion\ Factor$$

The inclusion factor is determined according to the following chart:

Free Float Ratio (%)	≤15	(15, 20]	(20, 30]	(30, 40]	(40, 50]	(50, 60]	(60, 70]	(70, 80]	>80
Inclusion Factor (%)	Near est highe r perce	20	30	40	50	60	70	80	100

	ntage point								

For example, if the free-float proportion of a certain security is 7%, which is less than 15%, the free-float proportion of the security (i.e. 7%) will be used as the inclusion factor. If the free-float proportion of a certain stock is 35%, which falls in the (30, 40] range, the inclusion factor will be 40%.

Free float is determined as follows:

$$Free\ Float = Total\ Shares\ of\ Constiuent - Non\ Free\ Float\ Shares$$

Shares (i) which are announced by a listed company to be restricted shares or (ii) with 5% or more of holdings held by the following types of shareholders and shareholders acting in concert: (1) long-term holdings by the company's founders, family members and senior executive; (2) state-owned shares; (3) strategy holdings; and (4) employee share plans, are deemed to be non-free float shares. The remaining shares are deemed to be free-float shares.

21.6 Index Maintenance

The Underlying Index is maintained using the "divisor adjustment methodology". In the event of a change in the list of constituents or in a constituent's equity structure, or fluctuations in a constituent's market value due to non-trading factors, the old divisor is adjusted by means of the divisor adjustment methodology, so as to maintain the continuity of the Underlying Index. The adjustment formula is as follows:

$$\frac{Adjusted\ Market\ Cap\ before\ Divisor\ Adjustment}{Old\ Divisor} = \frac{Adjusted\ Market\ Cap\ after\ Divisor\ Adjustment}{New\ Divisor}$$

Where: Adjusted Market Cap after Divisor Adjustment = Adjusted Market Cap before Divisor Adjustment + Increase (Decrease) in Adjusted Market Cap. The new divisor derived from this formula will then be used for future index calculation.

Circumstances under which maintenance of the Underlying Index is required include the following:

(a) Corporate events that may affect the price of constituents

(i) Ex-Dividend: No index shall be adjusted in the event of an ex-dividend (dividend payment), and its natural fall shall not be interfered.

(ii) Ex-Right: If bonus issue, rights issue, security split and stock consolidation occurs, the Underlying Index shall be adjusted the day before the issuance. Calculation of adjusted market cap is based on new shares and prices.

Adjusted Market Cap after Divisor Adjustment = Ex-right Price × Adjusted Number of Shares + Adjusted Market Cap before Divisor Adjustment (excluding securities adjusted for bonus issue, rights issue, security split and security consolidation).

(b) Other corporate events that affect the index constituents

(i) In the event that the aggregated change in the total shares of constituents due to other corporate actions (e.g. secondary offering, debt-to-equity swap and exercise of warrants) reaches or exceeds 5%, the Underlying Index is subject to temporary adjustment and shall be adjusted before the capital change in the index constituents.

Adjusted Market Cap after Divisor Adjustment = Closing Price × Adjusted Shares after Change

(ii) If the accumulated change in the total shares of constituents is less than 5%, the Underlying Index is subject to regular adjustment and shall be adjusted before the effective date of regular adjustment.

(c) Constituents adjustment

The Underlying Index shall be adjusted before the effective date of regular adjustment or temporary adjustment.

21.7 Index Advisory Committee

CSI has established an index advisory committee (the "**Index Advisory Committee**"), which is responsible for the evaluation, consulting and examination of CSI index methodologies.

21.8 Index Periodic Review

The constituents of the Underlying Index (each an "**Index Constituent**") are reviewed every 6 months, during the last 10 days of May and November each year. The adjustments of constituents are in principle implemented on the next trading day after the second Friday in June and December each year.

The number of constituents adjusted at each periodic review will not exceed 10% and CSI has adopted buffer zone rules in order to minimise the index adjustment turnover. Existing constituents of the Underlying Index ranked in the top 60% by the average daily trading value in the index universe will be included in the next stage of market cap ranking. New candidate securities ranked top 240 will be given priority to add into the Underlying Index and existing constituents ranked top 360 will be given priority to remain in the Underlying Index.

Reserve list is also established at each periodic review, which is used to implement temporary adjustments during two adjacent periodic reviews. The number of securities in the reserve list accounts for 5% of the number of constituents. Hence, there are 15 securities in the reserve list of the Underlying Index. If temporary adjustment is needed, for example due to delisting of constituents, the securities on the reserve list will be added to the Underlying Index by rankings in turn. If the number of securities in the reserve list is less than 50% of the original number, CSI will complement the list according to the reserve list policy and publicise the new reserve list in a timely manner.

21.9 Index Temporary Adjustments

Necessary ongoing adjustments are made by CSI in case of exceptional corporate events so as to maintain the representativeness and investability of the Underlying Index. Such events include without limitation initial public offering, merger, acquisition, spin-off, suspension, delisting and bankruptcy affecting an index constituent or its issuer (as the case may be).

In general, CSI will announce the adjustment plans two trading days prior to the

effective date.

21.10 Index Constituents

The most updated list of the constituents of the Underlying Index and their respective weightings and additional information and other important news of the Underlying Index can be obtained from the website of CSI at http://www.csindex.com.cn.

21.11 Index Codes

Bloomberg Code: SHSZ300
Reuters Code: .CSI 300

21.12 Index Disclaimer

The Underlying Index is compiled and calculated by CSI. All copyright in the Underlying Index values and constituent list vest in CSI. CSI will apply all necessary means to ensure the accuracy of the Underlying Index. However, CSI does not guarantee its instantaneity, completeness or accuracy, nor shall it be liable (whether in negligence or otherwise) to any person for any error in the Underlying Index or under any obligation to advise any person of any error therein.

22. REPLACEMENT OF THE MASTER ETF

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Master ETF with another fund acceptable to the Commission with a substantially similar investment objective if in the Manager's opinion, it is in the interests of Unitholders to replace the Master ETF to meet the CSOP CSI 300 ETF's investment objective.

The Manager may change the name of CSOP CSI 300 ETF if the Master ETF is replaced. Any replacement of the Master ETF and/or the name of CSOP CSI 300 ETF will be notified to Unitholders in accordance with applicable rules and requirements.

Should the MF Manager replace the Underlying Index, the Manager, provided that in its opinion the interests of the Unitholders would not be adversely affected, may at its discretion continue to invest in the Master ETF tracking a replacement underlying index.

The Manager also reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to change the CSOP CSI 300 ETF from a feeder fund to a direct investment fund with a substantially similar investment objective. Any such change will also be notified to investors in accordance with applicable rules and requirements.

SCHEDULE
INVESTMENT RESTRICTIONS OF THE MASTER ETF

The Master ETF is subject to the following investment restrictions:

1. the Master ETF's investment in bond repurchase transactions in the national interbank market shall not exceed 40% of its net asset value. The maximum term for such bond repurchase transactions shall be one year. Such bond repurchase transactions shall not be extended after maturity;

2. the amount declared by the Master ETF for participation in equity issuances and subscriptions shall not exceed the total assets of the Master ETF. The number of shares declared by the Master ETF shall not exceed the total number of shares to be issued by the issuer;

3. the Master ETF shall not contravene the requirement relating to investment scope and ratio stipulated in the Fund Contract;

4. the following restrictions are applicable to the Master ETF's investment in stock index futures:

   - at the end of each trading day, the value of long position in stock index futures contracts held by the Master ETF shall not exceed 10% of its net asset value;

   - at the end of each trading day, the sum of the value of long stock index futures contracts and the market value of negotiable securities shall not exceed 100% of the net asset value of the Master ETF. "Negotiable securities" refer to stocks, bonds (excluding government bonds with maturity of less than one year), warrants, asset-backed securities, financial assets purchased under repurchase agreements (excluding pledged repurchase), etc.;

   - at the end of each trading day, the value of short position in stock index futures contracts held by the Master ETF shall not exceed 20% of the total market value of stocks held by the Master ETF;

   - the trading volume of the stock index futures contract traded (excluding closing out) within any trading day shall not exceed 20% of the Master ETF's net asset value on the previous trading day;

   - at the end of each trading day, after deducting the trading margins payable for the stock index futures contracts, cash shall be kept at not less than twice such trading margins;

5. where investing in warrants, the total value of warrants purchased by the Master ETF on any trading day shall not exceed 0.5% of the net asset value of the Master ETF on the previous trading day; the market value of all warrants held by the Master ETF shall not exceed 3% of the net asset value of the Master ETF; the amount of the same type of warrant held by all the funds managed by the MF Manager shall not exceed 10% of the total amount of the said warrant. Where the relevant laws and regulations or the CSRC provide(s) otherwise, the provisions there shall prevail;

6. the total market value of the Master ETF's active investment in liquidity-restricted assets shall not exceed 15% of its net asset value; if the Master ETF fails to comply with such limit due to factors beyond the MF Manager's control, such as fluctuations in the securities market, suspension of stocks of listed companies, and change of the fund scale, the MF Manager shall not actively increase the Master ETF's investment in liquidity-restricted assets;

7. where the Master ETF engages in reverse repurchase transactions with private securities asset management products and other entities stipulated by the CSRC as counterparties, the

qualification requirements for acceptable collateral shall be consistent with the investment scope agreed in the Fund Contract;

8. the securities lending transactions engaged by the Master ETF shall meet the following requirements:

   i. the securities lent under the securities lending transactions shall not exceed 30% of the Master ETF's net asset value, and the securities lent with a lending period of more than 10 trading days shall be included in the scope of liquidity-restricted securities as set out in the *Provisions on the Administration of Liquidity Risk for Publicly Offered Open-ended Securities Investment Funds*;

   ii. the involvement of any single security in securities lending transactions shall not exceed 30% of the total amount in such security held by the Master ETF;

   iii. the Master ETF's average daily net asset value in the last six months shall not be less than RMB200 million;

   iv. the average remaining term of securities lending shall not exceed 30 days, and the average remaining term of securities lending shall be calculated using a weighted average based on market value;

9. the proportion limit on the Master ETF's investment in depositary receipts shall be based on such limit applicable to stocks listed in the PRC mainland, and shall be calculated in aggregate with stocks listed in the PRC mainland; and

10. other investment restrictions stipulated in the relevant laws and regulations and by the relevant regulatory authorities.

If the above investment restrictions are cancelled under relevant laws or regulations or by regulatory authorities, the Master ETF will no longer be subject to the relevant restrictions upon performing the appropriate procedures.

Notwithstanding the investment proportion requirements in paragraphs 1, 2, 3, 4, 5, 9 and 10 above, where the investment portfolio of the Master ETF does not meet the relevant requirements due to factors beyond the MF Manager's control, such as fluctuations in securities markets, merger of listed issuers, change of the fund scale, the MF Manager shall make adjustments within 10 trading days to comply with the relevant requirements. Where the Master ETF's investment does not comply with the requirements in paragraph 8 above due to factors beyond the MF Manager's control, such as fluctuations in securities market, merger of listed issuers and change of the fund scale, the MF Manager shall not engage in further securities lending transactions. If any laws or regulations state otherwise, such provisions shall prevail.

APPENDIX 15

CSOP MAG Seven ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 3454

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP MAG Seven ETF
Stock Code: 3454

1. KEY INFORMATION

1.1 General

This appendix sets out information specific to CSOP MAG Seven ETF ("**CSOP MAG Seven ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in CSOP MAG Seven ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***6. Risk Factors relating to the CSOP MAG Seven ETF***" of this Appendix, before investing in the CSOP MAG Seven ETF.

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.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP MAG Seven ETF, and should be read in conjunction with the full text of this Prospectus.

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapter 8.6 of the Code
Underlying Index	Solactive Magnificent Seven Index (net total return version) Inception Date: 9 August 2024 Number of constituents: 7 (as of 31 December 2025) Base Currency of Index: USD
Type of Underlying Index	A net total return index which means that the performance of the index constituents is calculated on the basis that any dividends or distributions are reinvested after withholding tax deduction (if any). The Underlying Index is denominated and quoted in USD.
Index Provider	Solactive AG
Investment Strategy	The Manager will adopt a full replication strategy. Please refer to section "***3. Investment Objective and Strategy***" of this Appendix for further details.

Initial Issue Date	5 November 2024
Listing Date	6 November 2024
Dealing on SEHK Commencement Date	6 November 2024
Exchange Listing	SEHK – Main Board
Stock Codes	3454
Stock Short Names	CSOP MAG7
ISIN Numbers	HK0001066643
Trading Board Lot Size	100 Units
Base Currency	USD
Trading Currencies	Hong Kong dollars (HKD)
Dividend Policy	The Manager has discretion as to whether or not the CSOP MAG Seven ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP MAG Seven ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any). The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP MAG Seven ETF are charged to/paid out of the capital of the CSOP MAG Seven ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP MAG Seven ETF and therefore, the CSOP MAG Seven ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of the CSOP MAG Seven ETF's capital

		may result in an immediate reduction in the Net Asset Value per Unit of the CSOP MAG Seven ETF. **Distributions for all Units will be in USD only.** Please refer to section "***5. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP MAG Seven ETF and the risk factor under section "***6.13 Distributions out of or effectively out of capital risk***" in this Appendix for the risk associated with distributions paid out of capital.
Application Unit size for Creation/ Redemption (only by or through Participating Dealers)		Minimum 300,000 Units (or multiples thereof)
Method of Creation/ Redemption		In-cash only
Parties	Manager	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
	Participating Dealer(s)	Please refer to the Manager's website set out below for the latest list.
	Market Maker(s)	Please refer to the Manager's website set out below for the latest list.
	Service Agent	HK Conversion Agency Services Limited
	Listing Agent	Altus Capital Limited
Financial Year		Ending 31 December each year (The first financial year-end of the CSOP MAG Seven ETF will be 31 December 2025. The first semi-annual unaudited interim reports and first audited accounts of the CSOP MAG Seven ETF will be for the period ending 30 June 2025 and 31 December 2025 respectively.)
Management Fee		Up to 2% per annum of the Net Asset Value

	accrued daily and calculated as at each Dealing Day, with the current rate being 0.6% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Website	https://www.csopasset.com/en/products/hk-mag7 (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission)

1.3 Custodian for the CSOP MAG Seven ETF

The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee as custodian (the "**Custodian**"), and will be responsible for the safe custody of the CSOP MAG Seven ETF's assets.

Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the Custodian. Neither the Custodian nor its delegate (if any) is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "***1.3 Custodian for the CSOP MAG Seven ETF***".

1.4 Market Maker

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 of the CSOP MAG Seven ETF. 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 to facilitate the efficient trading of Units of the CSOP MAG Seven ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker is required to give not less than three months' notice prior to terminating market making arrangement under the relevant market making agreement.

The list of market markers in respect of the CSOP MAG Seven ETF is available on https://www.csopasset.com/en/products/hk-mag7 and from time to time will be displayed on www.hkex.com.hk.

2. DEALING

2.1 The Initial Offer Period

Units of the CSOP MAG Seven ETF will initially be offered only to the Participating Dealer(s) from 9:00 a.m. (Hong Kong time) on 4 November 2024 to 4:30 p.m. (Hong Kong time) on 4 November 2024, unless otherwise extended by the Manager (the "**Initial Offer Period**"). The purpose of the

Initial Offer Period is to enable the Participating Dealer(s) to apply for Units on their own account or on behalf of third party Primary Market Investors in accordance with the terms of the Trust Deed and the Operating Guidelines.

Primary Market Investors who are retail investors may only submit a creation request or redemption request through a Participating Dealer or a stockbroker who has opened an account with a Participating Dealer.

Investors should note that the Participating Dealers and the stockbrokers through whom a Creation Application is made may impose an earlier dealing deadline, require other supporting documents for the Creation Application and adopt other dealing procedures different from those set out for the CSOP MAG Seven ETF in this Prospectus. For example, the dealing deadline set by the Participating Dealers or the stockbrokers may be earlier than that set out for the CSOP MAG Seven ETF in this Prospectus. Investors should therefore check the applicable dealing procedures with the relevant Participating Dealer or stockbroker (as the case may be).

2.2 Extension of the Initial Offer Period

If the Initial Offer Period is extended beyond 4 November 2024, dealings in the Units on the SEHK will commence on the seventh (7th) Business Day following the close of the Initial Offer Period.

2.3 Exchange Listing and Trading

Application has been made to the SEHK for listing of and permission to deal in Units in the CSOP MAG Seven ETF.

Currently, Units are expected to be listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on other stock exchanges.

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

2.4 Buying and Selling of Units of the CSOP MAG Seven ETF on SEHK

Dealings on the SEHK in Units of the CSOP MAG Seven ETF issued after the Initial Offer Period are expected to begin on the trading day after the Initial Issue Date.

A Secondary Market Investor can buy and sell the Units of the CSOP MAG Seven ETF on the SEHK through his stockbroker at any time the SEHK is open. Units of the CSOP MAG Seven ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 100 Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the CSOP MAG Seven ETF

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 of the CSOP MAG Seven ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the CSOP MAG Seven ETF.

Please refer to section "***Schedule 2 – 3. Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of Units on the SEHK.

2.5 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Schedule 2 – 2. Creation and Redemption of Application Units (Primary Market)***" of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP MAG Seven ETF only.

The Manager currently only allows Cash Creations and Cash Redemptions for Units of the CSOP MAG Seven ETF. Any cash payable by Participating Dealers in a Cash Application must be in USD.

The Application Unit size for CSOP MAG Seven ETF is 300,000 Units (or multiples thereof). Creation Applications submitted in respect of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP MAG Seven ETF is one Application Unit.

Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Any cash proceeds received by Participating Dealers in a Cash Redemption shall be paid only in USD.

2.5.1 Dealing Period

The dealing period on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP MAG Seven ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 5:30 p.m. (Hong Kong time) (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.5.2 Issue Price and Redemption Price

In respect of each Creation Application during the Initial Offer Period, the Issue Price of a Unit of any class which is the subject of a Creation Application in relation to the CSOP MAG Seven ETF shall be USD1, or such other price as may be determined by the Manager in consultation with the Trustee.

After the Initial Offer Period, the Issue Price of a Unit of any class in the CSOP MAG Seven ETF shall be the Net Asset Value per

Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units of any class redeemed shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP MAG Seven ETF.

The "**Valuation Day**" of the CSOP MAG Seven ETF, coincides with, and shall mean, the Dealing Day of the CSOP MAG Seven ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's website at https://www.csopasset.com/en/products/hk-mag7 (this website has not been reviewed by the Commission) or published in such other publications as the Manager decides.

2.5.3 Dealing Day

In respect of the CSOP MAG Seven ETF, "**Dealing Day**" means each Business Day.

"**Business Day**" in respect of the CSOP MAG Seven ETF means a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant market on which the securities comprising or held by the CSOP MAG Seven ETF are traded is open for normal trading, and (b) the Underlying Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

The Manager will update information regarding Dealing Days in each month on the Manager's website on a monthly basis, prior to the beginning of the relevant month. Where any such previously disclosed Dealing Day is no longer a Dealing Day due to any unexpected circumstance (for example, where the period during which the SEHK and/or the Nasdaq is open for normal trading is reduced or the SEHK and/or the Nasdaq is closed as a result of any unforeseen events), the Manager will inform investors accordingly via the Manager's website as soon as practicable.

3. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP MAG Seven ETF is to provide investment results that, before fees and expenses, closely correspond to the performance of the Solactive Magnificent Seven Index (the "**Underlying Index**"). There is no assurance that the CSOP MAG Seven ETF will achieve its investment objective.

Investment Strategy

In order to achieve the investment objective of the CSOP MAG Seven ETF, the Manager will adopt a full replication strategy by directly investing all, or substantially all, of the assets of the CSOP MAG Seven ETF in the securities constituting the Underlying Index (the "**Index Securities**") in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index.

The CSOP MAG Seven ETF may also invest in FDIs (solely swaps) with no more than 20% of its Net Asset Value for investment purposes, where the Manager believes such investments will help the CSOP MAG Seven ETF achieve its investment objective and are beneficial to the CSOP MAG Seven ETF. The swaps which may be invested by the CSOP MAG Seven ETF will be funded total return swap transaction(s) whereby the CSOP MAG Seven ETF will pass on the relevant portion of cash to the swap counterparty(ies) and in return the swap counterparty(ies) will provide the CSOP MAG Seven ETF with an exposure to the economic gain/loss in the performance of the relevant Index Securities (net of indirect costs). Exposure of the CSOP MAG Seven ETF to the Index Securities (either through direct investment or FDIs) will be in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index.

The CSOP MAG Seven ETF may not hold more than 5% of its Net Asset Value in money market funds and in cash deposits subject applicable law and regulations for cash management purposes.

3A. SECURITIES LENDING, REPURCHASE AND REVERSE REPURCHASE TRANSACTIONS

The Manager may, on behalf of the CSOP MAG Seven ETF, 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 CSOP MAG Seven ETF and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1 in Part 1 of this Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the CSOP MAG Seven ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus) of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis and be safekept by the Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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. Any reinvestment of cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent the CSOP MAG Seven ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP MAG Seven ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to the section "***6.9 Securities lending transactions risk***" of this Appendix for further details.

The Manager does not currently enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions. Prior approval of the SFC (to the extent required under applicable regulatory requirements) will be sought and not less than one month's prior notice (or such shorter notice period as may be permitted under applicable regulatory requirements) will be given to Unitholders in the event the Manager wishes to invest in sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions.

4. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of CSOP MAG Seven ETF to acquire investments, to redeem Units or to pay expenses relating to the CSOP MAG Seven ETF.

5. DISTRIBUTION POLICY

The Manager has discretion as to whether or not the CSOP MAG Seven ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP MAG Seven ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

The Manager will also have the discretion to determine if and to what extent distributions (whether directly or effectively) will be paid out of capital of the CSOP MAG Seven ETF.

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP MAG Seven ETF are charged to/paid out of the capital of the CSOP MAG Seven ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP MAG Seven ETF and therefore, the CSOP MAG Seven ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of or effectively out of the CSOP MAG Seven ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP MAG Seven ETF and will reduce any capital appreciation for the Unitholders of the CSOP MAG Seven ETF.**

The composition of the distributions (i.e. the relative amounts paid out of net

distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-mag7 (this website has not been reviewed by the Commission).

The distribution policy may be amended subject to the Commission's prior approval (where required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared in USD only. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-mag7 (this website has not been reviewed by the Commission) and on HKEX's website.

There can be no assurance that a distribution will be paid.

Each Unitholder will receive distributions in USD only. Unitholders are advised to check with their brokers/intermediaries on the arrangements concerning distributions.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

6. RISK FACTORS RELATING TO THE CSOP MAG Seven ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP MAG Seven ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP MAG Seven ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP MAG Seven ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

6.1 Equity market risk

The CSOP MAG Seven ETF'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.

Please also refer to the risk factor "***Investment risks – Equity Risk***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

6.2 Mega-capitalisation companies risk

The constituents of the Underlying Index are mega-capitalisation companies that are relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. They may struggle with flexibility to respond quickly to disruptions and changes in trends.

The high valuation of mega-capitalisation companies can make them more susceptible to market corrections, downturns and changes in interest rates. Moreover, mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment.

Mega-capitalisation companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

6.3 Concentration risk

The CSOP MAG Seven ETF is concentrated in one or more of the technology sectors and themes. As a result, the CSOP MAG Seven ETF may be more susceptible to adverse economic, political, policy, tax, legal or regulatory event affecting such sectors and themes, and the value of the CSOP MAG Seven ETF may be more volatile than that of a fund which has a more diverse portfolio of investments.

Technology theme risk

Constituents of the Underlying Index have high exposure to companies in technology themes. Companies in the technology sector are 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. The price volatility of constituents of the Index may be greater than the price volatility constituents of more broad-based indices. 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 CSOP MAG Seven ETF may be exposed to risks associated with different technology sectors and themes, including the industries listed below. A downturn in the business for companies in these sectors or themes may have adverse effects on the CSOP MAG Seven ETF.

Internet media and communications industry risk

Internet media companies and companies in the communications industry are subject to high research and development costs, substantial capital requirements and risks including obsolescence of products, cyclicality of revenues and earnings, a decrease in the discretionary income of targeted individuals, changing consumer tastes and interests, fierce competition in the industry and the potential for increased government regulation.

Additionally, internet media companies derive revenue primarily through pay-per-click advertisements, which can be influenced by factors such as, fluctuating consumer demands, shifting demographics and often unpredictable changes in consumer tastes can drastically affect such a company's profitability. These companies are exposed to operational risks including disruptions or delays in service caused by hardware or software failure and security breaches involving private, sensitive, proprietary or confidential information. Increasing concerns relating to privacy issues and the collection of data by social media companies and the evolving laws and regulations on the communications industry will also affect the businesses and operations of these companies.

Consumer discretionary and e-commerce industry risk

The performance of companies in the consumer discretionary sector are correlated to the growth rate of the consumer market, individual income levels and their impact on levels of domestic consumer spending, which in turn depend on the worldwide economic conditions, which have seen significant deterioration in the past. Any future slowdowns or declines in the economy or consumer spending in the relevant market may materially and adversely affect the business of the companies in the consumer discretionary sector. E-commerce companies, in particular, are dependent on internal infrastructure and on the availability, reliability and security of the Internet and related systems. Such systems and operations may be vulnerable, amongst other things, to damage or interruption from natural disasters and telecommunications failure. In addition, legislative or regulatory changes and increased government supervision may affect companies in the E-commerce companies.

Semiconductors industry risk

As product cycles shorten and manufacturing capacity increases, semiconductor companies may become increasingly subject to aggressive pricing, which hampers profitability. Reduced demand for end-user products, underutilization of manufacturing capacity, and other factors could adversely impact the operating results of semiconductor companies. Semiconductor companies typically face high capital costs and may be heavily dependent on intellectual property rights. The stock prices of semiconductor companies have been and likely will continue to be extremely volatile.

Software industry risk

Software companies are subject to significant competitive pressures, such as aggressive pricing, new market entrants, competition for market share, short product cycles due to an accelerated rate of technological developments and the potential for limited earnings and/or falling profit margins. These companies also face the risks that new products will not be accepted by consumers and businesses. These factors can affect the profitability of these companies and, as a result, the value of their securities. Patent protection is integral to the success of many companies in this industry.

Automotive industry risk

The automotive industry can be highly cyclical, and companies in the industry may suffer periodic operating losses. Automotive companies, particularly those electric vehicle manufacturers, may be affected by the obsolescence of existing technology, short product cycles, falling prices and

profits and competition from new market entrants. Developments in automotive technologies (e.g. electric vehicle, battery technology, autonomous driving, etc.) may require significant expenditure and capital commitment and may not generate profits in the near future. Automotive companies may be significantly affected by labour relations, fluctuating component prices and subject to government policies and regulations regarding imports and exports of automotive products. Governmental policies affecting the automotive industry, such as taxes, tariffs, duties, subsidies, and import and export restrictions on automotive products can influence industry profitability. In addition, such companies must comply with environmental laws and regulations. Legislative or regulatory changes and increased government supervision also may affect companies in the automotive industry.

Technology hardware industry risk

Technology hardware companies can be significantly affected by cyclical market patterns, rapid product obsolescence, frequent new product introductions, evolving industry standards, competitive pressures, aggressive pricing, technological developments, changing domestic demand, the ability to attract and retain skilled employees and availability and price of components. In addition, many technology hardware companies rely on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and technologies.

6.4 Risk associated with the universe of the Underlying Index

The universe of the Underlying Index is fixed at the seven stocks stated below in section "***14. The Underlying Index***" of this Appendix and there will be no adjustment upon the emergence of other market-dominant stocks or other high performing and influential companies which may cause rapid changes that render the seven stocks stated below obsolete.

6.5 Geographical concentration risk

The CSOP MAG Seven ETF is subject to geographical concentration risks as it primarily invests in companies which are US listed companies. The value of the CSOP MAG Seven ETF may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the US.

6.6 New index risk

The Underlying Index is a new index. The CSOP MAG Seven ETF may be riskier than other exchange traded funds tracking more established indices with longer operating history.

6.7 Equal weighted index risks

The Underlying Index is an equal weighted index whereby the Index Securities will have the same weighting at each rebalancing (but not between each rebalancing) regardless of its size or market capitalisation, based on the methodology of the Index. The CSOP MAG Seven ETF by tracking the Underlying Index may have relatively large holdings in Index Securities with relatively smaller market capitalisation than it would have held if tracking a market capitalisation weighted index, leading to higher risks and potential underperformance.

6.8 Foreign exchange risk

The CSOP MAG Seven ETF's Base Currency is in USD but the Units are traded in HKD. The Net Asset Value of the CSOP MAG Seven ETF may be affected unfavourably by fluctuations in the exchange rates between USD and HKD. Secondary market investors may also be subject to additional costs or losses associated with fluctuations in the exchange rates between HKD and the Base Currency when trading Units in the secondary market.

Investors should note that all Units will receive distributions in the Base Currency (USD) only. In the event that the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such distribution from USD to HKD or any other currency. The Unitholder may also have to bear bank or financial institution fees and charges associated with the handling of the distribution payment. Unitholders are advised to check with their brokers regarding arrangements for distributions.

6.9 Securities lending transactions risk

Collateral risk

As part of the securities lending transactions, the CSOP MAG Seven ETF 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 CSOP MAG Seven ETF if the borrower fails to return the securities lent out. The CSOP MAG Seven ETF 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 CSOP MAG Seven ETF 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 financing 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.

6.10 Risks associated with investment in FDIs

The CSOP MAG Seven ETF may invest up to 20% of its Net Asset Value in FDIs (solely swaps, which will be funded total return swaps). In the case of swaps, the CSOP MAG Seven ETF may suffer significant loss if a swap counterparty fails to perform its obligations, or in case of insolvency or default of the swap 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 CSOP MAG Seven ETF. Exposure to FDIs may lead to a high risk of significant loss by the CSOP MAG Seven ETF.

Please also refer to the risk factor "***Investment risks – Financial Derivative Instruments and Collateral Risks***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the CSOP MAG Seven ETF will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the CSOP MAG Seven ETF. Please also refer to the headings "**Financial Derivative Instruments**" and "**Collateral**" under Schedule 1 in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

6.11 Risks relating to the Underlying Index of CSOP MAG Seven ETF

The CSOP MAG Seven ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's licence from the Index Provider under the relevant Licence Agreement is terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. Please refer to section "***13. Replacement of the Underlying Index***" below on the circumstances in which the Underlying Index may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP MAG Seven ETF's investment objective.

The Manager has been granted a licence by the Index Provider to use the Underlying Index as a basis for determining the composition of the CSOP MAG Seven ETF and to use certain trade marks in the Underlying Index. The licence granted shall take effect from the date of the Licence Agreement (i.e. 1 September 2024), and shall continue until terminated pursuant to the agreement. There is no guarantee that the Licence Agreement will be perpetually renewed.

The CSOP MAG Seven ETF may be terminated if the Underlying Index is discontinued and/or the Licence Agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria under

Chapter 8.6(e) of the Code. Any such replacement index will be subject to the prior approval of the Commission under the Code and Unitholders will be duly notified of the same. Accordingly, investors should note that the ability of the CSOP MAG Seven ETF to track the Underlying Index depends on the continuation in force of the Licence Agreement in respect of the Underlying Index or a suitable replacement. The CSOP MAG Seven ETF may also be terminated if the Underlying Index ceases to be compiled or published and there is no replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index.

The Manager and the Index Provider may by mutual agreement terminate or postpone the parties' obligations under the Licence Agreement upon the occurrence of a force majeure event such that the terms of the Licence Agreement can no longer be performed. There is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

For further information on the grounds for terminating the Licence Agreement in respect of the Underlying Index, please refer to section "***11. Index Licence Agreement***" in this Appendix.

(ii) As the Underlying Index is an equal weighted index, in order to achieve the investment objective of the CSOP MAG Seven ETF, the Manager may rebalance portfolio of the CSOP MAG Seven ETF regularly. The price of the Units may rise or fall as a result of these changes. Please refer to the section "***14. The Underlying Index***" of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

6.12 Risks of investing in other collective investment schemes

The CSOP MAG Seven ETF may invest in other collective investment schemes, and may therefore be subject to the risks associated with such underlying schemes. The CSOP MAG Seven ETF does not have control of the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which may have a negative impact to the Net Asset Value of the CSOP MAG Seven ETF.

The underlying schemes in which the CSOP MAG Seven ETF may invest may not be authorised by the SFC. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the CSOP MAG Seven ETF's redemption requests as and when made.

6.13 Distributions out of or effectively out of capital risk

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP MAG Seven ETF are charged to/paid out of the capital of the CSOP MAG Seven ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP MAG Seven ETF and therefore, the CSOP MAG Seven ETF may effectively pay dividends out of the capital. **Investors should note that payment of distributions out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that amount. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the CSOP MAG Seven ETF.**

6.14 Other risks

Operating risk. There is no assurance that the performance of the CSOP MAG Seven ETF will be identical to the performance of the Underlying Index. The level of fees, taxes and expenses payable by the CSOP MAG Seven ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP MAG Seven ETF can be estimated, the growth rate of the CSOP MAG Seven ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP MAG Seven ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP MAG Seven ETF. On the termination of the CSOP MAG Seven ETF, the CSOP MAG Seven ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

No market in the Units risk. Although the Units are to be listed on the SEHK and 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 of the CSOP MAG Seven ETF, investors should be aware that 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 other ETFs which are traded on the SEHK and which are based upon indices.

Termination of market maker risk. A market maker may cease to act as a market maker for the CSOP MAG Seven ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Units of the CSOP MAG Seven ETF will be no less than three months. The liquidity for the Units of the CSOP MAG Seven ETF may be affected if there is no market maker for the Units. The Manager will use its best endeavours to put in place arrangements so that that there is at least one market maker for the CSOP MAG Seven ETF to facilitate efficient trading of Units. It is possible that there is only one market maker for the CSOP MAG Seven ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. Units will be a new security and following listing on the SEHK, it is unlikely that the Units will initially be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Units in the secondary market. Therefore, Unitholders may not be able to sell their Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Units.

Tracking error risk. The CSOP MAG Seven ETF may be subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index. Factors such as the fees and expenses of the CSOP MAG Seven ETF, imperfect correlation between the CSOP MAG Seven ETF's assets and the Index Securities, inability to rebalance the CSOP MAG Seven ETF's holdings of Index Securities in response to changes in the constituents of the Underlying Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. These factors may cause the CSOP MAG Seven ETF's returns to deviate from the Underlying Index.

Trading difference risk. As the Nasdaq may be open when Units in the CSOP MAG Seven ETF are not priced, the value of the securities in the CSOP MAG Seven ETF's portfolio may change on days when investors will not be able to purchase or sell the Units. Differences in trading hours between the Nasdaq and the SEHK may also increase the level of premium or discount of the Unit price to its Net Asset Value.

7. FEES AND CHARGES

7.1 Management Fees

The Manager is entitled to receive a management fee, currently at the rate of 0.6% per annum of the Net Asset Value of the CSOP MAG Seven ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

7.2 Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee.

The Trustee's fee is inclusive of the fees payable to the Custodian.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP MAG Seven ETF all out-of-pocket expenses incurred.

7.3 Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP MAG Seven ETF. For any period less than a month, the reconciliation fee is payable by the CSOP MAG Seven ETF on a pro-rata basis and accrues on a daily basis.

7.4 Other Charges and Expenses of CSOP MAG Seven ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP MAG Seven ETF.

7.5 Establishment costs of CSOP MAG Seven ETF

The establishment costs of the CSOP MAG Seven ETF will not exceed HKD600,000; such costs shall be borne by the CSOP MAG Seven ETF (unless otherwise determined by the Manager) and amortised over the first five financial years of CSOP MAG Seven ETF or such other period as determined by the Manager after consulting the auditor.

7.6 Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarised in the respective tables below:

7.6.1 Participating Dealers

Creation and Redemption of Units by a Participating Dealer

Application Cancellation Fee	USD1,200 per cancellation *(See Note 1)*
Extension Fee	USD1,200 per extension *(See Note 1)*
Transaction Fee	USD320 per Application *(See Note 2)*
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges.

7.6.2 Primary Market Investors creating or redeeming Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case

may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

7.6.3 Secondary Market Investors Dealing in Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% *(see Note 4 and Note 9)*
Accounting and Financial Reporting Council ("**AFRC**") transaction levy	0.00015% of the trading price *(see Note 5)*
Trading fee	0.00565% *(see Note 6 and Note 9)*
Stamp duty	Nil *(see Note 7)*
Investor compensation levy	0.002% (currently suspended) *(see Note 8)*

Note:

1. The Application Cancellation Fee of USD1,200 and the Extension Fee of USD1,200 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.

2. A Transaction Fee of USD320 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.

3. A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.

4. A transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.

5. An AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.

6. A trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.

7. For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the CSOP MAG Seven ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.

8. The investor compensation levy of the trading price of the

Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.

9. The transaction levy and trading fee will be paid by intermediaries to HKEX in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.

   Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of the documents that are available for inspection.

9. TERMINATION OF CSOP MAG Seven ETF

Without prejudice to the grounds of termination as set out in the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP MAG Seven ETF shall be less than the equivalent of USD15,000,000 in the Base Currency of the CSOP MAG Seven ETF, the CSOP MAG Seven ETF and/or any classes of Units relating to the CSOP MAG Seven ETF may be terminated by the Manager in its absolute discretion by notice in writing.

10. PUBLICATION OF INFORMATION RELATING TO CSOP MAG Seven ETF

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for the information relating to the CSOP MAG Seven ETF that will be published on the Manager's website and HKEX's website.

11. INDEX LICENCE AGREEMENT

The Manager has entered into a licence agreement (the "**Licence Agreement**") with the Index Provider. The term of the Licence Agreement commenced on 1 September 2024 and will remain in full force and effect for an indefinite term unless terminated by either party in writing after the initial two years term subject to the terms of the Licence Agreement.

12. MATERIAL CHANGES TO THE UNDERLYING INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

13. REPLACEMENT OF THE UNDERLYING INDEX

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;

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

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

(e) investing in the Index Securities comprised within the Underlying 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 Underlying Index having in the opinion of the Manager, deteriorated;

(h) a significant modification of the formula or calculation method of the Underlying 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 CSOP MAG Seven ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to (i) the use by CSOP MAG Seven ETF of the Underlying Index and/or (ii) the name of CSOP MAG Seven ETF will be notified to investors.

14. THE UNDERLYING INDEX

This section is a brief overview of the Underlying Index. It contains a summary of the principal features of the Underlying Index and is not a complete description of the Underlying Index. As of the date of this Prospectus, the summary of the Underlying Index in this section is accurate and consistent with the complete description of the Underlying Index. Complete information on the Underlying Index appears on the website identified below. Such information may change from time to time and details of the changes will appear on that website.

The contents of the websites set out in this section have not been reviewed by the Commission.

General Information on the Underlying Index

The Underlying Index is an equal weighted index that provides representation of seven stocks (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla) which are commonly recognised for their market dominance in technological innovation. These seven stocks are listed on the Nasdaq and commonly known as "**Magnificent Seven Stocks**". The universe of the Underlying Index is fixed and comprises of the seven stocks stated above.

Profile of the seven stocks stated above

Alphabet Inc is the holding company of Google, an internet and software company and provides services and products including search engine, e-mails, maps, advertisements, and smartphone operating system and hardware. The company also invests in artificial intelligence, machine learning and data analytics.

Amazon.com, Inc. is an online e-commerce retailer that sells a wide range of goods including apparel, books, electronics, grocery, toys, tools and others. Amazon also operates a cloud platform offering database, compute, storage and other services globally.

Apple Inc. primarily engages in the business of design, manufacture and sale of technology hardware, such as, smartphones, personal computers, tablets, wearables and accessories. Apple also sells digital content and applications, and provides cloud and advertising services.

Meta Platforms, Inc. is an internet media and communications company providing social networking platforms and applications including Facebook, Instagram and Whatsapp. The company is also involved in advertising services, and development of hardware for augmented and virtual reality.

Microsoft Corporation is a software company developing and marketing computer operating systems, and software and server applications. It also offers cloud storage service and business solutions, and sells hardware devices.

Nvidia is a semiconductor company that designs and manufactures graphics processing units and central processing units. It offers solutions in relation to artificial intelligence, data centre and cloud computing, robotics and self-driving vehicles.

Tesla Inc is an automotive company which designs, manufactures and sells electric vehicles, as well as energy generation and storage equipment and systems. It also offers clean energy products and services.

The Underlying Index is a net total return index which means that the performance of the index constituents is calculated on the basis that any dividends or distributions are reinvested after withholding tax deduction (if any). The Underlying Index is denominated and quoted in USD.

The Underlying Index was launched on 9 August 2024 and had a base level of 1,000 on 1 May 2015. As of 31 December 2025, it comprised of 7 securities with a total market capitalisation of USD 21.6 trillion.

Index Provider

The Underlying Index is compiled and managed by Solactive AG (the "**Index Provider**").

The Manager (and each of its Connected Persons) is independent of the Index

Provider.

Index methodology

Index selection

On each selection day (5 business days before the scheduled rebalance day, as defined below), the Index Provider will revise the weighting of securities constituting the Underlying Index. In a first step, the Index Provider determines the universe of the Underlying Index as set out below. The universe of the Underlying Index comprises all those financial instruments and will constitute a starting pool from which the components of the Underlying Index will be selected.

The universe of the Underlying Index is fixed at 7 index components and is comprised of on the following securities:

Security name	Security RIC	ISIN	Index weighting
ALPHABET INC-CL A	GOOGL.OQ	US02079K3059	14.29%
AMAZON.COM INC	AMZN.OQ	US0231351067	14.29%
APPLE INC	AAPL.OQ	US0378331005	14.29%
META PLATFORMS INC	META.OQ	US30303M1027	14.29%
MICROSOFT CORP	MSFT.OQ	US5949181045	14.29%
NVIDIA CORP	NVDA.OQ	US67066G1040	14.29%
TESLA INC	TSLA.OQ	US88160R1014	14.29%

On each selection day each index component is assigned an equal weight. In the event of a spin-off, the spun-off security is being added to the Underlying Index on the effective date of the event. The spun-off entity will remain in the Underlying Index until the next ordinary reweighting. As the spun-off entity was not part of the initial index components as defined above, the spun-off entity will be removed from the Underlying Index within the reweighting process.

The Underlying Index will be rebalanced on a quarterly basis with an equal weighting of index component of 14.29% at rebalancing, and the rebalance day will be the last business day in February, May, August and November. If that day is not a trading day, the rebalance day will be the immediately following trading day.

For more information on the rebalance procedure please refer to the Equity Index Methodology, which is incorporated by reference and available on the Index Provider's website: https://www.solactive.com/documents/equity-index-methodology/.

The Index Provider will publish any changes made to the index components with sufficient notice before the rebalance day on the Index Provider's website under the section "Announcement", which is available at https://www.solactive.com/news/announcements/.

Index calculation

The calculation of the Underlying Index is performed according to the Equity Index Methodology, which is available on the Index Provider's website: https://www.solactive.com/documents/equity-index-methodology/. The divisor index

formula stipulates that the level of the Underlying Index changes based on the change of the prices of its index components taking into account their weight in the Underlying Index and any currency conversion in case the price of an index component is quoted in a currency other than the currency of the Underlying Index.

Any dividends or other distributions are reinvested across the entire basket of index components by means of a divisor at the opening of the effective date (the so-called ex-date) of the payment of such dividend or other distribution.

A more detailed description of the mechanics of the index calculation formula can be found in the Equity Index Methodology.

The level of the Underlying Index will be rounded to two decimal places. Divisors will be rounded to six decimal places. Trading prices and foreign exchange rates will be rounded to six decimal places.

Under certain circumstances, an adjustment of the Underlying Index may be necessary between two regular rebalance days. Such adjustment has to be made if a corporate action in relation of an index component occurs. Such adjustment may have to be done in relation to an index component and/or may also affect the number of index components and/or the weighting of certain index components and will be made in compliance with the Index Provider's Equity Index Methodology, which is incorporated by reference and available on the Index Provider's website: https://www.solactive.com/documents/equity-index-methodology/. The Index Providers will announce the Underlying Index adjustment giving a notice period of at least two trading days (with respect to the affected index component) on the Index Provider's website under the Section "Announcements", which is available at https://www.solactive.com/news/announcements/.The Underlying Index adjustments will be implemented on the effective day specified in the respective notice.

The Index Provider makes the greatest possible efforts to accurately calculate and maintain its indices. However, errors in the determination process may occur from time to time for variety reasons (internal or external) and therefore, cannot be completely ruled out. The Index Provider endeavors to correct all errors that have been identified within a reasonable period of time. The understanding of "a reasonable period of time" as well as the general measures to be taken are generally depending on the underlying and is specified in the Index Provider Correction Policy, which is incorporated by reference and available on the Index Provider's website: https://www.solactive.com/documents/correction-policy/.

Methodology review

The methodology of the Underlying Index is subject to regular review, at least annually. In case a need of a change of the methodology has been identified within such review (e.g. if the underlying market or economic reality has changed since the launch of the Underlying Index, i.e. if the present methodology is based on obsolete assumptions and factors and no longer reflects the reality as accurately, reliably and appropriately as before), such change will be made in accordance with the Index Provider's Methodology Policy, which is incorporated by reference and available on the Index Provider's website: https://www.solactive.com/documents/methodology-policy/.

Such change in the methodology will be announced on the Index Provider's website under the Section "Announcement", which is available at https://www.solactive.com/news/announcements/.

Index Securities of the Underlying Index

You can obtain the most updated list of the index constituents with their respective weightings, additional information and other important news of the Underlying Index

from the website https://www.solactive.com/indices/?index=DE000SL0MN03#detail.

Index codes

Bloomberg: SOLMAG7
Reuters: .SOLMAG7

Index Provider disclaimer

The CSOP MAG Seven ETF is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Solactive Magnificent Seven Index and/or the use of Solactive trade mark or the index price/prices of the Solactive Magnificent Seven Index at any time or in any other respect. The Solactive Magnificent Seven Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Solactive Magnificent Seven Index is calculated correctly. Irrespective of its obligations towards CSOP Asset Management Limited, Solactive AG has no obligation to point out errors in the Solactive Magnificent Seven Index to third parties including but not limited to investors and/or financial intermediaries of the CSOP MAG Seven ETF. Neither publication of the Solactive Magnificent Seven Index by Solactive AG nor the licensing of the Solactive Magnificent Seven Index or Solactive trade mark for the purpose of use in connection with the CSOP MAG Seven ETF constitutes a recommendation by Solactive AG to invest capital in the CSOP MAG Seven ETF nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in the CSOP MAG Seven ETF. Remember, the information in this Prospectus does not constitute tax, legal or investment advice and is not intended as a recommendation for buying or selling securities. The information and opinions contained in this Prospectus have been obtained from public sources believed to be reliable, but no representation or warranty, express or implied, is made that such information is accurate or complete and it should not be relied upon as such. Solactive AG will not be responsible for the consequences of reliance upon any opinion or statement contained herein or for any omission.

APPENDIX 16

CSOP Hang Seng HK-US TECH ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 3442

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP Hang Seng HK-US TECH ETF
Stock Code: 3442

1. KEY INFORMATION

1.1 General

This appendix sets out information specific to the CSOP Hang Seng HK-US TECH ETF ("**CSOP Hang Seng HK-US TECH ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in the CSOP Hang Seng HK-US TECH ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***6. Risk Factors relating to the CSOP Hang Seng HK-US TECH ETF***" of this Appendix, before investing in the CSOP Hang Seng HK-US TECH ETF.

Application has been made to the SEHK for the listing of, and permission to deal in, the Units of the CSOP Hang Seng HK-US TECH ETF. Subject to the compliance with the relevant admission requirements of the HKSCC, Units in the CSOP Hang Seng HK-US TECH 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 Units on the SEHK or such other date as may be determined by the HKSCC. Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP Hang Seng HK-US TECH ETF, and should be read in conjunction with the full text of this Prospectus.

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapter 8.6 of the Code
Underlying Index	Hang Seng HK-US TECH Index (net total return version) Launch Date: 25 September 2024 Base Date: 31 December 2020 Number of constituents: 31 (as of 27 February 2026) Base Currency of Underlying Index: Hong Kong dollars (HKD)
Type of Underlying Index	A net total return index which means that it reflects the reinvestment of dividends or

	distributions, after deduction of any withholding tax. The Underlying Index is denominated and quoted in HKD.
Index Provider	Hang Seng Indexes Company Limited
Investment Strategy	The Manager will use combination of physical and synthetic representative sampling strategy. Please refer to section "3***. Investment Objective and Strategy***" of this Appendix for further details.
Initial Issue Date	28 March 2025
Listing Date	31 March 2025
Dealing on SEHK Commencement Date	31 March 2025
Exchange Listing	SEHK – Main Board
Stock Code	3442
Stock Short Name	CSOP HKUSTECH
ISIN Number	HK0001127064
Trading Board Lot Size	100 Units
Base Currency	HKD
Trading Currency	HKD
Dividend Policy	The Manager has discretion as to whether or not the CSOP Hang Seng HK-US TECH ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP Hang Seng HK-US TECH ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any). The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Hang Seng HK-US TECH ETF are charged to/paid out of the capital of the CSOP Hang Seng HK-US TECH ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Hang Seng HK-US TECH ETF and therefore, the CSOP Hang Seng HK-US TECH ETF may effectively

		pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of the CSOP Hang Seng HK-US TECH ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP Hang Seng HK-US TECH ETF. Distributions will be in HKD. Please refer to section "***5. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP Hang Seng HK-US TECH ETF and the risk factor under section "***6.14 Distributions out of or effectively out of capital risk***" in this Appendix for the risk associated with distributions paid out of capital.
Application Unit size for Creation/ Redemption (only by or through Participating Dealers)		Minimum 500,000 Units (or multiples thereof)
Method of Creation/ Redemption		Cash (in HKD), or a combination of cash and in-kind
Parties	Manager	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
	Participating Dealer(s)	Please refer to the Manager's website set out below for the latest list.
	Market Maker(s)	Please refer to the Manager's website set out below for the latest list.
	Service Agent	HK Conversion Agency Services Limited
	Listing Agent	Altus Capital Limited
Financial Year		Ending 31 December each year (The first financial year-end of the CSOP Hang Seng HK-US TECH ETF will be 31 December 2025. The first semi-annual unaudited interim reports and first audited accounts of

	the CSOP Hang Seng HK-US TECH ETF will be for the period ending 30 June 2026 and 31 December 2025 respectively.)
Management Fee	Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.99% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Website	https://www.csopasset.com/en/products/hk-chsu (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission)

1.3 Custodian for the CSOP Hang Seng HK-US TECH ETF

The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee as custodian (the "**Custodian**"), and will be responsible for the safe custody of the CSOP Hang Seng HK-US TECH ETF's assets.

Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the Custodian. Neither the Custodian nor its delegate (if any) is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "***1.3 Custodian for the CSOP Hang Seng HK-US TECH ETF*** ".

1.4 Market Maker

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 of the CSOP Hang Seng HK-US TECH ETF. 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 to facilitate the efficient trading of Units of the CSOP Hang Seng HK-US TECH ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker is required to give not less than three months' notice prior to terminating market making arrangement under the relevant market making agreement.

The list of market markers in respect of the CSOP Hang Seng HK-US TECH ETF is available on https://www.csopasset.com/en/products/hk-chsu and from time to time will be displayed on www.hkex.com.hk.

2. DEALING

2.1 The Initial Offer Period

Units of the CSOP Hang Seng HK-US TECH ETF will initially be offered only to the Participating Dealer(s) from 9:00 a.m. (Hong Kong time) on 26 March 2025 to 3:30 p.m. (Hong Kong time) on 27 March 2025, unless otherwise extended by the Manager (the "**Initial Offer Period**"). The purpose of the Initial Offer Period is to enable the Participating Dealer(s) to apply for Units on their own account or on behalf of third party Primary Market Investors in accordance with the terms of the Trust Deed and the Operating Guidelines.

Primary Market Investors who are retail investors may only submit a creation request or redemption request through a Participating Dealer or a stockbroker who has opened an account with a Participating Dealer.

Investors should note that the Participating Dealers and the stockbrokers through whom a Creation Application is made may impose an earlier dealing deadline, require other supporting documents for the Creation Application and adopt other dealing procedures different from those set out for the CSOP Hang Seng HK-US TECH ETF in this Prospectus. For example, the dealing deadline set by the Participating Dealers or the stockbrokers may be earlier than that set out for the CSOP Hang Seng HK-US TECH ETF in this Prospectus. Investors should therefore check the applicable dealing procedures with the relevant Participating Dealer or stockbroker (as the case may be).

2.2 Extension of the Initial Offer Period

If the Initial Offer Period is extended beyond 27 March 2025, dealings in the Units on the SEHK will commence on the fourth (4th) Business Day following the close of the Initial Offer Period.

2.3 Exchange Listing and Trading

Application has been made to the SEHK for listing of and permission to deal in Units in the CSOP Hang Seng HK-US TECH ETF.

Currently, Units are expected to be listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on other stock exchanges.

If trading of the Units of the CSOP Hang Seng HK-US TECH ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Units.

2.4 Buying and Selling of Units of the CSOP Hang Seng HK-US TECH ETF on SEHK

Dealings on the SEHK in Units of the CSOP Hang Seng HK-US TECH ETF issued after the Initial Offer Period are expected to begin on the trading day after the Initial Issue Date.

A Secondary Market Investor can buy and sell the Units of the CSOP Hang Seng HK-US TECH ETF on the SEHK through his stockbroker at any time the SEHK is open. Units of the CSOP Hang Seng HK-US TECH ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 100 Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the CSOP Hang Seng HK-US TECH ETF 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 of the CSOP Hang Seng HK-US TECH ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the CSOP Hang Seng HK-US TECH ETF.

Please refer to section "***Schedule 2 – 3. Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of Units on the SEHK.

2.5 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Schedule 2 – 2. Creation and Redemption of Application Units (Primary Market)***" of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP Hang Seng HK-US TECH ETF only.

The Manager allows Cash, and Hybrid (i.e. a combination of Cash and In-Kind Creations and Redemptions) Creations and Redemptions for Units of the CSOP Hang Seng HK-US TECH ETF. Any cash payable by Participating Dealers in a Cash Creation must be in HKD.

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 Application Unit size for CSOP Hang Seng HK-US TECH ETF is 500,000 Units (or multiples thereof). Creation Applications submitted in respect of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP Hang Seng HK-US TECH ETF is one Application Unit.

Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Any cash proceeds received by Participating Dealers in a Cash Redemption shall be paid in HKD only.

2.5.1 Dealing Period

The dealing period on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP Hang

Seng HK-US TECH ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 3:30 p.m. (Hong Kong time) for any cash creation and redemption or 4:30 p.m. (Hong Kong time) for any Hybrid creation and redemption (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.5.2 Issue Price and Redemption Price

In respect of each Creation Application during the Initial Offer Period, the Issue Price of a Unit of any class which is the subject of a Creation Application in relation to the CSOP Hang Seng HK-US TECH ETF shall be equal to HKD7.8, or such other price as may be determined by the Manager in consultation with the Trustee.

After the Initial Offer Period, the Issue Price of a Unit of any class in the CSOP Hang Seng HK-US TECH ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units of any class redeemed shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP Hang Seng HK-US TECH ETF.

The "**Valuation Day**" of the CSOP Hang Seng HK-US TECH ETF, coincides with, and shall mean, the Dealing Day of the CSOP Hang Seng HK-US TECH ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's website at https://www.csopasset.com/en/products/hk-chsu (the website has not been reviewed by the Commission) or published in such other publications as the Manager decides.

2.5.3 Dealing Day

In respect of the CSOP Hang Seng HK-US TECH ETF, "**Dealing Day**" means each Business Day.

"**Business Day**" in respect of the CSOP Hang Seng HK-US TECH ETF means a day on which (a)(i) the SEHK is open for normal trading; and (ii) the SEHK and the NASADQ stock market on which the securities comprising or held by the CSOP Hang Seng HK-US TECH ETF are traded is open for normal trading, and (b) the Underlying Index is compiled and published, or such other day or days as the Manager

and the Trustee may agree from time to time.

3. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP Hang Seng HK-US TECH ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Hang Seng HK-US TECH Index (net total return version) (the "**Underlying Index**"). There is no assurance that the CSOP Hang Seng HK-US TECH ETF will achieve its investment objective.

Investment Strategy

In order to achieve the investment objective of the CSOP Hang Seng HK-US TECH ETF, the Manager intends to adopt a combination of physical representative sampling and synthetic representative sampling strategy. The CSOP Hang Seng HK-US TECH ETF will (i) primarily use a physical representative sampling strategy by investing 50% to 100% of its Net Asset Value in Securities constituting the Underlying Index ("**Index Securities**"); and (ii) where the Manager believes such investments are beneficial to the CSOP Hang Seng HK-US TECH ETF and will help the CSOP Hang Seng HK-US TECH ETF achieve its investment objective, use a synthetic representative sampling strategy as an ancillary strategy by investing up to 50% of its Net Asset Value in FDIs, which will only be funded total return swaps with one or more counterparties.

<u>Physical representative sampling sub-strategy</u>

The CSOP Hang Seng HK-US TECH ETF primarily uses a physical representative sampling strategy by investing 50% to 100% of its Net Asset Value in Index Securities. The CSOP Hang Seng HK-US TECH ETF may invest up to 100% of its Net Asset Value directly in equity securities listed on the SEHK and NASDAQ stock market.

<u>Synthetic representative sampling sub-strategy</u>

By adopting a synthetic representative sampling sub-strategy, the CSOP Hang Seng HK-US TECH ETF will only invest up to 50% of its Net Asset Value directly in funded total return swap transaction(s) whereby the CSOP Hang Seng HK-US TECH ETF will pass on the relevant portion of cash to the swap counterparty(ies) and in return the swap counterparty(ies) will provide the CSOP Hang Seng HK-US TECH ETF with an exposure to the economic gain/loss in the performance of the Index Securities (net of indirect costs). The Manager will only use a synthetic representative sampling sub-strategy when it considers that such investments are beneficial to the CSOP Hang Seng HK-US TECH ETF.

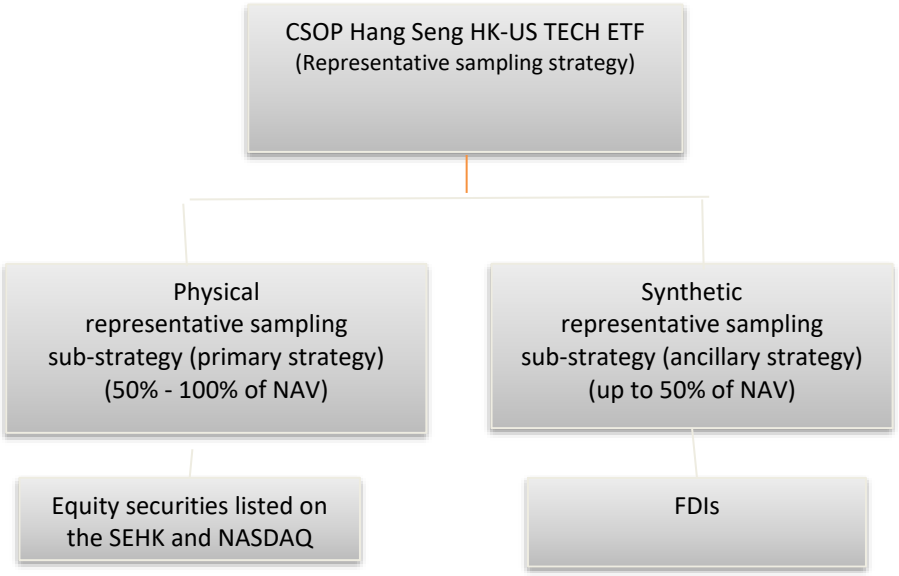
The CSOP Hang Seng HK-US TECH ETF shall bear the swap fees (including the brokerage commission and any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swaps). The swap fees, which include all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis, represent a variable spread (which can be positive or negative) plus HIBOR which reflects the brokerage commission and the swap counterparty's costs of financing the underlying hedge in order to provide the performance. If the swap fee (HIBOR plus spread) is a positive figure, then it will be borne by the CSOP Hang Seng HK-US TECH ETF and may have an adverse impact on its Net Asset Value and the performance of the CSOP Hang Seng HK-US TECH ETF, and may result in a negative impact on the tracking

difference of the CSOP Hang Seng HK-US TECH ETF. On the contrary, if the swap fee (HIBOR plus spread) is a negative figure, the swap counterparty will pay the swap fee to the CSOP Hang Seng HK-US TECH ETF and may lead to a positive impact on the tracking difference of the CSOP Hang Seng HK-US TECH ETF. In extreme market conditions and exceptional circumstances, the brokerage commission and the swap counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the CSOP Hang Seng HK-US TECH ETF is 0.2% per transaction on the notional amount of the swap unwound.

Exposure of the CSOP Hang Seng HK-US TECH ETF to the Index Securities (either through direct investment or FDIs) will be in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index. The Manager may cause the CSOP Hang Seng HK-US TECH ETF 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 Commission.

The full holdings of the CSOP Hang Seng HK-US TECH ETF are available on the Manager's website and will be updated on a daily basis.

The diagram below shows the investment strategies of the CSOP Hang Seng HK-US TECH ETF:



<u>Other investments</u>

The CSOP Hang Seng HK-US TECH ETF may also invest not more than 5% of its Net Asset Value in cash and money market funds for cash management purpose.

No more than 30% of the CSOP Hang Seng HK-US TECH ETF's Net Asset Value may be invested in collective investment scheme which may be authorised by the Commission in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the CSOP Hang Seng HK-US TECH ETF's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investments in exchange traded funds will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11A and 7.11B of the Code.

Other than as set out above, the CSOP Hang Seng HK-US TECH ETF may also invest in FDIs for hedging purposes.

The CSOP Hang Seng HK-US TECH ETF will not enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions. Prior approval of the SFC (to the extent required under applicable regulatory requirements) will be sought and not less than one month's prior notice (or such shorter notice period as may be permitted under applicable regulatory requirements) will be given to Unitholders in the event the Manager wishes to enter into such transactions.

3A. SECURITIES LENDING TRANSACTIONS

The Manager may, on behalf of the CSOP Hang Seng HK-US TECH ETF, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value. The Manager will be 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 CSOP Hang Seng HK-US TECH ETF and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1 in Part 1 of this Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the CSOP Hang Seng HK-US TECH ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus) of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis and be safekept by the Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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. Any reinvestment of cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent the CSOP Hang Seng HK-US TECH ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP Hang Seng HK-US TECH ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to the section "***6.11 Securities lending transactions risk***" of this Appendix for further details.

4. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of the CSOP Hang

Seng HK-US TECH ETF to acquire investments, to redeem Units or to pay expenses relating to the CSOP Hang Seng HK-US TECH ETF.

5. DISTRIBUTION POLICY

The Manager has discretion as to whether or not the CSOP Hang Seng HK-US TECH ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP Hang Seng HK-US TECH ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Hang Seng HK-US TECH ETF are charged to/paid out of the capital of the CSOP Hang Seng HK-US TECH ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Hang Seng HK-US TECH ETF and therefore, the CSOP Hang Seng HK-US TECH ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of or effectively out of the CSOP Hang Seng HK-US TECH ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP Hang Seng HK-US TECH ETF and will reduce any capital appreciation for the Unitholders of the CSOP Hang Seng HK-US TECH ETF.**

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-chsu (this website has not been reviewed by the Commission).

The distribution policy may be amended subject to the Commission's prior approval (where required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared and paid in HKD only. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-chsu (this website has not been reviewed by the Commission) and on HKEX's website.

There can be no assurance that a distribution will be paid.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

6. RISK FACTORS RELATING TO THE CSOP HANG SENG HK-US TECH ETF

In addition to the general risk factors common to all Sub-Funds set out in

section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP Hang Seng HK-US TECH ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP Hang Seng HK-US TECH ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP Hang Seng HK-US TECH ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

6.1 Equity market risk

The CSOP Hang Seng HK-US TECH ETF'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.

Please also refer to the risk factor "***Investment risks – Equity Risk***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

6.2 New index risk

The Underlying Index is a new index. The CSOP Hang Seng HK-US TECH ETF may be riskier than other funds tracking more established indices with longer operating history.

6.3 Modified free float-adjusted market capitalisation weighted index risk

The Underlying Index is a modified free float-adjusted market capitalisation weighted index. The SEHK listed securities are free float-adjusted market capitalisation weighted while the NASDAQ stock market listed securities are equal weighted in the Underlying Index. This means that the NASDAQ stock market listed securities which are Index constituents will have the same weightings on each review day (but not between each review day) regardless of its size or market capitalisation based on the methodology of the Underlying Index. In respect of the NASDAQ stock market listed securities, the CSOP Hang Seng HK-US TECH ETF by tracking the Underlying Index may have relatively large holdings in Index constituents with relatively smaller market capitalisation than it would have held if tracking a full market capitalisation weighted index, leading to higher risks and potential underperformance.

6.4 Geographical concentration risk

Insofar as the investments in Index Securities are concerned, the constituents of the Underlying Index, and accordingly the CSOP Hang Seng HK-US TECH ETF's investments, are concentrated two geographical regions/countries (Hong Kong and the United States). The value of the CSOP Hang Seng HK-US TECH ETF 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.

6.5 Technology sector themes concentration risks

The constituents of the Underlying Index, and accordingly the CSOP Hang Seng HK-US TECH ETF's investments, are concentrated in the technology sector themes. 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.

6.6 Risks associated with different technology sectors and themes

The CSOP Hang Seng HK-US TECH ETF 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 CSOP Hang Seng HK-US TECH ETF.

Consumer discretionary and e-commerce industry risk

The performance of companies in the consumer discretionary sector are correlated to the growth rate of the consumer market, individual income levels and their impact on levels of domestic consumer spending, which in turn depend on the worldwide economic conditions, which have seen significant deterioration in the past. Any future slowdowns or declines in the economy or consumer spending in the relevant market may materially and adversely affect the business of the companies in the consumer discretionary sector. E-commerce companies, in particular, are dependent on internal infrastructure and on the availability, reliability and security of the Internet and related systems. Such systems and operations may be vulnerable, amongst other things, to damage or interruption from natural disasters and telecommunications failure. In addition, legislative or regulatory changes and increased government supervision may affect companies in the E-commerce companies.

Internet media and communications industry risk

Internet media companies and companies in the communications industry are subject to high research and development costs, substantial capital requirements and risks including obsolescence of products, cyclicality of revenues and earnings, a decrease in the discretionary income of targeted individuals, changing consumer tastes and interests, fierce competition in the industry and the potential for increased government regulation. Additionally, internet media companies derive revenue primarily through pay-per-click advertisements, which can be influenced by factors such as, fluctuating consumer demands, shifting demographics and often unpredictable changes in consumer tastes can drastically affect such a company's profitability. These

companies are exposed to operational risks including disruptions or delays in service caused by hardware or software failure and security breaches involving private, sensitive, proprietary or confidential information. Increasing concerns relating to privacy issues and the collection of data by social media companies and the evolving laws and regulations on the communications industry will also affect the businesses and operations of these companies.

Semiconductors industry risk

As product cycles shorten and manufacturing capacity increases, semiconductor companies may become increasingly subject to aggressive pricing, which hampers profitability. Reduced demand for end-user products, underutilization of manufacturing capacity, and other factors could adversely impact the operating results of semiconductor companies. Semiconductor companies typically face high capital costs and may be heavily dependent on intellectual property rights. The stock prices of semiconductor companies have been and likely will continue to be extremely volatile.

Software industry risk

Software companies are subject to significant competitive pressures, such as aggressive pricing, new market entrants, competition for market share, short product cycles due to an accelerated rate of technological developments and the potential for limited earnings and/or falling profit margins. These companies also face the risks that new products will not be accepted by consumers and businesses. These factors can affect the profitability of these companies and, as a result, the value of their securities. Patent protection is integral to the success of many companies in this industry.

Automotive industry risk

The automotive industry can be highly cyclical, and companies in the industry may suffer periodic operating losses. Automotive companies, particularly those electric vehicle manufacturers, may be affected by the obsolescence of existing technology, short product cycles, falling prices and profits and competition from new market entrants. Developments in automotive technologies (e.g. electric vehicle, battery technology, autonomous driving, etc.) may require significant expenditure and capital commitment and may not generate profits in the near future. Automotive companies may be significantly affected by labour relations, fluctuating component prices and subject to government policies and regulations regarding imports and exports of automotive products. Governmental policies affecting the automotive industry, such as taxes, tariffs, duties, subsidies, and import and export restrictions on automotive products can influence industry profitability. In addition, such companies must comply with environmental laws and regulations. Legislative or regulatory changes and increased government supervision also may affect companies in the automotive industry.

Technology hardware industry risk

Technology hardware companies can be significantly affected by cyclical market patterns, rapid product obsolescence, frequent new product introductions, evolving industry standards, competitive pressures, aggressive pricing, technological developments, changing domestic demand, the ability to attract and retain skilled employees and availability and price of components. In addition, many technology hardware companies rely on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and

technologies.

Risks related to investing in fintech companies

Companies that are offering technology-driven financial services ("**fintech companies**") may be adversely impacted by government regulations, economic conditions and deterioration in credit markets. These companies may have significant exposure to consumers and businesses (especially small businesses) in the form of loans and other financial products or services. Fintech companies typically face intense competition and potentially rapid product obsolescence. In addition, many fintech companies store sensitive consumer information and could be the target of cybersecurity attacks and other types of theft, which could have a negative impact on these companies. Fintech companies are heavily dependent on the protection of patent and intellectual property rights, and may be subject to intellectual property infringement schemes and piracy efforts. The loss or impairment of intellectual property rights or licences could result in undesirable legal, financial, operational and reputational consequences. Many fintech companies currently operate under less regulatory scrutiny than traditional financial services companies and banks, but there is significant risk that regulatory oversight could increase in the future. Higher levels of regulation could increase costs and adversely impact the current business models of some fintech companies. These companies could be negatively impacted by disruptions in service caused by hardware or software failure, or by interruptions or delays in service by third-party data center hosting facilities and maintenance providers. Fintech companies involved in alternative currencies, such as crypto coins and crypto tokens, may face slow adoption rates and be subject to higher levels of regulatory scrutiny in the future, which could severely impact the viability of these companies. Fintech companies, especially smaller companies, tend to be more volatile than companies that do not rely heavily on technology. The customers and/or suppliers of fintech companies may be concentrated in a particular country, region or industry.

Internet sector risk

Companies in the internet sector have relatively limited operating histories. They generally face intense domestic and international competition, which may have an adverse effect on their profit margins. The products or services of these companies may become less competitive or obsolete due to technological advancements and frequent new product or service innovation in the industry, unpredictable changes in growth rates and competition for qualified and skilled personnel. Certain companies in the internet sector may be reliant on limited product lines, markets, financial resources and/or certain key personnel.

6.7 Mega-capitalisation companies risk

Some of the constituents of the Underlying Index are mega-capitalisation companies that are relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. They may struggle with flexibility to respond quickly to disruptions and changes in trends.

The high valuation of mega-capitalisation companies can make them more susceptible to market corrections, downturns and changes in interest rates. Moreover, mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential

downward price adjustment.

Mega-capitalisation companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

6.8 Risks associated with investment in FDIs

The CSOP Hang Seng HK-US TECH ETF's synthetic representative sampling strategy will involve investing up to 50% of its Net Asset Value in funded total return swaps. In the case of swaps, the CSOP Hang Seng HK-US TECH ETF may suffer significant loss if a swap counterparty fails to perform its obligations, or in case of insolvency or default of the swap 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 CSOP Hang Seng HK-US TECH ETF. Exposure to FDIs may lead to a high risk of significant loss by the CSOP Hang Seng HK-US TECH ETF.

Please also refer to the risk factor "**Investment risks – Financial Derivative Instruments and Collateral Risks**" under "**4. General Risk Factors**" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the CSOP Hang Seng HK-US TECH ETF will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the CSOP Hang Seng HK-US TECH ETF. Please also refer to the headings "**Financial Derivative Instruments**" and "**Collateral**" under Schedule 1 in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

6.9 Synthetic representative sampling risk

The Manager seeks to mitigate the counterparty risks by fully collateralising all counterparty exposures. There is a risk that the value of the collateral may be substantially lower than the amount secured and so the CSOP Hang Seng HK-US TECH ETF may suffer significant losses. Any loss would result in a reduction in the Net Asset Value of the CSOP Hang Seng HK-US TECH ETF and impair the ability of the CSOP Hang Seng HK-US TECH ETF to achieve its investment objective to track the Underlying Index.

In the case of funded swaps, the CSOP Hang Seng HK-US TECH ETF may suffer significant losses if the counterparty fails to perform its obligations under the funded swap. The value of the collateral assets may be affected by market events and may diverge substantially from the performance of the Underlying Index, which may cause the CSOP Hang Seng HK-US TECH ETF's exposure to the swap counterparty to be under-collateralised and therefore result in significant losses.

6.10 Risks relating to the Underlying Index of CSOP Hang Seng HK-US TECH ETF

The CSOP Hang Seng HK-US TECH ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's licence from the Index Provider under the relevant Licence Agreement is terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. Please refer to section "***13. Replacement of the Underlying Index***" below on the circumstances in which the Underlying Index may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP Hang Seng HK-US TECH ETF 's investment objective.

The Manager has been granted a licence under the Licence Agreement to use the Underlying Index as a basis for determining the composition of the CSOP Hang Seng HK-US TECH ETF and to use certain trade marks in the Underlying Index. The licence granted shall take effect from the effective date of the Licence Agreement (i.e. 13 March 2025), and shall continue until terminated pursuant to the agreement. There is no guarantee that the Licence Agreement will be perpetually renewed.

The CSOP Hang Seng HK-US TECH ETF may be terminated if the Underlying Index is discontinued and/or the Licence Agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria under Chapter 8.6(e) of the Code. Any such replacement index will be subject to the prior approval of the Commission under the Code and Unitholders will be duly notified of the same. Accordingly, investors should note that the ability of the CSOP Hang Seng HK-US TECH ETF to track the Underlying Index depends on the continuation in force of the Licence Agreement in respect of the Underlying Index or a suitable replacement. The CSOP Hang Seng HK-US TECH ETF may also be terminated if the Underlying Index ceases to be compiled or published and there is no replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index.

The Manager and the Index Provider may by mutual agreement terminate or postpone the parties' obligations under the Licence Agreement upon the occurrence of a force majeure event such that the terms of the Licence Agreement can no longer be performed. There is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

For further information on the grounds for terminating the Licence

Agreement in respect of the Underlying Index, please refer to section "***11. Index Licence Agreement***" in this Appendix.

(ii) There may be changes in the constituent securities of the Underlying Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the CSOP Hang Seng HK-US TECH ETF, the Manager may rebalance portfolio of the CSOP Hang Seng HK-US TECH ETF. The price of the Units may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to the section "***14. The Underlying Index***" of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

6.11 Securities lending transactions risk

Collateral risk

As part of the securities lending transactions, the CSOP Hang Seng HK-US TECH ETF 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 CSOP Hang Seng HK-US TECH ETF if the borrower fails to return the securities lent out. The CSOP Hang Seng HK-US TECH ETF 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 CSOP Hang Seng HK-US TECH ETF 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.

6.12 Risks of investing in other collective investment schemes

The CSOP Hang Seng HK-US TECH ETF may invest in other collective investment schemes, and may therefore be subject to the risks associated with such underlying schemes. The CSOP Hang Seng HK-US TECH ETF does not have control of the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which may have a negative impact to the Net Asset Value of the CSOP Hang Seng HK-US TECH ETF.

Any tracking error of these underlying schemes will also contribute to the tracking error of the CSOP Hang Seng HK-US TECH ETF. In addition, the tax provision made by the other collective investment schemes may be more or less than their actual tax liabilities. Any shortfall of such tax provision may adversely affect the performance of such other collective investment schemes.

The underlying schemes in which the CSOP Hang Seng HK-US TECH ETF may invest may not be authorised by the Commission. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the CSOP Hang Seng HK-US TECH ETF's redemption requests as and when made.

If the CSOP Hang Seng HK-US TECH ETF invests in other active or passive investment products managed by the Manager or Connected Person of the Manager, all initial charges and redemption charges on these listed or unlisted 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 case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

6.13 Foreign exchange risk

The base currency of the CSOP Hang Seng HK-US TECH ETF is HKD but a portion of the CSOP Hang Seng HK-US TECH ETF's assets are invested in securities denominated in currency other than HKD (i.e., USD). If a substantial portion of the revenue and income of the CSOP Hang Seng HK-US TECH ETF is received in a currency other than HKD, any fluctuation in the exchange rate of the HKD relative to the relevant foreign currency will affect the Net Asset Value of the CSOP Hang Seng HK-US TECH ETF denominated in HKD regardless of the performance of its underlying portfolio. Investors are therefore, subject to the fluctuation of the exchange rate of the HKD and the currency of denomination of the underlying assets of the CSOP Hang Seng HK-US TECH ETF.

6.14 Distributions out of or effectively out of capital risk

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Hang Seng HK-US TECH ETF are charged to/paid out of the capital of the CSOP Hang Seng HK-US TECH ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Hang Seng HK-US TECH ETF and therefore, the CSOP Hang Seng HK-US TECH ETF may effectively pay dividends out of the capital. **Investors should note that payment of distributions out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that amount. Any such distributions may result in an immediate**

reduction of the Net Asset Value per Unit of the CSOP Hang Seng HK-US TECH ETF.

6.15 Other risks

Operating risk. There is no assurance that the performance of the CSOP Hang Seng HK-US TECH ETF will be identical to the performance of the Underlying Index. The level of fees, taxes and expenses payable by the CSOP Hang Seng HK-US TECH ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP Hang Seng HK-US TECH ETF can be estimated, the growth rate of the CSOP Hang Seng HK-US TECH ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP Hang Seng HK-US TECH ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP Hang Seng HK-US TECH ETF. On the termination of the CSOP Hang Seng HK-US TECH ETF, the CSOP Hang Seng HK-US TECH ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

No market in the Units risk. Although the Units are to be listed on the SEHK and 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 the Units, investors should be aware that 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 other ETFs which are traded on the SEHK and which are based upon indices.

Termination of market maker risk. A market maker may cease to act as a market maker for the CSOP Hang Seng HK-US TECH ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Units of the CSOP Hang Seng HK-US TECH ETF will be no less than three months. The liquidity for the Units of the CSOP Hang Seng HK-US TECH ETF may be affected if there is no market maker for the Units. The Manager will use its best endeavours to put in place arrangements so that there is at least one market maker for the CSOP Hang Seng HK-US TECH ETF to facilitate efficient trading of Units. It is possible that there is only one market maker for the CSOP Hang Seng HK-US TECH ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. Units will be a new security and following listing on the SEHK, it is unlikely that the Units will initially be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Units in the secondary market. Therefore, Unitholders may not be able to sell their Units in the

secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Units.

Tracking error risk. The CSOP Hang Seng HK-US TECH ETF may be subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index. Factors such as the fees and expenses of the CSOP Hang Seng HK-US TECH ETF, imperfect correlation between the CSOP Hang Seng HK-US TECH ETF's assets and the Index Securities, inability to rebalance the CSOP Hang Seng HK-US TECH ETF's holdings of Index Securities in response to changes in the constituents of the Underlying Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. These factors may cause the CSOP Hang Seng HK-US TECH ETF's returns to deviate from the Underlying Index.

Trading difference risk. As the NASDAQ stock market may be open when Units in the CSOP Hang Seng HK-US TECH ETF are not priced, the value of the securities in the CSOP Hang Seng HK-US TECH ETF's portfolio may change on days when investors will not be able to purchase or sell the Units. Differences in trading hours between the NASDAQ stock market and the SEHK may also increase the level of premium or discount of the Unit price to its Net Asset Value.

7. FEES AND CHARGES

7.1 Management Fees

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum of the Net Asset Value of the CSOP Hang Seng HK-US TECH ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

7.2 Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee.

The Trustee's fee is inclusive of the fees payable to the Custodian.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP Hang Seng HK-US TECH ETF all out-of-pocket expenses incurred.

7.3 Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP Hang Seng HK-US TECH ETF. For any period less than a month, the reconciliation fee is payable by the CSOP Hang Seng HK-US TECH ETF on a pro-rata basis and accrues on a daily basis.

7.4 Other Charges and Expenses of CSOP Hang Seng HK-US TECH ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP Hang Seng HK-US TECH ETF.

7.5 Establishment costs of CSOP Hang Seng HK-US TECH ETF

The establishment costs of the CSOP Hang Seng HK-US TECH ETF are estimated to be HKD0.6 million; such costs shall be borne by the CSOP Hang Seng HK-US TECH ETF (unless otherwise determined by the Manager) and amortised over the first five financial years of CSOP Hang Seng HK-US TECH ETF or such other period as determined by the Manager after consulting the auditor.

7.6 Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarised in the respective tables below:

7.6.1 Participating Dealers

Creation and Redemption of Units by a Participating Dealer

Application Cancellation Fee	HKD10,000 per cancellation *(See Note 1)*
Extension Fee	HKD10,000 per extension *(See Note 1)*
Transaction Fee	HKD3,900 per Application *(See Note 2)*
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges.

7.6.2 Primary Market Investors creating or redeeming Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests.

Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

7.6.3 Secondary Market Investors Dealing in Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% *(see Note 4 and Note 9)*
Accounting and Financial Reporting Council ("**AFRC**") transaction levy	0.00015% of the trading price *(see Note 5)*
Trading fee	0.00565% *(see Note 6 and Note 9)*
Stamp duty	Nil *(see Note 7)*
Investor compensation levy	0.002% (currently suspended) *(see Note 8)*

Note:

1. The Application Cancellation Fee of HKD10,000 and the Extension Fee of HKD10,000 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.
2. A Transaction Fee of HKD3,900 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.
3. A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.
4. A transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.
5. An AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.
6. A trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.
7. For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the CSOP Hang Seng HK-US TECH ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.
8. The investor compensation levy of the trading price of the Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.

9. The transaction levy and trading fee will be paid by intermediaries to HKEX in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.

   Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of the documents that are available for inspection.

9. TERMINATION OF CSOP HANG SENG HK-US TECH ETF

Without prejudice to the grounds of termination as set out in the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP Hang Seng HK-US TECH ETF shall be less than HKD100 million, the CSOP Hang Seng HK-US TECH ETF and/or any classes of Units relating to the CSOP Hang Seng HK-US TECH ETF may be terminated by the Manager in its absolute discretion by notice in writing.

10. PUBLICATION OF INFORMATION RELATING TO THE CSOP HANG SENG HK-US TECH ETF

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for the information relating to the CSOP Hang Seng HK-US TECH ETF that will be published on the Manager's website and HKEX's website.

11. INDEX LICENCE AGREEMENT

According to the licence agreement entered into between the Manager, Hang Seng Data Services Limited and the Index Provider (the "**Licence Agreement**"), the term of the licence of the Underlying Index shall remain in full force and effect from 13 March 2025 unless either the Manager or the Index Provider to the Licence Agreement serves a prior written notice of the termination of at least three months to the other party. The Licence Agreement may otherwise be terminated in accordance with the provisions of the Licence Agreement.

12. MATERIAL CHANGES TO THE UNDERLYING INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

13. REPLACEMENT OF THE UNDERLYING INDEX

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;
(b) the licence to use the Underlying Index being terminated;
(c) a new index becoming available that supersedes the existing Underlying 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 Underlying Index;
(e) investing in the Index Securities comprised within the Underlying 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 Underlying Index having in the opinion of the Manager, deteriorated;
(h) a significant modification of the formula or calculation method of the Underlying 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 CSOP Hang Seng HK-US TECH ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to (i) the use by the CSOP Hang Seng HK-US TECH ETF of the Underlying Index and/or (ii) the name of CSOP Hang Seng HK-US TECH ETF will be notified to investors.

14. THE UNDERLYING INDEX

This section is a brief overview of the Underlying Index. It contains a summary of the principal features of the Underlying Index and is not a complete description of the Underlying Index. As of the date of this Prospectus, the summary of the Underlying Index in this section is accurate and consistent with the complete description of the Underlying Index. Complete information on the Underlying Index appears on the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Underlying Index

The Underlying Index aims to reflect the performance of the top technology companies listed in Hong Kong or the United States. The universe of the Underlying Index consists of the constituents of the Hang Seng TECH Index that are eligible under the Southbound Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and seven companies listed on NASDAQ stock market (namely, Alphabet (GOOGL; GOOG), Amazon (AMZN), Apple (AAPL), Meta Platforms (META), Microsoft

(MSFT), NVIDIA (NVDA), and Tesla (TSLA)), which are commonly known as "Magnificent Seven Stocks".

The Underlying Index is denominated and quoted in HKD.

The Underlying 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 Underlying Index is a modified free float-adjusted market capitalisation weighted index. The SEHK listed securities are free float-adjusted market capitalisation weighted while the NASDAQ stock market listed securities are equal weighted in the Underlying Index.

The Underlying Index was launched on 25 September 2024 and had a base level of 10,000 as of 31 December 2020. As of 27 February 2026, the Underlying Index had a total market capitalisation of HKD 4,360.63 billion and 31 constituents.

Index Provider

The Underlying Index is compiled and managed by Hang Seng Indexes Company Limited (the "**HSIL**" or "**Index Provider**").

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index constituents selection and reviews

Index Universe

The index universe of the Underlying Index consists of only the constituents of the Hang Seng TECH Index ("**Base Index**"); and the Mag Seven companies listed on NASDAQ stock market.

The Base Index

The Base Index is to represent the 30 largest technology companies by the average daily market value of the past 12 months of any review period listed in Hong Kong which have high business exposure to selected technology themes, including internet (including mobile), fintech, cloud, e-commerce, or digital activities. The universe of securities of the Base Index includes securities of companies listed on the Main Board of the SEHK, but excludes secondary-listed Foreign Companies (as defined in the index methodology of the Base Index) and investment companies listed under Chapter 21 of the SEHK's Main Board Listing Rules. The index methodology and the additional information of the Base Index can be obtained from the website https://www.hsi.com.hk/eng/indexes/all-indexes/hstech (the website has not been reviewed by the Commission).

The Mag Seven companies

The profiles of each of the Mag Seven companies are as follows:

Alphabet Inc is the holding company of Google, an internet and software company and provides services and products including search engine, e-mails, maps, advertisements, and smartphone operating system and hardware. The company also invests in artificial intelligence, machine learning and data analytics.

Amazon.com, Inc. is an online e-commerce retailer that sells a wide range of goods including apparel, books, electronics, grocery, toys, tools and others. Amazon also operates a cloud platform offering database, compute, storage and other services

globally.

Apple Inc. primarily engages in the business of design, manufacture and sale of technology hardware, such as, smartphones, personal computers, tablets, wearables and accessories. Apple also sells digital content and applications, and provides cloud and advertising services.

Meta Platforms, Inc. is an internet media and communications company providing social networking platforms and applications including Facebook, Instagram and Whatsapp. The company is also involved in advertising services, and development of hardware for augmented and virtual reality.

Microsoft Corporation is a software company developing and marketing computer operating systems, and software and server applications. It also offers cloud storage service and business solutions, and sells hardware devices.

Nvidia is a semiconductor company that designs and manufactures graphics processing units and central processing units. It offers solutions in relation to artificial intelligence, data centre and cloud computing, robotics and self-driving vehicles.

Tesla Inc is an automotive company which designs, manufactures and sells electric vehicles, as well as energy generation and storage equipment and systems. It also offers clean energy products and services.

The Mag Seven Stocks are listed on the NASDAQ stock market.

Constituent Selection

The constituents of the Underlying Index are selected and weighted based on criteria:

1. Selection Criteria:

    a. Hong Kong-listed securities: All constituents from the Base Index that are eligible under the Southbound Stock Connect will be selected

    b. United States-listed securities: The Mag Seven companies will be selected

2. Weighting:

    a. Hong Kong-listed securities: Free float-adjusted market capitalisation weighted with an individual cap of 10%

    b. United States-listed securities: Equal-weighted, meaning that the securities will have the same weighting at each rebalancing (but not between each rebalancing) regardless of its size or market capitalisation, based on the methodology of the Underlying Index, with an individual cap of 5% for each security

Weighting allocation

The Underlying Index aims to maintain the following weighting allocation between the Hong Kong listed-securities and the United States-listed securities upon each rebalancing:

    a. Hong Kong-listed securities: 65% (i.e., the aggregate weight of Hong Kong-listed constituents will not exceed 65% when combined with the United States-listed constituents)

    b. United States-listed securities: 35% (i.e., the aggregate weight of United

States-listed constituents will not exceed 35% when combined with the Hong Kong-listed constituents)

Underlying Index Maintenance and Review

The Underlying Index is reviewed and rebalanced on a quarterly basis in March, June, September, and December each year according to the rebalancing schedule of the Index Provider available at https://www.hsi.com.hk/eng/indexes/index-schedule (this website has not been reviewed by the Commission).

Ad-hoc rebalancing will be performed in March and September, if the aggregate weight of the United States-listed constituents exceed 35% of on Day T-3 as further explained below:

Day T-3: Recalculate the allocation factor after index close, so that the aggregate weight of the U.S.-listed constituents will be reset to 35%

Day T-1: Implement the new allocation factor after index close

Day T: Effective date, i.e. the last index calculation day in March and September

In respect of the Hong Kong-listed constituents only, any ad hoc constituent changes (including fast entry, and replacement for removal) will follow changes made to the Base Index, subject to the Stock Connect eligibility screening. In respect of the Base Index, a newly listed security will be added to Base Index if its full market capitalisation ranks within the top 10 of the existing constituents on its first trading day. For ad-hoc removal, the outgoing constituent will be replaced by the highest ranked candidate from last regular review of the Base Index.

If the number of constituents of the Underlying Index becomes less than 30, the highest market value-ranked Stock Connect-eligible non-constituent candidate of the Base Index from the latest regular review will be selected ("**non-Base Index Constituent**") to maintain the number of constituents of the Underlying Index at 30. Such non-Base Index Constituent will be (i) removed if the number of constituents of the Underlying Index can achieve or exceed 30 under the regular rules or (ii) replaced if its market value rank (among all Stock Connect-eligible non-constituent candidates of the Base Index) is below the number of non-Base Index Constituent(s) in the Underlying Index multiplied by 2.

Index Securities of the Underlying Index

You can obtain the most updated list of the index constituents of the Underlying Index with their respective weightings, the last closing index level, and any additional information and other important news of the Underlying Index from the website from the website https://www.hsi.com.hk/eng/indexes/all-indexes/hsust (this website has not been reviewed by the Commission).

Index code

The Underlying Index is quoted on Bloomberg where real time update of the index level can be obtained thereon. The Underlying Index may also be viewed on Reuters.

Bloomberg: HSUSTN

Refinitiv: .HSUSTN

Index Provider disclaimer

The Hang Seng HK-US TECH Index is published and compiled by HSIL pursuant to a

licence from Hang Seng Data Services Limited (“HSDS”). The mark and name “Hang Seng HK-US TECH Index” is proprietary to HSDS. HSIL and HSDS have agreed to the use of, and reference to, the Hang Seng HK-US TECH Index by the Manager and the Trustee and their respective duly appointed agents in connection with CSOP Hang Seng HK-US TECH ETF, BUT NEITHER HSIL NOR HSDS WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE CSOP HANG SENG HK-US TECH ETF OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF THE HANG SENG HK-US TECH INDEX AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF THE HANG SENG HK-US TECH INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE HANG SENG HK-US TECH INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING TO THE HANG SENG HK-US TECH INDEX IS GIVEN OR MAY BE IMPLIED. The process and basis of computation and compilation of the Hang Seng HK-US TECH Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice. TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY HSIL OR HSDS (i) IN RESPECT OF THE USE OF AND/OR REFERENCE TO THE HANG SENG HK-US TECH INDEX BY THE MANAGER IN CONNECTION WITH CSOP HANG SENG HK-US TECH ETF; OR (ii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OF HSIL IN THE COMPUTATION OF THE HANG SENG HK-US TECH INDEX; OR (iii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, ERRORS OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF THE HANG SENG HK-US TECH INDEX WHICH IS SUPPLIED BY ANY OTHER PERSON; OR (iv) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE DIRECTLY OR INDIRECTLY SUSTAINED BY ANY BROKER OR HOLDER OF THE CSOP HANG SENG HK-US TECH ETF OR ANY OTHER PERSON DEALING WITH CSOP HANG SENG HK-US TECH ETF AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS, ACTIONS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST HSIL AND/OR HSDS in connection with CSOP Hang Seng HK-US TECH ETF in any manner whatsoever by any broker, holder or any other person dealing with CSOP Hang Seng HK-US TECH ETF. Any broker, holder or other person dealing with CSOP Hang Seng HK-US TECH ETF does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on HSIL and HSDS. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and HSIL and/or HSDS and must not be construed to have created such relationship.

APPENDIX 17

CSOP FTSE East-West Equity Select ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 3441

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP FTSE East-West Equity Select ETF
Stock Code: 3441

1. KEY INFORMATION

1.1 General

This appendix sets out information specific to the CSOP FTSE East-West Equity Select ETF ("**CSOP FTSE East-West Equity Select ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in the CSOP FTSE East-West Equity Select ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***6. Risk Factors relating to the CSOP FTSE East-West Equity Select ETF***" of this Appendix, before investing in the CSOP FTSE East-West Equity Select ETF.

Application has been made to the SEHK for the listing of, and permission to deal in, the Units of the CSOP FTSE East-West Equity Select ETF. Subject to the compliance with the relevant admission requirements of the HKSCC, Units in the CSOP FTSE East-West Equity Select 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 Units on the SEHK or such other date as may be determined by the HKSCC. Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP FTSE East-West Equity Select ETF, and should be read in conjunction with the full text of this Prospectus.

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapter 8.6 of the Code
Underlying Index	FTSE ETF Connect East-West Succession Equity Select Index (net total return version) Launch Date: 26 September 2024 Base Date: 20 March 2020 Number of constituents: 124 (as of 27 February 2026) Base Currency of Underlying Index: Hong Kong dollars (HKD)
Type of Underlying Index	A net total return index which means that it

	reflects the reinvestment of dividends or distributions, after deduction of any withholding tax. The Underlying Index is denominated and quoted in HKD.
Index Provider	FTSE International Limited
Investment Strategy	The Manager will use combination of physical and synthetic representative sampling strategy. Please refer to section "3***. Investment Objective and Strategy***" of this Appendix for further details.
Initial Issue Date	28 March 2025
Listing Date	31 March 2025
Dealing on SEHK Commencement Date	31 March 2025
Exchange Listing	SEHK – Main Board
Stock Code	3441
Stock Short Name	CSOP EWSELECT
ISIN Number	HK0001127072
Trading Board Lot Size	100 Units
Base Currency	HKD
Trading Currency	HKD
Dividend Policy	The Manager has discretion as to whether or not the CSOP FTSE East-West Equity Select ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP FTSE East-West Equity Select ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any). The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP FTSE East-West Equity Select ETF are charged to/paid out of the capital of the CSOP FTSE East-West Equity Select ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP FTSE East-West Equity Select ETF and therefore, the CSOP

		FTSE East-West Equity Select ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of the CSOP FTSE East-West Equity Select ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP FTSE East-West Equity Select ETF. Distributions will be in HKD. Please refer to section "***5. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP FTSE East-West Equity Select ETF and the risk factor under section "6.12 ***Distributions out of or effectively out of capital risk***" in this Appendix for the risk associated with distributions paid out of capital.
Application Unit size for Creation/ Redemption (only by or through Participating Dealers)		Minimum 500,000 Units (or multiples thereof)
Method of Creation/ Redemption		Cash (in HKD) or a combination of cash and in-kind
Parties	Manager	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
	Participating Dealer(s)	Please refer to the Manager's website set out below for the latest list.
	Market Maker(s)	Please refer to the Manager's website set out below for the latest list.
	Service Agent	HK Conversion Agency Services Limited
	Listing Agent	Altus Capital Limited
Financial Year		Ending 31 December each year (The first financial year-end of the CSOP FTSE East-West Equity Select ETF will be 31

	December 2025. The first semi-annual unaudited interim reports and first audited accounts of the CSOP FTSE East-West Equity Select ETF will be for the period ending 30 June 2026 and 31 December 2025 respectively.)
Management Fee	Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.99% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Website	https://www.csopasset.com/en/products/hk-ccew (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission)

1.3 Custodian for the CSOP FTSE East-West Equity Select ETF

The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee as custodian (the "**Custodian**"), and will be responsible for the safe custody of the CSOP FTSE East-West Equity Select ETF's assets.

Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the Custodian. Neither the Custodian nor its delegate (if any) is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "***1.3 Custodian for the CSOP FTSE East-West Equity Select ETF*** ".

1.4 Market Maker

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 of the CSOP FTSE East-West Equity Select ETF. 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 to facilitate the efficient trading of Units of the CSOP FTSE East-West Equity Select ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker is required to give not less than three months' notice prior to terminating market making arrangement under the relevant market making agreement.

The list of market markers in respect of the CSOP FTSE East-West Equity Select ETF is available on https://www.csopasset.com/en/products/hk-ccew

and from time to time will be displayed on www.hkex.com.hk.

2. DEALING

2.1 The Initial Offer Period

Units of the CSOP FTSE East-West Equity Select ETF will initially be offered only to the Participating Dealer(s) from 9:00 a.m. (Hong Kong time) on 26 March 2025 to 3:30 p.m. (Hong Kong time) on 27 March 2025, unless otherwise extended by the Manager (the "**Initial Offer Period**"). The purpose of the Initial Offer Period is to enable the Participating Dealer(s) to apply for Units on their own account or on behalf of third party Primary Market Investors in accordance with the terms of the Trust Deed and the Operating Guidelines.

Primary Market Investors who are retail investors may only submit a creation request or redemption request through a Participating Dealer or a stockbroker who has opened an account with a Participating Dealer.

Investors should note that the Participating Dealers and the stockbrokers through whom a Creation Application is made may impose an earlier dealing deadline, require other supporting documents for the Creation Application and adopt other dealing procedures different from those set out for the CSOP FTSE East-West Equity Select ETF in this Prospectus. For example, the dealing deadline set by the Participating Dealers or the stockbrokers may be earlier than that set out for the CSOP FTSE East-West Equity Select ETF in this Prospectus. Investors should therefore check the applicable dealing procedures with the relevant Participating Dealer or stockbroker (as the case may be).

2.2 Extension of the Initial Offer Period

If the Initial Offer Period is extended beyond 27 March 2025, dealings in the Units on the SEHK will commence on the fourth (4th) Business Day following the close of the Initial Offer Period.

2.3 Exchange Listing and Trading

Application has been made to the SEHK for listing of and permission to deal in Units in the CSOP FTSE East-West Equity Select ETF.

Currently, Units are expected to be listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on other stock exchanges.

If trading of the Units of the CSOP FTSE East-West Equity Select ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Units.

2.4 Buying and Selling of Units of the CSOP FTSE East-West Equity Select ETF on SEHK

Dealings on the SEHK in Units of the CSOP FTSE East-West Equity Select

ETF issued after the Initial Offer Period are expected to begin on the trading day after the Initial Issue Date.

A Secondary Market Investor can buy and sell the Units of the CSOP FTSE East-West Equity Select ETF on the SEHK through his stockbroker at any time the SEHK is open. Units of the CSOP FTSE East-West Equity Select ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 100 Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the CSOP FTSE East-West Equity Select ETF 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 of the CSOP FTSE East-West Equity Select ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the CSOP FTSE East-West Equity Select ETF.

Please refer to section "***Schedule 2 – 3. Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of Units on the SEHK.

2.5 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Schedule 2 – 2. Creation and Redemption of Application Units (Primary Market)***" of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP FTSE East-West Equity Select ETF only.

The Manager allows Cash and Hybrid (i.e. a combination of Cash and In-Kind Creations and Redemptions) Creations and Redemptions for Units of the CSOP FTSE East-West Equity Select ETF. Any cash payable by Participating Dealers in a Cash Creation must be in HKD.

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 Application Unit size for CSOP FTSE East-West Equity Select ETF is 500,000 Units (or multiples thereof). Creation Applications submitted in respect of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP FTSE East-West Equity Select ETF is one Application Unit.

Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Any cash proceeds received by Participating Dealers in a Cash Redemption shall be paid in HKD only.

2.5.1 Dealing Period

The dealing period on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP FTSE East-West Equity Select ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 3:30 p.m. (Hong Kong time) for any cash creation and redemption or 4:30 p.m. (Hong Kong time) for any Hybrid creation and redemption (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.5.2 Issue Price and Redemption Price

In respect of each Creation Application during the Initial Offer Period, the Issue Price of a Unit of any class which is the subject of a Creation Application in relation to the CSOP FTSE East-West Equity Select ETF shall be equal to HKD7.8, or such other price as may be determined by the Manager in consultation with the Trustee.

After the Initial Offer Period, the Issue Price of a Unit of any class in the CSOP FTSE East-West Equity Select ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units of any class redeemed shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP FTSE East-West Equity Select ETF.

The "**Valuation Day**" of the CSOP FTSE East-West Equity Select ETF, coincides with, and shall mean, the Dealing Day of the CSOP FTSE East-West Equity Select ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's website at https://www.csopasset.com/en/products/hk-ccew (the website has not been reviewed by the Commission) or published in such other publications as the Manager decides.

2.5.3 Dealing Day

In respect of the CSOP FTSE East-West Equity Select ETF, "**Dealing Day**" means each Business Day.

"**Business Day**" in respect of the CSOP FTSE East-West Equity Select ETF means a day on which (a)(i) the SEHK is open for normal trading; and (ii) the SEHK and the NASADQ stock market on which the securities comprising or held by the CSOP FTSE East-West Equity

Select ETF are traded is open for normal trading, and (b) the Underlying Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

3. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP FTSE East-West Equity Select ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the FTSE ETF Connect East-West Succession Equity Select Index (net total return version) (the "**Underlying Index**"). There is no assurance that the CSOP FTSE East-West Equity Select ETF will achieve its investment objective.

Investment Strategy

In order to achieve the investment objective of the CSOP FTSE East-West Equity Select ETF, the Manager intends to adopt a combination of physical representative sampling and synthetic representative sampling strategy. The CSOP FTSE East-West Equity Select ETF will (i) primarily use a physical representative sampling strategy by investing 50% to 100% of its Net Asset Value in Securities constituting the Underlying Index ("**Index Securities**"); and (ii) where the Manager believes such investments are beneficial to the CSOP FTSE East-West Equity Select ETF and will help the CSOP FTSE East-West Equity Select ETF achieve its investment objective, use a synthetic representative sampling strategy as an ancillary strategy by investing up to 50% of its Net Asset Value in FDIs, which will only be funded total return swaps with one or more counterparties.

<u>Physical representative sampling sub-strategy</u>

The CSOP FTSE East-West Equity Select ETF primarily uses a physical representative sampling strategy by investing 50% to 100% of its Net Asset Value in Index Securities. The CSOP FTSE East-West Equity Select ETF may invest up to 100% of its Net Asset Value directly in equity securities listed on the SEHK and the United States stock market.

<u>Synthetic representative sampling sub-strategy</u>

By adopting a synthetic representative sampling sub-strategy, the CSOP FTSE East-West Equity Select ETF will only invest up to 50% of its Net Asset Value directly in funded total return swap transaction(s) whereby the CSOP FTSE East-West Equity Select ETF will pass on the relevant portion of cash to the swap counterparty(ies) and in return the swap counterparty(ies) will provide the CSOP FTSE East-West Equity Select ETF with an exposure to the economic gain/loss in the performance of the Index Securities (net of indirect costs). The Manager will only use a synthetic representative sampling sub-strategy when it considers that such investments are beneficial to the CSOP FTSE East-West Equity Select ETF.

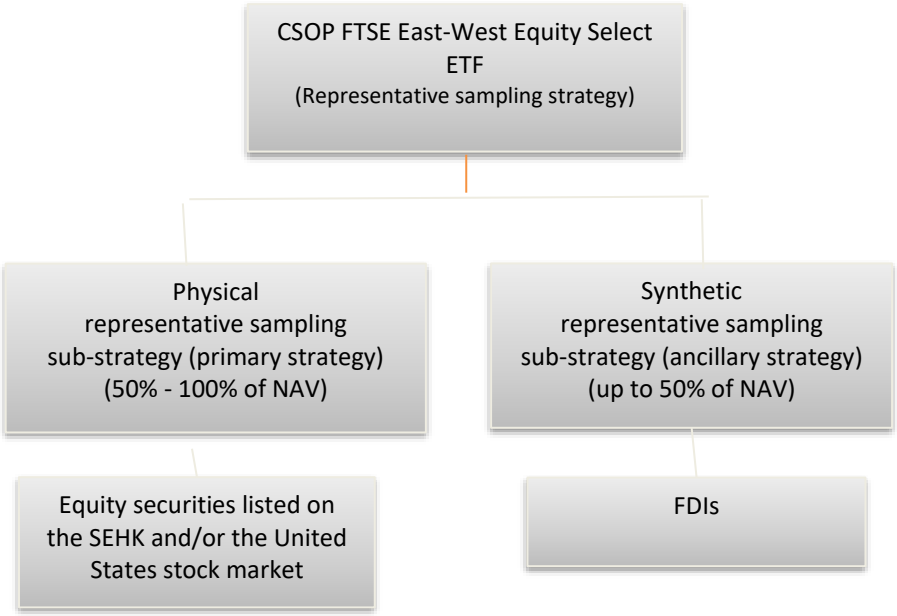
The CSOP FTSE East-West Equity Select ETF shall bear the swap fees (including the brokerage commission and any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swaps). The swap fees, which include all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis, represent a variable spread (which can be positive or negative) plus HIBOR which reflects the brokerage commission and the swap counterparty's costs of financing the underlying hedge in order to provide the performance. If the swap fee (HIBOR plus

spread) is a positive figure, then it will be borne by the CSOP FTSE East-West Equity Select ETF and may have an adverse impact on its Net Asset Value and the performance of the CSOP FTSE East-West Equity Select ETF, and may result in a negative impact on the tracking difference of the CSOP FTSE East-West Equity Select ETF. On the contrary, if the swap fee (HIBOR plus spread) is a negative figure, the swap counterparty will pay the swap fee to the CSOP FTSE East-West Equity Select ETF and may lead to a positive impact on the tracking difference of the CSOP FTSE East-West Equity Select ETF. In extreme market conditions and exceptional circumstances, the brokerage commission and the swap counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the CSOP FTSE East-West Equity Select ETF is 0.2% per transaction on the notional amount of the swap unwound.

Exposure of the CSOP FTSE East-West Equity Select ETF to the Index Securities (either through direct investment or FDIs) will be in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index. The Manager may cause the CSOP FTSE East-West Equity Select ETF 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 Commission.

The full holdings of the CSOP FTSE East-West Equity Select ETF are available on the Manager's website and will be updated on a daily basis.

The diagram below shows the investment strategies of the CSOP FTSE East-West Equity Select ETF:



Other investments

The CSOP FTSE East-West Equity Select ETF may also invest not more than 5% of its Net Asset Value in cash and money market funds for cash management purpose.

No more than 30% of the CSOP FTSE East-West Equity Select ETF's Net Asset Value may be invested in collective investment scheme which may be authorised by the Commission in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the CSOP FTSE East-West Equity Select ETF's investment

in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investments in exchange traded funds will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11A and 7.11B of the Code.

Other than as set out above, the CSOP FTSE East-West Equity Select ETF may also invest in FDIs for hedging purposes.

The CSOP FTSE East-West Equity Select ETF will not enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions. Prior approval of the SFC (to the extent required under applicable regulatory requirements) will be sought and not less than one month's prior notice (or such shorter notice period as may be permitted under applicable regulatory requirements) will be given to Unitholders in the event the Manager wishes to enter into such transactions.

3A. SECURITIES LENDING TRANSACTIONS

The Manager may, on behalf of the CSOP FTSE East-West Equity Select ETF, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value. The Manager will be 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 CSOP FTSE East-West Equity Select ETF and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1 in Part 1 of this Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the CSOP FTSE East-West Equity Select ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus) of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis and be safekept by the Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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. Any reinvestment of cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent the CSOP FTSE East-West Equity Select ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP FTSE East-West Equity Select ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to the section "***6.9***

Securities lending transactions risk" of this Appendix for further details.

4. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of the CSOP FTSE East-West Equity Select ETF to acquire investments, to redeem Units or to pay expenses relating to the CSOP FTSE East-West Equity Select ETF.

5. DISTRIBUTION POLICY

The Manager has discretion as to whether or not the CSOP FTSE East-West Equity Select ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP FTSE East-West Equity Select ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP FTSE East-West Equity Select ETF are charged to/paid out of the capital of the CSOP FTSE East-West Equity Select ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP FTSE East-West Equity Select ETF and therefore, the CSOP FTSE East-West Equity Select ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of or effectively out of the CSOP FTSE East-West Equity Select ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP FTSE East-West Equity Select ETF and will reduce any capital appreciation for the Unitholders of the CSOP FTSE East-West Equity Select ETF.**

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-ccew (this website has not been reviewed by the Commission).

The distribution policy may be amended subject to the Commission's prior approval (where required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared and paid in HKD only. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-ccew (this website has not been reviewed by the Commission) and on HKEX's website.

There can be no assurance that a distribution will be paid.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant

underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

6. RISK FACTORS RELATING TO THE CSOP FTSE EAST-WEST EQUITY SELECT ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP FTSE East-West Equity Select ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP FTSE East-West Equity Select ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP FTSE East-West Equity Select ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

6.1 Equity market risk

The CSOP FTSE East-West Equity Select ETF'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.

Please also refer to the risk factor "***Investment risks – Equity Risk***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

6.2 New index risk

The Underlying Index is a new index. The CSOP FTSE East-West Equity Select ETF may be riskier than other funds tracking more established indices with longer operating history.

6.3 Concentration in high yield stocks and the associated risk

The CSOP FTSE East-West Equity Select ETF focuses on high dividend stocks listed on the SEHK which subjects it to greater concentration risk. High dividend stocks often belong to specific sectors, which may not be as diversified as the broader market potentially leading to greater exposure to sector-specific risks and market fluctuations. This concentration may lead to increased volatility and risk, particularly if these sectors experience downturns or regulatory changes. Additionally, companies that offer high dividends may, in challenging economic environments, might reduce or suspend dividend payments, in turn impacting the CSOP FTSE East-West Equity Select ETF's performance. There is no assurance that dividends will be declared and paid in respect of the securities comprising the Underlying Index, and dividend payment rates in respect of such securities will depend on the performance of the constituent securities of the Index as well as factors beyond the control of the Manager.

6.4 Geographical concentration risk

Insofar as the investments in Index Securities are concerned, the constituents of the Underlying Index, and accordingly the CSOP FTSE East-West Equity Select ETF's investments, are concentrated two geographical regions/countries (Hong Kong and the United States). The value of the CSOP FTSE East-West Equity Select ETF 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.

6.5 Sector concentration risks

The constituents of the Underlying Index, and accordingly the CSOP FTSE East-West Equity Select ETF's investments, may from time to time be concentrated in particular industry or sector, such as financial services, industrials, technology and real property development. The value of the CSOP FTSE East-West Equity Select ETF 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 industry or sector.

6.6 Risks associated with investment in FDIs

The CSOP FTSE East-West Equity Select ETF's synthetic representative sampling strategy will involve investing up to 50% of its Net Asset Value in funded total return swaps. In the case of swaps, the CSOP FTSE East-West Equity Select ETF may suffer significant loss if a swap counterparty fails to perform its obligations, or in case of insolvency or default of the swap 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 CSOP FTSE East-West Equity Select ETF. Exposure to FDIs may lead to a high risk of significant loss by the CSOP FTSE East-West Equity Select ETF.

Please also refer to the risk factor "**Investment risks – Financial Derivative Instruments and Collateral Risks**" under "**4. General Risk Factors**" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the CSOP FTSE East-West Equity Select ETF will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the CSOP FTSE East-West Equity Select ETF. Please also refer to the headings "**Financial Derivative Instruments**" and "**Collateral**" under Schedule 1 in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

6.7 Synthetic representative sampling risk

The Manager seeks to mitigate the counterparty risks by fully collateralising

all counterparty exposures. There is a risk that the value of the collateral may be substantially lower than the amount secured and so the CSOP FTSE East-West Equity Select ETF may suffer significant losses. Any loss would result in a reduction in the Net Asset Value of the CSOP FTSE East-West Equity Select ETF and impair the ability of the CSOP FTSE East-West Equity Select ETF to achieve its investment objective to track the Underlying Index.

In the case of funded swaps, the CSOP FTSE East-West Equity Select ETF may suffer significant losses if the counterparty fails to perform its obligations under the funded swap. The value of the collateral assets may be affected by market events and may diverge substantially from the performance of the Underlying Index, which may cause the CSOP FTSE East-West Equity Select ETF's exposure to the swap counterparty to be under-collateralised and therefore result in significant losses.

6.8 Risks relating to the Underlying Index of CSOP FTSE East-West Equity Select ETF

The CSOP FTSE East-West Equity Select ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's licence from the Index Provider under the relevant Licence Agreement is terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. Please refer to section "***13. Replacement of the Underlying Index***" below on the circumstances in which the Underlying Index may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP FTSE East-West Equity Select ETF 's investment objective.

The Manager has been granted a licence by the Index Provider to use the Underlying Index as a basis for determining the composition of the CSOP FTSE East-West Equity Select ETF and to use certain trade marks in the Underlying Index. The licence granted shall take effect from the effective date of the Licence Agreement (i.e. 17 March 2025), and shall continue until terminated pursuant to the agreement. There is no guarantee that the Licence Agreement will be perpetually renewed.

The CSOP FTSE East-West Equity Select ETF may be terminated if the Underlying Index is discontinued and/or the Licence Agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria under Chapter 8.6(e) of the Code. Any such replacement index will be subject to the prior approval of the Commission under the Code and Unitholders will be duly notified of the same. Accordingly, investors should note that the ability of the CSOP FTSE East-West Equity Select ETF to track the Underlying Index depends on the continuation in force of the Licence Agreement in respect of the Underlying Index or a

suitable replacement. The CSOP FTSE East-West Equity Select ETF may also be terminated if the Underlying Index ceases to be compiled or published and there is no replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index.

The Manager and the Index Provider may by mutual agreement terminate or postpone the parties' obligations under the Licence Agreement upon the occurrence of a force majeure event such that the terms of the Licence Agreement can no longer be performed. There is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

For further information on the grounds for terminating the Licence Agreement in respect of the Underlying Index, please refer to section "***11. Index Licence Agreement***" in this Appendix.

(ii) There may be changes in the constituent securities of the Underlying Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the CSOP FTSE East-West Equity Select ETF, the Manager may rebalance portfolio of the CSOP FTSE East-West Equity Select ETF. The price of the Units may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to the section "***14. The Underlying Index***" of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

6.9 Securities lending transactions risk

Collateral risk

As part of the securities lending transactions, the CSOP FTSE East-West Equity Select ETF 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 CSOP FTSE East-West Equity Select ETF if the borrower fails to return the securities lent out. The CSOP FTSE East-West Equity Select ETF 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 CSOP FTSE

East-West Equity Select ETF 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.

6.10 Risks of investing in other collective investment schemes

The CSOP FTSE East-West Equity Select ETF may invest in other collective investment schemes, and may therefore be subject to the risks associated with such underlying schemes. The CSOP FTSE East-West Equity Select ETF does not have control of the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which may have a negative impact to the Net Asset Value of the CSOP FTSE East-West Equity Select ETF.

Any tracking error of these underlying schemes will also contribute to the tracking error of the CSOP FTSE East-West Equity Select ETF. In addition, the tax provision made by the other collective investment schemes may be more or less than their actual tax liabilities. Any shortfall of such tax provision may adversely affect the performance of such other collective investment schemes.

The underlying schemes in which the CSOP FTSE East-West Equity Select ETF may invest may not be authorised by the Commission. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the CSOP FTSE East-West Equity Select ETF's redemption requests as and when made.

If the CSOP FTSE East-West Equity Select ETF invests in other active or passive investment products managed by the Manager or Connected Person of the Manager, all initial charges and redemption charges on these listed or unlisted 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 case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

6.11 Foreign exchange risk

The base currency of the CSOP FTSE East-West Equity Select ETF is HKD but a portion of the CSOP FTSE East-West Equity Select ETF's assets are invested in securities denominated in currency other than HKD (i.e., USD). If a substantial portion of the revenue and income of the CSOP FTSE East-West Equity Select ETF is received in a currency other than HKD, any fluctuation in the exchange rate of the HKD relative to the relevant foreign currency will affect the Net Asset Value of the CSOP FTSE East-West Equity Select ETF denominated in HKD regardless of the performance of its underlying portfolio.

Investors are therefore, subject to the fluctuation of the exchange rate of the HKD and the currency of denomination of the underlying assets of the CSOP FTSE East-West Equity Select ETF.

6.12 Distributions out of or effectively out of capital risk

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP FTSE East-West Equity Select ETF are charged to/paid out of the capital of the CSOP FTSE East-West Equity Select ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP FTSE East-West Equity Select ETF and therefore, the CSOP FTSE East-West Equity Select ETF may effectively pay dividends out of the capital. **Investors should note that payment of distributions out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that amount. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the CSOP FTSE East-West Equity Select ETF.**

6.13 Other risks

Operating risk. There is no assurance that the performance of the CSOP FTSE East-West Equity Select ETF will be identical to the performance of the Underlying Index. The level of fees, taxes and expenses payable by the CSOP FTSE East-West Equity Select ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP FTSE East-West Equity Select ETF can be estimated, the growth rate of the CSOP FTSE East-West Equity Select ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP FTSE East-West Equity Select ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP FTSE East-West Equity Select ETF. On the termination of the CSOP FTSE East-West Equity Select ETF, the CSOP FTSE East-West Equity Select ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

No market in the Units risk. Although the Units are to be listed on the SEHK and 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 the Units, investors should be aware that 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 other ETFs which are traded on the SEHK and which are based upon indices.

Termination of market maker risk. A market maker may cease to act as a market maker for the CSOP FTSE East-West Equity Select ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Units of the CSOP FTSE East-West Equity Select ETF will be no less than three months. The liquidity for the Units of the CSOP FTSE East-West Equity

Select ETF may be affected if there is no market maker for the Units. The Manager will use its best endeavours to put in place arrangements so that there is at least one market maker for the CSOP FTSE East-West Equity Select ETF to facilitate efficient trading of Units. It is possible that there is only one market maker for the CSOP FTSE East-West Equity Select ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. Units will be a new security and following listing on the SEHK, it is unlikely that the Units will initially be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Units in the secondary market. Therefore, Unitholders may not be able to sell their Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Units.

Tracking error risk. The CSOP FTSE East-West Equity Select ETF may be subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index. Factors such as the fees and expenses of the CSOP FTSE East-West Equity Select ETF, imperfect correlation between the CSOP FTSE East-West Equity Select ETF's assets and the Index Securities, inability to rebalance the CSOP FTSE East-West Equity Select ETF's holdings of Index Securities in response to changes in the constituents of the Underlying Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. These factors may cause the CSOP FTSE East-West Equity Select ETF's returns to deviate from the Underlying Index.

Trading difference risk. As the United States stock market may be open when Units in the CSOP FTSE East-West Equity Select ETF are not priced, the value of the securities in the CSOP FTSE East-West Equity Select ETF's portfolio may change on days when investors will not be able to purchase or sell the Units. Differences in trading hours between the United States stock market and the SEHK may also increase the level of premium or discount of the Unit price to its Net Asset Value.

7. FEES AND CHARGES

7.1 Management Fees

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum of the Net Asset Value of the CSOP FTSE East-West Equity Select ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

7.2 Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee.

The Trustee's fee is inclusive of the fees payable to the Custodian.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP FTSE East-West Equity Select ETF all out-of-pocket expenses incurred.

7.3 Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP FTSE East-West Equity Select ETF. For any period less than a month, the reconciliation fee is payable by the CSOP FTSE East-West Equity Select ETF on a pro-rata basis and accrues on a daily basis.

7.4 Other Charges and Expenses of CSOP FTSE East-West Equity Select ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP FTSE East-West Equity Select ETF.

7.5 Establishment costs of CSOP FTSE East-West Equity Select ETF

The establishment costs of the CSOP FTSE East-West Equity Select ETF are estimated to be HKD0.6 million; such costs shall be borne by the CSOP FTSE East-West Equity Select ETF (unless otherwise determined by the Manager) and amortised over the first five financial years of CSOP FTSE East-West Equity Select ETF or such other period as determined by the Manager after consulting the auditor.

7.6 Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarised in the respective tables below:

7.6.1 Participating Dealers

Creation and Redemption of Units by a Participating Dealer

Cancellation Fee

Application

HKD10,000 per cancellation	*(See Note 1)*
Extension Fee	HKD10,000 per extension *(See Note 1)*
Transaction Fee	HKD3,900 per Application *(See Note 2)*
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges.

7.6.2 Primary Market Investors creating or redeeming Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

7.6.3 Secondary Market Investors Dealing in Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% *(see Note 4 and Note 9)*
Accounting and Financial Reporting Council ("**AFRC**") transaction levy	0.00015% of the trading price *(see Note 5)*
Trading fee	0.00565% *(see Note 6 and Note 9)*
Stamp duty	Nil *(see Note 7)*
Investor compensation levy	0.002% (currently suspended) *(see Note 8)*

Note:

1. The Application Cancellation Fee of HKD10,000 and the Extension Fee of HKD10,000 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.
2. A Transaction Fee of HKD3,900 per Application is payable by each Participating Dealer for the account and benefit of

the Trustee.

3. A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.
4. A transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.
5. An AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.
6. A trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.
7. For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the CSOP FTSE East-West Equity Select ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.
8. The investor compensation levy of the trading price of the Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.
9. The transaction levy and trading fee will be paid by intermediaries to HKEX in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.

   Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of the documents that are available for inspection.

9. TERMINATION OF CSOP FTSE EAST-WEST EQUITY SELECT ETF

Without prejudice to the grounds of termination as set out in the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP FTSE East-West Equity Select ETF shall be less than HKD100 million, the CSOP FTSE East-West Equity Select ETF and/or any classes of Units relating to the CSOP FTSE East-West Equity Select ETF may be terminated by the Manager in its absolute discretion by notice in writing.

10. PUBLICATION OF INFORMATION RELATING TO THE CSOP FTSE EAST-WEST EQUITY SELECT ETF

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for the information relating to the CSOP FTSE East-West Equity Select ETF that will be published on the Manager's website and HKEX's website.

11. INDEX LICENCE AGREEMENT

According to the licence agreement entered into between the Manager and the Index Provider (the "**Licence Agreement**"), the initial term of the licence of the Underlying Index shall remain in full force and effect for 12 months from 17 March 2025. The Licence Agreement shall be automatically renewed for 12 months unless either party to the Licence Agreement serves a written notice of the termination of at least 3 months prior to the end of the then current term to the other party. The Licence Agreement may otherwise be terminated in accordance with the provisions of the Licence Agreement.

12. MATERIAL CHANGES TO THE UNDERLYING INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

13. REPLACEMENT OF THE UNDERLYING INDEX

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;
(b) the licence to use the Underlying Index being terminated;
(c) a new index becoming available that supersedes the existing Underlying 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 Underlying Index;
(e) investing in the Index Securities comprised within the Underlying 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 Underlying Index having in the opinion of the Manager, deteriorated;
(h) a significant modification of the formula or calculation method of the Underlying 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 CSOP FTSE East-West Equity Select ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to (i) the use by the CSOP FTSE East-West Equity Select ETF of the Underlying Index and/or (ii) the name of CSOP FTSE East-West Equity Select ETF will be notified to investors.

14. THE UNDERLYING INDEX

This section is a brief overview of the Underlying Index. It contains a summary of the

principal features of the Underlying Index and is not a complete description of the Underlying Index. As of the date of this Prospectus, the summary of the Underlying Index in this section is accurate and consistent with the complete description of the Underlying Index. Complete information on the Underlying Index appears on the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Underlying Index

The Underlying Index is designed to gain exposure to the top 23 high dividend stocks listed on the SEHK ranked by full market capitalisation which are eligible for Southbound Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (the "**Southbound Stock Connect**"), and the top 100 high-quality large-cap stocks listed on the United States stock market ranked by free cash flow yield.

The Underlying Index is denominated and quoted in HKD.

The Underlying 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 Underlying Index is a free float-adjusted market capitalisation weighted index.

The Underlying Index was launched on 26 September 2024 and had a base level of 1,000 as of 20 March 2020. As of 27 February 2026, the Underlying Index consists of 124 stocks with full market capitalization of HKD 180,937.93 billion.

Index Provider

The Underlying Index is compiled and managed by FTSE International Limited (the "**Index Provider**").

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index constituents selection and reviews

Index Universe

The index universe of the Underlying Index consists of constituents in FTSE Custom Southbound Stock Connect High Dividend Net Tax Index[1] and constituents in Russell 1000 Cash Flow Focus Net Tax Index[2] (each a "**Component Index**", collectively, the "**Component Indices**").

FTSE Custom Southbound Stock Connect High Dividend Net Tax Index

The eligible securities of the FTSE Custom Southbound Stock Connect High Dividend Net Tax Index must be the Hong Kong constituents of the FTSE Southbound Stock

[1] For the details relating to the index rules of FTSE Custom Southbound Stock Connect High Dividend Net Tax Index, please refer to https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-custom-southbound-stock-connect-high-dividend-index-ground-rules.pdf and the Index Provider's website https://www.lseg.com/en/about-us/ftse-russell (the website has not been reviewed by the Commission).

[2] For the details relating to the index rules of Russell 1000 Cash Flow Focus Net Tax Index, please refer to https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-cash-flow-focus-index-series-ground-rules.pdf and the Index Provider's website https://www.lseg.com/en/about-us/ftse-russell (the website has not been reviewed by the Commission).

Connect Index[3], i.e. stocks which are listed on the SEHK and available to Chinese Mainland investors through the Southbound Stock Connect (the "**Hong Kong Stock Base Number**"). H Share, Red Chip and P Chip are excluded.

The eligible securities are then filtered and ranked the following sequence:

1. Eligible securities with a 12-month record of nil dividend yield are excluded. The remaining eligible securities are ranked by 12-month trailing dividend yield in descending order.

2. In the first review, the top securities ranked amounting to 60% of the Hong Kong Stock Base Number (as defined above) will be selected, rounded to the nearest integer. Securities without dividend yield data will be ranked as the lowest.

3. The subsequent index review will incorporate the buffer rules. A non-constituent will be added if its dividend yield rank is at or above the top 55% of the Hong Kong Stock Base Number, rounded to the nearest integer. A current index constituent will be removed if its dividend yield rank falls below 65% of the Hong Kong Stock Base Number, rounded to the nearest integer.

4. Eligible securities will then be ranked by each security's full market capitalisation in descending order. The top 23 ranked securities are selected to form the FTSE Custom Southbound Stock Connect High Dividend Net Tax Index.

Russell 1000 Cash Flow Focus Net Tax Index

The eligible securities of the Russell 1000 Cash Flow Focus Net Tax Index must be the constituents of the Russell 1000 Index[4]. The Russell 1000 Index includes approximately 1000 of the largest stocks listed in the United States based on a combination of their market cap and current index membership.

The eligible securities are then filtered and ranked the following sequence:

1. Industry Classification Benchmark (ICB) sector exclusions: Eligible securities classified by ICB sectors as Banks, Life Insurance, Non-life Insurance, Mortgage Real Estate Investment Trusts and Real Estate Investment Trusts are excluded.

2. Free cash flow screen: Eligible securities with a negative trailing 12-month free cash flow are excluded.

3. Quality screen: Eligible securities ranked within the bottom 20% of lowest quality or with missing data are excluded. Quality is defined as a composite of profitability and leverage. For more details relating to the definition of quality, please refer to the FTSE Global Factor Index Series Ground Rules at https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-global-factor-index-series-ground-rules.pdf.

4. Risk screen: Eligible securities ranked within the top 20% of highest risk or with insufficient/missing return data are excluded. Risk refers to the Low Volatility factor which is defined in the FTSE Global Factor Index Series Ground Rules at https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-

[3] For the details relating to the index rules of FTSE Southbound Stock Connect Index, please refer to https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-southbound-stock-connect-index-series-ground-rules.pdf and the Index Provider's website https://www.lseg.com/en/about-us/ftse-russell (the website has not been reviewed by the Commission).

[4] For the details relating to the index rules of Russell 1000 Index, please refer to https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/russell-us-indexes-construction-and-methodology.pdf and the Index Provider's website https://www.lseg.com/en/about-us/ftse-russell (the website has not been reviewed by the Commission).

rules/ftse-global-factor-index-series-ground-rules.pdf.

5. In the first review, eligible securities are ranked by the latest 12-month free cash flow in descending order. The top 100 securities are selected to form the Russell 1000 Cash Flow Focus Net Tax Index.

6. The subsequent index review will incorporate the buffer rules. A non-constituent will be added at the periodic review if it rises to a rank equal to or above 60. A current index constituent will be removed if it falls to a rank below 140.

Constituent Selection

The constituents of the Underlying Index are selected and weighted based on the following criteria:

1. Selection Criteria:

    a. Hong Kong-listed securities: All 23 constituents of FTSE Custom Southbound Stock Connect High Dividend Net Tax Index

    b. United States-listed securities: All 100 constituents of Russell 1000 Cash Flow Focus Net Tax Index

2. Weighting:

    a. Hong Kong-listed securities: The constituents of FTSE Custom Southbound Stock Connect High Dividend Net Tax Index are weighted in proportion to investable (i.e. free-float adjusted) market capitalisation. At each semi-annual review, the weight of each security is capped at 8%.

    b. United States-listed securities: The constituents of Russell 1000 Cash Flow Focus Net Tax Index are weighted in proportion to free float market capitalisation. Constituents of Russell 1000 Cash Flow Focus Net Tax Index are re-weighted at in March, June, September and December. At each quarterly review, the weight of each security is capped at 5%.

Weighting Allocation

The Underlying Index aims to maintain the following weighting allocation between the Hong Kong-listed securities and the United States-listed securities upon each rebalancing:

a. FTSE Custom Southbound Stock Connect High Dividend Net Tax Index: 65% (i.e., the aggregate weight of Hong Kong-listed constituents will not exceed 65% when combined with the United States-listed constituents)

b. Russell 1000 Cash Flow Focus Net Tax Index: 35% (i.e., the aggregate weight of United States-listed constituents will not exceed 35% when combined with the Hong Kong-listed constituents)

Underlying Index Maintenance and Review

The Underlying Index is reviewed semi-annually in March and September. At the review, the Underlying Index will be reviewed using prices of the Component Indices as at the close of business on the third Friday of the review month and implement the changes after the close of business on the third Friday (i.e. effective the following Monday) of the review month. An additional rebalance will be conducted for the Underlying Index using the prices of the Component Indices as at the close of business on the second last business day of the review month (where the second last business

day of the month falls on a Saturday or Sunday for any individual markets, prices will be taken as at close of the last business day before Saturday). Changes will be effective after the open of the last business day of the review month.

For the avoidance of doubt, the Underlying Index will not be rebalanced/recapped in June and December. The reweighting of the Russell 1000 Cash Flow Focus Net Tax Index in June and December will be incorporated in the Underlying Index with no further capping or adjustment.

Index Securities of the Underlying Index

You can obtain the most updated list of the index constituents of each of the Component Indices with their respective weightings from the website and any additional information and other important news of the Component Indices from the website https://www.lseg.com/en/ftse-russell/index-resources/constituent-weights (this website has not been reviewed by the Commission).

Index code

Bloomberg: CFIECMAR

Index Provider disclaimer

The CSOP FTSE East-West Equity Select ETF has been developed solely by CSOP Asset Management Limited. The CSOP FTSE East-West Equity Select ETF is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the FTSE ETF Connect East-West Succession Equity Select Index (the "Index") vest in the relevant LSE Group company which owns the Index. FTSE® is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under license. 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 CSOP FTSE East-West Equity Select ETF. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the CSOP FTSE East-West Equity Select ETF or the suitability of the Index for the purpose to which it is being put by CSOP Asset Management Limited.

APPENDIX 18

CSOP FTSE HK-Korea Tech+ Index ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 3431

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP FTSE HK-Korea Tech+ Index ETF
Stock Code: 3431

1. KEY INFORMATION

1.1 General

This appendix sets out information specific to the CSOP FTSE HK-Korea Tech+ Index ETF ("**CSOP FTSE HK-Korea Tech+ Index ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in the CSOP FTSE HK-Korea Tech+ Index ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***7. Risk Factors relating to the CSOP FTSE HK-Korea Tech+ Index ETF***" of this Appendix, before investing in the CSOP FTSE HK-Korea Tech+ Index ETF.

Application has been made to the SEHK for the listing of, and permission to deal in, the Units of the CSOP FTSE HK-Korea Tech+ Index ETF. Subject to the compliance with the relevant admission requirements of the HKSCC, Units in the CSOP FTSE HK-Korea Tech+ 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 Units on the SEHK or such other date as may be determined by the HKSCC. Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP FTSE HK-Korea Tech+ Index ETF, and should be read in conjunction with the full text of this Prospectus.

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapter 8.6 of the Code
Underlying Index	FTSE ETF Connect HK-Korea Tech+ Index (net total return version) Launch Date: 28 March 2025 Base Date: 20 March 2020 Number of constituents: 40 (as of 27 February 2026) Base Currency of Underlying Index: Hong Kong dollars (HKD)
Type of Underlying Index	A net total return index which means that it

	reflects the reinvestment of dividends or distributions, after deduction of any withholding tax. The Underlying Index is denominated and quoted in HKD.
Index Provider	FTSE International Limited
Investment Strategy	The Manager will use combination of physical and synthetic representative sampling strategy. Please refer to section "3***. Investment Objective and Strategy***" of this Appendix for further details.
Initial Issue Date	26 September 2025
Listing Date	29 September 2025
Dealing on SEHK Commencement Date	29 September 2025
Exchange Listing	SEHK – Main Board
Stock Code	3431
Stock Short Name	CSOP HKKRTECH
ISIN Number	HK0001197646
Trading Board Lot Size	100 Units
Base Currency	HKD
Trading Currency	HKD
Dividend Policy	The Manager has discretion as to whether or not the CSOP FTSE HK-Korea Tech+ Index ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP FTSE HK-Korea Tech+ Index ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any). The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP FTSE HK-Korea Tech+ Index ETF are charged to/paid out of the capital of the CSOP FTSE HK-Korea Tech+ Index ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP FTSE HK-Korea Tech+ Index ETF and therefore, the CSOP

		FTSE HK-Korea Tech+ Index ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of the CSOP FTSE HK-Korea Tech+ Index ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP FTSE HK-Korea Tech+ Index ETF. Distributions will be in HKD. Please refer to section "***6. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP FTSE HK-Korea Tech+ Index ETF and the risk factor under section "***7.12 Distributions out of or effectively out of capital risk***" in this Appendix for the risk associated with distributions paid out of capital.
Application Unit size for Creation/ Redemption (only by or through Participating Dealers)		Minimum 500,000 Units (or multiples thereof)
Method of Creation/ Redemption		Cash (in HKD) or a combination of cash and in-kind
Parties	Manager	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
	Participating Dealer(s)	Please refer to the Manager's website set out below for the latest list.
	Market Maker(s)	Please refer to the Manager's website set out below for the latest list.
	Service Agent	HK Conversion Agency Services Limited
	Listing Agent	Altus Capital Limited
Financial Year		Ending 31 December each year (The first financial year-end of the CSOP FTSE HK-Korea Tech+ Index ETF will be 31 December 2026. The first semi-annual

	unaudited interim reports and first audited accounts of the CSOP FTSE HK-Korea Tech+ Index ETF will be for the period ending 30 June 2026 and 31 December 2026 respectively.)
Management Fee	Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.99% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Website	https://www.csopasset.com/en/products/hk-ckth (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission)

1.3 Custodian for the CSOP FTSE HK-Korea Tech+ Index ETF

The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee as custodian (the "**Custodian**"), and will be responsible for the safe custody of the CSOP FTSE HK-Korea Tech+ Index ETF's assets.

Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the Custodian. Neither the Custodian nor its delegate (if any) is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "***1.3 Custodian for the CSOP FTSE HK-Korea Tech+ Index ETF***".

1.4 Market Maker

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 of the CSOP FTSE HK-Korea Tech+ Index ETF. 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 to facilitate the efficient trading of Units of the CSOP FTSE HK-Korea Tech+ Index ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker is required to give not less than three months' notice prior to terminating market making arrangement under the relevant market making agreement.

The list of market markers in respect of the CSOP FTSE HK-Korea Tech+ Index ETF is available on https://www.csopasset.com/en/products/hk-ckth and from time to time will be displayed on www.hkex.com.hk.

2. DEALING

2.1 The Initial Offer Period

Units of the CSOP FTSE HK-Korea Tech+ Index ETF will initially be offered only to the Participating Dealer(s) from 9:00 a.m. (Hong Kong time) on 24 September 2025 to 4:00 p.m. (Hong Kong time) on 25 September 2025, unless otherwise extended by the Manager (the "**Initial Offer Period**"). The purpose of the Initial Offer Period is to enable the Participating Dealer(s) to apply for Units on their own account or on behalf of third party Primary Market Investors in accordance with the terms of the Trust Deed and the Operating Guidelines.

Primary Market Investors who are retail investors may only submit a creation request or redemption request through a Participating Dealer or a stockbroker who has opened an account with a Participating Dealer.

Investors should note that the Participating Dealers and the stockbrokers through whom a Creation Application is made may impose an earlier dealing deadline, require other supporting documents for the Creation Application and adopt other dealing procedures different from those set out for the CSOP FTSE HK-Korea Tech+ Index ETF in this Prospectus. For example, the dealing deadline set by the Participating Dealers or the stockbrokers may be earlier than that set out for the CSOP FTSE HK-Korea Tech+ Index ETF in this Prospectus. Investors should therefore check the applicable dealing procedures with the relevant Participating Dealer or stockbroker (as the case may be).

2.2 Extension of the Initial Offer Period

If the Initial Offer Period is extended beyond 25 September 2025, dealings in the Units on the SEHK will commence on the fourth (4th) Business Day following the close of the Initial Offer Period.

2.3 Exchange Listing and Trading

Application has been made to the SEHK for listing of and permission to deal in Units in the CSOP FTSE HK-Korea Tech+ Index ETF.

Currently, Units are expected to be listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on other stock exchanges.

If trading of the Units of the CSOP FTSE HK-Korea Tech+ Index ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Units.

2.4 Buying and Selling of Units of the CSOP FTSE HK-Korea Tech+ Index ETF on SEHK

Dealings on the SEHK in Units of the CSOP FTSE HK-Korea Tech+ Index

ETF issued after the Initial Offer Period are expected to begin on the trading day after the Initial Issue Date.

A Secondary Market Investor can buy and sell the Units of the CSOP FTSE HK-Korea Tech+ Index ETF on the SEHK through his stockbroker at any time the SEHK is open. Units of the CSOP FTSE HK-Korea Tech+ Index ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 100 Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the CSOP FTSE HK-Korea Tech+ Index ETF 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 of the CSOP FTSE HK-Korea Tech+ Index ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the CSOP FTSE HK-Korea Tech+ Index ETF.

Please refer to section "***Schedule 2 – 3. Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of Units on the SEHK.

2.5 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Schedule 2 – 2. Creation and Redemption of Application Units (Primary Market)***" of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP FTSE HK-Korea Tech+ Index ETF only.

The Manager allows Cash and Hybrid (i.e. a combination of Cash and In-Kind Creations and Redemptions) Creations and Redemptions for Units of the CSOP FTSE HK-Korea Tech+ Index ETF. Any cash payable by Participating Dealers in a Cash Creation must be in HKD.

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 Application Unit size for CSOP FTSE HK-Korea Tech+ Index ETF is 500,000 Units (or multiples thereof). Creation Applications submitted in respect of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP FTSE HK-Korea Tech+ Index ETF is one Application Unit.

Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Any cash proceeds received by Participating Dealers in a Cash Redemption shall be paid in HKD only.

2.5.1 Dealing Period

The dealing period on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP FTSE HK-Korea Tech+ Index ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 1:30 p.m. (Hong Kong time) for any cash creation and redemption or 1:30 p.m. (Hong Kong time) for any Hybrid creation and redemption (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.5.2 Issue Price and Redemption Price

In respect of each Creation Application during the Initial Offer Period, the Issue Price of a Unit of any class which is the subject of a Creation Application in relation to the CSOP FTSE HK-Korea Tech+ Index ETF shall be equal to HKD7.8, or such other price as may be determined by the Manager in consultation with the Trustee.

After the Initial Offer Period, the Issue Price of a Unit of any class in the CSOP FTSE HK-Korea Tech+ Index ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units of any class redeemed shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP FTSE HK-Korea Tech+ Index ETF.

The "**Valuation Day**" of the CSOP FTSE HK-Korea Tech+ Index ETF, coincides with, and shall mean, the Dealing Day of the CSOP FTSE HK-Korea Tech+ Index ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's website at https://www.csopasset.com/en/products/hk-ckth (the website has not been reviewed by the Commission) or published in such other publications as the Manager decides.

2.5.3 Dealing Day

In respect of the CSOP FTSE HK-Korea Tech+ Index ETF, "**Dealing Day**" means each Business Day.

"**Business Day**" in respect of the CSOP FTSE HK-Korea Tech+ Index ETF means a day on which (a)(i) the SEHK is open for normal trading; and (ii) the SEHK and the KRX on which the securities comprising or held by the CSOP FTSE HK-Korea Tech+ Index ETF

are traded is open for normal trading, and (b) the Underlying Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

3. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP FTSE HK-Korea Tech+ Index ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the FTSE ETF Connect HK-Korea Tech+ Index (net total return version) (the "**Underlying Index**"). There is no assurance that the CSOP FTSE HK-Korea Tech+ Index ETF will achieve its investment objective.

Investment Strategy

In order to achieve the investment objective of the CSOP FTSE HK-Korea Tech+ Index ETF, the Manager intends to adopt a combination of physical representative sampling and synthetic representative sampling strategy. The CSOP FTSE HK-Korea Tech+ Index ETF will (i) primarily use a physical representative sampling strategy by investing 50% to 100% of its Net Asset Value in Securities constituting the Underlying Index ("**Index Securities**"); and (ii) where the Manager believes such investments are beneficial to the CSOP FTSE HK-Korea Tech+ Index ETF and will help the CSOP FTSE HK-Korea Tech+ Index ETF achieve its investment objective, use a synthetic representative sampling strategy as an ancillary strategy by investing up to 50% of its Net Asset Value in FDIs, which will only be funded total return swaps with one or more counterparties.

<u>Physical representative sampling sub-strategy</u>

The CSOP FTSE HK-Korea Tech+ Index ETF primarily uses a physical representative sampling strategy by investing 50% to 100% of its Net Asset Value in Index Securities. The CSOP FTSE HK-Korea Tech+ Index ETF may invest up to 100% of its Net Asset Value directly in equity securities listed on the SEHK and the Korea Exchange ("**KRX**") stock market.

<u>Synthetic representative sampling sub-strategy</u>

By adopting a synthetic representative sampling sub-strategy, the CSOP FTSE HK-Korea Tech+ Index ETF will only invest up to 50% of its Net Asset Value directly in funded total return swap transaction(s) whereby the CSOP FTSE HK-Korea Tech+ Index ETF will pass on the relevant portion of cash to the swap counterparty(ies) and in return the swap counterparty(ies) will provide the CSOP FTSE HK-Korea Tech+ Index ETF with an exposure to the economic gain/loss in the performance of the Index Securities (net of indirect costs). The Manager will only use a synthetic representative sampling sub-strategy when it considers that such investments are beneficial to the CSOP FTSE HK-Korea Tech+ Index ETF.

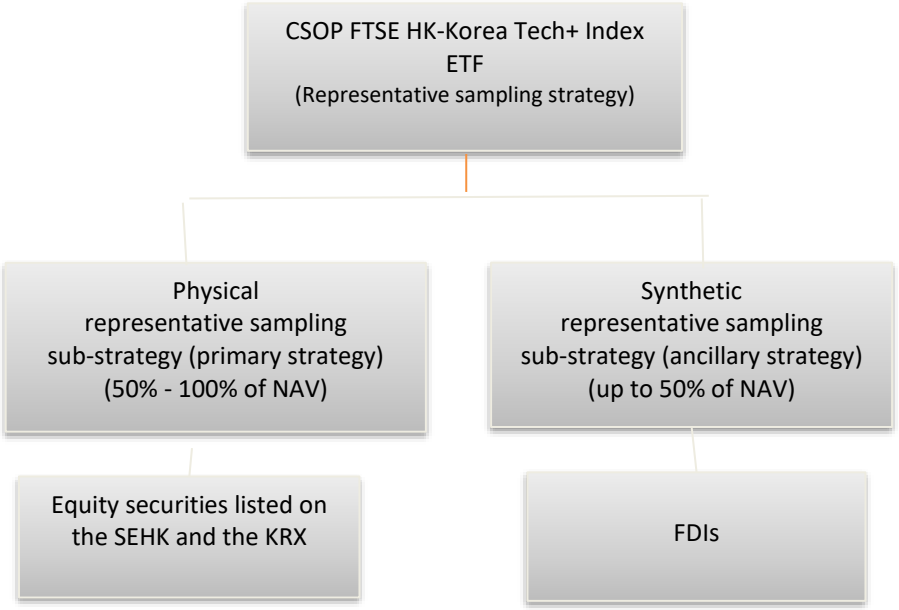
The CSOP FTSE HK-Korea Tech+ Index ETF shall bear the swap fees (including the brokerage commission and any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swaps). The swap fees, which include all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis, represent a variable spread (which can be positive or negative) plus HIBOR which reflects the brokerage commission and the swap counterparty's costs of financing the underlying hedge in order to provide the performance. If the swap fee (HIBOR plus spread) is a positive figure, then it will be borne by the CSOP FTSE HK-Korea Tech+ Index ETF and may

have an adverse impact on its Net Asset Value and the performance of the CSOP FTSE HK-Korea Tech+ Index ETF, and may result in a negative impact on the tracking difference of the CSOP FTSE HK-Korea Tech+ Index ETF. On the contrary, if the swap fee (HIBOR plus spread) is a negative figure, the swap counterparty will pay the swap fee to the CSOP FTSE HK-Korea Tech+ Index ETF and may lead to a positive impact on the tracking difference of the CSOP FTSE HK-Korea Tech+ Index ETF. In extreme market conditions and exceptional circumstances, the brokerage commission and the swap counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the CSOP FTSE HK-Korea Tech+ Index ETF is 0.5% per transaction on the notional amount of the swap unwound.

Exposure of the CSOP FTSE HK-Korea Tech+ Index ETF to the Index Securities (either through direct investment or FDIs) will be in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index. The Manager may cause the CSOP FTSE HK-Korea Tech+ Index ETF 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 Commission.

The full holdings of the CSOP FTSE HK-Korea Tech+ Index ETF are available on the Manager's website and will be updated on a daily basis.

The diagram below shows the investment strategies of the CSOP FTSE HK-Korea Tech+ Index ETF:



<u>Other investments</u>

The CSOP FTSE HK-Korea Tech+ Index ETF may also invest not more than 5% of its Net Asset Value in cash and money market funds for cash management purpose.

No more than 30% of the CSOP FTSE HK-Korea Tech+ Index ETF's Net Asset Value may be invested in collective investment scheme which may be authorised by the Commission in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the CSOP FTSE HK-Korea Tech+ Index ETF's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investments in exchange traded funds will be considered and treated as

collective investment schemes for the purposes of and subject to the requirements in 7.11A and 7.11B of the Code.

Other than as set out above, the CSOP FTSE HK-Korea Tech+ Index ETF may also invest in FDIs for hedging purposes.

The CSOP FTSE HK-Korea Tech+ Index ETF will not enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions. Prior approval of the SFC (to the extent required under applicable regulatory requirements) will be sought and not less than one month's prior notice (or such shorter notice period as may be permitted under applicable regulatory requirements) will be given to Unitholders in the event the Manager wishes to enter into such transactions.

3A. SECURITIES LENDING TRANSACTIONS

The Manager may, on behalf of the CSOP FTSE HK-Korea Tech+ Index ETF, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value. The Manager will be 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 CSOP FTSE HK-Korea Tech+ Index ETF and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1 in Part 1 of this Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the CSOP FTSE HK-Korea Tech+ Index ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus) of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis and be safekept by the Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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. Any reinvestment of cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent the CSOP FTSE HK-Korea Tech+ Index ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP FTSE HK-Korea Tech+ Index ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to the section "***7.9 Securities lending transactions risk***" of this Appendix for further details.

4. OVERVIEW OF KOREA CAPITAL MARKET AND TECHNOLOGY SECTOR

The Korea Exchange (KRX) was established in 2005 through the merger of the Korea Stock Exchange (founded in 1956), the KOSDAQ Market (launched in 1996 for tech and venture firms), and the Korea Futures Exchange. The KRX operates three equity market segments, namely the KOSPI Market, the KOSDAQ Market and the KONEX Market. The KOSPI Market serves as the main board and is largely comprised of large-cap and blue-chip companies. The KOSDAQ Market focuses mainly on startup companies as well as SMEs in such tech-savvy area as IT (information technology), BT (bio technology) and CT (culture technology). The KONEX Market is a new market established in 2013 for small- and medium-sized enterprises exclusively in order to form the basis of creative economy by reinforcing support through the capital market for SMEs at the early stage. As of 8 April 2026, there are 2,769 listed companies across the equity markets in the KRX, with a total market capitalisation of KRW 5,444 trillion.

The key trading information of the Korean stock market are as follows:

Key indexes	KOSPI / KOSPI 200 / KOSDAQ
Trading hours (Korea Standard Time)	Pre-hours session: 0800-0900 Regular trading session: 0900-1530 After-hours session: 1540-1800
Trading lot size	1 share
Settlement	T+2
Daily price limit	For the KOSPI and the KOSDAQ Markets: +/-30% For the KONEX Market: +/-15%
Circuit breakers	The 3 phases of circuit breakers in the KOSPI and the KOSDAQ Markets are below: • Phase 1: If the index (KOSPI or KOSDAQ Index) decreases by 8% or more from the previous day's closing price for one minute, the trading of the market will be suspended for 20 minutes. • Phase 2: If the index (KOSPI or KOSDAQ Index) decreases by 15% or more from the previous day's closing price for one minute and the index decreases by an additional 1% from the time the first set of circuit breaker is exercised. The trading of the market will be suspended for 20 minutes. • Phase 3: If the index (KOSPI or KOSDAQ Index) decreases by 20% or more from the previous day's closing price for one minute and the index decreases by an additional 1% from the time the second set of circuit breaker is exercised. The trading of the market will be suspended for the remainder of the day with no off-market trading. The implementation of each phase of circuit breakers is limited to one time in one day. Phases 1 and 2 are not triggered during 40 minutes before the market closing whereas phase 3 is triggered during that time period.
Volatility interruption	When the price changes by 10% or more from the previous single price execution (static VI), or the newly executed price is +/-2~6%* than the previously latest executed price (dynamic VI), a two-minute cooling period (periodic call auction for 2 minutes) will be triggered.

Note:
** Percentage differs depending on its market or the trading hours.*

For more information, please refer to the KRX's website: https://global.krx.co.kr/main/main.jsp (which has not been reviewed by the SFC).

Korea's technology sector plays a pivotal role in the national economy, underpinned by sustained investment in advanced fields such as semiconductors, next-generation networks, and artificial intelligence. Leveraging its strength in high-tech manufacturing, the country has built a robust export engine. In 2024, Korea's total exports reached an all-time high of USD 683.8 billion, driven primarily by semiconductors and electronic devices. Semiconductor exports alone rose 43.9% year-on-year to USD 141.9 billion, accounting for approximately 20.7% of Korea's total exports and about 7.9% of its nominal GDP, which stood at an estimated USD 1.8 trillion in 2024, according to the World Bank. These figures highlight the sector's systemic importance to both the Korean economy and the global technology supply chain. In equity market terms, this prominence is also reflected in widely used market benchmarks: within the FTSE Korea Index, Technology and Telecommunications carry a total of 43.61% weight, underscoring the market's high concentration in technology and the extent to which tech fundamentals transmit through cycles to overall index returns.

Within this context, Korea maintains its leadership position in the global memory semiconductor industry, with prominent companies such as Samsung Electronics and SK Hynix. Specifically, Samsung Electronics engages across a comprehensive range of products, including dynamic random-access memory ("**DRAM**"), NAND, high-bandwidth memory ("**HBM**"), and logic/foundry semiconductors, while also maintaining global leadership in consumer electronics such as smartphones, televisions, and displays. SK Hynix, meanwhile, specializes in memory products, including DRAM, NAND, and HBM, catering to high-performance applications such as servers and AI data centers, and supplies key international hyperscalers and device manufacturers. Together, Samsung Electronics and SK Hynix command more than a 70% global market share in memory semiconductors, supported by scale, sustained technology leadership, and capital-intensive investments in AI-driven HBM. Consistent with the sector's market footprint indicated by major indices, both companies have consistently ranked as the top two stocks by market capitalization and were the most net-bought equities domestically across investor categories over the past year, reinforcing the pivotal role of leading tech franchises in Korea's capital markets.

5. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of the CSOP FTSE HK-Korea Tech+ Index ETF to acquire investments, to redeem Units or to pay expenses relating to the CSOP FTSE HK-Korea Tech+ Index ETF.

6. DISTRIBUTION POLICY

The Manager has discretion as to whether or not the CSOP FTSE HK-Korea Tech+ Index ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP FTSE HK-Korea Tech+ Index ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP FTSE HK-Korea Tech+ Index ETF are charged to/paid out of the capital of the CSOP FTSE HK-Korea Tech+ Index ETF, resulting in an increase in distributable income for the payment of dividends

by the CSOP FTSE HK-Korea Tech+ Index ETF and therefore, the CSOP FTSE HK-Korea Tech+ Index ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of or effectively out of the CSOP FTSE HK-Korea Tech+ Index ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP FTSE HK-Korea Tech+ Index ETF and will reduce any capital appreciation for the Unitholders of the CSOP FTSE HK-Korea Tech+ Index ETF.**

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-ckth (this website has not been reviewed by the Commission).

The distribution policy may be amended subject to the Commission's prior approval (where required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared and paid in HKD only. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-ckth (this website has not been reviewed by the Commission) and on HKEX's website.

There can be no assurance that a distribution will be paid.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

7. RISK FACTORS RELATING TO THE CSOP FTSE HK-KOREA TECH+ INDEX ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP FTSE HK-Korea Tech+ Index ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP FTSE HK-Korea Tech+ Index ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP FTSE HK-Korea Tech+ Index ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

7.1 Equity market risk

The CSOP FTSE HK-Korea Tech+ Index ETF'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.

Please also refer to the risk factor "***Investment risks – Equity Risk***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

7.2 New index risk

The Underlying Index is a new index. The CSOP FTSE HK-Korea Tech+ Index ETF may be riskier than other funds tracking more established indices with longer operating history.

7.3 Geographical concentration risk

Insofar as the investments in Index Securities are concerned, the constituents of the Underlying Index, and accordingly the CSOP FTSE HK-Korea Tech+ Index ETF's investments, are concentrated two geographical regions/countries (Hong Kong and Korea). The value of the CSOP FTSE HK-Korea Tech+ Index ETF 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 and the Korean markets.

7.4 Sector concentration risks

The constituents of the Underlying Index, and accordingly the CSOP FTSE HK-Korea Tech+ Index ETF's investments, are concentrated in companies in technology sector themes. The value of the CSOP FTSE HK-Korea Tech+ Index ETF 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. Many of the companies in the technology sector themes have a relatively short operating history. Companies in the technology sector themes are often characterised by relatively higher volatility in price performance when compared to other economic sectors. Companies in the technology sector themes 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 CSOP FTSE HK-Korea Tech+ Index ETF may be exposed to risks associated with different technology sectors and themes (including computer services, software, consumer digital services, semiconductors, electronic components, production technology equipment, computer hardware, telecommunications equipment, electronic entertainment, diversified retailers, drug retailers). A downturn in the business for companies in these sectors or themes may have adverse effects on the CSOP FTSE HK-Korea Tech+ Index ETF.

7.5 Large/mega-capitalisation companies risk

Some of the constituents of the Underlying Index are large/mega-capitalisation companies that are relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. They may struggle with flexibility to respond quickly to disruptions and changes in trends.

The high valuation of large/mega-capitalisation companies can make them more susceptible to market corrections, downturns and changes in interest rates. Moreover, large/mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment.

Large/mega-capitalisation companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

7.6 Risks associated with investment in FDIs

The CSOP FTSE HK-Korea Tech+ Index ETF's synthetic representative sampling strategy will involve investing up to 50% of its Net Asset Value in funded total return swaps. In the case of swaps, the CSOP FTSE HK-Korea Tech+ Index ETF may suffer significant loss if a swap counterparty fails to perform its obligations, or in case of insolvency or default of the swap 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 CSOP FTSE HK-Korea Tech+ Index ETF. Exposure to FDIs may lead to a high risk of significant loss by the CSOP FTSE HK-Korea Tech+ Index ETF.

Please also refer to the risk factor "***Investment risks – Financial Derivative Instruments and Collateral Risks***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the CSOP FTSE HK-Korea Tech+ Index ETF will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the CSOP FTSE HK-Korea Tech+ Index ETF. Please also refer to the headings "***Financial Derivative Instruments***" and "***Collateral***" under Schedule 1 in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

7.7 Synthetic representative sampling risk

The Manager seeks to mitigate the counterparty risks by fully collateralising all counterparty exposures. There is a risk that the value of the collateral may be substantially lower than the amount secured and so the CSOP FTSE HK-

Korea Tech+ Index ETF may suffer significant losses. Any loss would result in a reduction in the Net Asset Value of the CSOP FTSE HK-Korea Tech+ Index ETF and impair the ability of the CSOP FTSE HK-Korea Tech+ Index ETF to achieve its investment objective to track the Underlying Index.

In the case of funded swaps, the CSOP FTSE HK-Korea Tech+ Index ETF may suffer significant losses if the counterparty fails to perform its obligations under the funded swap. The value of the collateral assets may be affected by market events and may diverge substantially from the performance of the Underlying Index, which may cause the CSOP FTSE HK-Korea Tech+ Index ETF's exposure to the swap counterparty to be under-collateralised and therefore result in significant losses.

7.8 Risks relating to the Underlying Index of CSOP FTSE HK-Korea Tech+ Index ETF

The CSOP FTSE HK-Korea Tech+ Index ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's licence from the Index Provider under the relevant Licence Agreement is terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. Please refer to section "***14. Replacement of the Underlying Index***" below on the circumstances in which the Underlying Index may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP FTSE HK-Korea Tech+ Index ETF 's investment objective.

The Manager has been granted a licence by the Index Provider to use the Underlying Index as a basis for determining the composition of the CSOP FTSE HK-Korea Tech+ Index ETF and to use certain trade marks in the Underlying Index. The licence granted shall take effect from the effective date of the Licence Agreement (i.e. 1 September 2025), and shall continue until terminated pursuant to the agreement. There is no guarantee that the Licence Agreement will be perpetually renewed.

The CSOP FTSE HK-Korea Tech+ Index ETF may be terminated if the Underlying Index is discontinued and/or the Licence Agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria under Chapter 8.6(e) of the Code. Any such replacement index will be subject to the prior approval of the Commission under the Code and Unitholders will be duly notified of the same. Accordingly, investors should note that the ability of the CSOP FTSE HK-Korea Tech+ Index ETF to track the Underlying Index depends on the continuation in force of the Licence Agreement in respect of the Underlying Index or a suitable replacement. The CSOP FTSE HK-Korea Tech+ Index ETF may also be terminated if the Underlying Index ceases to be compiled

or published and there is no replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index.

The Manager and the Index Provider may by mutual agreement terminate or postpone the parties' obligations under the Licence Agreement upon the occurrence of a force majeure event such that the terms of the Licence Agreement can no longer be performed. There is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

For further information on the grounds for terminating the Licence Agreement in respect of the Underlying Index, please refer to section "***12. Index Licence Agreement***" in this Appendix.

(ii) There may be changes in the constituent securities of the Underlying Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the CSOP FTSE HK-Korea Tech+ Index ETF, the Manager may rebalance portfolio of the CSOP FTSE HK-Korea Tech+ Index ETF. The price of the Units may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to the section "***15. The Underlying Index***" of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

7.9 Securities lending transactions risk

Collateral risk

As part of the securities lending transactions, the CSOP FTSE HK-Korea Tech+ Index ETF 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 CSOP FTSE HK-Korea Tech+ Index ETF if the borrower fails to return the securities lent out. The CSOP FTSE HK-Korea Tech+ Index ETF 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 CSOP FTSE HK-Korea Tech+ Index ETF 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.

7.10 Risks of investing in other collective investment schemes

The CSOP FTSE HK-Korea Tech+ Index ETF may invest in other collective investment schemes, and may therefore be subject to the risks associated with such underlying schemes. The CSOP FTSE HK-Korea Tech+ Index ETF does not have control of the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which may have a negative impact to the Net Asset Value of the CSOP FTSE HK-Korea Tech+ Index ETF.

Any tracking error of these underlying schemes will also contribute to the tracking error of the CSOP FTSE HK-Korea Tech+ Index ETF. In addition, the tax provision made by the other collective investment schemes may be more or less than their actual tax liabilities. Any shortfall of such tax provision may adversely affect the performance of such other collective investment schemes.

The underlying schemes in which the CSOP FTSE HK-Korea Tech+ Index ETF may invest may not be authorised by the Commission. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the CSOP FTSE HK-Korea Tech+ Index ETF's redemption requests as and when made.

If the CSOP FTSE HK-Korea Tech+ Index ETF invests in other active or passive investment products managed by the Manager or Connected Person of the Manager, all initial charges and redemption charges on these listed or unlisted 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 case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

7.11 Foreign exchange risk

The base currency of the CSOP FTSE HK-Korea Tech+ Index ETF is HKD but a portion of the CSOP FTSE HK-Korea Tech+ Index ETF's assets are invested in securities denominated in currency other than HKD (i.e., South Korean won). If a substantial portion of the revenue and income of the CSOP FTSE HK-Korea Tech+ Index ETF is received in a currency other than HKD, any fluctuation in the exchange rate of the HKD relative to the relevant foreign currency will affect the Net Asset Value of the CSOP FTSE HK-Korea Tech+ Index ETF denominated in HKD regardless of the performance of its underlying portfolio. Investors are therefore, subject to the fluctuation of the exchange rate of the HKD and the currency of denomination of the underlying

assets of the CSOP FTSE HK-Korea Tech+ Index ETF.

7.12 Distributions out of or effectively out of capital risk

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP FTSE HK-Korea Tech+ Index ETF are charged to/paid out of the capital of the CSOP FTSE HK-Korea Tech+ Index ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP FTSE HK-Korea Tech+ Index ETF and therefore, the CSOP FTSE HK-Korea Tech+ Index ETF may effectively pay dividends out of the capital. Investors should note that payment of distributions out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that amount. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the CSOP FTSE HK-Korea Tech+ Index ETF.

7.13 Other risks

Operating risk. There is no assurance that the performance of the CSOP FTSE HK-Korea Tech+ Index ETF will be identical to the performance of the Underlying Index. The level of fees, taxes and expenses payable by the CSOP FTSE HK-Korea Tech+ Index ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP FTSE HK-Korea Tech+ Index ETF can be estimated, the growth rate of the CSOP FTSE HK-Korea Tech+ Index ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP FTSE HK-Korea Tech+ Index ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP FTSE HK-Korea Tech+ Index ETF. On the termination of the CSOP FTSE HK-Korea Tech+ Index ETF, the CSOP FTSE HK-Korea Tech+ Index ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

No market in the Units risk. Although the Units are to be listed on the SEHK and 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 the Units, investors should be aware that 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 other ETFs which are traded on the SEHK and which are based upon indices.

Termination of market maker risk. A market maker may cease to act as a market maker for the CSOP FTSE HK-Korea Tech+ Index ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Units of the CSOP FTSE HK-Korea Tech+ Index ETF will be no less than three months. The liquidity for the Units of the CSOP FTSE HK-Korea Tech+ Index ETF may be affected if there is no market maker for the Units. The Manager will use its best endeavours to put in place arrangements so that there is at

least one market maker for the CSOP FTSE HK-Korea Tech+ Index ETF to facilitate efficient trading of Units. It is possible that there is only one market maker for the CSOP FTSE HK-Korea Tech+ Index ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. Units will be a new security and following listing on the SEHK, it is unlikely that the Units will initially be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Units in the secondary market. Therefore, Unitholders may not be able to sell their Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Units.

Tracking error risk. The CSOP FTSE HK-Korea Tech+ Index ETF may be subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index. Factors such as the fees and expenses of the CSOP FTSE HK-Korea Tech+ Index ETF, imperfect correlation between the CSOP FTSE HK-Korea Tech+ Index ETF's assets and the Index Securities, inability to rebalance the CSOP FTSE HK-Korea Tech+ Index ETF's holdings of Index Securities in response to changes in the constituents of the Underlying Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. These factors may cause the CSOP FTSE HK-Korea Tech+ Index ETF's returns to deviate from the Underlying Index.

Trading difference risk. As the KRX may be open when Units in the CSOP FTSE HK-Korea Tech+ Index ETF are not priced, the value of the securities in the CSOP FTSE HK-Korea Tech+ Index ETF's portfolio may change on days when investors will not be able to purchase or sell the Units. Differences in trading hours between the KRX and the SEHK may also increase the level of premium or discount of the Unit price to its Net Asset Value.

8. FEES AND CHARGES

8.1 Management Fees

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum of the Net Asset Value of the CSOP FTSE HK-Korea Tech+ Index ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

8.2 Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee.

The Trustee's fee is inclusive of the fees payable to the Custodian.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP FTSE HK-Korea Tech+ Index ETF all out-of-pocket expenses incurred.

8.3 Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP FTSE HK-Korea Tech+ Index ETF. For any period less than a month, the reconciliation fee is payable by the CSOP FTSE HK-Korea Tech+ Index ETF on a pro-rata basis and accrues on a daily basis.

8.4 Other Charges and Expenses of CSOP FTSE HK-Korea Tech+ Index ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP FTSE HK-Korea Tech+ Index ETF.

8.5 Establishment costs of CSOP FTSE HK-Korea Tech+ Index ETF

The establishment costs of the CSOP FTSE HK-Korea Tech+ Index ETF are estimated to be not exceeding HKD600,000; such costs shall be borne by the CSOP FTSE HK-Korea Tech+ Index ETF (unless otherwise determined by the Manager) and amortised over the first five financial years of CSOP FTSE HK-Korea Tech+ Index ETF or such other period as determined by the Manager after consulting the auditor.

8.6 Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarised in the respective tables below:

8.6.1 Participating Dealers

Creation and Redemption of Units by a Participating Dealer

Application Cancellation Fee	HKD10,000 per cancellation *(See Note 1)*
Extension Fee	HKD10,000 per extension *(See Note 1)*
Transaction Fee	HKD3,900 per Application *(See Note 2)*

Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges.

8.6.2 Primary Market Investors creating or redeeming Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

8.6.3 Secondary Market Investors Dealing in Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% *(see Note 4 and Note 9)*
Accounting and Financial Reporting Council ("**AFRC**") transaction levy	0.00015% of the trading price *(see Note 5)*
Trading fee	0.00565% *(see Note 6 and Note 9)*
Stamp duty	Nil *(see Note 7)*
Investor compensation levy	0.002% (currently suspended) *(see Note 8)*

Note:

1. The Application Cancellation Fee of HKD10,000 and the Extension Fee of HKD10,000 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.
2. A Transaction Fee of HKD3,900 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.
3. A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry

deposit transaction or book-entry withdrawal transaction.

4. A transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.
5. An AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.
6. A trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.
7. For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the CSOP FTSE HK-Korea Tech+ Index ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.
8. The investor compensation levy of the trading price of the Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.
9. The transaction levy and trading fee will be paid by intermediaries to HKEX in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.

   Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of the documents that are available for inspection.

10. TERMINATION OF CSOP FTSE HK-KOREA TECH+ INDEX ETF

Without prejudice to the grounds of termination as set out in the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP FTSE HK-Korea Tech+ Index ETF shall be less than HKD100 million, the CSOP FTSE HK-Korea Tech+ Index ETF and/or any classes of Units relating to the CSOP FTSE HK-Korea Tech+ Index ETF may be terminated by the Manager in its absolute discretion by notice in writing.

11. PUBLICATION OF INFORMATION RELATING TO THE CSOP FTSE HK-KOREA TECH+ INDEX ETF

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for the information relating to the CSOP FTSE HK-Korea Tech+ Index ETF that will be published on the Manager's website and HKEX's website.

12. INDEX LICENCE AGREEMENT

According to the licence agreement entered into between the Manager and the Index Provider (the "**Licence Agreement**"), the initial term of the licence of the Underlying Index shall remain in full force and effect for 12 months from 1 September 2025. The

Licence Agreement shall be automatically renewed for 12 months unless either party to the Licence Agreement serves a written notice of the termination of at least 3 months prior to the end of the then current term to the other party. The Licence Agreement may otherwise be terminated in accordance with the provisions of the Licence Agreement.

13. MATERIAL CHANGES TO THE UNDERLYING INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

14. REPLACEMENT OF THE UNDERLYING INDEX

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;
(b) the licence to use the Underlying Index being terminated;
(c) a new index becoming available that supersedes the existing Underlying 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 Underlying Index;
(e) investing in the Index Securities comprised within the Underlying 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 Underlying Index having in the opinion of the Manager, deteriorated;
(h) a significant modification of the formula or calculation method of the Underlying 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 CSOP FTSE HK-Korea Tech+ Index ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to (i) the use by the CSOP FTSE HK-Korea Tech+ Index ETF of the Underlying Index and/or (ii) the name of CSOP FTSE HK-Korea Tech+ Index ETF will be notified to investors.

15. THE UNDERLYING INDEX

This section is a brief overview of the Underlying Index. It contains a summary of the principal features of the Underlying Index and is not a complete description of the Underlying Index. As of the date of this Prospectus, the summary of the Underlying Index in this section is accurate and consistent with the complete description of the Underlying Index. Complete information on the Underlying Index appears on the

website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Underlying Index

The Underlying Index is designed to follow the frameworks of HKEX ETF Connect rules, with exposure in Stock Connect Southbound eligible technology-focused stocks that are listed in Hong Kong and leading technology stocks in the South Korea market.

The Underlying Index is denominated and quoted in HKD.

The Underlying 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 Underlying Index is a free float-adjusted market capitalisation weighted index. A maximum of the top 20 technology-focused SEHK listed securities and the top 20 technology-focused KRX listed securities in terms of market capitalisation will be selected as index constituents. Both the SEHK and KRX listed securities are free float-adjusted market capitalisation weighted in the Underlying Index within the weighting allocation (as described under the heading "Index constituents selection and reviews" below).

The Underlying Index was launched on 28 March 2025 and had a base level of 1,000 as of 20 March 2020. As of 27 February 2026, the Underlying Index consists of 40 stocks with full market capitalization of HKD 23,649.88 billion.

Index Provider

The Underlying Index is compiled and managed by FTSE International Limited (the "**Index Provider**").

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index constituents selection and reviews

Index Universe

The index universe of the Underlying Index consists of constituents in FTSE Southbound Stock Connect Tech+ 20 Capped Index and constituents in FTSE Korea Tech+ 20 Capped Index (each a "**Component Index**", collectively, the "**Component Indices**")[1]. The Component Indices are part of the FTSE Asia Tech+ Index Series, which is designed to represent the performance of the tech-related companies listed on selected Asian markets.

Securities that are constituents of FTSE Southbound Stock Connect Index[2] which are listed in Hong Kong are eligible for inclusion in FTSE Southbound Stock Connect Tech+ 20 Capped Index.

[1] For the details relating to the index rules of FTSE Southbound Stock Connect Tech+ 20 Capped Index and FTSE Korea Tech+ 20 Capped Index, please refer to https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-asia-tech-plus-index-series-ground-rules.pdf and the Index Provider's website https://www.lseg.com/en/about-us/ftse-russell (the website has not been reviewed by the Commission).

[2] For the details relating to the index rules of FTSE Southbound Stock Connect Index, please refer to https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-southbound-stock-connect-index-series-ground-rules.pdf and the Index Provider's website https://www.lseg.com/en/about-us/ftse-russell (the website has not been reviewed by the Commission).

Securities that are constituents of FTSE Asia Pacific Index[3] which are listed in South Korea are eligible for inclusion in FTSE Korea Tech+ 20 Capped Index.

Constituents classified under select Industry Classification Benchmark ("**ICB**") subsectors will be considered eligible for inclusion in the Component Indices. Constituents under certain ICB subsectors will be subject to additional inclusion criteria based on its classification as defined by The Reference data Business Classification ("**TRBC**") to be considered eligible for inclusion.

ICB Subsector Code	ICB Subsector Name	TRBC Activity Code	TRBC Activity Name
10101010	Computer Services		
10101015	Software		
10101020	Consumer Digital Services		
10102010	Semiconductors		
10102015	Electronic Components		
10102020	Production Technology Equipment		
10102030	Computer Hardware		
15101010	Telecommunications Equipment		
40203040	Electronic Entertainment		
40401010	Diversified Retailers	5720103013 5340201013	E-commerce & Auction Services Internet & Mail Order Department Stores
45201015	Drug Retailers	5430101010	Drug Retailers (NEC)

At review, all constituents of the Component Indices must be existing or pending constituents to the FTSE Southbound Stock Connect Index or FTSE Asia Pacific Index.

Separately for each Component Index, the eligible securities are ranked by company full market capitalisation (before the application of any investability weightings). A constituent will be added to a Component Index if it rises to the 15th position or above. A constituent in a Component Index will be deleted at the periodic review if it falls to the 26th position or below.

A constant number of constituents will be maintained at review.

[3] For the details relating to the index rules of FTSE Asia Pacific Index, please refer to https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-global-equity-index-series-ground-rules.pdf and the Index Provider's website https://www.lseg.com/en/about-us/ftse-russell (the website has not been reviewed by the Commission).

In the event that multiple securities from the same company are eligible to fulfil the last few vacancies of the Component Indices, the eligible securities will be added to the Component Indices in accordance to the corresponding investable market capitalisation, from highest to lowest, until the required constant number of vacancies are filled.

The Component Indices may contain fewer than the target number of constituents at review if there are insufficient eligible securities meeting the inclusion criteria. In such cases, no minimum number of stocks is required, and the index will continue to be maintained and calculated in accordance with the methodology.

The target number of constituents in each of the Component Indices is 20.

Constituent Selection

The constituents of the Underlying Index are selected and weighted based on the following criteria:

1. Selection Criteria:

    a. Hong Kong-listed securities: All constituents of FTSE Southbound Stock Connect Tech+ 20 Capped Index.

    b. Korea-listed securities: All constituents of FTSE Korea Tech+ 20 Capped Index.

2. Weighting:

    a. Hong Kong-listed securities: The constituents of FTSE Southbound Stock Connect Tech+ 20 Capped Index are weighted in proportion to investable (i.e. free-float adjusted) market capitalisation. At each semi-annual review, the weight of each security is capped at 10%.

    b. Korea-listed securities: The constituents of FTSE Korea Tech+ 20 Capped Index are weighted in proportion to investable (i.e. free-float adjusted) market capitalisation. At each semi-annual review, the weight of each security is capped at 15%.

Weighting Allocation

The Underlying Index aims to maintain the following weighting allocation between the Hong Kong listed-securities and the Korea-listed securities upon each rebalancing:

a. FTSE Southbound Stock Connect Tech+ 20 Capped Index: 65% (i.e., the aggregate weight of Hong Kong-listed constituents will not exceed 65% when combined with the Korea-listed constituents)

b. FTSE Korea Tech+ 20 Capped Index: 35% (i.e., the aggregate weight of Korea-listed constituents will not exceed 35% when combined with the Hong Kong-listed constituents)

Underlying Index Maintenance and Review

The Underlying Index is reviewed semi-annually in March and September. At the review, the Underlying Index will be reviewed using prices of the Component Indices as at the close of business on the third Friday of the review month and implement the changes after the close of business on the third Friday (i.e. effective the following Monday) of the review month. An additional rebalance will be conducted for the Underlying Index using the prices of the underlying Component Indices as at the close

of business on the second last business day of the review month (where the second last business day of the month falls on a Saturday or Sunday for any individual markets, prices will be taken as at close of the last business day before Saturday). Changes will be effective after the open of the last business day of the review month.

Index Securities of the Underlying Index

You can obtain the most updated list of the index constituents of each of the Component Indices with their respective weightings from the website and any additional information and other important news of the Component Indices from the website https://www.lseg.com/en/ftse-russell/index-resources/constituent-weights (this website has not been reviewed by the Commission).

Index code

Bloomberg: CFIIECHU

Index Provider disclaimer

The CSOP FTSE HK-Korea Tech+ Index ETF has been developed solely by CSOP Asset Management Limited. The CSOP FTSE HK-Korea Tech+ Index ETF is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the FTSE ETF Connect HK-Korea Tech+ Index (the "Index") vest in the relevant LSE Group company which owns the Index. FTSE® is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under license. 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 CSOP FTSE HK-Korea Tech+ Index ETF. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the CSOP FTSE HK-Korea Tech+ Index ETF or the suitability of the Index for the purpose to which it is being put by CSOP Asset Management Limited.

APPENDIX 19

CSOP Hang Seng Stock Connect High Dividend ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 3469

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP Hang Seng Stock Connect High Dividend ETF
Stock Code: 3469

1. KEY INFORMATION

1.1 General

This appendix sets out information specific to the CSOP Hang Seng Stock Connect High Dividend ETF ("**CSOP Hang Seng Stock Connect High Dividend ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in the CSOP Hang Seng Stock Connect High Dividend ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***6. Risk Factors relating to the CSOP Hang Seng Stock Connect High Dividend ETF***" of this Appendix, before investing in the CSOP Hang Seng Stock Connect High Dividend ETF.

Application has been made to the SEHK for the listing of, and permission to deal in, the Units of the CSOP Hang Seng Stock Connect High Dividend ETF. Subject to the compliance with the relevant admission requirements of the HKSCC, Units in the CSOP Hang Seng Stock Connect High Dividend 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 Units on the SEHK or such other date as may be determined by the HKSCC. Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP Hang Seng Stock Connect High Dividend ETF, and should be read in conjunction with the full text of this Prospectus.

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapter 8.6 of the Code
Underlying Index	Hang Seng SCHK High Dividend Low Volatility Index (net total return version) Launch Date: 8 May 2017 Base Date: 3 September 2010 Number of constituents: 49 (as of 27 February 2026) Base Currency of Underlying Index: Hong Kong dollars (HKD)

Type of Underlying Index	A net total return index which means that it reflects the reinvestment of dividends or distributions, after deduction of any withholding tax. The Underlying Index is denominated and quoted in HKD.
Index Provider	Hang Seng Indexes Company Limited
Investment Strategy	The Manager will use combination of physical and synthetic representative sampling strategy. Please refer to section "3***. Investment Objective and Strategy***" of this Appendix for further details.
Initial Issue Date	29 September 2025
Listing Date	30 September 2025
Dealing on SEHK Commencement Date	30 September 2025
Exchange Listing	SEHK – Main Board
Stock Code	3469
Stock Short Name	CSOP SCHIGHDIV
ISIN Number	HK0001197653
Trading Board Lot Size	100 Units
Base Currency	HKD
Trading Currency	HKD
Dividend Policy	The Manager has discretion as to whether or not the CSOP Hang Seng Stock Connect High Dividend ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP Hang Seng Stock Connect High Dividend ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any). The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Hang Seng Stock Connect High Dividend ETF are charged to/paid out of the capital of the CSOP Hang Seng Stock Connect High Dividend ETF, resulting in an increase in distributable

		income for the payment of dividends by the CSOP Hang Seng Stock Connect High Dividend ETF and therefore, the CSOP Hang Seng Stock Connect High Dividend ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of the CSOP Hang Seng Stock Connect High Dividend ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP Hang Seng Stock Connect High Dividend ETF. Distributions will be in HKD. Please refer to section "***5. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP Hang Seng Stock Connect High Dividend ETF and the risk factor under section "***6.14 Distributions out of or effectively out of capital risk***" in this Appendix for the risk associated with distributions paid out of capital.
Application Unit size for Creation/ Redemption (only by or through Participating Dealers)		Minimum 500,000 Units (or multiples thereof)
Method of Creation/ Redemption		Cash (in HKD) or in-kind
Parties	Manager	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
	Participating Dealer(s)	Please refer to the Manager's website set out below for the latest list.
	Market Maker(s)	Please refer to the Manager's website set out below for the latest list.
	Service Agent	HK Conversion Agency Services Limited

Listing Agent	Altus Capital Limited
Financial Year	Ending 31 December each year (The first financial year-end of the CSOP Hang Seng Stock Connect High Dividend ETF will be 31 December 2026. The first semi-annual unaudited interim reports and first audited accounts of the CSOP Hang Seng Stock Connect High Dividend ETF will be for the period ending 30 June 2026 and 31 December 2026 respectively.)
Management Fee	Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.99% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Website	https://www.csopasset.com/en/products/hk-cdvd (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission)

1.3 Custodian for the CSOP Hang Seng Stock Connect High Dividend ETF

The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee as custodian (the "**Custodian**"), and will be responsible for the safe custody of the CSOP Hang Seng Stock Connect High Dividend ETF's assets.

Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the Custodian. Neither the Custodian nor its delegate (if any) is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "***1.3 Custodian for the CSOP Hang Seng Stock Connect High Dividend ETF***".

1.4 Market Maker

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 of the CSOP Hang Seng Stock Connect High Dividend ETF. 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 to facilitate the efficient trading of Units of the CSOP Hang

Seng Stock Connect High Dividend ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker is required to give not less than three months' notice prior to terminating market making arrangement under the relevant market making agreement.

The list of market markers in respect of the CSOP Hang Seng Stock Connect High Dividend ETF is available on https://www.csopasset.com/en/products/hk-cdvd and from time to time will be displayed on www.hkex.com.hk.

2. DEALING

2.1 The Initial Offer Period

Units of the CSOP Hang Seng Stock Connect High Dividend ETF will initially be offered only to the Participating Dealer(s) from 9:00 a.m. (Hong Kong time) on 25 September 2025 to 4:00 p.m. (Hong Kong time) on 26 September 2025, unless otherwise extended by the Manager (the "**Initial Offer Period**"). The purpose of the Initial Offer Period is to enable the Participating Dealer(s) to apply for Units on their own account or on behalf of third party Primary Market Investors in accordance with the terms of the Trust Deed and the Operating Guidelines.

Primary Market Investors who are retail investors may only submit a creation request or redemption request through a Participating Dealer or a stockbroker who has opened an account with a Participating Dealer.

Investors should note that the Participating Dealers and the stockbrokers through whom a Creation Application is made may impose an earlier dealing deadline, require other supporting documents for the Creation Application and adopt other dealing procedures different from those set out for the CSOP Hang Seng Stock Connect High Dividend ETF in this Prospectus. For example, the dealing deadline set by the Participating Dealers or the stockbrokers may be earlier than that set out for the CSOP Hang Seng Stock Connect High Dividend ETF in this Prospectus. Investors should therefore check the applicable dealing procedures with the relevant Participating Dealer or stockbroker (as the case may be).

2.2 Extension of the Initial Offer Period

If the Initial Offer Period is extended beyond 26 September 2025, dealings in the Units on the SEHK will commence on the fourth (4th) Business Day following the close of the Initial Offer Period.

2.3 Exchange Listing and Trading

Application has been made to the SEHK for listing of and permission to deal in Units in the CSOP Hang Seng Stock Connect High Dividend ETF.

Currently, Units are expected to be listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in

the future for a listing of Units on other stock exchanges.

If trading of the Units of the CSOP Hang Seng Stock Connect High Dividend ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Units.

2.4 Buying and Selling of Units of the CSOP Hang Seng Stock Connect High Dividend ETF on SEHK

Dealings on the SEHK in Units of the CSOP Hang Seng Stock Connect High Dividend ETF issued after the Initial Offer Period are expected to begin on the trading day after the Initial Issue Date.

A Secondary Market Investor can buy and sell the Units of the CSOP Hang Seng Stock Connect High Dividend ETF on the SEHK through his stockbroker at any time the SEHK is open. Units of the CSOP Hang Seng Stock Connect High Dividend ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 100 Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the CSOP Hang Seng Stock Connect High Dividend ETF 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 of the CSOP Hang Seng Stock Connect High Dividend ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the CSOP Hang Seng Stock Connect High Dividend ETF.

Please refer to section "***Schedule 2 – 3. Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of Units on the SEHK.

2.5 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Schedule 2 – 2. Creation and Redemption of Application Units (Primary Market)***" of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP Hang Seng Stock Connect High Dividend ETF only.

The Manager allows Cash and In-Kind Creations and Redemptions for Units of the CSOP Hang Seng Stock Connect High Dividend ETF. Any cash payable by Participating Dealers in a Cash Creation must be in HKD.

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 Application Unit size for CSOP Hang Seng Stock Connect High Dividend ETF is 500,000 Units (or multiples thereof). Creation Applications submitted in respect of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP Hang Seng Stock Connect High Dividend ETF is one Application Unit.

Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Any cash proceeds received by Participating Dealers in a Cash Redemption shall be paid in HKD only.

2.5.1 Dealing Period

The dealing period on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP Hang Seng Stock Connect High Dividend ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 3:30 p.m. (Hong Kong time) for any cash creation and redemption or 4:30 p.m. (Hong Kong time) for any in-kind creation and redemption (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.5.2 Issue Price and Redemption Price

In respect of each Creation Application during the Initial Offer Period, the Issue Price of a Unit of any class which is the subject of a Creation Application in relation to the CSOP Hang Seng Stock Connect High Dividend ETF shall be equal to HKD7.8, or such other price as may be determined by the Manager in consultation with the Trustee.

After the Initial Offer Period, the Issue Price of a Unit of any class in the CSOP Hang Seng Stock Connect High Dividend ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units of any class redeemed shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP Hang Seng Stock Connect High Dividend ETF.

The "**Valuation Day**" of the CSOP Hang Seng Stock Connect High Dividend ETF, coincides with, and shall mean, the Dealing Day of the CSOP Hang Seng Stock Connect High Dividend ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's website at https://www.csopasset.com/en/products/hk-

cdvd (the website has not been reviewed by the Commission) or published in such other publications as the Manager decides.

2.5.3 Dealing Day

In respect of the CSOP Hang Seng Stock Connect High Dividend ETF, "**Dealing Day**" means each Business Day.

"**Business Day**" in respect of the CSOP Hang Seng Stock Connect High Dividend ETF means a day on which (a) the SEHK is open for normal trading, and (b) the Underlying Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

3. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP Hang Seng Stock Connect High Dividend ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Hang Seng SCHK High Dividend Low Volatility Index (net total return version) (the "**Underlying Index**"). There is no assurance that the CSOP Hang Seng Stock Connect High Dividend ETF will achieve its investment objective.

Investment Strategy

In order to achieve the investment objective of the CSOP Hang Seng Stock Connect High Dividend ETF, the Manager intends to adopt a combination of physical representative sampling and synthetic representative sampling strategy. The CSOP Hang Seng Stock Connect High Dividend ETF will (i) primarily use a physical representative sampling strategy by investing 50% to 100% of its Net Asset Value in Securities constituting the Underlying Index ("**Index Securities**"); and (ii) where the Manager believes such investments are beneficial to the CSOP Hang Seng Stock Connect High Dividend ETF and will help the CSOP Hang Seng Stock Connect High Dividend ETF achieve its investment objective, use a synthetic representative sampling strategy as an ancillary strategy by investing up to 50% of its Net Asset Value in FDIs, which will only be funded total return swaps with one or more counterparties.

Physical representative sampling sub-strategy

The CSOP Hang Seng Stock Connect High Dividend ETF primarily uses a physical representative sampling strategy by investing 50% to 100% of its Net Asset Value in Index Securities. The CSOP Hang Seng Stock Connect High Dividend ETF may invest up to 100% of its Net Asset Value directly in equity securities listed on the SEHK.

Synthetic representative sampling sub-strategy

By adopting a synthetic representative sampling sub-strategy, the CSOP Hang Seng Stock Connect High Dividend ETF will only invest up to 50% of its Net Asset Value directly in funded total return swap transaction(s) whereby the CSOP Hang Seng Stock Connect High Dividend ETF will pass on the relevant portion of cash to the swap counterparty(ies) and in return the swap counterparty(ies) will provide the CSOP Hang Seng Stock Connect High Dividend ETF with an exposure to the

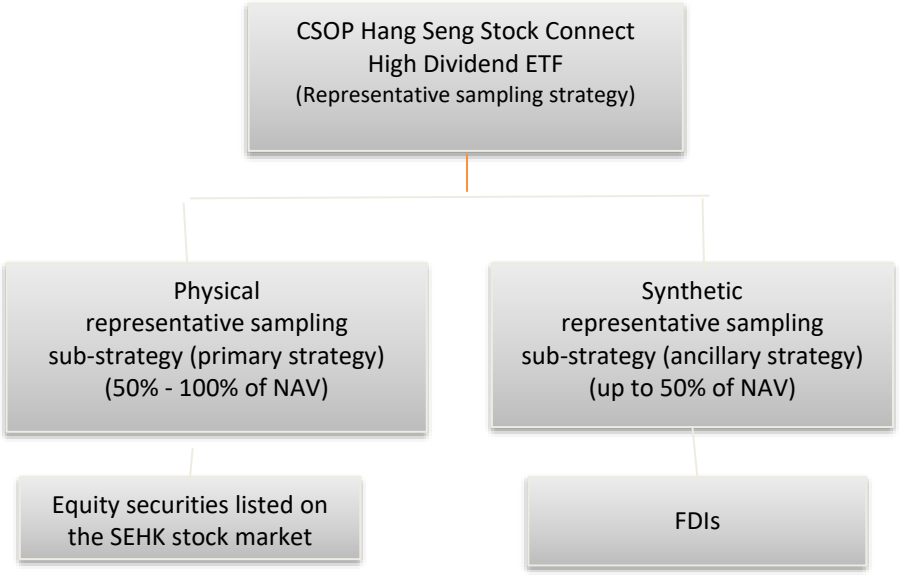
economic gain/loss in the performance of the Index Securities (net of indirect costs). The Manager will only use a synthetic representative sampling sub-strategy when it considers that such investments are beneficial to the CSOP Hang Seng Stock Connect High Dividend ETF.

The CSOP Hang Seng Stock Connect High Dividend ETF shall bear the swap fees (including the brokerage commission and any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swaps). The swap fees, which include all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis, represent a variable spread (which can be positive or negative) plus HIBOR which reflects the brokerage commission and the swap counterparty's costs of financing the underlying hedge in order to provide the performance. If the swap fee (HIBOR plus spread) is a positive figure, then it will be borne by the CSOP Hang Seng Stock Connect High Dividend ETF and may have an adverse impact on its Net Asset Value and the performance of the CSOP Hang Seng Stock Connect High Dividend ETF, and may result in a negative impact on the tracking difference of the CSOP Hang Seng Stock Connect High Dividend ETF. On the contrary, if the swap fee (HIBOR plus spread) is a negative figure, the swap counterparty will pay the swap fee to the CSOP Hang Seng Stock Connect High Dividend ETF and may lead to a positive impact on the tracking difference of the CSOP Hang Seng Stock Connect High Dividend ETF. In extreme market conditions and exceptional circumstances, the brokerage commission and the swap counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the CSOP Hang Seng Stock Connect High Dividend ETF is 0.2% per transaction on the notional amount of the swap unwound.

Exposure of the CSOP Hang Seng Stock Connect High Dividend ETF to the Index Securities (either through direct investment or FDIs) will be in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index. The Manager may cause the CSOP Hang Seng Stock Connect High Dividend ETF 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 Commission.

The full holdings of the CSOP Hang Seng Stock Connect High Dividend ETF are available on the Manager's website and will be updated on a daily basis.

The diagram below shows the investment strategies of the CSOP Hang Seng Stock Connect High Dividend ETF:



Other investments

The CSOP Hang Seng Stock Connect High Dividend ETF may also invest not more than 5% of its Net Asset Value in cash and money market funds for cash management purpose.

No more than 30% of the CSOP Hang Seng Stock Connect High Dividend ETF's Net Asset Value may be invested in collective investment scheme which may be authorised by the Commission in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the CSOP Hang Seng Stock Connect High Dividend ETF's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investments in exchange traded funds will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11A and 7.11B of the Code.

Other than as set out above, the CSOP Hang Seng Stock Connect High Dividend ETF may also invest in FDIs for hedging purposes.

The CSOP Hang Seng Stock Connect High Dividend ETF will not enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions. Prior approval of the SFC (to the extent required under applicable regulatory requirements) will be sought and not less than one month's prior notice (or such shorter notice period as may be permitted under applicable regulatory requirements) will be given to Unitholders in the event the Manager wishes to enter into such transactions.

3A. SECURITIES LENDING TRANSACTIONS

The Manager may, on behalf of the CSOP Hang Seng Stock Connect High Dividend ETF, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value. The Manager will be 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 CSOP Hang Seng Stock Connect High Dividend ETF and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1 in

Part 1 of this Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the CSOP Hang Seng Stock Connect High Dividend ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus) of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis and be safekept by the Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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. Any reinvestment of cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent the CSOP Hang Seng Stock Connect High Dividend ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP Hang Seng Stock Connect High Dividend ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to the section "***6.12 Securities lending transactions risk***" of this Appendix for further details.

4. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of the CSOP Hang Seng Stock Connect High Dividend ETF to acquire investments, to redeem Units or to pay expenses relating to the CSOP Hang Seng Stock Connect High Dividend ETF.

5. DISTRIBUTION POLICY

The Manager has discretion as to whether or not the CSOP Hang Seng Stock Connect High Dividend ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP Hang Seng Stock Connect High Dividend ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Hang Seng Stock Connect High Dividend ETF are charged to/paid out of the capital of the CSOP Hang Seng Stock Connect High Dividend ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Hang Seng Stock Connect High Dividend ETF and therefore, the CSOP Hang Seng Stock Connect High Dividend ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of or effectively out of the CSOP Hang Seng Stock Connect High Dividend ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP Hang Seng Stock Connect High Dividend ETF and will reduce any capital appreciation for the Unitholders of the CSOP Hang Seng Stock Connect High Dividend ETF.

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-cdvd (this website has not been reviewed by the Commission).

The distribution policy may be amended subject to the Commission's prior approval (where required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared and paid in HKD only. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-cdvd (this website has not been reviewed by the Commission) and on HKEX's website.

There can be no assurance that a distribution will be paid.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

6. RISK FACTORS RELATING TO THE CSOP HANG SENG STOCK CONNECT HIGH DIVIDEND ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP Hang Seng Stock Connect High Dividend ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP Hang Seng Stock Connect High Dividend ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP Hang Seng Stock Connect High Dividend ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

6.1 Equity market risk

The CSOP Hang Seng Stock Connect High Dividend ETF'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.

Please also refer to the risk factor "***Investment risks – Equity Risk***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

6.2 Net dividend yield weighted index risk

The Underlying Index is a net dividend yield weighted index whereby the Underlying Index constituents are weighted in proportion to their net dividend yield on each review day (but not between each review day) regardless of their size or market capitalisation based on the methodology of the Underlying Index. The CSOP Hang Seng Stock Connect High Dividend ETF by tracking the Underlying Index may have relatively large holdings in Index constituents with relatively small market capitalisation than it would have held if tracking a full market capitalisation weighted index, leading to higher risks and potential underperformance.

6.3 Concentration in high yield stocks and the associated risk

The CSOP Hang Seng Stock Connect High Dividend ETF focuses on high dividend stocks listed on the SEHK which subjects it to greater concentration risk. High dividend stocks often belong to specific sectors (including the financial, energy, property and construction sector), which may not be as diversified as the broader market potentially leading to greater exposure to sector-specific risks and market fluctuations. The CSOP Hang Seng Stock Connect High Dividend ETF may focus its investments in other sectors from time to time. This concentration may lead to increased volatility and risk, particularly if these sectors experience downturns or regulatory changes. Additionally, companies that offer high dividends may, in challenging economic environments, might reduce or suspend dividend payments, in turn impacting the CSOP Hang Seng Stock Connect High Dividend ETF's performance. There is no assurance that dividends will be declared and paid in respect of the securities comprising the Underlying Index, and dividend payment rates in respect of such securities will depend on the performance of the constituent securities of the Underlying Index as well as factors beyond the control of the Manager. Whether or not distributions will be made by the CSOP Hang Seng Stock Connect High Dividend ETF is at the discretion of the Manager taking into account various factors and its own distribution policy. There can be no assurance that the distribution yield of the CSOP Hang Seng Stock Connect High Dividend ETF is the same as that of the Underlying Index.

6.4 Geographical concentration risk

Insofar as the investments in Index Securities are concerned, the constituents of the Underlying Index, and accordingly the CSOP Hang Seng Stock Connect High Dividend ETF's investments are concentrated in Hong Kong. The value of the CSOP Hang Seng Stock Connect High Dividend ETF 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.

6.5 Risks associated with the financials sector

Performance of companies in the financials sector may be materially impacted by many factors, including but not limited to, government regulations, economic conditions, credit rating downgrades, changes in interest rates and decreased liquidity in credit markets. Profitability of these companies is largely dependent on the availability and cost of capital and can fluctuate significantly when interest rates change. Credit losses resulting from financial difficulties of borrowers also can negatively impact the sector. These companies are also subject to substantial government regulation and intervention, which may adversely impact the scope of their activities, the prices they can charge, the amount of capital they must maintain, and potentially, their size. Government regulation may change frequently and may have significant adverse consequences for financial companies, including effects that are not intended by such regulation. The impact of more stringent capital requirements, or recent or future regulation in various countries on any individual financial company or of the financials sector as a whole, cannot be predicted. The financials sector is also a target for cyber-attacks and may experience technology malfunctions and disruptions, which have occurred more frequently in recent years.

6.6 Risks associated with the energy sector

Prices for energy commodities will have a direct impact on the business and revenue of energy companies. Prices for energy commodities are highly volatile and may fluctuate widely and may be affected by numerous events or factors such as production and sale, complex interaction of supply and demand, weather, inventory level, pandemic like Covid-19, war, speculator's activities, behaviour and control of the resources' exporting countries, economic activity of significant user country and other financial market factors. Sudden and dramatic changes in the energy commodities markets may occur and prices for oil or gas may rise significantly or drop to zero or negative value within a short period of time.

6.7 Risks associated with the property and construction industry

There are special risk considerations associated with investing in the securities of companies principally engaged in the property and construction industry. These risks include without limitation: the cyclical nature of property values, risks related to global and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zoning laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants and increases in interest rates.

6.8 Medium-capitalisation companies risk

The CSOP Hang Seng Stock Connect High Dividend ETF may invest in shares of medium-capitalisation companies. The shares of medium-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

6.9 Risks associated with investment in FDIs

The CSOP Hang Seng Stock Connect High Dividend ETF's synthetic

representative sampling strategy will involve investing up to 50% of its Net Asset Value in funded total return swaps. In the case of swaps, the CSOP Hang Seng Stock Connect High Dividend ETF may suffer significant loss if a swap counterparty fails to perform its obligations, or in case of insolvency or default of the swap 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 CSOP Hang Seng Stock Connect High Dividend ETF. Exposure to FDIs may lead to a high risk of significant loss by the CSOP Hang Seng Stock Connect High Dividend ETF.

Please also refer to the risk factor "**Investment risks – Financial Derivative Instruments and Collateral Risks**" under "**4. General Risk Factors**" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the CSOP Hang Seng Stock Connect High Dividend ETF will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the CSOP Hang Seng Stock Connect High Dividend ETF. Please also refer to the headings "**Financial Derivative Instruments**" and "**Collateral**" under Schedule 1 in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

6.10 Synthetic representative sampling risk

The Manager seeks to mitigate the counterparty risks by fully collateralising all counterparty exposures. There is a risk that the value of the collateral may be substantially lower than the amount secured and so the CSOP Hang Seng Stock Connect High Dividend ETF may suffer significant losses. Any loss would result in a reduction in the Net Asset Value of the CSOP Hang Seng Stock Connect High Dividend ETF and impair the ability of the CSOP Hang Seng Stock Connect High Dividend ETF to achieve its investment objective to track the Underlying Index.

In the case of funded swaps, the CSOP Hang Seng Stock Connect High Dividend ETF may suffer significant losses if the counterparty fails to perform its obligations under the funded swap. The value of the collateral assets may be affected by market events and may diverge substantially from the performance of the Underlying Index, which may cause the CSOP Hang Seng Stock Connect High Dividend ETF's exposure to the swap counterparty to be under-collateralised and therefore result in significant losses.

6.11 Risks relating to the Underlying Index of CSOP Hang Seng Stock Connect High Dividend ETF

The CSOP Hang Seng Stock Connect High Dividend ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's licence from the Index Provider under the relevant Licence Agreement is terminated, the Manager may, in consultation with the Trustee,

seek the Commission's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. Please refer to section "***13. Replacement of the Underlying Index***" below on the circumstances in which the Underlying Index may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP Hang Seng Stock Connect High Dividend ETF 's investment objective.

The Manager has been granted a licence under the Licence Agreement to use the Underlying Index as a basis for determining the composition of the CSOP Hang Seng Stock Connect High Dividend ETF and to use certain trade marks in the Underlying Index. The licence granted shall take effect from the effective date of the Licence Agreement (i.e. 12 September 2025), and shall continue until terminated pursuant to the agreement. There is no guarantee that the Licence Agreement will be perpetually renewed.

The CSOP Hang Seng Stock Connect High Dividend ETF may be terminated if the Underlying Index is discontinued and/or the Licence Agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria under Chapter 8.6(e) of the Code. Any such replacement index will be subject to the prior approval of the Commission under the Code and Unitholders will be duly notified of the same. Accordingly, investors should note that the ability of the CSOP Hang Seng Stock Connect High Dividend ETF to track the Underlying Index depends on the continuation in force of the Licence Agreement in respect of the Underlying Index or a suitable replacement. The CSOP Hang Seng Stock Connect High Dividend ETF may also be terminated if the Underlying Index ceases to be compiled or published and there is no replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index.

The Manager and the Index Provider may by mutual agreement terminate or postpone the parties' obligations under the Licence Agreement upon the occurrence of a force majeure event such that the terms of the Licence Agreement can no longer be performed. There is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

For further information on the grounds for terminating the Licence Agreement in respect of the Underlying Index, please refer to section "***11. Index Licence Agreement***" in this Appendix.

(ii) There may be changes in the constituent securities of the Underlying Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the CSOP Hang Seng Stock

Connect High Dividend ETF, the Manager may rebalance portfolio of the CSOP Hang Seng Stock Connect High Dividend ETF. The price of the Units may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to the section "***14. The Underlying Index***" of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

6.12 Securities lending transactions risk

Collateral risk

As part of the securities lending transactions, the CSOP Hang Seng Stock Connect High Dividend ETF 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 CSOP Hang Seng Stock Connect High Dividend ETF if the borrower fails to return the securities lent out. The CSOP Hang Seng Stock Connect High Dividend ETF 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 CSOP Hang Seng Stock Connect High Dividend ETF 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.

6.13 Risks of investing in other collective investment schemes

The CSOP Hang Seng Stock Connect High Dividend ETF may invest in other collective investment schemes, and may therefore be subject to the risks associated with such underlying schemes. The CSOP Hang Seng Stock Connect High Dividend ETF does not have control of the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which

may have a negative impact to the Net Asset Value of the CSOP Hang Seng Stock Connect High Dividend ETF.

Any tracking error of these underlying schemes will also contribute to the tracking error of the CSOP Hang Seng Stock Connect High Dividend ETF. In addition, the tax provision made by the other collective investment schemes may be more or less than their actual tax liabilities. Any shortfall of such tax provision may adversely affect the performance of such other collective investment schemes.

The underlying schemes in which the CSOP Hang Seng Stock Connect High Dividend ETF may invest may not be authorised by the Commission. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the CSOP Hang Seng Stock Connect High Dividend ETF's redemption requests as and when made.

If the CSOP Hang Seng Stock Connect High Dividend ETF invests in other active or passive investment products managed by the Manager or Connected Person of the Manager, all initial charges and redemption charges on these listed or unlisted 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 case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

6.14 Distributions out of or effectively out of capital risk

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Hang Seng Stock Connect High Dividend ETF are charged to/paid out of the capital of the CSOP Hang Seng Stock Connect High Dividend ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Hang Seng Stock Connect High Dividend ETF and therefore, the CSOP Hang Seng Stock Connect High Dividend ETF may effectively pay dividends out of the capital. Investors should note that payment of distributions out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that amount. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the CSOP Hang Seng Stock Connect High Dividend ETF.

6.15 Other risks

Operating risk. There is no assurance that the performance of the CSOP Hang Seng Stock Connect High Dividend ETF will be identical to the performance of the Underlying Index. The level of fees, taxes and expenses payable by the CSOP Hang Seng Stock Connect High Dividend ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP Hang Seng Stock Connect High Dividend ETF can be estimated, the growth rate of the CSOP Hang Seng Stock Connect High Dividend ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP Hang Seng Stock Connect High Dividend ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP Hang

Seng Stock Connect High Dividend ETF. On the termination of the CSOP Hang Seng Stock Connect High Dividend ETF, the CSOP Hang Seng Stock Connect High Dividend ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

No market in the Units risk. Although the Units are to be listed on the SEHK and 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 the Units, investors should be aware that 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 other ETFs which are traded on the SEHK and which are based upon indices.

Termination of market maker risk. A market maker may cease to act as a market maker for the CSOP Hang Seng Stock Connect High Dividend ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Units of the CSOP Hang Seng Stock Connect High Dividend ETF will be no less than three months. The liquidity for the Units of the CSOP Hang Seng Stock Connect High Dividend ETF may be affected if there is no market maker for the Units. The Manager will use its best endeavours to put in place arrangements so that there is at least one market maker for the CSOP Hang Seng Stock Connect High Dividend ETF to facilitate efficient trading of Units. It is possible that there is only one market maker for the CSOP Hang Seng Stock Connect High Dividend ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. Units will be a new security and following listing on the SEHK, it is unlikely that the Units will initially be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Units in the secondary market. Therefore, Unitholders may not be able to sell their Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Units.

Tracking error risk. The CSOP Hang Seng Stock Connect High Dividend ETF may be subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index. Factors such as the fees and expenses of the CSOP Hang Seng Stock Connect High Dividend ETF, imperfect correlation between the CSOP Hang Seng Stock Connect High Dividend ETF's assets and the Index Securities,

inability to rebalance the CSOP Hang Seng Stock Connect High Dividend ETF's holdings of Index Securities in response to changes in the constituents of the Underlying Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. These factors may cause the CSOP Hang Seng Stock Connect High Dividend ETF's returns to deviate from the Underlying Index.

7. FEES AND CHARGES

7.1 Management Fees

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum of the Net Asset Value of the CSOP Hang Seng Stock Connect High Dividend ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

7.2 Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee.

The Trustee's fee is inclusive of the fees payable to the Custodian.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP Hang Seng Stock Connect High Dividend ETF all out-of-pocket expenses incurred.

7.3 Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP Hang Seng Stock Connect High Dividend ETF. For any period less than a month, the reconciliation fee is payable by the CSOP Hang Seng Stock Connect High Dividend ETF on a pro-rata basis and accrues on a daily basis.

7.4 Other Charges and Expenses of CSOP Hang Seng Stock Connect High Dividend ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP Hang Seng Stock Connect High Dividend ETF.

7.5 Establishment costs of CSOP Hang Seng Stock Connect High Dividend ETF

The establishment costs of the CSOP Hang Seng Stock Connect High Dividend ETF are estimated to be not exceeding HKD600,000; such costs shall be borne by the CSOP Hang Seng Stock Connect High Dividend ETF (unless otherwise determined by the Manager) and amortised over the first five financial years of CSOP Hang Seng Stock Connect High Dividend ETF or such other period as determined by the Manager after consulting the auditor.

7.6 Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarised in the respective tables below:

7.6.1 Participating Dealers

Creation and Redemption of Units by a Participating Dealer

Application Cancellation Fee	HKD10,000 per cancellation *(See Note 1)*
Extension Fee	HKD10,000 per extension *(See Note 1)*
Transaction Fee	HKD3,900 per Application *(See Note 2)*
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges.

7.6.2 Primary Market Investors creating or redeeming Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

7.6.3 Secondary Market Investors Dealing in Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% *(see Note 4 and Note 9)*
Accounting and Financial Reporting Council ("**AFRC**") transaction levy	0.00015% of the trading price *(see Note 5)*
Trading fee	0.00565% *(see Note 6 and Note 9)*
Stamp duty	Nil *(see Note 7)*

Investor compensation levy	0.002% (currently suspended) *(see Note 8)*

Note:

1. The Application Cancellation Fee of HKD10,000 and the Extension Fee of HKD10,000 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.
2. A Transaction Fee of HKD3,900 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.
3. A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.
4. A transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.
5. An AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.
6. A trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.
7. For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the CSOP Hang Seng Stock Connect High Dividend ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.
8. The investor compensation levy of the trading price of the Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.
9. The transaction levy and trading fee will be paid by intermediaries to HKEX in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.

   Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of the documents that are available for inspection.

9. TERMINATION OF CSOP HANG SENG STOCK CONNECT HIGH DIVIDEND ETF

Without prejudice to the grounds of termination as set out in the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP Hang Seng Stock Connect High Dividend ETF shall be less than HKD100 million, the CSOP Hang Seng Stock Connect High Dividend ETF and/or any classes of Units relating to the CSOP Hang Seng Stock Connect High Dividend ETF may be terminated by the Manager in its absolute discretion by notice in writing.

10. PUBLICATION OF INFORMATION RELATING TO THE CSOP HANG SENG STOCK CONNECT HIGH DIVIDEND ETF

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for the information relating to the CSOP Hang Seng Stock Connect High Dividend ETF that will be published on the Manager's website and HKEX's website.

11. INDEX LICENCE AGREEMENT

According to the licence agreement entered into between the Manager, Hang Seng Data Services Limited and the Index Provider (the "**Licence Agreement**"), the term of the licence of the Underlying Index shall remain in full force and effect from 12 September 2025 unless either the Manager or the Index Provider to the Licence Agreement serves a prior written notice of the termination of at least three months to the other party. The Licence Agreement may otherwise be terminated in accordance with the provisions of the Licence Agreement.

12. MATERIAL CHANGES TO THE UNDERLYING INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

13. REPLACEMENT OF THE UNDERLYING INDEX

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;
(b) the licence to use the Underlying Index being terminated;
(c) a new index becoming available that supersedes the existing Underlying 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 Underlying Index;
(e) investing in the Index Securities comprised within the Underlying 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 Underlying Index having in the opinion of the Manager, deteriorated;

(h) a significant modification of the formula or calculation method of the Underlying 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 CSOP Hang Seng Stock Connect High Dividend ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to (i) the use by the CSOP Hang Seng Stock Connect High Dividend ETF of the Underlying Index and/or (ii) the name of CSOP Hang Seng Stock Connect High Dividend ETF will be notified to investors.

14. THE UNDERLYING INDEX

This section is a brief overview of the Underlying Index. It contains a summary of the principal features of the Underlying Index and is not a complete description of the Underlying Index. As of the date of this Prospectus, the summary of the Underlying Index in this section is accurate and consistent with the complete description of the Underlying Index. Complete information on the Underlying Index appears on the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Underlying Index

The Underlying Index aims to reflect the overall performance of low volatility, high-yield companies listed in Hong Kong that are eligible for Southbound Trading under Hong Kong Stock Connect. The universe of the Underlying Index consists of the constituents of the Hang Seng Composite Index that are eligible under the Southbound Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.

The Underlying Index is denominated and quoted in HKD. The number of constituents of the Underlying Index is fixed at 50.

The Underlying 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 Underlying Index is a net-dividend-yield weighted index (i.e. weighting in proportion to its net dividend yield).

The Underlying Index was launched on 8 May 2017 and had a base level of 3,000 as of 3 September 2010. As of 27 February 2026, the Underlying Index had a total market capitalisation of HKD 9,274.81 billion and 49 constituents.

Index Provider

The Underlying Index is compiled and managed by Hang Seng Indexes Company Limited (the "**HSIL**" or "**Index Provider**").

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index constituents selection and reviews

Index Universe

The index universe of the Underlying Index consists of only the constituents of the Hang Seng Composite Index ("**Base Index**") that are eligible under the Southbound Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. The Base Index offers a comprehensive Hong Kong market benchmark that covers about the top 95th percentile of the total market capitalisation of companies listed on the Main Board of the SEHK.

Eligibility Criteria

A security is eligible for constituent selection if it fulfils the following requirements:

1. Listing History Requirements

   At least one year.

2. Turnover Requirements

   Both the Velocity Test for Tradable Indexes and 6-month Average Daily Turnover requirements below apply.

   Velocity Test for Tradable Indexes

   To pass the monthly turnover test if it attains a minimum velocity of 0.1% in that month (details of the velocity test as described in the Index Methodology General Guide published by the Index Provider).

   For each security, its turnover velocity in each of the past 12 months is calculated using the following formula:

$$\text{Velocity} = \frac{\text{Median of Daily Traded Shares in Specific Calendar Month}}{\text{Freefloat-adjusted Issued Shares at Month-end}}$$

   For the denominator used in velocity calculation, free float-adjusted issued shares at the end of each month is used.

   (1) For new constituents, a security should fulfil the following criteria:

   (a) velocity is a minimum of 0.1% for at least 10 out of the past 12 months, and

   (b) velocity is a minimum of 0.1% in for the latest three months.

   (2) For existing constituents, a security should fulfil the following criteria:

   (a) velocity is a minimum of 0.1% for at least 10 out of the past 12 months

   (b) if a constituent fails to meet the turnover requirement as mentioned in (a), a supplementary turnover test will be applied for those months in which its velocity was less than 0.1%:

   i. calculate the monthly aggregate turnover of the constituent;

   ii. if the monthly aggregate turnover is among the top 90th percentile of the total market*, the constituent passes

the monthly turnover test for that month.

(c) the constituent will be regarded as meeting the turnover requirement if (a) is fulfilled after applying (b) as a supplementary test.

* Total market includes securities in the universe of the Hang Seng Composite Index.

6-month Average Daily Turnover

At least HKD20 million.

3. Dividend Requirements

(a) Securities must have a record of cash dividend paid for latest three consecutive fiscal years; and

(b) The dividend payout ratio as at the latest complete fiscal year should be positive and at most 100%

4. Price Performance Screening

Securities which meet the below two conditions will be screened out:

(a) Price dropped by more than 50% over the past 12 months; and

(b) Last 12-month price performance ranked in the bottom 10% of the eligible candidates.

<u>Constituent Selection</u>

The constituents of the Underlying Index are selected and weighted based on criteria:

1. Selection Criteria

The top 75 eligible securities in terms of Net Dividend Yield, calculated using the following formula, will be shortlisted ("**Top 75 High Yield List**"):

$$Net\ Dividend\ Yield = \frac{After - tax\ Dividend\ Per\ Share}{Price\ as\ of\ Dividend\ Data\ Cut - off\ Date}$$

The Dividend Per Share refers to the trailing one-year cash dividend that has gone ex-dividend, i.e. total dividend for the latest two (or four) periods if a security pays dividends bi-annually (or quarterly), as of the review cut-off date.

A non-constituent, which has changed its fiscal year-end date within 12 months to the Dividend Data cut-off date, will be excluded from constituent selection. For an existing constituent which has changed its fiscal year-end date within 12 months to the Dividend Data cut-off date, the dividend of the latest complete fiscal year will be used for yield calculation.

If a security bears a Net Dividend Yield above 7%, its yield will be reviewed and recalculated to exclude any one-off cash distributions.

The shortlisted 75 securities will be ranked in ascending order in terms of one-year historical volatility – i.e. standard deviation of daily logarithmic return for the past 12 months to the review cut-off date.

The top 50 securities will be selected as constituents.

2. Buffer Zone

   Existing constituents ranked lower than 100th in terms of Net Dividend Yield will be removed from the Top 75 High Yield List, while non-constituents ranked 50th or above will be included to the Top 75 High Yield List.

   Securities will be added to or excluded from the Top 75 High Yield List according to their Net Dividend Yield rank to maintain the number of securities in the Top 75 High Yield List at 75.

3. Weighting

   Securities are net-dividend-yield weighted, with an individual cap of 5%.

Underlying Index Maintenance and Review

The Underlying Index is reviewed and rebalanced on a half-yearly basis in June and December each year according to the rebalancing schedule of the Index Provider available at https://www.hsi.com.hk/eng/indexes/index-schedule (this website has not been reviewed by the Commission).

Index Securities of the Underlying Index

You can obtain the most updated list of the index constituents of the Underlying Index with their respective weightings, the last closing index level, and any additional information and other important news of the Underlying Index from the website https://www.hsi.com.hk/eng/indexes/all-indexes/hshylv (this website has not been reviewed by the Commission).

Index code

The Underlying Index is quoted on Bloomberg where real time update of the index level can be obtained thereon.

Bloomberg: HSHYLVN

Index Provider disclaimer

The Hang Seng SCHK High Dividend Low Volatility Index is published and compiled by HSIL pursuant to a licence from Hang Seng Data Services Limited ("HSDS"). The mark and name "Hang Seng SCHK High Dividend Low Volatility Index" is proprietary to HSDS. HSIL and HSDS have agreed to the use of, and reference to, the Hang Seng SCHK High Dividend Low Volatility Index by the Manager and the Trustee and their respective duly appointed agents in connection with CSOP Hang Seng Stock Connect High Dividend ETF, BUT NEITHER HSIL NOR HSDS WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE CSOP HANG SENG STOCK CONNECT HIGH DIVIDEND ETF OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF THE HANG SENG SCHK HIGH DIVIDEND LOW VOLATILITY INDEX AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF THE HANG SENG SCHK HIGH DIVIDEND LOW VOLATILITY INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE HANG SENG SCHK HIGH DIVIDEND LOW VOLATILITY INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING

TO THE HANG SENG SCHK HIGH DIVIDEND LOW VOLATILITY INDEX IS GIVEN OR MAY BE IMPLIED. The process and basis of computation and compilation of the Hang Seng SCHK High Dividend Low Volatility Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice. TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY HSIL OR HSDS (i) IN RESPECT OF THE USE OF AND/OR REFERENCE TO THE HANG SENG SCHK HIGH DIVIDEND LOW VOLATILITY INDEX BY THE MANAGER IN CONNECTION WITH CSOP HANG SENG STOCK CONNECT HIGH DIVIDEND ETF; OR (ii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OF HSIL IN THE COMPUTATION OF THE HANG SENG SCHK HIGH DIVIDEND LOW VOLATILITY INDEX; OR (iii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, ERRORS OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF THE HANG SENG SCHK HIGH DIVIDEND LOW VOLATILITY INDEX WHICH IS SUPPLIED BY ANY OTHER PERSON; OR (iv) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE DIRECTLY OR INDIRECTLY SUSTAINED BY ANY BROKER OR HOLDER OF THE CSOP HANG SENG STOCK CONNECT HIGH DIVIDEND ETF OR ANY OTHER PERSON DEALING WITH CSOP HANG SENG STOCK CONNECT HIGH DIVIDEND ETF AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS, ACTIONS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST HSIL AND/OR HSDS in connection with CSOP Hang Seng Stock Connect High Dividend ETF in any manner whatsoever by any broker, holder or any other person dealing with CSOP Hang Seng Stock Connect High Dividend ETF. Any broker, holder or other person dealing with CSOP Hang Seng Stock Connect High Dividend ETF does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on HSIL and HSDS. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and HSIL and/or HSDS and must not be construed to have created such relationship.

APPENDIX 20

CSOP HSCEI Covered Call Active ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 2802

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP HSCEI Covered Call Active ETF
Stock Code: 2802

1. KEY INFORMATION

1.1 General

This appendix sets out information specific to the CSOP HSCEI Covered Call Active ETF ("**CSOP HSCEI Covered Call Active ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in the CSOP HSCEI Covered Call Active ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***9. Risk Factors relating to the CSOP HSCEI Covered Call Active ETF***" of this Appendix, before investing in the CSOP HSCEI Covered Call Active ETF.

Investors should note that the CSOP HSCEI Covered Call Active ETF offers both Listed Class of Units and Unlisted Class of Units. Please refer to the sections relevant to your intended holding of Units.

In respect of the Listed Class of Units, 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.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP HSCEI Covered Call Active ETF, and should be read in conjunction with the full text of this Prospectus.

Key information applicable to both Listed Class of Units and Unlisted Class of Units

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapter 8.10 of the Code
Investment Strategy	Please refer to section "***4. Investment Objective and Strategy***" of this Appendix for further details.
Base Currency	HKD
Dividend Policy	The Manager has discretion as to whether or not the CSOP HSCEI Covered Call Active ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders monthly having

		regard to the CSOP HSCEI Covered Call Active ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any). The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP HSCEI Covered Call Active ETF are charged to/paid out of the capital of the CSOP HSCEI Covered Call Active ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP HSCEI Covered Call Active ETF and therefore, the CSOP HSCEI Covered Call Active ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of the CSOP HSCEI Covered Call Active ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP HSCEI Covered Call Active ETF. Distributions will be in HKD. Please refer to section "***8. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP HSCEI Covered Call Active ETF and the risk factor under section "***9.9 Distributions out of or effectively out of capital risk***" in this Appendix for the risk associated with distributions paid out of capital.
Parties	Manager	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
Financial Year		Ending 31 December each year (The first financial year-end of the CSOP HSCEI Covered Call Active ETF will be 31

	December 2026. The first semi-annual unaudited interim reports and first audited accounts of the CSOP HSCEI Covered Call Active ETF will be for the period ending 30 June 2026 and 31 December 2026 respectively.)
Website	https://www.csopasset.com/en/products/hk-hcecc (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission)

Key information applicable to Listed Class of Units only

Initial Issue Date		10 December 2025
Listing Date		11 December 2025
Dealing on SEHK Commencement Date		11 December 2025
Exchange Listing		SEHK – Main Board
Stock Code		2802
Stock Short Name		A CSOP HSCEICC
ISIN Number		HK0001226486
Trading Board Lot Size		100 Units
Trading Currency		HKD
Application Unit size for Creation/ Redemption (only by or through Participating Dealers)		Minimum 500,000 Units (or multiples thereof)
Method of Creation/ Redemption		Cash (in HKD) or hybrid (in-kind creation/redemption for HSCEI Equities (as defined below) only)
Parties	Participating Dealer(s)	Please refer to the Manager's website set out below for the latest list.
	Market Maker(s)	Please refer to the Manager's website set out below for the latest list.
	Service Agent	HK Conversion Agency Services Limited

	Listing Agent	Altus Capital Limited
Management Fee		Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.99% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.

Key information applicable to the Unlisted Class of Units only

Initial Offer Period	For Class A Units: 9:00 a.m. (Hong Kong time) on 8 December 2025 to 4:30 p.m. (Hong Kong time) on 9 December 2025
Initial Subscription Price per Unit during Initial Offer Period	For Class A Units: HKD10
Dealing Deadline	3:00 p.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee
Management Fee	Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. For Class A Units, the current rate is 1.50% per annum of the Net Asset Value of the Class accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.

Key similarities and differences between Listed Class of Units and Unlisted Class of Units

Investment Objective	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the section *"**4. Investment Objective and Strategy**"* of this Appendix.
Investment Strategy	
Valuation Policy	Same for both Listed Class of Units and Unlisted Class of Units. Please refer to the section *"**8.1 Determination of the Net Asset Value**"* in Part 1 of this Prospectus.

<table>
<tr><td>Dealing Frequency</td><td>Same for both Listed Class of Units and Unlisted Class of Units – each Business Day.</td></tr>
<tr><td>Dealing arrangements</td><td>Different in respect of each of the Listed Class of Units and Unlisted Class of Units.

In respect of the Listed Class of Units:

- the dealing period on each Dealing Day for a Creation Application or Redemption Application commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 3:30 p.m. (Hong Kong time) for any cash creation and redemption or 3:30 p.m. (Hong Kong time) for any hybrid creation and redemption (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time; and
- a Secondary Market Investor can buy and sell the Listed Class of Units on the SEHK through his stockbroker at any time the SEHK is open. Investors can buy or sell the Listed Class of Units at market price.

In respect of the Unlisted Class of Units:

- the Dealing Deadline for a subscription or redemption application is 3:00 p.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee; and
- investors can buy or sell the Unlisted Class of Units at Net Asset Value.

<table>
<tr><th></th><th>Listed Class of Units</th><th>Unlisted Class of Units</th></tr>
<tr><td>Dealing Deadline in respect of a Dealing Day</td><td>3:30 p.m. (Hong Kong time) (for In-Cash Applications) or 3:30 p.m. (Hong Kong time) (for Hybrid Applications) on each Dealing Day*</td><td>3:00 p.m. (Hong Kong time) on each Dealing Day</td></tr>
<tr><td>Valuation Point</td><td colspan="2">Approximately 4:30 p.m. (Hong Kong time) on the applicable Valuation Day, or</td></tr>
</table></td></tr>
</table>

	such other time or times as determined by the Manager, in consultation with the Trustee

** Investors should note that Creation and Redemption Applications for Listed Class of Units received during the Dealing Period in respect of a Dealing Day ("**Day T**") (i.e. between 9:00 a.m. to 3:30 p.m. (Hong Kong time) (for In-Cash Applications) and 3:30 p.m. (Hong Kong time) (for Hybrid Applications) will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T, which is determined at the Valuation Point on Day T. For example:*

In respect of the Listed Class of Units:

- *a Creation or Redemption Application for Listed Class of Units received at or before 3:30 p.m. (Hong Kong time) (for In-Cash Applications) and 3:30 p.m. (Hong Kong time) (for Hybrid Applications) on Day T will be processed at the Net Asset Value per Unit of the Listed Class of Units of Day T; and*
- *a Creation or Redemption Application for Listed Class of Units received after 3:30 p.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class (being 3:30 p.m. (Hong Kong time) (for In-Cash Applications) and 3:30 p.m. (Hong Kong time) (for Hybrid Applications)), will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Listed Class of Units of Day T+1.*

In respect of the Unlisted Class of Units:

- *a subscription or redemption application for Unlisted Class of Units received at or before 3:00 p.m. (Hong Kong time) on Day T, i.e. at or before the Dealing Deadline of Day T for such class, will be processed on Day T at the Net Asset Value per Unit of Unlisted Class of Units of Day T; and*
- *a subscription or redemption application for Unlisted Class of Units received after 3:00 p.m. (Hong Kong time) on Day T, i.e. after the Dealing Deadline of Day T for such class, will be processed on the next Dealing Day (i.e. Day T+1) at the Net Asset Value per Unit of Unlisted Class of Units of Day T+1.*

	Please refer to the sections "***2. Dealing of Listed Class of Units***" and "***3. Dealing of Unlisted Class of Units***" of this Appendix for information relating to the Listed Class of Units and the Unlisted Class of Units respectively.
Fee Structure	Different in respect of each of the Listed Class of Units and Unlisted Class of Units. The Trustee's and Registrar's fee are the same in respect of both Listed Class of Units and Unlisted Class of Units. For Listed Class of Units, the current management fee is 0.99% per annum of the Net Asset Value of the relevant Class of Units accrued daily and calculated as at each Dealing Day and payable monthly in arrears. For Class A Units, the current management fee is 1.50% per annum of the Net Asset Value of Class A Units accrued daily and calculated as of each Dealing Day and payable monthly in arrears. An investment in the Listed Class of Units in the secondary market is subject to fees involved in relation to the trading of such Units on the SEHK (such as the Service Agent's fee, brokerage fee, transaction levies, trading fee etc.). An investment in the Unlisted Classes of Units may be subject to the payment of subscription fees. Please refer to the section "***10. Fees and Charges***" of this Appendix.
Investment return / Net asset Value	Different in respect of each of the Listed Class of Units and the Unlisted Class of Units due to various factors, including but not limited to the different fee structures applicable to each class of Units, different dealing arrangements (i.e. Listed Class of Units can be bought and sold at market price whereas Unlisted Class of Units are bought and sold at Net Asset Value), costs (such as Transaction Fee and Duties and Charges in respect of creation and redemption of Listed Class of Units in the primary market and fees payable in respect of trading of Listed Class of Units in the secondary market) and stamp duty. Accordingly, the performance of the different classes of Units will be different.

	There is a separate Net Asset Value for each class of Units. Please refer to the risk factor "***4.4 Differences in dealing, fee and cost arrangements between Listed Class and Unlisted Class of Units***" in Part 1 of this Prospectus.
Termination procedures	Different in respect of each of the Listed Class of Units and the Unlisted Class of Units. Please refer to the section "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus.

1.3 Custodian for the CSOP HSCEI Covered Call Active ETF

The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee as custodian (the "Custodian"), and will be responsible for the safe custody of the CSOP HSCEI Covered Call Active ETF's assets.

Please refer to the section "*2.4 Trustee and Registrar*" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the Custodian. Neither the Custodian nor its delegate (if any) is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "*1.3 Custodian for the CSOP HSCEI Covered Call Active ETF* ".

1.4 Market Maker (in respect of the Listed Class of Units)

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 the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF. 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 to facilitate the efficient trading of the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker is required to give not less than three months' notice prior to terminating market making arrangement under the relevant market making agreement.

The list of market markers in respect of the CSOP HSCEI Covered Call Active ETF is available on https://www.csopasset.com/en/products/hk-hcecc and from time to time will be displayed on www.hkex.com.hk.

2. DEALING OF LISTED CLASS OF UNITS

2.1 The Initial Offer Period

The Listed Class of Units of the CSOP HSCEI Covered Call Active ETF will initially be offered only to the Participating Dealer(s) from 9:00 a.m. (Hong

Kong time) on 8 December 2025 to 4:30 p.m. (Hong Kong time) on 9 December 2025, unless otherwise extended by the Manager (the "**Initial Offer Period**"). The purpose of the Initial Offer Period is to enable the Participating Dealer(s) to apply for the Listed Class of Units on their own account or on behalf of third party Primary Market Investors in accordance with the terms of the Trust Deed and the Operating Guidelines.

Primary Market Investors who are retail investors may only submit a creation request or redemption request through a Participating Dealer or a stockbroker who has opened an account with a Participating Dealer.

Investors should note that the Participating Dealers and the stockbrokers through whom a Creation Application is made may impose an earlier dealing deadline, require other supporting documents for the Creation Application and adopt other dealing procedures different from those set out for the CSOP HSCEI Covered Call Active ETF in this Prospectus. For example, the dealing deadline set by the Participating Dealers or the stockbrokers may be earlier than that set out for the CSOP HSCEI Covered Call Active ETF in this Prospectus. Investors should therefore check the applicable dealing procedures with the relevant Participating Dealer or stockbroker (as the case may be).

2.2 Extension of the Initial Offer Period

If the Initial Offer Period is extended beyond 9 December 2025, dealings in the Listed Class of Units on the SEHK will commence on the fourth (4th) Business Day following the close of the Initial Offer Period.

2.3 Exchange Listing and Trading

Application has been made to the SEHK for listing of and permission to deal in the Listed Class of Units in the CSOP HSCEI Covered Call Active ETF.

Currently, the Listed Class of Units are expected to be listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in the future for a listing of the Listed Class of Units on other stock exchanges.

If trading of the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Listed Class of Units.

2.4 Buying and Selling of the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF on SEHK

Dealings on the SEHK in the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF issued after the Initial Offer Period are expected to begin on the trading day after the Initial Issue Date.

A Secondary Market Investor can buy and sell the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF on the SEHK through his

stockbroker at any time the SEHK is open. Listed Class of Units of the CSOP HSCEI Covered Call Active ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 100 Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF due to market demand and supply, liquidity and scale of trading spread for the Listed Class of Units in the secondary market. As a result, the market price of the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF.

Please refer to section "***Schedule 2 – 3. Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of the Listed Class of Units on the SEHK.

2.5 Switching

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Participating Dealers who wish to switch between Listed Class of Units and Unlisted Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

2.6 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Schedule 2 – 2. Creation and Redemption of Application Units (Primary Market)***" of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP HSCEI Covered Call Active ETF only.

The Manager allows Cash and Hybrid Creations and Redemptions for Units of the CSOP HSCEI Covered Call Active ETF. Any cash payable by Participating Dealers in a Cash Creation must be in HKD. For Hybrid Creations and Redemptions, only HSCEI Equities will be transferred in-kind.

Settlement for subscribing the Listed Class of Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

The Application Unit size for the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF is 500,000 Units (or multiples thereof). Creation Applications submitted in respect of the Listed Class of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP HSCEI Covered Call Active ETF is one Application Unit.

Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Any cash proceeds received by Participating Dealers in a Cash Redemption shall be paid in HKD only.

2.6.1 Dealing Period

The dealing period for the Listed Class of Units on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP HSCEI Covered Call Active ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 3:30 p.m. (Hong Kong time) for any cash creation and redemption or 3:30 p.m. (Hong Kong time) for any hybrid creation and redemption (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.6.2 Issue Price and Redemption Price

In respect of each Creation Application during the Initial Offer Period, the Issue Price of a Unit of any class which is the subject of a Creation Application in relation to the CSOP HSCEI Covered Call Active ETF shall be equal to HKD8.8, or such other price as may be determined by the Manager in consultation with the Trustee.

After the Initial Offer Period, the Issue Price of a Unit in respect of the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units redeemed in respect of the Listed Class of Units shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP HSCEI Covered Call Active ETF.

The "**Valuation Day**" of the CSOP HSCEI Covered Call Active ETF, coincides with, and shall mean, the Dealing Day of the CSOP HSCEI Covered Call Active ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's website at https://www.csopasset.com/en/products/hk-hcecc (the website has not been reviewed by the Commission) or published in such other publications as the Manager decides.

2.6.3 Dealing Day

In respect of the CSOP HSCEI Covered Call Active ETF, "**Dealing Day**" means each Business Day.

3. DEALING OF UNLISTED CLASS OF UNITS

3.1 Available Classes

The CSOP HSCEI Covered Call Active ETF currently has the following Unlisted Class of Units which are available to investors:

- Class A Units

3.2 Initial Offer Period

The Initial Offer Period of the Class A Units will be 9:00 a.m. (Hong Kong time) on 8 December 2025 to 4:30 p.m. (Hong Kong time) on 9 December 2025.

The initial Subscription Price in respect of each Unlisted Class of Units during the Initial Offer Period is as follows:

Class	Initial Subscription Price per Unit
Class A Units	HKD10

3.3 Dealing Procedures

For details of dealing procedures, please refer to the sections headed "***Schedule 3 – 1. Subscription of Unlisted Class of Units***", "***Schedule 3 – 2. Redemption of Unlisted Class of Units***" and "***Schedule 3 – 3. Switching of Unlisted Class of Units***" in Part 1 of this Prospectus.

The following apply to the Unlisted Class of Units:

Dealing Day	each Business Day
Valuation Day	each Dealing Day or such other days as the Manager may determine
Dealing Deadline	3:00 p.m. (Hong Kong time) on each Dealing Day or otherwise as determined at the discretion of the Manager or the Trustee

3.4 Switching

Subject to the prior consent of the Manager either generally or in any particular case, Unitholders may switch part or all of their Unlisted Class of Units of the CSOP HSCEI Covered Call Active ETF into another Unlisted Class of Units of the CSOP HSCEI Covered Call Active ETF (where available). Switching of Unlisted Class of Units of the CSOP HSCEI Covered Call Active ETF to unlisted shares, units or interests in any other collective schemes (including any other Sub-Funds of the Trust) is currently not permitted.

3.5 Payment of Redemption Proceeds

Save as otherwise agreed by the Manager, and so long as relevant account details have been provided, redemption proceeds in respect of Unlisted Class of Units will normally be paid by telegraphic transfer, within 7 Business Days after the relevant Dealing Day and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented redemption request, unless legal or regulatory requirements (such as foreign currency controls) to which the CSOP HSCEI Covered Call Active ETF is subject render the payment of the redemption proceeds within the aforesaid time period not practicable, and such extended time frame should reflect the additional time needed in light of the specific circumstances in the relevant market.

3.6 Investment Minima

The following investment minima apply to the Unlisted Class of Units:

	Class A Units
Minimum initial investment	HKD10,000 or equivalent
Minimum subsequent investment	HKD1,000 or equivalent
Minimum holding	HKD5,000 or equivalent
Minimum redemption amount	HKD1,000 or equivalent

The Manager may, in its absolute discretion, waive or agree to a lower amount of any of the above investment minima (either generally or in any particular case).

4. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP HSCEI Covered Call Active ETF is to generate income and maintain prospects for capital appreciation while mitigating some downside risk through the use of covered call strategy. It should be noted that the

use of covered call strategy also limits potential upside.

Investment Strategy

The CSOP HSCEI Covered Call Active ETF seeks to achieve its investment objective by primarily (i) investing in constituent equity securities in the Hang Seng China Enterprises Index (the "**Reference Index**" or the "**HSCEI**"); and (ii) selling (i.e. "writing") call options on the Reference Index to receive payments of money from the purchaser of call options (i.e. "premium"). The CSOP HSCEI Covered Call Active ETF will obtain exposure to the constituent equity securities in the Reference Index in substantially the same weightings as these securities have in the Reference Index through investing:

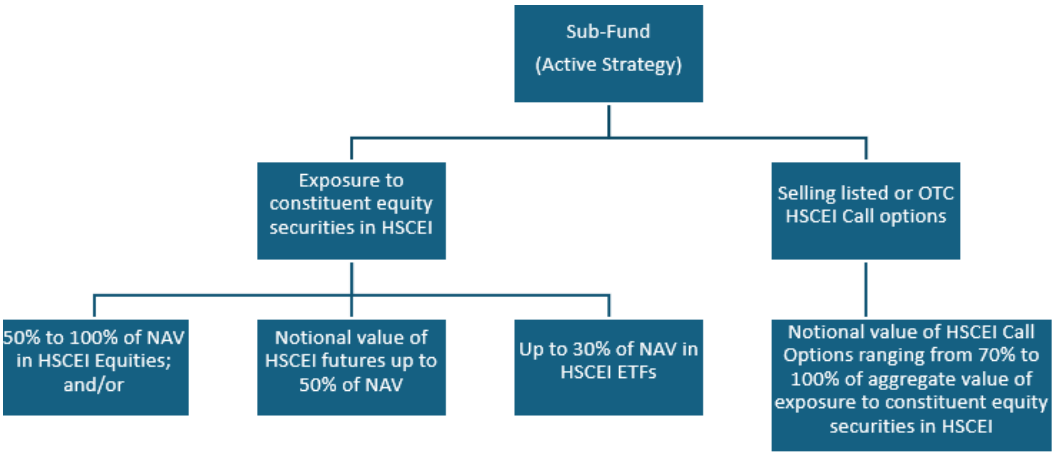
(i) directly in constituent equity securities of the Reference Index (the "**HSCEI Equities**") of at least 50% but not exceeding 100% of its Net Asset Value; and/or

(ii) in long positions of front-month[1] HSCEI futures contracts and/or mini-HSCEI futures contracts (collectively, the "**HSCEI Futures**") listed on the Hong Kong Futures Exchange Limited (the "**HKFE**") with notional value of up to 50% of its Net Asset Value. The CSOP HSCEI Covered Call Active ETF may also hold back-month HSCEI Futures when the Manager rolls the HSCEI Futures prior to expiration.

(iii) The CSOP HSCEI Covered Call Active ETF may also invest up to 30% of its Net Asset Value in exchange traded funds that track the performance of the Reference Index (the "**HSCEI ETF**"), which are either authorised by the Commission or eligible schemes under Chapter 7.11A of the Code.

The CSOP HSCEI Covered Call Active ETF will also adopt a covered call strategy which involves writing listed or over-the-counter ("**OTC**") call options on the Reference Index (the "**HSCEI Call Options**") with notional value ranging from 70% to 100% of the aggregate value of the constituent equity securities of the Reference Index and the HSCEI ETF held by the CSOP HSCEI Covered Call Active ETF as well as the notional value of the long positions in HSCEI Futures held by the CSOP HSCEI Covered Call Active ETF (the "**Covered Call Exposure**"). The HSCEI Call Options are cash-settled and European-style options that are exercisable only at expiry.

The diagram below shows the main investment strategies of the CSOP HSCEI Covered Call Active ETF:



[1] "Front-month" HSCEI Futures or HSCEI Call Options are monthly contracts with the shortest time to maturity. "Back-month" HSCEI Futures or HSCEI Call Options are those with longer time to maturity.

Details of the option strategy

Creation/subscription of units

When there will be an increase in the number of Units due to creation/subscription of Units, the CSOP HSCEI Covered Call Active ETF may have to write additional HSCEI Call Options in order to maintain the Covered Call Exposure. The CSOP HSCEI Covered Call Active ETF may seek to write additional HSCEI Call Options with the same specified exercise price (i.e. "strike price") and expiration date as the existing HSCEI Call Options that have been written. Depending on the latest level of the Reference Index, the additional HSCEI Call Options to be written can be in-the-money, at-the-money or out-of-the-money[2]. The CSOP HSCEI Covered Call Active ETF may also write additional HSCEI Call Options with strike price and expiration date different from the existing HSCEI Call Options that have been written, with factors including but not limited to the liquidity and bid-ask spread of the HSCEI Call Options, premium of the HSCEI Call Options, as well as the potential risks of writing the HSCEI Call Options (taking into account, among other things, the market situation such as the recent market developments or short-term shocks that could impact the stock market and the volatility of the Reference Index) being considered.

Rolling of HSCEI Call Options

When existing HSCEI Call Options written by the CSOP HSCEI Covered Call Active ETF expire, the CSOP HSCEI Covered Call Active ETF seeks to write front-month[1] at-the-money or out-of-the-money HSCEI Call Options to maintain the Covered Call Exposure. It is the intention of the CSOP HSCEI Covered Call Active ETF to primarily write at-the-money HSCEI Call Options when existing HSCEI Call Options written by the CSOP HSCEI Covered Call Active ETF expire as the CSOP HSCEI Covered Call Active ETF aims to receive higher levels of premium. The CSOP HSCEI Covered Call Active ETF may also write back-month HSCEI Call Options, with factors including but not limited to the liquidity and bid-ask spread of the HSCEI Call Options, premium of the HSCEI Call Options as well as the potential risks of writing the HSCEI Call Options (taking into account, among other things, the market situation such as the recent market developments or short-term shocks that could impact the stock market and the volatility of the Reference Index) being considered.

The Manager may also "roll" the HSCEI Call Options prior to expiration (i.e. closing an existing HSCEI Call Option which is about to expire and write another HSCEI Call Option with a later expiration date). A call option expires on a designated date (the "expiration date"). In determining whether to roll the HSCEI Call Options, the Manager will consider various factors including but not limited to the liquidity and bid-ask spread of the HSCEI Call Options, premium of the HSCEI Call Options, the potential risks of rolling the HSCEI Call Options (taking into account, among other things, the

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[2] Moneyness is a term to describe whether an option is "in-the-money", "at-the-money" or "out-of-the-money". An "in-the-money" call option is a call option with a strike price that is below the current market price of the underlying asset (i.e. the latest level of the Reference Index in the case of the Sub-Fund). A call option is "at-the-money" if it has a strike price which is at or very near to the current market price of the underlying asset, and a call option is "out-of-the-money" if it has a strike price which exceeds the current market price of the underlying asset.

The moneyness of an option will affect the likelihood of the option being exercised. An "in-the-money" call option is likely to be exercised by the purchaser at expiry in order to make a profit from the favourable price difference between the strike price and the market price of the underlying asset, whereas the likelihood of exercise for an "at-the-money" call is relatively lower. An "out-of-the-money" call option has no intrinsic value and is not likely to be exercised at expiry.

market situation such as the recent market developments or short-term shocks that could impact the stock market and the volatility of the Reference Index) as well as whether such "rolling" is in the best interest of the investors. There is no guarantee that such rolling strategy will produce the desired results.

The CSOP HSCEI Covered Call Active ETF may also write weekly HSCEI Call Options (only out-of-the-money), which are weekly contracts expiring at the end of each week with the shortest time to maturity, with factors including but not limited to the liquidity and bid-ask spread of the HSCEI Call Options, premium of the HSCEI Call Options as well as the potential risks of writing the HSCEI Call Options (taking into account, among other things, the market situation such as the recent market developments or short-term shocks that could impact the stock market and the volatility of the Reference Index) being considered.

Restriction on strike price

The strike price of the in-the-money HSCEI Call Options written by the CSOP HSCEI Covered Call Active ETF will be capped at 30% below the index level of the Reference Index when written, whereas the strike price of the out-of-the-money HSCEI Call Options written by the CSOP HSCEI Covered Call Active ETF will be capped at 30% above the index level of the Reference Index when written. The tenor of the HSCEI Call Options shall not exceed one year when they are written by the CSOP HSCEI Covered Call Active ETF.

Margin requirements and other investments

In acquiring the HSCEI Futures and selling the HSCEI Call Options, the Manager anticipates that not more than 25% of the Net Asset Value of the CSOP HSCEI Covered Call Active ETF will be used as margin from time to time. Under exceptional circumstances (for instance, when there is increased margin requirement by the HKFE, the SEHK and/or brokers in extreme market turbulence), the margin exposure may increase substantially beyond 25% of the Net Asset Value of the CSOP HSCEI Covered Call Active ETF.

Not more than 30% of the Net Asset Value of the CSOP HSCEI Covered Call Active ETF may be invested in cash (HKD or USD) and other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term (i.e. maturity less than 3 years) investment-grade bonds and money market funds (which are authorised under Chapter 8.2 of the Code or eligible schemes under Chapter 7.11A of the Code) in accordance with the requirements of the Code.

The Manager currently has no intention to invest the CSOP HSCEI Covered Call Active ETF in any financial derivative instruments (other than investing in the HSCEI Futures and writing the HSCEI Call Options) for hedging or non-hedging (i.e. investment) purposes and will not enter into sale and repurchase transactions, reverse repurchase transactions or other similar OTC transactions. The Manager will seek the prior approval of the Commission (if required), and provide at least one month's prior notice to Unitholders before the Manager engages in any such investments.

Use of derivatives

The CSOP HSCEI Covered Call Active ETF's net derivative exposure may be up to 50% of its Net Asset Value.

3A. SECURITIES LENDING TRANSACTIONS

The Manager may, on behalf of the CSOP HSCEI Covered Call Active ETF, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value. The Manager will be 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 CSOP HSCEI Covered Call Active ETF and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1 in Part 1 of this Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the CSOP HSCEI Covered Call Active ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus) of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis and safekept by the Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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. Any re-investment of cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent the CSOP HSCEI Covered Call Active ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP HSCEI Covered Call Active ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to the section "***9.8 Securities lending transactions risk***" of this Appendix for further details.

5. COVERED CALL STRATEGY ADOPTED BY THE CSOP HSCEI COVERED CALL ACTIVE ETF

Overview

A "covered call strategy" is an options trading strategy which involves holding a long position in a particular asset (for example, a stock, a commodity, a bond, a currency or an index), whilst writing call options on the same asset simultaneously. Each European-style call option represents the right, but not the obligation, for the purchaser of the call option to buy the underlying asset at the strike price (or to receive a cash payment equal to any positive difference between the strike price and the market price of the underlying asset (the "cash payment at expiry")) at expiry. In return for writing a call option, the writer receives a payment of money from the purchaser who buys the call option, which is called the "premium".

This strategy is considered "covered" because the writer of the call options holds the

underlying asset which can be delivered to the purchaser if the call option is exercised (in the case of physically-settled options), or liquidated to pay the purchaser the cash payment at expiry (in the case of cash-settled options).

Advantages and disadvantages of adopting a covered call strategy

The objective of adopting a covered call strategy is to generate income and reduce potential loss against the downward market. Each time the CSOP HSCEI Covered Call Active ETF writes a HSCEI Call Option, the Sub- Fund receives a premium. If the value of the securities relating to the Reference Index held by the CSOP HSCEI Covered Call Active ETF declines, the premium that the CSOP HSCEI Covered Call Active ETF received for writing the HSCEI Call Option may reduce such loss to some extent.

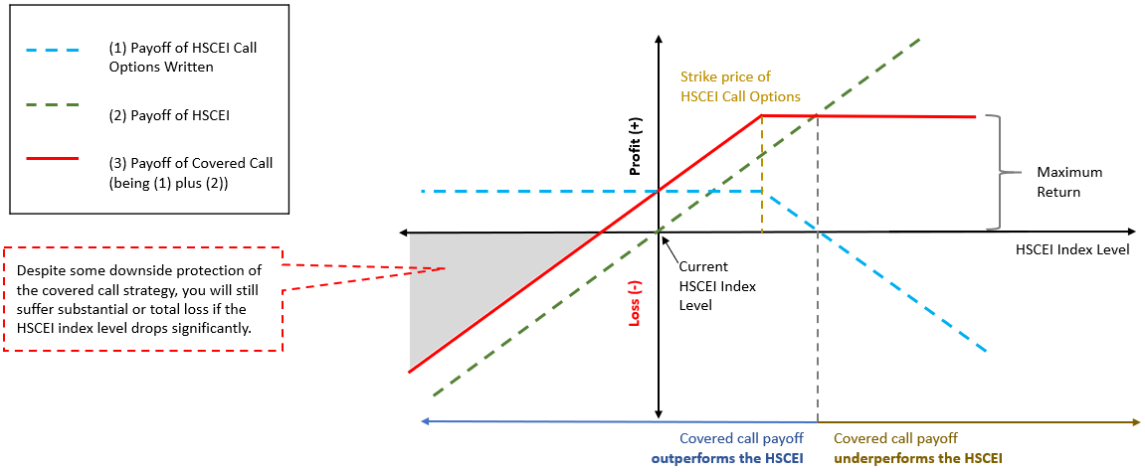
However, the downside of adopting a covered call strategy is that the CSOP HSCEI Covered Call Active ETF's opportunity to profit from an increase in the level of the Reference Index is limited to the strike price of the HSCEI Call Options written, plus the premium received. In return for the premium, the CSOP HSCEI Covered Call Active ETF gives the purchaser of the HSCEI Call Options the right to receive a cash payment equal to any positive difference between the level of the Reference Index and the strike price of the HSCEI Call Options at expiry (the "cash payment at expiry"). Insofar as the CSOP HSCEI Covered Call Active ETF's Covered Call Exposure is concerned, during the tenor of the HSCEI Call Options, the CSOP HSCEI Covered Call Active ETF may not be able to benefit from any potential increases in the value of the Reference Index above the strike price of the HSCEI Call Options (however, the CSOP HSCEI Covered Call Active ETF may still be benefited from potential increases in the value of the Reference Index above the strike price of the HSCEI Call Options for the CSOP HSCEI Covered Call Active ETF's exposure to the Reference Index that exceeds the notional value of the HSCEI Call Options written). The purchaser may exercise the HSCEI Call Options at the strike price at expiry and as such, the CSOP HSCEI Covered Call Active ETF will be obligated to give the cash payment at expiry to the purchaser. The CSOP HSCEI Covered Call Active ETF will not benefit from any appreciation of the Reference Index beyond the strike price of the HSCEI Call Options and the cash payment at expiry to the purchaser may be more than the premium received if the positive difference between the level of the Reference Index and the strike price of the HSCEI Call Options is greater than the premium received. When the value of the securities relating to the Reference Index held by the CSOP HSCEI Covered Call Active ETF is rallying rapidly, the CSOP HSCEI Covered Call Active ETF is expected to underperform the Reference Index.

As the CSOP HSCEI Covered Call Active ETF seeks to write covered HSCEI Call Options to maintain the Covered Call Exposure, its ability to benefit from capital appreciation of the Reference Index is limited as a result. Please refer to the risk factor "Covered call option writing risk" below for further details.

For the avoidance of doubt, the CSOP HSCEI Covered Call Active ETF does not seek to track the Reference Index given its covered call strategy.

CSOP HSCEI Covered Call Active ETF's performance in different market scenarios

The payoff of a covered call strategy in comparison with the HSCEI is illustrated in the following diagram:



The covered call strategy outperforms the HSCEI when the current price of the HSCEI is less than the sum of the strike price and the call option premium and underperforms the HSCEI when the current price of the HSCEI is more than the sum of the strike price and the call option premium.

For illustrative purpose only, the CSOP HSCEI Covered Call Active ETF's performance in adopting the covered call strategy in different market scenarios is set out below:

(a) *Bullish market scenario (worst case scenario)*

In a bullish market where the market value of the Reference Index is continuously rising, the covered call strategy adopted by the CSOP HSCEI Covered Call Active ETF may result in limited participation in the upside potential of the Reference Index.

The CSOP HSCEI Covered Call Active ETF's ability to benefit from the increasing value of the Reference Index is limited to the strike price of the HSCEI Call Options written, plus the premium received. As the market value of the Reference Index rises and may reach a level exceeding the strike price, the HSCEI Call Options written by the CSOP HSCEI Covered Call Active ETF may be exercised by the purchaser at expiry. This will trigger the CSOP HSCEI Covered Call Active ETF's obligation to pay the purchaser the cash payment at expiry. The CSOP HSCEI Covered Call Active ETF may have to liquidate its long positions in HSCEI Equities, HSCEI Futures and/or HSCEI ETF in such a case. Therefore, the CSOP HSCEI Covered Call Active ETF may not be able to benefit from any potential increases in the value of the Reference Index above the strike price of the HSCEI Call Options written by the CSOP HSCEI Covered Call Active ETF, insofar as the CSOP HSCEI Covered Call Active ETF's Covered Call Exposure is concerned (i.e. upside potential from the increase in value of the Reference Index is limited). Such forgone gain above the strike price of the HSCEI Call Options may not be sufficiently offset by the premium received.

Accordingly, the CSOP HSCEI Covered Call Active ETF's performance in a bullish market may be inferior compared to direct investments in constituent equity securities of the Reference Index without adopting a covered call strategy.

(b) *Range-trading market scenario (best case scenario)*

In a range-trading market where the market value of the Reference Index is neither rising nor declining, the CSOP HSCEI Covered Call Active ETF's

covered call strategy may generate positive returns for the CSOP HSCEI Covered Call Active ETF.

In writing the HSCEI Call Options, the CSOP HSCEI Covered Call Active ETF will receive a premium from the purchaser. If the market remains range-bound, it is likely that (i) the HSCEI Call Options will not be exercised by the purchaser at expiry (if the level of the Reference Index is equal to or below the strike price) or (ii) the cash payment at expiry to the purchaser is less than the premium received if the positive difference between the level of the Reference Index and the strike price when the HSCEI Call Options expires is less than the premium received.

Accordingly, the CSOP HSCEI Covered Call Active ETF can generate positive returns and potentially enhance its overall performance during a range-trading market.

(c) *Bearish market scenario*

In a bearish market where the market value of the Reference Index declines continuously, the CSOP HSCEI Covered Call Active ETF's covered call strategy may provide the CSOP HSCEI Covered Call Active ETF with downside protection to a certain extent.

As the market value of the Reference Index continues to decline and may reach a level below the strike price of the HSCEI Call Options written by the CSOP HSCEI Covered Call Active ETF, the likelihood that the HSCEI Call Options will be exercised at expiry is low. The CSOP HSCEI Covered Call Active ETF retains the premium received from writing the HSCEI Call Options as income, which may partially reduce the losses suffered from the declining market (if any). However, in the event that the decline in value of the Reference Index (and a corresponding decline in the value of the CSOP HSCEI Covered Call Active ETF's long positions in HSCEI Equities, HSCEI Futures and/or HSCEI ETF) exceeds the income generated from writing the HSCEI Call Options, the CSOP HSCEI Covered Call Active ETF's overall performance and Net Asset Value may be adversely affected.

For the avoidance of doubt, the above is set out for illustrative purpose only and should not be construed as any guarantee or warranty regarding the CSOP HSCEI Covered Call Active ETF's performance. The effectiveness of the CSOP HSCEI Covered Call Active ETF's covered call strategy is subject to an array of factors including but not limited to market conditions, volatility of the Reference Index, investor outlook and interest rates. There is no guarantee that the CSOP HSCEI Covered Call Active ETF will be able to fully implement its covered call strategy as intended or at all. Please refer to "***9. Risk Factors relating to the CSOP HSCEI Covered Call Active ETF***" of this Appendix for further details on the relevant risk factors.

6. REFERENCE INDEX

The Reference Index is a free-float-adjusted market capitalisation-weighted index that tracks the performance of the largest Mainland securities listed and traded on the SEHK. The universe of the Reference Index comprises of securities listed on the Main Board of the SEHK excluding stapled securities, biotech companies with stock names end with marker "B", specialist technology companies with stock names end with marker "PC" and investment companies listed under Chapter 21 of the Listing Rules. The Reference Index adopts a free-float-adjusted market capitalisation-weighted methodology with a cap of 8% on individual constituents.

The Reference Index is compiled and maintained by Hang Seng Indexes Company

Limited ("**HSICL**"). The Reference Index is denominated in HKD. The Reference Index was launched on 8 August 1994 and had a base level of 2,000 on 3 January 2000. As at 31 October 2025, the Reference Index comprised 50 securities with a total market capitalisation of approximately HKD24.77 trillion. The Manager (and each of its Connected Persons) are independent of HSICL.

7. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of the CSOP HSCEI Covered Call Active ETF to acquire investments, to redeem Units or to pay expenses relating to the CSOP HSCEI Covered Call Active ETF.

8. DISTRIBUTION POLICY

The Manager has discretion as to whether or not the CSOP HSCEI Covered Call Active ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders monthly having regard to the CSOP HSCEI Covered Call Active ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP HSCEI Covered Call Active ETF are charged to/paid out of the capital of the CSOP HSCEI Covered Call Active ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP HSCEI Covered Call Active ETF and therefore, the CSOP HSCEI Covered Call Active ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of or effectively out of the CSOP HSCEI Covered Call Active ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP HSCEI Covered Call Active ETF and will reduce any capital appreciation for the Unitholders of the CSOP HSCEI Covered Call Active ETF.**

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-hcecc (this website has not been reviewed by the Commission).

The distribution policy may be amended subject to the Commission's prior approval (where required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared and paid in HKD only. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-hcecc (this website has not been reviewed by the Commission) and on HKEX's website.

There can be no assurance that a distribution will be paid.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

9. RISK FACTORS RELATING TO THE CSOP HSCEI Covered Call Active ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP HSCEI Covered Call Active ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP HSCEI Covered Call Active ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP HSCEI Covered Call Active ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

9.1 Active investment management risk

The Manager employs an actively managed investment strategy for the CSOP HSCEI Covered Call Active ETF. In addition to seeking to obtain exposure to the constituent equity securities in the Reference Index in substantially the same weightings as these securities have in the Reference Index through investing directly in constituent equity securities of the Reference Index and HSCEI ETF and long positions of HSCEI Futures, the CSOP HSCEI Covered Call Active ETF also writes call options on the Reference Index.

For the avoidance of doubt, the CSOP HSCEI Covered Call Active ETF does not seek to track any index or benchmark (including the Reference Index), and there is no replication or representative sampling conducted by the Manager. The CSOP HSCEI Covered Call Active ETF may fail to meet its objective as a result of the Manager's selection of investments for the CSOP HSCEI Covered Call Active ETF, and/or the implementation of processes which may cause the CSOP HSCEI Covered Call Active ETF to underperform as compared to direct investments in the constituent equity securities of the Reference Index.

Whilst it is the intention of the Manager to implement strategies which are designed to achieve the investment objective, there can be no assurance that these strategies will be successful. The Manager may not be successful in selecting the best-performing instruments or investment techniques. Accordingly, there is a risk that investors may not recoup the original amount invested in the CSOP HSCEI Covered Call Active ETF or may lose a substantial part or all of their initial investment.

9.2 Covered call option writing risk

The CSOP HSCEI Covered Call Active ETF adopts a covered call strategy which involves writing call options on the Reference Index. A covered call strategy offers some downside protection but limits potential upside. Notwithstanding the downside protection of a covered call strategy, you will still suffer substantial or total loss if the HSCEI index level drops significantly.

The market value of a HSCEI Call Option may be affected by an array of factors including but not limited to supply and demand, interest rates, the current market price of the Reference Index in relation to the strike price of the HSCEI Call Options, the actual or perceived volatility of the Reference Index and the time remaining until the expiration date. The CSOP HSCEI Covered Call Active ETF's ability to utilise HSCEI Call Options successfully will depend on the ability of the Manager to correctly predict future price fluctuations, which cannot be assured and are subject to market behaviour or unexpected events.

In writing the covered HSCEI Call Options, the CSOP HSCEI Covered Call Active ETF will receive a premium from purchasers and the premium income will vary depending on different factors. However, in the case of an increase in the market price of the constituent equity securities of the Reference Index, the CSOP HSCEI Covered Call Active ETF's opportunity to profit from such an increase is limited to the strike price of the HSCEI Call Options. In the event that the level of the Reference Index is on a continuous rise, the exercise of written HSCEI Call Options by purchasers could result in the CSOP HSCEI Covered Call Active ETF's existing long positions in HSCEI Equities, HSCEI Futures and/or HSCEI ETF being liquidated for settlement of cash payment at expiry of HSCEI Call Options, and subsequent long positions would need to be re-established at a higher market level, thereby limiting the quantity of HSCEI Equities, HSCEI Futures and/or HSCEI ETF in which the CSOP HSCEI Covered Call Active ETF will be able to invest and accordingly, the quantity of the HSCEI Call Options which may be written by the CSOP HSCEI Covered Call Active ETF will also decrease.

On the other hand, the CSOP HSCEI Covered Call Active ETF will take an underlying long position in HSCEI Equities, HSCEI Futures and HSCEI ETF and, as the writer of the HSCEI Call Options which are covered by the underlying long positions, the CSOP HSCEI Covered Call Active ETF will continue to bear the risk of declines in the market value of the Reference Index. If a HSCEI Call Option expires and if there is a decline in the market value of the Reference Index during the option period, the premiums received by the CSOP HSCEI Covered Call Active ETF from writing the HSCEI Call Options may not be sufficient to offset the loss realised.

In addition, the CSOP HSCEI Covered Call Active ETF's ability to sell the HSCEI Equities, HSCEI Futures and/or HSCEI ETF underlying the HSCEI Call Options will be limited in order to maintain the Covered Call Exposure unless the CSOP HSCEI Covered Call Active ETF cancels out its short positions in the written HSCEI Call Options by purchasing offsetting identical HSCEI Call Options prior to their expiry. There is no guarantee that such offsetting identical HSCEI Call Options will be available on terms favourable to the CSOP HSCEI Covered Call Active ETF or at all. Even if the CSOP HSCEI Covered Call Active ETF is able to cancel out its short positions in the written HSCEI Call Options in the manner as aforementioned, the CSOP HSCEI Covered Call Active ETF may still sustain a loss in selling the underlying HSCEI Equities, HSCEI Futures and/or HSCEI ETF in the event that the market value of the Reference Index declines.

Also, the CSOP HSCEI Covered Call Active ETF may write HSCEI Call Options over an exchange or in the OTC market. The HSCEI Call Options in

the OTC markets may not be as liquid as exchange-listed options. There may be a limited number of counterparties which are willing to enter into HSCEI Call Options as purchasers or the CSOP HSCEI Covered Call Active ETF may find the terms of such counterparties to be less favorable than the terms available for listed options. Moreover, the SEHK may suspend the trading of options in volatile markets. If trading is suspended, the CSOP HSCEI Covered Call Active ETF may not be able to write HSCEI Call Options at times that may be desirable or advantageous to do so.

9.3 Equity market risk

The CSOP HSCEI Covered Call Active ETF'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.

Please also refer to the risk factor "**Investment risks – Equity Risk**" under "**4. General Risk Factors**" in Part 1 of this Prospectus for further details.

9.4 HSCEI futures contracts risk

Market risk

The use of futures contracts involves risks that are in addition to, and potentially greater than, the risks of investing directly in securities and other more traditional assets. Although the HSCEI Futures market is relatively developed, the CSOP HSCEI Covered Call Active ETF is subject to a potential risk that it may not be able to terminate or sell positions. A liquid secondary market may not always exist for the CSOP HSCEI Covered Call Active ETF's positions at times when the CSOP HSCEI Covered Call Active ETF wishes to terminate or sell such positions.

Volatility risk

The price of HSCEI Futures can be highly volatile and is influenced by, among others, interest rates, changing market supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and changing investor confidence in future fluctuations in the price of the Reference Index.

Leverage risk

Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in HSCEI Futures may result in a proportionally high impact and substantial losses to the CSOP HSCEI Covered Call Active ETF, having a material adverse effect on the Net Asset Value. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested by the CSOP HSCEI Covered Call Active ETF.

Margin requirement risk

Investing in HSCEI Futures and writing HSCEI Call Options generally involve the posting of margin. Additional funds may need to be posted as margin to meet margin calls based upon daily marking to market of the HSCEI Futures and the HSCEI Call Options. Increases in the amount of margin or similar payments may result in the need for the CSOP HSCEI Covered Call Active

ETF to liquidate its investments at unfavourable prices in order to meet margin calls. If the CSOP HSCEI Covered Call Active ETF is unable to meet its investment objective as a result of margin requirements imposed by the HKFE, the SEHK and/or the CSOP HSCEI Covered Call Active ETF's futures broker, the CSOP HSCEI Covered Call Active ETF may experience significant losses, which may exceed the amount of the CSOP HSCEI Covered Call Active ETF's initial investment, and the investors may suffer substantial or total loss of their own investments.

Negative roll yields and "contango" market risk

Excluding other considerations, if the market for HSCEI Futures is in a "contango" market, i.e. the prices are higher in the distant delivery months than in the nearer delivery months, the sale of the HSCEI Futures would take place at a price that is lower than the price of the contract which such HSCEI Futures will be rolled to. Accordingly, sale proceeds from selling existing HSCEI Futures when rolling will not be sufficient to purchase the same number of contracts with later expiration date which have a higher price, thereby creating a negative "roll yield".

By contrast, if the market for these contracts is in "backwardation", i.e. the prices of the HSCEI Futures with later expiration dates are lower than the prices of HSCEI Futures with earlier expiration dates, the sale of the current contracts would take place at a price that is higher than the price of the contracts with later expiration date, thereby creating a positive "roll yield".

Contango or backwardation could last for an undetermined period of time. The presence of contango in the market for HSCEI Futures could result in negative "roll yields," which could adversely affect the Net Asset Value of the CSOP HSCEI Covered Call Active ETF. The impact of contango on the CSOP HSCEI Covered Call Active ETF 's performance may be greater than it would have been if the CSOP HSCEI Covered Call Active ETF rolled HSCEI Futures less frequently. Investors should note that save for the transaction cost incurred, "rolling" in itself is not a loss or return-generating event. The roll yield is typically realised over time.

HSCEI Futures position limit risk

The positions of futures contracts or stock options contracts held or controlled by the Manager, including positions held for the Manager's own account or for the funds under its management (such as the CSOP HSCEI Covered Call Active ETF) but controlled by the Manager, may not in aggregate exceed the relevant maximum under the Securities and Futures (Contracts Limits and Reportable Positions) Rules (the "**Rules**").

Accordingly, if the position held or controlled by the Manager reaches the relevant position limit or if the Net Asset Value of the CSOP HSCEI Covered Call Active ETF grows significantly, the restrictions under the Rules may prevent creations of additional Units due to the inability of the CSOP HSCEI Covered Call Active ETF to acquire further HSCEI Futures. This may cause a divergence between the trading price of a Unit on the SEHK and the Net Asset Value per Unit. In the event that the relevant position limit is reached or is closed to being reached, the Manager will evaluate its existing positions and consider partially or fully closing out certain positions, or obtain exposure to the Reference Index through investment in HSCEI Equities or HSCEI ETF.

Failure of clearing house risk

HSCEI Futures and HSCEI Call Options are registered, cleared and guaranteed by the HKFE Clearing Corporation. In the event of the bankruptcy of the clearing house, the CSOP HSCEI Covered Call Active ETF could be exposed to a risk of loss with respect to its assets that are posted as margin. If such a bankruptcy were to occur, the CSOP HSCEI Covered Call Active ETF would be afforded the protections granted to participants to transactions cleared through a clearing house under applicable laws. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt clearing house if the clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that these protections will be effective in allowing the CSOP HSCEI Covered Call Active ETF to recover all, or even any, of the amounts it has deposited as margin.

9.5 Risks associated with investing in financial derivative instruments

The CSOP HSCEI Covered Call Active ETF invests in HSCEI Futures and writes HSCEI Call Options, which are financial derivative instruments ("**FDIs**"). Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the CSOP HSCEI Covered Call Active ETF. Exposure to FDIs may lead to a high risk of significant loss by the CSOP HSCEI Covered Call Active ETF.

Please also refer to the risk factor "***Investment risks – Financial Derivative Instruments and Collateral Risks"*** under "***4. General Risk Factors"*** in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the CSOP HSCEI Covered Call Active ETF will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the CSOP HSCEI Covered Call Active ETF. Please also refer to the headings "**Financial Derivative Instruments"** and "**Collateral"** under Schedule 1 in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

9.6 Concentration risk

The CSOP HSCEI Covered Call Active ETF is subject to concentration risk as a result of obtaining exposure to a single geographical region or country (i.e. Chinese Mainland). The CSOP HSCEI Covered Call Active ETF may likely be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations resulting from adverse conditions in Chinese Mainland.

In addition, to the extent that the constituent securities of the Reference Index are concentrated in Hong Kong-listed Mainland securities of a particular sector or market, the investments of the CSOP HSCEI Covered Call Active ETF may be similarly concentrated. The value of the CSOP HSCEI Covered Call Active ETF may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the CSOP

HSCEI Covered Call Active ETF may be more susceptible to adverse conditions in such particular market/sector.

9.7 Risks of investing in other collective investment schemes

The CSOP HSCEI Covered Call Active ETF may invest in other collective investment schemes, and may therefore be subject to the risks associated with such underlying schemes. The CSOP HSCEI Covered Call Active ETF does not have control of the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which may have a negative impact to the Net Asset Value of the CSOP HSCEI Covered Call Active ETF.

In addition, the tax provision made by the other collective investment schemes may be more or less than their actual tax liabilities. Any shortfall of such tax provision may adversely affect the performance of such other collective investment schemes.

The underlying schemes in which the CSOP HSCEI Covered Call Active ETF may invest may not be authorised by the Commission. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the CSOP HSCEI Covered Call Active ETF's redemption requests as and when made.

If the CSOP HSCEI Covered Call Active ETF invests in other active or passive investment products managed by the Manager or Connected Person of the Manager, all initial charges and redemption charges on these listed or unlisted 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 case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

9.8 Securities lending transactions risk

Collateral risk

As part of the securities lending transactions, the CSOP HSCEI Covered Call Active ETF 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 CSOP HSCEI Covered Call Active ETF if the borrower fails to return the securities lent out. The CSOP HSCEI Covered Call Active ETF 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 CSOP HSCEI Covered Call Active ETF 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.

9.9 Distributions out of or effectively out of capital risk

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP HSCEI Covered Call Active ETF are charged to/paid out of the capital of the CSOP HSCEI Covered Call Active ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP HSCEI Covered Call Active ETF and therefore, the CSOP HSCEI Covered Call Active ETF may effectively pay dividends out of the capital. Investors should note that payment of distributions out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that amount. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the CSOP HSCEI Covered Call Active ETF.

9.10 Operating risk

There is no assurance that the CSOP HSCEI Covered Call Active ETF will achieve its investment objective. The level of fees, taxes and expenses payable by the CSOP HSCEI Covered Call Active ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP HSCEI Covered Call Active ETF can be estimated, the growth rate of the CSOP HSCEI Covered Call Active ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP HSCEI Covered Call Active ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP HSCEI Covered Call Active ETF. On the termination of the CSOP HSCEI Covered Call Active ETF, the CSOP HSCEI Covered Call Active ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

9.11 Risks specific to the Listed Class of Units

No market in the Units risk. Although the Listed Class of Units are to be listed on the SEHK and 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 the Listed Class of Units, investors should be aware that there may be no liquid trading market for the Listed Class of Units or that such market maker(s) may cease to fulfil that role. Further, there can be no assurance that Listed Class of Units will experience trading or pricing patterns similar to those of other ETFs which are traded on the SEHK and which are based upon indices.

Termination of market maker risk. A market maker may cease to act as a market maker for the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF in accordance with the terms of its agreement including upon

giving prior written notice. The termination notice period for at least one market maker for the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF will be no less than three months. The liquidity for the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF may be affected if there is no market maker for the Listed Class of Units. The Manager will use its best endeavours to put in place arrangements so that there is at least one market maker for the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF to facilitate efficient trading of the Listed Class of Units. It is possible that there is only one market maker for the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. The Listed Class of Units will be a new security and following listing on the SEHK, it is unlikely that the Listed Class of Units will initially be widely held. Accordingly, any investor buying the Listed Class of Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Listed Class of Units in the secondary market. Therefore, Unitholders may not be able to sell their Listed Class of Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Listed Class of Units.

10. FEES AND CHARGES

10.1 General

The following fees apply to investors of both Listed Class of Units and Unlisted Class of Units.

Management Fees

The Manager is entitled to receive a management fee. For Listed Class of Units, the current rate is 0.99% per annum of the Net Asset Value of the relevant Class of Units accrued daily and calculated as at each Dealing Day and payable monthly in arrears. For Class A Units, the current rate is 1.50% per annum of the Net Asset Value of Class A Units accrued daily and calculated as of each Dealing Day and payable monthly in arrears.

Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee.

The Trustee's fee is inclusive of the fees payable to the Custodian.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP HSCEI Covered Call Active ETF all out-of-pocket expenses incurred.

Other Charges and Expenses of CSOP HSCEI Covered Call Active ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP HSCEI Covered Call Active ETF.

Establishment costs of CSOP HSCEI Covered Call Active ETF

The establishment costs of the CSOP HSCEI Covered Call Active ETF are estimated to be not exceeding HKD600,000; such costs shall be borne by the CSOP HSCEI Covered Call Active ETF (unless otherwise determined by the Manager) and amortised over the first five financial years of CSOP HSCEI Covered Call Active ETF or such other period as determined by the Manager after consulting the auditor.

10.2 Listed Class of Units

The following fees apply to the investors of Listed Class of Units only.

Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP HSCEI Covered Call Active ETF. For any period less than a month, the reconciliation fee is payable by the CSOP HSCEI Covered Call Active ETF on a pro-rata basis and accrues on a daily basis.

Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarised in the respective tables below:

Participating Dealers

Creation and Redemption of Listed Class of Units by a Participating Dealer

Application Cancellation Fee	HKD10,000 per cancellation *(See Note 1)*
Extension Fee	HKD10,000 per extension *(See Note 1)*
Transaction Fee	HKD3,900 per Application *(See Note 2)*
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges in relation to an Application.

Primary Market Investors creating or redeeming Listed Class of Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the

Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

Secondary Market Investors Dealing in the Listed Class of Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% *(see Note 4 and Note 9)*
Accounting and Financial Reporting Council ("**AFRC**") transaction levy	0.00015% of the trading price *(see Note 5)*
Trading fee	0.00565% *(see Note 6 and Note 9)*
Stamp duty	Nil *(see Note 7)*
Investor compensation levy	0.002% (currently suspended) *(see Note 8)*

Note:

1. The Application Cancellation Fee of HKD10,000 and the Extension Fee of HKD10,000 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.

2. A Transaction Fee of HKD3,900 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.

3. A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.

4. A transaction levy of 0.0027% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.

5. An AFRC transaction levy of 0.00015% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.

6. A trading fee of 0.00565% of the trading price of the Listed Class of Units, payable by each of the buyer and the seller.

7. For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the Listed Class of Units of the CSOP HSCEI Covered Call Active ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.

8. The investor compensation levy of the trading price of the Listed Class of Units, payable by the buyer and the seller, has been suspended

pursuant to the exemption notice published by the Commission on 11 November 2005.

9. The transaction levy and trading fee will be paid by intermediaries to HKEX in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.

   Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

10.3 Unlisted Class of Units

The following fees apply to investors of Unlisted Class of Units only.

Subscription, Redemption and Switching fees payable by Unitholders of Unlisted Class of Units

	Unlisted Class of Units
Subscription fee	Up to 5% of the subscription amount
Redemption fee	Nil
Switching fee	N/A

Investors should note that switching between Unlisted Class of Units and Listed Class of Units on the secondary market is not available. Distributors who wish to switch between Unlisted Class of Units and Listed Class of Units should do so in accordance with the procedures as agreed with the Manager and the Trustee.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of the documents that are available for inspection.

12. TERMINATION OF CSOP HSCEI COVERED CALL ACTIVE ETF

Without prejudice to the grounds of termination as set out in the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP HSCEI Covered Call Active ETF shall be less than HKD100 million, the CSOP HSCEI Covered Call Active ETF and/or any classes of Units relating to the CSOP HSCEI Covered Call Active ETF may be terminated by the Manager in its absolute discretion by notice in writing.

13. PUBLICATION OF INFORMATION RELATING TO THE CSOP HSCEI COVERED CALL ACTIVE ETF

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for the information relating to the CSOP HSCEI Covered Call Active ETF that will be published on the Manager's website and HKEX's website.

In addition, the following information relating to the CSOP HSCEI Covered Call Active ETF will be published on the Manager's website at https://www.csopasset.com/en/products/hk-hcecc (this website has not been reviewed by the Commission):

(a) the full portfolio information of the CSOP HSCEI Covered Call Active ETF, including details of the HSCEI Call Options written by the CSOP HSCEI Covered Call Active ETF (in English only), updated on a daily basis;

(b) a "performance simulator" which simulates the performance of the CSOP HSCEI Covered Call Active ETF based on its holdings; and

(c) additional information on the CSOP HSCEI Covered Call Active ETF 's covered call strategy.

APPENDIX 21

CSOP FTSE Asia Tech Index ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 3473

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP FTSE Asia Tech Index ETF
Stock Code: 3473

1. KEY INFORMATION

1.1 General

This appendix sets out information specific to the CSOP FTSE Asia Tech Index ETF ("**CSOP FTSE Asia Tech Index ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in the CSOP FTSE Asia Tech Index ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***8. Risk Factors relating to the CSOP FTSE Asia Tech Index ETF***" of this Appendix, before investing in the CSOP FTSE Asia Tech Index ETF.

Application has been made to the SEHK for the listing of, and permission to deal in, the Units of the CSOP FTSE Asia Tech Index ETF. Subject to the compliance with the relevant admission requirements of the HKSCC, Units in the CSOP FTSE Asia Tech 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 Units on the SEHK or such other date as may be determined by the HKSCC. Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP FTSE Asia Tech Index ETF, and should be read in conjunction with the full text of this Prospectus.

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapter 8.6 of the Code
Underlying Index	FTSE ETF Connect Asia Tech+ Index (net total return version) Launch Date: 30 September 2025 Base Date: 20 March 2020 Number of constituents: 39 (as of 30 November 2025) Base Currency of Underlying Index: Hong Kong dollars (HKD)
Type of Underlying Index	A net total return index which means that it reflects the reinvestment of dividends or

	distributions, after deduction of any withholding tax. The Underlying Index is denominated and quoted in HKD.
Index Provider	FTSE International Limited
Investment Strategy	The Manager will use combination of physical and synthetic representative sampling strategy. Please refer to section "3***. Investment Objective and Strategy***" of this Appendix for further details.
Initial Issue Date	27 March 2026
Listing Date	30 March 2026
Dealing on SEHK Commencement Date	30 March 2026
Exchange Listing	SEHK – Main Board
Stock Code	3473
Stock Short Name	CSOP ASIATECH
ISIN Number	HK0001275350
Trading Board Lot Size	100 Units
Base Currency	HKD
Trading Currency	HKD
Dividend Policy	The Manager has discretion as to whether or not the CSOP FTSE Asia Tech Index ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP FTSE Asia Tech Index ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any). The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP FTSE Asia Tech Index ETF are charged to/paid out of the capital of the CSOP FTSE Asia Tech Index ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP FTSE Asia Tech Index ETF and therefore, the CSOP FTSE Asia Tech Index ETF may effectively pay dividend out of

		capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of the CSOP FTSE Asia Tech Index ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP FTSE Asia Tech Index ETF. Distributions will be in HKD. Please refer to section "***7. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP FTSE Asia Tech Index ETF and the risk factor under section "***8.12 Distributions out of or effectively out of capital risk***" in this Appendix for the risk associated with distributions paid out of capital.
Application Unit size for Creation/ Redemption (only by or through Participating Dealers)		Minimum 500,000 Units (or multiples thereof)
Method of Creation/ Redemption		Cash (in HKD) or a combination of cash and in-kind
Parties	Manager	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
	Participating Dealer(s)	Please refer to the Manager's website set out below for the latest list.
	Market Maker(s)	Please refer to the Manager's website set out below for the latest list.
	Service Agent	HK Conversion Agency Services Limited
	Listing Agent	Altus Capital Limited
Financial Year		Ending 31 December each year (The first financial year-end of the CSOP FTSE Asia Tech Index ETF will be 31 December 2026. The first semi-annual unaudited interim reports and first audited accounts of the CSOP FTSE Asia Tech Index ETF will be for the period ending 30 June 2027 and 31

	December 2026 respectively.)
Management Fee	Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.99% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Website	https://www.csopasset.com/en/products/hk-cftc (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission)

1.3 Custodian for the CSOP FTSE Asia Tech Index ETF

The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee as custodian (the "**Custodian**"), and will be responsible for the safe custody of the CSOP FTSE Asia Tech Index ETF's assets.

Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the Custodian. Neither the Custodian nor its delegate (if any) is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "***1.3 Custodian for the CSOP FTSE Asia Tech Index ETF***".

1.4 Market Maker

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 of the CSOP FTSE Asia Tech Index ETF. 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 to facilitate the efficient trading of Units of the CSOP FTSE Asia Tech Index ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker is required to give not less than three months' notice prior to terminating market making arrangement under the relevant market making agreement.

The list of market markers in respect of the CSOP FTSE Asia Tech Index ETF is available on https://www.csopasset.com/en/products/hk-cftc and from time to time will be displayed on www.hkex.com.hk.

2. DEALING

2.1 The Initial Offer Period

Units of the CSOP FTSE Asia Tech Index ETF will initially be offered only to the Participating Dealer(s) from 9:00 a.m. (Hong Kong time) on 25 March 2026 to 4:30 p.m. (Hong Kong time) on 26 March 2026, unless otherwise extended by the Manager (the "**Initial Offer Period**"). The purpose of the Initial Offer Period is to enable the Participating Dealer(s) to apply for Units on their own account or on behalf of third party Primary Market Investors in accordance with the terms of the Trust Deed and the Operating Guidelines.

Primary Market Investors who are retail investors may only submit a creation request or redemption request through a Participating Dealer or a stockbroker who has opened an account with a Participating Dealer.

Investors should note that the Participating Dealers and the stockbrokers through whom a Creation Application is made may impose an earlier dealing deadline, require other supporting documents for the Creation Application and adopt other dealing procedures different from those set out for the CSOP FTSE Asia Tech Index ETF in this Prospectus. For example, the dealing deadline set by the Participating Dealers or the stockbrokers may be earlier than that set out for the CSOP FTSE Asia Tech Index ETF in this Prospectus. Investors should therefore check the applicable dealing procedures with the relevant Participating Dealer or stockbroker (as the case may be).

2.2 Extension of the Initial Offer Period

If the Initial Offer Period is extended beyond 26 March 2026, dealings in the Units on the SEHK will commence on the fourth (4th) Business Day following the close of the Initial Offer Period.

2.3 Exchange Listing and Trading

Application has been made to the SEHK for listing of and permission to deal in Units in the CSOP FTSE Asia Tech Index ETF.

Currently, Units are expected to be listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on other stock exchanges.

If trading of the Units of the CSOP FTSE Asia Tech Index ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Units.

2.4 Buying and Selling of Units of the CSOP FTSE Asia Tech Index ETF on SEHK

Dealings on the SEHK in Units of the CSOP FTSE Asia Tech Index ETF issued after the Initial Offer Period are expected to begin on the trading day after the Initial Issue Date.

A Secondary Market Investor can buy and sell the Units of the CSOP FTSE Asia Tech Index ETF on the SEHK through his stockbroker at any time the

SEHK is open. Units of the CSOP FTSE Asia Tech Index ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 100 Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the CSOP FTSE Asia Tech Index ETF 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 of the CSOP FTSE Asia Tech Index ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the CSOP FTSE Asia Tech Index ETF.

Please refer to section "***Schedule 2 – 3. Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of Units on the SEHK.

2.5 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Schedule 2 – 2. Creation and Redemption of Application Units (Primary Market)***" of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP FTSE Asia Tech Index ETF only.

The Manager allows Cash and Hybrid (i.e. a combination of Cash and In-Kind Creations and Redemptions) Creations and Redemptions for Units of the CSOP FTSE Asia Tech Index ETF. Any cash payable by Participating Dealers in a Cash Creation must be in HKD.

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 Application Unit size for CSOP FTSE Asia Tech Index ETF is 500,000 Units (or multiples thereof). Creation Applications submitted in respect of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP FTSE Asia Tech Index ETF is one Application Unit.

Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Any cash proceeds received by Participating Dealers in a Cash Redemption shall be paid in HKD only.

2.5.1 Dealing Period

The dealing period on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP FTSE Asia Tech Index ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 12:00 p.m. (Hong Kong time) for any cash creation and redemption or 12:00 p.m.

(Hong Kong time) for any Hybrid creation and redemption (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.5.2 Issue Price and Redemption Price

In respect of each Creation Application during the Initial Offer Period, the Issue Price of a Unit of any class which is the subject of a Creation Application in relation to the CSOP FTSE Asia Tech Index ETF shall be equal to HKD 7.8, or such other price as may be determined by the Manager in consultation with the Trustee.

After the Initial Offer Period, the Issue Price of a Unit of any class in the CSOP FTSE Asia Tech Index ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units of any class redeemed shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP FTSE Asia Tech Index ETF.

The "**Valuation Day**" of the CSOP FTSE Asia Tech Index ETF, coincides with, and shall mean, the Dealing Day of the CSOP FTSE Asia Tech Index ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's website at https://www.csopasset.com/en/products/hk-cftc (the website has not been reviewed by the Commission) or published in such other publications as the Manager decides.

2.5.3 Dealing Day

In respect of the CSOP FTSE Asia Tech Index ETF, "**Dealing Day**" means each Business Day.

"**Business Day**" in respect of the CSOP FTSE Asia Tech Index ETF means a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant markets on which the securities comprising or held by the CSOP FTSE Asia Tech Index ETF are traded (as designated by the Manager from time to time) is open for normal trading, and (b) the Underlying Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

3. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP FTSE Asia Tech Index ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the FTSE ETF Connect Asia Tech+ Index (net total return version) (the "**Underlying Index**"). There is no assurance that the CSOP FTSE Asia Tech Index ETF will achieve its investment objective.

Investment Strategy

In order to achieve the investment objective of the CSOP FTSE Asia Tech Index ETF, the Manager intends to adopt a combination of physical representative sampling and synthetic representative sampling strategy. The CSOP FTSE Asia Tech Index ETF will (i) primarily use a physical representative sampling strategy by investing 50% to 100% of its Net Asset Value in Securities constituting the Underlying Index ("**Index Securities**"); and (ii) where the Manager believes such investments are beneficial to the CSOP FTSE Asia Tech Index ETF and will help the CSOP FTSE Asia Tech Index ETF achieve its investment objective, use a synthetic representative sampling strategy as an ancillary strategy by investing up to 50% of its Net Asset Value in FDIs, which will only be funded total return swaps with one or more counterparties.

Physical representative sampling sub-strategy

The CSOP FTSE Asia Tech Index ETF primarily uses a physical representative sampling strategy by investing 50% to 100% of its Net Asset Value in Index Securities. The CSOP FTSE Asia Tech Index ETF may invest up to 100% of its Net Asset Value directly in equity securities listed on the SEHK, the Taiwan Stock Exchange ("**TWSE**"), the Taipei Exchange ("**TPEX**"), the Tokyo Stock Exchange ("**TSE**"), the Singapore Exchange ("**SGX**") and/or the Korea Exchange ("**KRX**") stock markets.

Synthetic representative sampling sub-strategy

By adopting a synthetic representative sampling sub-strategy, the CSOP FTSE Asia Tech Index ETF will only invest up to 50% of its Net Asset Value directly in funded total return swap transaction(s) whereby the CSOP FTSE Asia Tech Index ETF will pass on the relevant portion of cash to the swap counterparty(ies) and in return the swap counterparty(ies) will provide the CSOP FTSE Asia Tech Index ETF with an exposure to the economic gain/loss in the performance of the Index Securities (net of indirect costs). The Manager will only use a synthetic representative sampling sub-strategy when it considers that such investments are beneficial to the CSOP FTSE Asia Tech Index ETF.

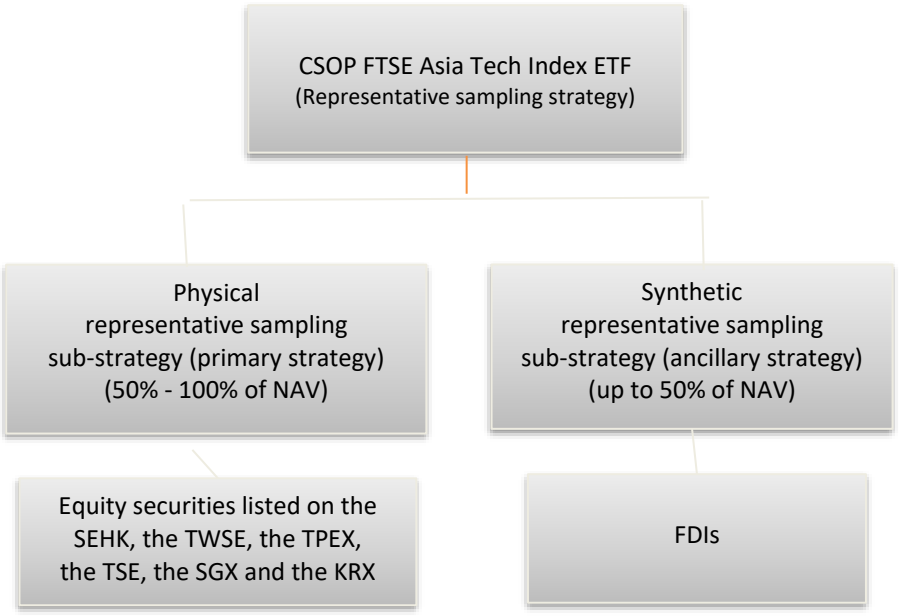
The CSOP FTSE Asia Tech Index ETF shall bear the swap fees (including the brokerage commission and any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swaps). The swap fees, which include all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis, represent a variable spread (which can be positive or negative) plus HIBOR which reflects the brokerage commission and the swap counterparty's costs of financing the underlying hedge in order to provide the performance. If the swap fee (HIBOR plus spread) is a positive figure, then it will be borne by the CSOP FTSE Asia Tech Index ETF and may have an adverse impact on its Net Asset Value and the performance of the CSOP FTSE Asia Tech Index ETF, and may result in a negative impact on the tracking difference of the CSOP FTSE Asia Tech Index ETF. On the contrary, if the swap fee (HIBOR plus spread) is a negative figure, the swap counterparty will pay the swap fee to the CSOP FTSE Asia Tech Index ETF and may lead to a positive impact on the tracking

difference of the CSOP FTSE Asia Tech Index ETF. In extreme market conditions and exceptional circumstances, the brokerage commission and the swap counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the CSOP FTSE Asia Tech Index ETF is 0.5% per transaction on the notional amount of the swap unwound.

Exposure of the CSOP FTSE Asia Tech Index ETF to the Index Securities (either through direct investment or FDIs) will be in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index. The Manager may cause the CSOP FTSE Asia Tech Index ETF 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 Commission.

The full holdings of the CSOP FTSE Asia Tech Index ETF are available on the Manager's website and will be updated on a daily basis.

The diagram below shows the investment strategies of the CSOP FTSE Asia Tech Index ETF:



Other investments

The CSOP FTSE Asia Tech Index ETF may also invest not more than 5% of its Net Asset Value in cash and money market funds for cash management purpose.

No more than 30% of the CSOP FTSE Asia Tech Index ETF's Net Asset Value may be invested in collective investment scheme which may be authorised by the Commission in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the CSOP FTSE Asia Tech Index ETF's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investments in exchange traded funds will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11A and 7.11B of the Code.

Other than as set out above, the CSOP FTSE Asia Tech Index ETF may also invest in FDIs for hedging purposes.

The CSOP FTSE Asia Tech Index ETF will not enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions. Prior approval of the SFC (to the extent required under applicable regulatory requirements) will be sought and not less than one month's prior notice (or such shorter notice period as may be permitted under applicable regulatory requirements) will be given to Unitholders in the event the Manager wishes to enter into such transactions.

3A. SECURITIES LENDING TRANSACTIONS

The Manager may, on behalf of the CSOP FTSE Asia Tech Index ETF, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value. The Manager will be 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 CSOP FTSE Asia Tech Index ETF and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1 in Part 1 of this Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the CSOP FTSE Asia Tech Index ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus) of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis and be safekept by the Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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. Any reinvestment of cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent the CSOP FTSE Asia Tech Index ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP FTSE Asia Tech Index ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to the section "***8.9 Securities lending transactions risk***" of this Appendix for further details.

4. OVERVIEW OF THE ASIA TECHNOLOGY SECTOR

The technology-focused securities listed on the Asian markets in which the CSOP FTSE Asia Tech Index ETF may invest (i.e. Hong Kong, Taiwan, Japan, Singapore and/or South Korea) play a significant role within the global technology sector. China (in which a large number of companies are listed in Hong Kong) is a leader in artificial

intelligence, robotics and e-commerce. Taiwan is the center of semiconductor manufacturing. Japan is a leader in industrial automation and robotics. Korea is a major producer of memory chip. Japan and Korea are also global leaders in consumer electronics and telecommunications. Singapore is a hub for financial technology. These countries represent diversified expertise in different specialties within the technology sector.

5. OVERVIEW OF KOREA CAPITAL MARKET

The Korea Exchange (KRX) was established in 2005 through the merger of the Korea Stock Exchange (founded in 1956), the KOSDAQ Market (launched in 1996 for tech and venture firms), and the Korea Futures Exchange. The KRX operates three equity market segments, namely the KOSPI Market, the KOSDAQ Market and the KONEX Market. The KOSPI Market serves as the main board and is largely comprised of large-cap and blue-chip companies. The KOSDAQ Market focuses mainly on startup companies as well as SMEs in such tech-savvy area as IT (information technology), BT (bio technology) and CT (culture technology). The KONEX Market is a new market established in 2013 for small- and medium-sized enterprises exclusively in order to form the basis of creative economy by reinforcing support through the capital market for SMEs at the early stage. As of 8 April 2026, there are 2,769 listed companies across the equity markets in the KRX, with a total market capitalisation of KRW 5,444 trillion.

The key trading information of the Korean stock market are as follows:

Key indexes	KOSPI / KOSPI 200 / KOSDAQ
Trading hours (Korea Standard Time)	Pre-hours session: 0800-0900 Regular trading session: 0900-1530 After-hours session: 1540-1800
Trading lot size	1 share
Settlement	T+2
Daily price limit	For the KOSPI and the KOSDAQ Markets: +/-30% For the KONEX Market: +/-15%
Circuit breakers	The 3 phases of circuit breakers in the KOSPI and the KOSDAQ Markets are below: • Phase 1: If the index (KOSPI or KOSDAQ Index) decreases by 8% or more from the previous day's closing price for one minute, the trading of the market will be suspended for 20 minutes. • Phase 2: If the index (KOSPI or KOSDAQ Index) decreases by 15% or more from the previous day's closing price for one minute and the index decreases by an additional 1% from the time the first set of circuit breaker is exercised. The trading of the market will be suspended for 20 minutes. • Phase 3: If the index (KOSPI or KOSDAQ Index) decreases by 20% or more from the previous day's closing price for one minute and the index decreases by an additional 1% from the time the second set of circuit breaker is exercised. The trading of the market will be suspended for the remainder of the day with no off-market trading. The implementation of each phase of circuit breakers is limited to one time in one day. Phases 1 and 2 are not triggered during 40 minutes before the market closing whereas phase 3 is triggered during that time period.

Volatility interruption	When the price changes by 10% or more from the previous single price execution (static VI), or the newly executed price is +/-2~6%* than the previously latest executed price (dynamic VI), a two-minute cooling period (periodic call auction for 2 minutes) will be triggered.

Note:
** Percentage differs depending on its market or the trading hours.*

For more information, please refer to the KRX's website: https://global.krx.co.kr/main/main.jsp (which has not been reviewed by the SFC).

6. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of the CSOP FTSE Asia Tech Index ETF to acquire investments, to redeem Units or to pay expenses relating to the CSOP FTSE Asia Tech Index ETF.

7. DISTRIBUTION POLICY

The Manager has discretion as to whether or not the CSOP FTSE Asia Tech Index ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP FTSE Asia Tech Index ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP FTSE Asia Tech Index ETF are charged to/paid out of the capital of the CSOP FTSE Asia Tech Index ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP FTSE Asia Tech Index ETF and therefore, the CSOP FTSE Asia Tech Index ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of or effectively out of the CSOP FTSE Asia Tech Index ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP FTSE Asia Tech Index ETF and will reduce any capital appreciation for the Unitholders of the CSOP FTSE Asia Tech Index ETF.**

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-cftc (this website has not been reviewed by the Commission).

The distribution policy may be amended subject to the Commission's prior approval (where required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared and paid in HKD only. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-cftc (this website

has not been reviewed by the Commission) and on HKEX's website.

There can be no assurance that a distribution will be paid.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

8. RISK FACTORS RELATING TO THE CSOP FTSE Asia Tech Index ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP FTSE Asia Tech Index ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP FTSE Asia Tech Index ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP FTSE Asia Tech Index ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

8.1 Equity market risk

The CSOP FTSE Asia Tech Index ETF'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.

Please also refer to the risk factor "***Investment risks – Equity Risk***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

8.2 New index risk

The Underlying Index is a new index. The CSOP FTSE Asia Tech Index ETF may be riskier than other funds tracking more established indices with longer operating history.

8.3 Geographical concentration risk

Insofar as the investments in Index Securities are concerned, the constituents of the Underlying Index, and accordingly the CSOP FTSE Asia Tech Index ETF's investments, are concentrated certain geographical regions/countries (Hong Kong, Taiwan, Japan, Singapore and/or South Korea). The value of the CSOP FTSE Asia Tech Index ETF 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, Taiwanese, Japanese, Singaporean and/or South Korean markets.

8.4 Sector concentration risks

The constituents of the Underlying Index, and accordingly the CSOP FTSE Asia Tech Index ETF's investments, are concentrated in companies in technology sector themes. The value of the CSOP FTSE Asia Tech Index ETF 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. Many of the companies in the technology sector themes have a relatively short operating history. Companies in the technology sector themes are often characterised by relatively higher volatility in price performance when compared to other economic sectors. Companies in the technology sector themes 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 CSOP FTSE Asia Tech Index ETF may be exposed to risks associated with different technology sectors and themes (including computer services, software, consumer digital services, semiconductors, electronic components, production technology equipment, computer hardware, telecommunications equipment, electronic entertainment, diversified retailers, drug retailers). A downturn in the business for companies in these sectors or themes may have adverse effects on the CSOP FTSE Asia Tech Index ETF.

8.5 Large/mega-capitalisation companies risk

Some of the constituents of the Underlying Index are large/mega-capitalisation companies that are relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. They may struggle with flexibility to respond quickly to disruptions and changes in trends.

The high valuation of large/mega-capitalisation companies can make them more susceptible to market corrections, downturns and changes in interest rates. Moreover, large/mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment.

Large/mega-capitalisation companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

8.6 Risks associated with investment in FDIs

The CSOP FTSE Asia Tech Index ETF's synthetic representative sampling strategy will involve investing up to 50% of its Net Asset Value in funded total return swaps. In the case of swaps, the CSOP FTSE Asia Tech Index ETF may suffer significant loss if a swap counterparty fails to perform its obligations, or in case of insolvency or default of the swap

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 CSOP FTSE Asia Tech Index ETF. Exposure to FDIs may lead to a high risk of significant loss by the CSOP FTSE Asia Tech Index ETF.

Please also refer to the risk factor "***Investment risks – Financial Derivative Instruments and Collateral Risks***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the CSOP FTSE Asia Tech Index ETF will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the CSOP FTSE Asia Tech Index ETF. Please also refer to the headings "***Financial Derivative Instruments***" and "***Collateral***" under Schedule 1 in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

8.7 Synthetic representative sampling risk

The Manager seeks to mitigate the counterparty risks by fully collateralising all counterparty exposures. There is a risk that the value of the collateral may be substantially lower than the amount secured and so the CSOP FTSE Asia Tech Index ETF may suffer significant losses. Any loss would result in a reduction in the Net Asset Value of the CSOP FTSE Asia Tech Index ETF and impair the ability of the CSOP FTSE Asia Tech Index ETF to achieve its investment objective to track the Underlying Index.

In the case of funded swaps, the CSOP FTSE Asia Tech Index ETF may suffer significant losses if the counterparty fails to perform its obligations under the funded swap. The value of the collateral assets may be affected by market events and may diverge substantially from the performance of the Underlying Index, which may cause the CSOP FTSE Asia Tech Index ETF's exposure to the swap counterparty to be under-collateralised and therefore result in significant losses.

8.8 Risks relating to the Underlying Index of CSOP FTSE Asia Tech Index ETF

The CSOP FTSE Asia Tech Index ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's licence from the Index Provider under the relevant Licence Agreement is terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. Please refer to section "***15. Replacement of the Underlying Index***" below on the circumstances in which the Underlying Index may be replaced by

the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP FTSE Asia Tech Index ETF 's investment objective.

The Manager has been granted a licence by the Index Provider to use the Underlying Index as a basis for determining the composition of the CSOP FTSE Asia Tech Index ETF and to use certain trade marks in the Underlying Index. The licence granted shall take effect from the effective date of the Licence Agreement (i.e. 1 March 2026), and shall continue until terminated pursuant to the agreement. There is no guarantee that the Licence Agreement will be perpetually renewed.

The CSOP FTSE Asia Tech Index ETF may be terminated if the Underlying Index is discontinued and/or the Licence Agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria under Chapter 8.6(e) of the Code. Any such replacement index will be subject to the prior approval of the Commission under the Code and Unitholders will be duly notified of the same. Accordingly, investors should note that the ability of the CSOP FTSE Asia Tech Index ETF to track the Underlying Index depends on the continuation in force of the Licence Agreement in respect of the Underlying Index or a suitable replacement. The CSOP FTSE Asia Tech Index ETF may also be terminated if the Underlying Index ceases to be compiled or published and there is no replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index.

The Manager and the Index Provider may by mutual agreement terminate or postpone the parties' obligations under the Licence Agreement upon the occurrence of a force majeure event such that the terms of the Licence Agreement can no longer be performed. There is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

For further information on the grounds for terminating the Licence Agreement in respect of the Underlying Index, please refer to section "***13. Index Licence Agreement***" in this Appendix.

(ii) There may be changes in the constituent securities of the Underlying Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the CSOP FTSE Asia Tech Index ETF, the Manager may rebalance portfolio of the CSOP FTSE Asia Tech Index ETF. The price of the Units may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to the section

"***16. The Underlying Index***" of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

8.9 Securities lending transactions risk

Collateral risk

As part of the securities lending transactions, the CSOP FTSE Asia Tech Index ETF 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 CSOP FTSE Asia Tech Index ETF if the borrower fails to return the securities lent out. The CSOP FTSE Asia Tech Index ETF 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 CSOP FTSE Asia Tech Index ETF 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.

8.10 Risks of investing in other collective investment schemes

The CSOP FTSE Asia Tech Index ETF may invest in other collective investment schemes, and may therefore be subject to the risks associated with such underlying schemes. The CSOP FTSE Asia Tech Index ETF does not have control of the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which may have a negative impact to the Net Asset Value of the CSOP FTSE Asia Tech Index ETF.

Any tracking error of these underlying schemes will also contribute to the tracking error of the CSOP FTSE Asia Tech Index ETF. In addition, the tax provision made by the other collective investment schemes may be more or less than their actual tax liabilities. Any shortfall of such tax provision may adversely affect the performance of such other collective investment schemes.

The underlying schemes in which the CSOP FTSE Asia Tech Index ETF may invest may not be authorised by the Commission. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the CSOP FTSE Asia Tech Index ETF's redemption requests as and when made.

If the CSOP FTSE Asia Tech Index ETF invests in other active or passive investment products managed by the Manager or Connected Person of the Manager, all initial charges and redemption charges on these listed or unlisted 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 case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

8.11 Foreign exchange risk

The base currency of the CSOP FTSE Asia Tech Index ETF is HKD but a portion of the CSOP FTSE Asia Tech Index ETF's assets are invested in securities denominated in currency other than HKD (i.e., Taiwan dollar, Japanese yen, Singapore dollar or South Korean won). If a substantial portion of the revenue and income of the CSOP FTSE Asia Tech Index ETF is received in a currency other than HKD, any fluctuation in the exchange rate of the HKD relative to the relevant foreign currency will affect the Net Asset Value of the CSOP FTSE Asia Tech Index ETF denominated in HKD regardless of the performance of its underlying portfolio. Investors are therefore, subject to the fluctuation of the exchange rate of the HKD and the currency of denomination of the underlying assets of the CSOP FTSE Asia Tech Index ETF.

8.12 Distributions out of or effectively out of capital risk

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP FTSE Asia Tech Index ETF are charged to/paid out of the capital of the CSOP FTSE Asia Tech Index ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP FTSE Asia Tech Index ETF and therefore, the CSOP FTSE Asia Tech Index ETF may effectively pay dividends out of the capital. Investors should note that payment of distributions out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that amount. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the CSOP FTSE Asia Tech Index ETF.

8.13 Other risks

Operating risk. There is no assurance that the performance of the CSOP FTSE Asia Tech Index ETF will be identical to the performance of the Underlying Index. The level of fees, taxes and expenses payable by the CSOP FTSE Asia Tech Index ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP FTSE Asia Tech Index ETF can be estimated, the growth rate of the CSOP FTSE Asia Tech Index ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance

of the CSOP FTSE Asia Tech Index ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP FTSE Asia Tech Index ETF. On the termination of the CSOP FTSE Asia Tech Index ETF, the CSOP FTSE Asia Tech Index ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

No market in the Units risk. Although the Units are to be listed on the SEHK and 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 the Units, investors should be aware that 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 other ETFs which are traded on the SEHK and which are based upon indices.

Termination of market maker risk. A market maker may cease to act as a market maker for the CSOP FTSE Asia Tech Index ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Units of the CSOP FTSE Asia Tech Index ETF will be no less than three months. The liquidity for the Units of the CSOP FTSE Asia Tech Index ETF may be affected if there is no market maker for the Units. The Manager will use its best endeavours to put in place arrangements so that there is at least one market maker for the CSOP FTSE Asia Tech Index ETF to facilitate efficient trading of Units. It is possible that there is only one market maker for the CSOP FTSE Asia Tech Index ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. Units will be a new security and following listing on the SEHK, it is unlikely that the Units will initially be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Units in the secondary market. Therefore, Unitholders may not be able to sell their Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Units.

Tracking error risk. The CSOP FTSE Asia Tech Index ETF may be subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index. Factors such as the fees and expenses of the CSOP FTSE Asia Tech Index ETF, imperfect correlation between the CSOP FTSE Asia Tech Index ETF's assets and the Index

Securities, inability to rebalance the CSOP FTSE Asia Tech Index ETF's holdings of Index Securities in response to changes in the constituents of the Underlying Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. These factors may cause the CSOP FTSE Asia Tech Index ETF's returns to deviate from the Underlying Index.

Trading difference risk. As the Taiwan Stock Exchange, the Taipei Exchange, the Tokyo Stock Exchange, the Singapore Exchange and/or the Korea Exchange may be open when Units in the CSOP FTSE Asia Tech Index ETF are not priced, the value of the securities in the CSOP FTSE Asia Tech Index ETF's portfolio may change on days when investors will not be able to purchase or sell the Units. Differences in trading hours between the Taiwan Stock Exchange, the Taipei Exchange, the Tokyo Stock Exchange, the Singapore Exchange and/or the Korea Exchange, on one hand, and the SEHK, on the other, may also increase the level of premium or discount of the Unit price to its Net Asset Value.

9. FEES AND CHARGES

9.1 Management Fees

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum of the Net Asset Value of the CSOP FTSE Asia Tech Index ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

9.2 Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee.

The Trustee's fee is inclusive of the fees payable to the Custodian.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP FTSE Asia Tech Index ETF all out-of-pocket expenses incurred.

9.3 Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP FTSE Asia Tech Index ETF. For any period less than a month, the reconciliation fee is payable by the CSOP FTSE Asia Tech Index ETF on a pro-rata basis and accrues on a daily basis.

9.4 Other Charges and Expenses of CSOP FTSE Asia Tech Index ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP FTSE Asia Tech Index ETF.

9.5 Establishment costs of CSOP FTSE Asia Tech Index ETF

The establishment costs of the CSOP FTSE Asia Tech Index ETF are estimated to be not exceeding HKD 600,000; such costs shall be borne by the CSOP FTSE Asia Tech Index ETF (unless otherwise determined by the Manager) and amortised over the first five financial years of CSOP FTSE Asia Tech Index ETF or such other period as determined by the Manager after consulting the auditor.

9.6 Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarised in the respective tables below:

9.6.1 Participating Dealers

Creation and Redemption of Units by a Participating Dealer

Application Cancellation Fee	HKD10,000 per cancellation *(See Note 1)*
Extension Fee	HKD10,000 per extension *(See Note 1)*
Transaction Fee	HKD3,900 per Application *(See Note 2)*
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges.

9.6.2 Primary Market Investors creating or redeeming Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

9.6.3 Secondary Market Investors Dealing in Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% *(see Note 4 and Note 9)*
Accounting and Financial Reporting Council ("**AFRC**")	0.00015% of the trading price *(see Note 5)*

transaction levy	
Trading fee	0.00565% *(see Note 6 and Note 9)*
Stamp duty	Nil *(see Note 7)*
Investor compensation levy	0.002% (currently suspended) *(see Note 8)*

Note:

1. The Application Cancellation Fee of HKD10,000 and the Extension Fee of HKD10,000 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.
2. A Transaction Fee of HKD3,900 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.
3. A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.
4. A transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.
5. An AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.
6. A trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.
7. For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the CSOP FTSE Asia Tech Index ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.
8. The investor compensation levy of the trading price of the Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.
9. The transaction levy and trading fee will be paid by intermediaries to HKEX in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.

   Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of the documents that are available for inspection.

11. TERMINATION OF CSOP FTSE Asia Tech Index ETF

Without prejudice to the grounds of termination as set out in the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP FTSE Asia Tech Index ETF shall be less than HKD100 million, the CSOP FTSE Asia Tech Index ETF and/or any classes of Units relating to the CSOP FTSE Asia Tech Index ETF may be terminated by the Manager in its absolute discretion by notice in writing.

12. PUBLICATION OF INFORMATION RELATING TO THE CSOP FTSE Asia Tech Index ETF

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for the information relating to the CSOP FTSE Asia Tech Index ETF that will be published on the Manager's website and HKEX's website.

13. INDEX LICENCE AGREEMENT

According to the licence agreement entered into between the Manager and the Index Provider (the "**Licence Agreement**"), the initial term of the licence of the Underlying Index shall remain in full force and effect for 12 months from 1 March 2026. The Licence Agreement shall be automatically renewed for 12 months unless either party to the Licence Agreement serves a written notice of the termination of at least 3 months prior to the end of the then current term to the other party. The Licence Agreement may otherwise be terminated in accordance with the provisions of the Licence Agreement.

14. MATERIAL CHANGES TO THE UNDERLYING INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

15. REPLACEMENT OF THE UNDERLYING INDEX

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;
(b) the licence to use the Underlying Index being terminated;
(c) a new index becoming available that supersedes the existing Underlying 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 Underlying Index;

(e) investing in the Index Securities comprised within the Underlying 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 Underlying Index having in the opinion of the Manager, deteriorated;

(h) a significant modification of the formula or calculation method of the Underlying 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 CSOP FTSE Asia Tech Index ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to (i) the use by the CSOP FTSE Asia Tech Index ETF of the Underlying Index and/or (ii) the name of CSOP FTSE Asia Tech Index ETF will be notified to investors.

16. THE UNDERLYING INDEX

This section is a brief overview of the Underlying Index. It contains a summary of the principal features of the Underlying Index and is not a complete description of the Underlying Index. As of the date of this Prospectus, the summary of the Underlying Index in this section is accurate and consistent with the complete description of the Underlying Index. Complete information on the Underlying Index appears on the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Underlying Index

The Underlying Index is designed to follow the frameworks of HKEX ETF Connect rules, with exposure in Stock Connect Southbound eligible technology-focused stocks that are listed in Hong Kong and leading technology stocks in the Taiwan, Japan, Singapore and/or South Korea markets.

The Underlying Index is denominated and quoted in HKD.

The Underlying 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 Underlying Index is a free float-adjusted market capitalisation weighted index. A maximum of the top 20 technology-focused Stock Connect Southbound eligible SEHK listed securities ("**HK Listed Securities**") and the top 20 technology-focused securities listed in Taiwan, Japan, Singapore and/or South Korea ("**Non-HK Listed Securities**") in terms of market capitalisation will be selected as index constituents, subject to other screening criteria such as minimum voting rights screen, investability screen, liquidity screen, surveillance stocks screen and trading screen. The HK Listed Securities and Non-HK Listed Securities are free float-adjusted market capitalisation weighted in the Underlying Index within the weighting allocation (as described under the heading "Index constituents selection and reviews" below).

The Underlying Index was launched on 30 September 2025 and had a base level of 1,000 as of 20 March 2020. As of 30 November 2025, the Underlying Index consists of 39 stocks with full market capitalization of HKD 22,141 billion.

Index Provider

The Underlying Index is compiled and managed by FTSE International Limited (the "**Index Provider**").

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index constituents selection and reviews

Index Universe

The index universe of the Underlying Index consists of constituents in FTSE Southbound Stock Connect Tech+ 20 Capped Index and constituents in FTSE Asia ex China ex Hong Kong Tech+ 20 Capped Index (each a "**Component Index**", collectively, the "**Component Indices**")[1]. The Component Indices are part of the FTSE Asia Tech+ Index Series, which is designed to represent the performance of the tech-related companies listed on selected Asian markets.

Securities that are constituents of FTSE Southbound Stock Connect Index[2] which are listed in Hong Kong are eligible for inclusion in FTSE Southbound Stock Connect Tech+ 20 Capped Index.

Securities that are constituents of FTSE Asia Pacific Index[3] which are listed in Taiwan, Japan, Singapore and/or South Korea are eligible for inclusion in FTSE Asia ex China ex Hong Kong Tech+ 20 Capped Index.

Constituents classified under select Industry Classification Benchmark ("**ICB**") subsectors will be considered eligible for inclusion in the Component Indices. Constituents under certain ICB subsectors will be subject to additional inclusion criteria based on its classification as defined by The Reference data Business Classification ("**TRBC**") to be considered eligible for inclusion.

ICB Subsector Code	ICB Subsector Name	TRBC Activity Code	TRBC Activity Name
10101010	Computer Services		
10101015	Software		
10101020	Consumer Digital Services		
10102010	Semiconductors		

[1] For the details relating to the index rules of FTSE Southbound Stock Connect Tech+ 20 Capped Index and FTSE Asia ex China ex Hong Kong Tech+ 20 Capped Index, please refer to https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-asia-tech-plus-index-series-ground-rules.pdf and the Index Provider's website https://www.lseg.com/en/about-us/ftse-russell (the website has not been reviewed by the Commission).

[2] For the details relating to the index rules of FTSE Southbound Stock Connect Index, please refer to https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-southbound-stock-connect-index-series-ground-rules.pdf and the Index Provider's website https://www.lseg.com/en/about-us/ftse-russell (the website has not been reviewed by the Commission).

[3] For the details relating to the index rules of FTSE Asia Pacific Index, please refer to https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-global-equity-index-series-ground-rules.pdf and the Index Provider's website https://www.lseg.com/en/about-us/ftse-russell (the website has not been reviewed by the Commission).

10102015	Electronic Components		
10102020	Production Technology Equipment		
10102030	Computer Hardware		
15101010	Telecommunications Equipment		
40203040	Electronic Entertainment		
40401010	Diversified Retailers	5720103013 5340201013	E-commerce & Auction Services Internet & Mail Order Department Stores
45201015	Drug Retailers	5430101010	Drug Retailers (NEC)

At review, all constituents of the Component Indices must be existing or pending constituents to the FTSE Asia Pacific Index or FTSE Southbound Stock Connect Index.

Separately for each Component Index, the eligible securities are ranked by company full market capitalisation (before the application of any investability weightings). A constituent will be added to a Component Index if it rises to the 15th position or above. A constituent in a Component Index will be deleted at the periodic review if it falls to the 26th position or below.

A constant number of constituents will be maintained at review.

In the event that multiple securities from the same company are eligible to fulfil the last few vacancies of the Component Indices, the eligible securities will be added to the Component Indices in accordance to the corresponding investable market capitalisation, from highest to lowest, until the required constant number of vacancies are filled.

Each Component Index may contain fewer than the target number of constituents at review if there are insufficient eligible securities meeting the inclusion criteria. In such cases, no minimum number of stocks is required, and the Component Index will continue to be maintained and calculated in accordance with its methodology.

The target number of constituents in each of the Component Indices is 20.

<u>Constituent Selection</u>

The constituents of the Underlying Index are selected and weighted based on the following criteria:

1. Selection Criteria:

    a. HK Listed Securities: All constituents of FTSE Southbound Stock Connect Tech+ 20 Capped Index.

    b. Non-HK Listed Securities: All constituents of FTSE Asia ex China ex Hong Kong Tech+ 20 Capped Index.

2. Weighting:

a. HK Listed Securities: The constituents of FTSE Southbound Stock Connect Tech+ 20 Capped Index are weighted in proportion to investable (i.e. free-float adjusted) market capitalisation. At each semi-annual review, the weight of each security is capped at 10%.

b. Non-HK Listed Securities: The constituents of FTSE Asia ex China ex Hong Kong Tech+ 20 Capped Index are weighted in proportion to investable (i.e. free-float adjusted) market capitalisation. At each semi-annual review, the weight of each security is capped at 15%.

Weighting Allocation

The Underlying Index aims to maintain the following weighting allocation between HK Listed Securities and Non-HK Listed Securities upon each rebalancing:

a. FTSE Southbound Stock Connect Tech+ 20 Capped Index: 65% (i.e., the aggregate weight of HK Listed Securities will not exceed 65% when combined with Non-HK Listed Securities)

b. FTSE Asia ex China ex Hong Kong Tech+ 20 Capped Index: 35% (i.e., the aggregate weight of Non-HK Listed Securities will not exceed 35% when combined with the HK Listed Securities)

Underlying Index Maintenance and Review

The Underlying Index is reviewed semi-annually in March and September. At the review, the Underlying Index will be reviewed using prices of the Component Indices as at the close of business on the third Friday of the review month and implement the changes after the close of business on the third Friday (i.e. effective the following Monday) of the review month. An additional rebalance will be conducted for the Underlying Index using the prices of the underlying Component Indices as at the close of business on the second last business day of the review month (where the second last business day of the month falls on a Saturday or Sunday for any individual markets, prices will be taken as at close of the last business day before Saturday). Changes will be effective after the open of the last business day of the review month.

Index Securities of the Underlying Index

You can obtain the most updated list of the index constituents of each of the Component Indices with their respective weightings from the website and any additional information and other important news of the Component Indices from the website https://www.lseg.com/en/ftse-russell/index-resources/constituent-weights (this website has not been reviewed by the Commission).

Index code

Bloomberg: CFIIECAT

Index Provider disclaimer

The CSOP FTSE Asia Tech Index ETF has been developed solely by CSOP Asset Management Limited. The CSOP FTSE Asia Tech Index ETF is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the “LSE Group”). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the FTSE ETF Connect Asia Tech+ Index (net total return version) (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

license. 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 CSOP FTSE Asia Tech Index ETF. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the CSOP FTSE Asia Tech Index ETF or the suitability of the Index for the purpose to which it is being put by CSOP Asset Management Limited.

APPENDIX 22

CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 3535

MANAGER

CSOP Asset Management Limited

INVESTMENT ADVISER

Nomura Asset Management Hong Kong Limited

15 June 2026

CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF
Stock Code: 3535

1. KEY INFORMATION

1.1 General

This appendix sets out information specific to the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF ("**CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***7. Risk Factors relating to the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF***" of this Appendix, before investing in the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF.

Application has been made to the SEHK for the listing of, and permission to deal in, the Units of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. Subject to the compliance with the relevant admission requirements of the HKSCC, Units in the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus 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 Units on the SEHK or such other date as may be determined by the HKSCC. Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF, and should be read in conjunction with the full text of this Prospectus.

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapter 8.6 of the Code
Underlying Index	FTSE ETF Connect HK-Japan Cash Flow Focus Composite Index (net total return version) Launch Date: 28 March 2025 Base Date: 20 March 2020 Number of constituents: 80 (as of 31 October 2025)

	Base Currency of Underlying Index: Hong Kong dollars (HKD)
Type of Underlying Index	A net total return index which means that it reflects the reinvestment of dividends or distributions, after deduction of any withholding tax. The Underlying Index is denominated and quoted in HKD.
Index Provider	FTSE International Limited
Investment Strategy	The Manager will use combination of physical and synthetic representative sampling strategy. Please refer to section "3***. Investment Objective and Strategy***" of this Appendix for further details.
Initial Issue Date	27 March 2026
Listing Date	30 March 2026
Dealing on SEHK Commencement Date	30 March 2026
Exchange Listing	SEHK – Main Board
Stock Code	3535
Stock Short Name	CSOP HKJPCF
ISIN Number	HK0001281473
Trading Board Lot Size	100 Units
Base Currency	HKD
Trading Currency	HKD
Dividend Policy	The Manager has discretion as to whether or not the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any). The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and

		expenses of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF are charged to/paid out of the capital of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF and therefore, the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends out of or effectively out of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. Distributions will be in HKD. Please refer to section "***6. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF and the risk factor under section "***7.14 Distributions out of or effectively out of capital risk***" in this Appendix for the risk associated with distributions paid out of capital.
Application Unit size for Creation/ Redemption (only by or through Participating Dealers)		Minimum 500,000 Units (or multiples thereof)
Method of Creation/ Redemption		Cash (in HKD) or a combination of cash and in-kind
Parties	Manager	CSOP Asset Management Limited
	Investment Adviser	Nomura Asset Management Hong Kong Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited

Participating Dealer(s)	Please refer to the Manager's website set out below for the latest list.
Market Maker(s)	Please refer to the Manager's website set out below for the latest list.
Service Agent	HK Conversion Agency Services Limited
Listing Agent	Altus Capital Limited
Financial Year	Ending 31 December each year (The first financial year-end of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will be 31 December 2026. The first semi-annual unaudited interim reports and first audited accounts of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will be for the period ending 30 June 2027 and 31 December 2026 respectively.)
Management Fee	Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.99% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Website	https://www.csopasset.com/en/products/hk-chkj (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission)

1.3 Investment Adviser of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF

The Manager has appointed Nomura Asset Management Hong Kong Limited (the "**Investment Adviser**") as its investment adviser of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF pursuant to an investment advisory agreement entered into between the Manager and the Investment Adviser. The Manager has delegated to the Investment Adviser its investment management duties in respect of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF regarding its investments in Japan securities market as set out in the offering documents, including but not limited to liquidity considerations of the securities in which the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF invests in Japan, in pursuit of the investment objective and in accordance with the investment strategy as

set out in the Appendix of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF, subject to the control and review of the Manager. The Investment Adviser will exercise investment discretion in respect of CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's investments in Japan securities market. The Investment Adviser will not provide investment management and advisory services in relation to securities issued outside of Japan. The Investment Adviser is independent of the Manager.

Nomura Asset Management Hong Kong Limited was established in February 1988 and is a wholly-owned subsidiary of Nomura Asset Management Co., Ltd. (the "**Nomura Asset Management**"). The Investment Adviser is licensed by the Commission in Hong Kong to carry out Dealing in securities (Type 1), advising on securities (Type 4) and asset management (Type 9).

Nomura Asset Management is a leading global investment manager and Japan's largest independent investment manager. Headquartered in Tokyo, it has offices across the world with a global workforce of over 1,500 employees. Nomura Asset Management offers its clients an extensive array of innovative investment strategies in alternative assets, complementing traditional assets such as equities and fixed income.

The management fee is inclusive of the Investment Adviser's fee and the Manager will pay the fees of the Investment Adviser out of the management fee.

1.4 Custodian for the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF

The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee as custodian (the "**Custodian**"), and will be responsible for the safe custody of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's assets.

Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the Custodian. Neither the Custodian nor its delegate (if any) is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "***1.4 Custodian for the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF***".

1.5 Market Maker

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 of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. 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 to facilitate the efficient trading of Units of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker is required to give not less than three months' notice prior to terminating market making arrangement under the relevant market making agreement.

The list of market markers in respect of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF is available on https://www.csopasset.com/en/products/hk-chkj and from time to time will be displayed on www.hkex.com.hk.

2. DEALING

2.1 The Initial Offer Period

Units of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will initially be offered only to the Participating Dealer(s) from 9:00 a.m. (Hong Kong time) on 25 March 2026 to 4:30 p.m. (Hong Kong time) on 26 March 2026, unless otherwise extended by the Manager (the "**Initial Offer Period**"). The purpose of the Initial Offer Period is to enable the Participating Dealer(s) to apply for Units on their own account or on behalf of third party Primary Market Investors in accordance with the terms of the Trust Deed and the Operating Guidelines.

Primary Market Investors who are retail investors may only submit a creation request or redemption request through a Participating Dealer or a stockbroker who has opened an account with a Participating Dealer.

Investors should note that the Participating Dealers and the stockbrokers through whom a Creation Application is made may impose an earlier dealing deadline, require other supporting documents for the Creation Application and adopt other dealing procedures different from those set out for the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF in this Prospectus. For example, the dealing deadline set by the Participating Dealers or the stockbrokers may be earlier than that set out for the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF in this Prospectus. Investors should therefore check the applicable dealing procedures with the relevant Participating Dealer or stockbroker (as the case may be).

2.2 Extension of the Initial Offer Period

If the Initial Offer Period is extended beyond 26 March 2026, dealings in the Units on the SEHK will commence on the fourth (4th) Business Day following the close of the Initial Offer Period.

2.3 Exchange Listing and Trading

Application has been made to the SEHK for listing of and permission to deal in Units in the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF.

Currently, Units are expected to be listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on other stock exchanges.

If trading of the Units of the CSOP Nomura FTSE HK-Japan Equity Cash

Flow Focus Index ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Units.

2.4 Buying and Selling of Units of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF on SEHK

Dealings on the SEHK in Units of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF issued after the Initial Offer Period are expected to begin on the trading day after the Initial Issue Date.

A Secondary Market Investor can buy and sell the Units of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF on the SEHK through his stockbroker at any time the SEHK is open. Units of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 100 Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF 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 of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF in the secondary market may be higher or lower than the Net Asset Value per Unit of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF.

Please refer to section "***Schedule 2 – 3. Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of Units on the SEHK.

2.5 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Schedule 2 – 2. Creation and Redemption of Application Units (Primary Market)***" of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF only.

The Manager allows Cash and Hybrid (i.e. a combination of Cash and In-Kind Creations and Redemptions) Creations and Redemptions for Units of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. Any cash payable by Participating Dealers in a Cash Creation must be in HKD.

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 Application Unit size for CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF is 500,000 Units (or multiples thereof). Creation Applications submitted in respect of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF is one Application Unit.

Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Any cash proceeds received by Participating Dealers in a Cash Redemption shall be paid in HKD only.

2.5.1 Dealing Period

The dealing period on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 1:30 p.m. (Hong Kong time) for any cash creation and redemption or 1:30 p.m. (Hong Kong time) for any Hybrid creation and redemption (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.5.2 Issue Price and Redemption Price

In respect of each Creation Application during the Initial Offer Period, the Issue Price of a Unit of any class which is the subject of a Creation Application in relation to the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF shall be equal to HKD 7.8, or such other price as may be determined by the Manager in consultation with the Trustee.

After the Initial Offer Period, the Issue Price of a Unit of any class in the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The Redemption Price of Units of any class redeemed shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest fourth (4th) decimal place (with 0.00005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF.

The "**Valuation Day**" of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF, coincides with, and shall mean, the Dealing Day of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's website at https://www.csopasset.com/en/products/hk-chkj (the website has not been reviewed by the Commission) or published in such other publications as the Manager decides.

2.5.3 Dealing Day

In respect of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF, "**Dealing Day**" means each Business Day.

"**Business Day**" in respect of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF means a day on which (a)(i) the SEHK is open for normal trading; and (ii) the SEHK and the Tokyo Stock Exchange, (as the case may be) on which the securities comprising or held by the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF are traded is open for normal trading, and (b) the Underlying Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

3. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the FTSE ETF Connect HK-Japan Cash Flow Focus Composite Index (net total return version) (the "**Underlying Index**"). There is no assurance that the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will achieve its investment objective.

The term "Cash Flow" is part of the reference to the name of the Underlying Index and also reflects that free cash flow yield is one of the key factors in the construction of the Underlying Index. The reference to "Cash Flow" does not represent that the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will offer a higher dividend yield.

Investment Strategy

In order to achieve the investment objective of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF, the Manager intends to adopt a combination of physical representative sampling and synthetic representative sampling strategy. The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will (i) primarily use a physical representative sampling strategy by investing 50% to 100% of its Net Asset Value in Securities constituting the Underlying Index ("**Index Securities**"); and (ii) where the Manager believes such investments are beneficial to the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF and will help the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF

achieve its investment objective, use a synthetic representative sampling strategy as an ancillary strategy by investing up to 50% of its Net Asset Value in FDIs, which will only be funded total return swaps with one or more counterparties.

Physical representative sampling sub-strategy

The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF primarily uses a physical representative sampling strategy by investing 50% to 100% of its Net Asset Value in Index Securities. The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may invest up to 100% of its Net Asset Value directly in equity securities listed on the SEHK and the Tokyo Stock Exchange ("**TSE**") stock markets.

Synthetic representative sampling sub-strategy

By adopting a synthetic representative sampling sub-strategy, the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will only invest up to 50% of its Net Asset Value directly in funded total return swap transaction(s) whereby the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will pass on the relevant portion of cash to the swap counterparty(ies) and in return the swap counterparty(ies) will provide the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF with an exposure to the economic gain/loss in the performance of the Index Securities (net of indirect costs). The Manager will only use a synthetic representative sampling sub-strategy when it considers that such investments are beneficial to the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF.

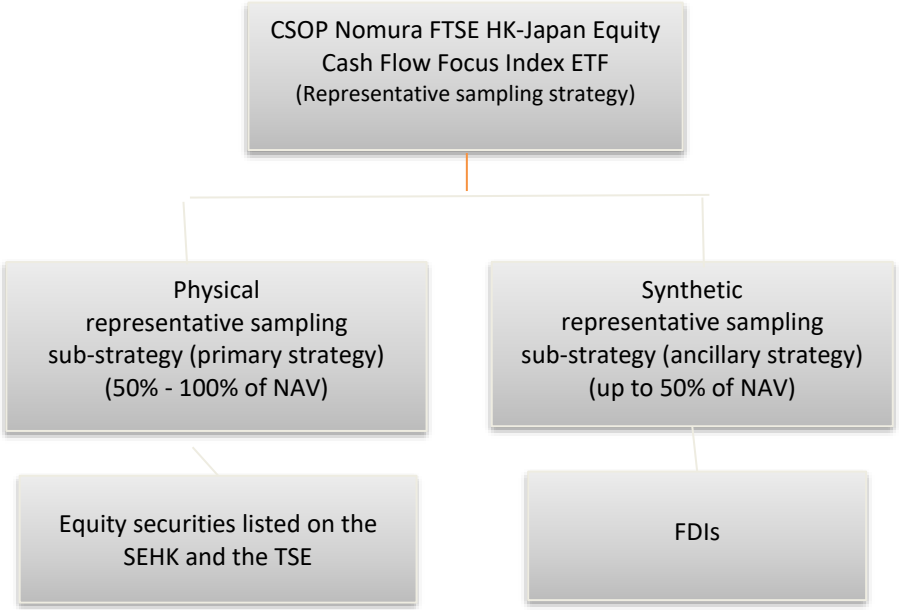
The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF shall bear the swap fees (including the brokerage commission and any costs associated with the entering into, or unwinding or maintenance of, any hedging arrangements in respect of such swaps). The swap fees, which include all costs associated with swap transactions and are subject to the discussion and consensus between the Manager and the swap counterparty based on the actual market circumstances on a case-by-case basis, represent a variable spread (which can be positive or negative) plus HIBOR which reflects the brokerage commission and the swap counterparty's costs of financing the underlying hedge in order to provide the performance. If the swap fee (HIBOR plus spread) is a positive figure, then it will be borne by the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF and may have an adverse impact on its Net Asset Value and the performance of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF, and may result in a negative impact on the tracking difference of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. On the contrary, if the swap fee (HIBOR plus spread) is a negative figure, the swap counterparty will pay the swap fee to the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF and may lead to a positive impact on the tracking difference of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. In extreme market conditions and exceptional circumstances, the brokerage commission and the swap counterparty's costs of financing the underlying hedge may increase significantly and in return increase the swap fees. Swap fees are accrued daily and spread out over the month. The maximum unwinding fee payable by the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF is 0.5% per transaction on the notional amount of the swap unwound.

Exposure of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF to the Index Securities (either through direct investment or FDIs) will be in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index. The Manager may cause the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF 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 Commission.

The full holdings of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF are available on the Manager's website and will be updated on a daily basis.

The diagram below shows the investment strategies of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF:



Other investments

The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may also invest not more than 5% of its Net Asset Value in cash and money market funds for cash management purpose.

No more than 30% of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's Net Asset Value may be invested in collective investment scheme which may be authorised by the Commission in accordance with all the applicable requirements of the Code. For the avoidance of doubt, the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's investment in the money market funds mentioned in the preceding paragraph is not subject to this limit. Any investments in exchange traded funds will be considered and treated as collective investment schemes for the purposes of and subject to the requirements in 7.11A and 7.11B of the Code.

Other than as set out above, the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may also invest in FDIs for hedging purposes.

The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will not enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions. Prior approval of the SFC (to the extent required under applicable regulatory requirements) will be sought and not less than one month's prior notice (or such shorter notice period as may be permitted under

applicable regulatory requirements) will be given to Unitholders in the event the Manager wishes to enter into such transactions.

3A. SECURITIES LENDING TRANSACTIONS

The Manager may, on behalf of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value. The Manager will be 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 CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1 in Part 1 of this Prospectus in regard to the details of the arrangements.

As part of the securities lending transactions, the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus) of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis and be safekept by the Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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. Any reinvestment of cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to the section "***7.11 Securities lending transactions risk***" of this Appendix for further details.

4. OVERVIEW OF JAPAN CAPITAL MARKET

The Tokyo Stock Exchange, which is the main Japanese domestic stock market, was established on 15 May 1878. It operates three market segments, namely the Prime Market, Standard Market and Growth Market. The Prime Market are for global companies with large market capitalization investable to many institutional investors and are committed to sustainable growth through constructive dialogue with global investors. The Standard Market are for medium-sized companies with a base-line,

standard level of market capitalization and governance levels, whereas the Growth Market is oriented to emerging companies with high growth potential.

During the year 2025, the total value of shares traded on the Tokyo Stock Exchange reached JPY 1,509 trillion (approximately USD 9.6 trillion). The total market capitalization at the end of the year 2025 reached JPY 1,192 trillion (approximately USD 7.6 trillion).

5. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF to acquire investments, to redeem Units or to pay expenses relating to the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF.

6. DISTRIBUTION POLICY

The Manager has discretion as to whether or not the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF are charged to/paid out of the capital of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF and therefore, the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of or effectively out of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF and will reduce any capital appreciation for the Unitholders of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF.**

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-chkj (this website has not been reviewed by the Commission).

The distribution policy may be amended subject to the Commission's prior approval (where required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared and paid in HKD only. The Manager will make an announcement prior to any distribution in respect of the relevant

distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-chkj (this website has not been reviewed by the Commission) and on HKEX's website.

There can be no assurance that a distribution will be paid.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

7. RISK FACTORS RELATING TO THE CSOP NOMURA FTSE HK-JAPAN EQUITY CASH FLOW FOCUS INDEX ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. The Commission's authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

7.1 Equity market risk

The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF'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.

Please also refer to the risk factor "***Investment risks – Equity Risk***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

7.2 New index risk

The Underlying Index is a new index. The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may be riskier than other funds tracking more established indices with longer operating history.

7.3 Geographical concentration risk

Insofar as the investments in Index Securities are concerned, the constituents of the Underlying Index, and accordingly the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's investments, are concentrated certain geographical regions/countries (Hong Kong and

Japan). The value of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF 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 and Japanese markets.

7.4 Risks relating to companies with higher free cash flow yield

The constituents of the Underlying Index, and accordingly the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's investments, are concentrated in companies that generally have higher free cash flow yield. While a higher free cash flow yield means a company is generating more cash relative to its valuation, a higher free cash flow yield may be due to a company having lower valuation discounted by the markets, which, in turn, may be an indication that the company is facing challenges internally and/or externally. A consistently high free cash flow yield may also signal a lack of growth opportunities. Investors should also note that a higher free cash flow yield does not necessarily guarantee higher dividend return. Furthermore, companies with high free cash flow yield are typically concentrated in capital-intensive, established and/or cyclical sectors (such as energy, telecommunication, utilities, consumer staples and industrials). These sectors usually have lower growth expectations and are more susceptible to regulatory changes, technological disruptions and economic cycles. A downturn in the business for companies in these sectors may have adverse effects on the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF.

7.5 Risks relating to companies with higher dividend yield

The constituents of the Underlying Index, and accordingly the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's investments, are concentrated in companies which may offer a higher rate of dividend yield. However, high dividend yield securities are subject to risks that the dividend could be reduced or abolished, or the risks that the value of the securities could decline or have lower-than average potential for price appreciation.

Investors should also note that while the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may invest in companies offering a higher rate of dividend yield, there is no guarantee that the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will offer a higher dividend yield. The Manager has discretion as to whether or not the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will make any distribution, the frequency and amount of distribution.

7.6 Large-capitalisation companies risk

Some of the constituents of the Underlying Index are large-capitalisation companies that are relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. They may struggle with flexibility to respond quickly to disruptions and changes in trends.

The high valuation of large-capitalisation companies can make them more susceptible to market corrections, downturns and changes in interest rates. Moreover, large-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment.

Large-capitalisation companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

7.7 Small and Mid-capitalisation companies risk

Some of the constituents of the Underlying Index are small or mid-capitalisation companies. The stocks of small or mid-capitalisation companies may have lower liquidity and their prices are more volatile and susceptible to adverse economic developments than those of larger capitalisation companies in general.

7.8 Risks associated with investment in FDIs

The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's synthetic representative sampling strategy will involve investing up to 50% of its Net Asset Value in funded total return swaps. In the case of swaps, the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may suffer significant loss if a swap counterparty fails to perform its obligations, or in case of insolvency or default of the swap 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 CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. Exposure to FDIs may lead to a high risk of significant loss by the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF.

Please also refer to the risk factor "***Investment risks – Financial Derivative Instruments and Collateral Risks***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. Please also refer to the headings "***Financial Derivative Instruments***" and "***Collateral***" under Schedule 1 in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

7.9 Synthetic representative sampling risk

The Manager seeks to mitigate the counterparty risks by fully collateralising all counterparty exposures. There is a risk that the value of the collateral may be substantially lower than the amount secured and so the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may suffer significant losses. Any loss would result in a reduction in the Net Asset Value of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF and impair the ability of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF to achieve its investment objective to track the Underlying Index.

In the case of funded swaps, the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may suffer significant losses if the counterparty fails to perform its obligations under the funded swap. The value of the collateral assets may be affected by market events and may diverge substantially from the performance of the Underlying Index, which may cause the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's exposure to the swap counterparty to be under-collateralised and therefore result in significant losses.

7.10 Risks relating to the Underlying Index of CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF

The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's licence from the Index Provider under the relevant Licence Agreement is terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. Please refer to section "***14. Replacement of the Underlying Index***" below on the circumstances in which the Underlying Index may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF 's investment objective.

The Manager has been granted a licence by the Index Provider to use the Underlying Index as a basis for determining the composition of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF and to use certain trade marks in the Underlying Index. The licence granted shall take effect from the effective date of the Licence Agreement (i.e. 1 March 2026), and shall continue until terminated pursuant to the agreement. There is no guarantee that the Licence Agreement will be perpetually renewed.

The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may be terminated if the Underlying Index is discontinued and/or the Licence Agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the

method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria under Chapter 8.6(e) of the Code. Any such replacement index will be subject to the prior approval of the Commission under the Code and Unitholders will be duly notified of the same. Accordingly, investors should note that the ability of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF to track the Underlying Index depends on the continuation in force of the Licence Agreement in respect of the Underlying Index or a suitable replacement. The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may also be terminated if the Underlying Index ceases to be compiled or published and there is no replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index.

The Manager and the Index Provider may by mutual agreement terminate or postpone the parties' obligations under the Licence Agreement upon the occurrence of a force majeure event such that the terms of the Licence Agreement can no longer be performed. There is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

For further information on the grounds for terminating the Licence Agreement in respect of the Underlying Index, please refer to section "***12. Index Licence Agreement***" in this Appendix.

(ii) There may be changes in the constituent securities of the Underlying Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF, the Manager may rebalance portfolio of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. The price of the Units may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to the section "***15. The Underlying Index***" of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

7.11 Securities lending transactions risk

Collateral risk

As part of the securities lending transactions, the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF 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 CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF if the borrower fails to return the securities lent out. The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF 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 CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF 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.

7.12 Risks of investing in other collective investment schemes

The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may invest in other collective investment schemes, and may therefore be subject to the risks associated with such underlying schemes. The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF does not have control of the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which may have a negative impact to the Net Asset Value of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF.

Any tracking error of these underlying schemes will also contribute to the tracking error of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. In addition, the tax provision made by the other collective investment schemes may be more or less than their actual tax liabilities. Any shortfall of such tax provision may adversely affect the performance of such other collective investment schemes.

The underlying schemes in which the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may invest may not be authorised by the Commission. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's redemption requests as and when made.

If the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF invests in other active or passive investment products managed by the Manager or Connected Person of the Manager, all initial charges and redemption charges on these listed or unlisted 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 case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

7.13 Foreign exchange risk

The base currency of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF is HKD but a portion of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's assets are invested in securities denominated in currency other than HKD (i.e., Japanese yen). If a substantial portion of the revenue and income of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF is received in a currency other than HKD, any fluctuation in the exchange rate of the HKD relative to the relevant foreign currency will affect the Net Asset Value of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF denominated in HKD regardless of the performance of its underlying portfolio. Investors are therefore, subject to the fluctuation of the exchange rate of the HKD and the currency of denomination of the underlying assets of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF.

7.14 Distributions out of or effectively out of capital risk

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF are charged to/paid out of the capital of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF and therefore, the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may effectively pay dividends out of the capital. Investors should note that payment of distributions out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that amount. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF.

7.15 Reliance on the Investment Adviser risk

The Manager has delegated its investment management duties in respect of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF regarding its investments in Japan securities market as set out in the offering documents, including but not limited to liquidity considerations of the securities in which the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF invests in Japan to the Investment Adviser, in pursuit of the investment objective and in accordance with the investment strategy as set out in the Appendix of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF, subject to the control and review of the Manager. The Investment Adviser will exercise investment discretion in respect of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's investments in Japan securities market. Any disruption in the communication with or assistance from the Investment Adviser or a loss of service of the Investment Adviser or any of its key personnel might adversely affect the operations of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF.

7.16 Other risks

Operating risk. There is no assurance that the performance of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will be identical to the performance of the Underlying Index. The level of fees, taxes and expenses payable by the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF can be estimated, the growth rate of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. On the termination of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF, the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

No market in the Units risk. Although the Units are to be listed on the SEHK and 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 the Units, investors should be aware that 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 other ETFs which are traded on the SEHK and which are based upon indices.

Termination of market maker risk. A market maker may cease to act as a market maker for the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Units of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will be no less than three months. The liquidity for the Units of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may be affected if there is no market maker for the Units. The Manager will use its best endeavours to put in place arrangements so that there is at least one market maker for the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF to facilitate efficient trading of Units. It is possible that there is only one market maker for the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. Units will be a new security and following listing on the SEHK, it is unlikely that the Units will initially be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able

to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Units in the secondary market. Therefore, Unitholders may not be able to sell their Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Units.

Tracking error risk. The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may be subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index. Factors such as the fees and expenses of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF, imperfect correlation between the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's assets and the Index Securities, inability to rebalance the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's holdings of Index Securities in response to changes in the constituents of the Underlying Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. These factors may cause the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's returns to deviate from the Underlying Index.

Trading difference risk. As the Tokyo Stock Exchange may be open when Units in the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF are not priced, the value of the securities in the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF's portfolio may change on days when investors will not be able to purchase or sell the Units. Differences in trading hours between the Tokyo Stock Exchange and the SEHK may also increase the level of premium or discount of the Unit price to its Net Asset Value.

8. FEES AND CHARGES

8.1 Management Fees

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum of the Net Asset Value of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

8.2 Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee.

The Trustee's fee is inclusive of the fees payable to the Custodian.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF all out-of-pocket expenses incurred.

8.3 Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. For any period less than a month, the reconciliation fee is payable by the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF on a pro-rata basis and accrues on a daily basis.

8.4 Investment Adviser's Fee

The management fee is inclusive of the Investment Adviser's fee and the Manager will pay the fees of the Investment Adviser out of the management fee.

8.5 Other Charges and Expenses of CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF.

8.6 Establishment costs of CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF

The establishment costs of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF are estimated to be not exceeding HKD 600,000; such costs shall be borne by the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF (unless otherwise determined by the Manager) and amortised over the first five financial years of CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF or such other period as determined by the Manager after consulting the auditor.

8.7 Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarised in the respective tables below:

8.7.1 Participating Dealers

Creation and Redemption of Units by a Participating Dealer

Application Cancellation Fee	HKD10,000 per cancellation *(See Note 1)*

Extension Fee	HKD10,000 per extension *(See Note 1)*
Transaction Fee	HKD3,900 per Application *(See Note 2)*
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges.

8.7.2 Primary Market Investors creating or redeeming Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

8.7.3 Secondary Market Investors Dealing in Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% *(see Note 4 and Note 9)*
Accounting and Financial Reporting Council ("**AFRC**") transaction levy	0.00015% of the trading price *(see Note 5)*
Trading fee	0.00565% *(see Note 6 and Note 9)*
Stamp duty	Nil *(see Note 7)*
Investor compensation levy	0.002% (currently suspended) *(see Note 8)*

Note:

1. The Application Cancellation Fee of HKD10,000 and the Extension Fee of HKD10,000 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.
2. A Transaction Fee of HKD3,900 per Application is payable

by each Participating Dealer for the account and benefit of the Trustee.

3. A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.
4. A transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.
5. An AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.
6. A trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.
7. For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.
8. The investor compensation levy of the trading price of the Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.
9. The transaction levy and trading fee will be paid by intermediaries to HKEX in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.

Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of the documents that are available for inspection.

10. TERMINATION OF CSOP NOMURA FTSE HK-JAPAN EQUITY CASH FLOW FOCUS INDEX ETF

Without prejudice to the grounds of termination as set out in the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF shall be less than HKD100 million, the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF and/or any classes of Units relating to the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF may be terminated by the Manager in its absolute discretion by notice in writing.

11. PUBLICATION OF INFORMATION RELATING TO THE CSOP NOMURA FTSE HK-JAPAN EQUITY CASH FLOW FOCUS INDEX ETF

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for the information relating to the CSOP

Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF that will be published on the Manager's website and HKEX's website.

12. INDEX LICENCE AGREEMENT

According to the licence agreement entered into between the Manager and the Index Provider (the "**Licence Agreement**"), the initial term of the licence of the Underlying Index shall remain in full force and effect for 12 months from 1 March 2026. The Licence Agreement shall be automatically renewed for 12 months unless either party to the Licence Agreement serves a written notice of the termination of at least 3 months prior to the end of the then current term to the other party. The Licence Agreement may otherwise be terminated in accordance with the provisions of the Licence Agreement.

13. MATERIAL CHANGES TO THE UNDERLYING INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

14. REPLACEMENT OF THE UNDERLYING INDEX

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the Underlying Index ceasing to exist;
(b) the licence to use the Underlying Index being terminated;
(c) a new index becoming available that supersedes the existing Underlying 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 Underlying Index;
(e) investing in the Index Securities comprised within the Underlying 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 Underlying Index having in the opinion of the Manager, deteriorated;
(h) a significant modification of the formula or calculation method of the Underlying 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 CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to (i) the use by the CSOP Nomura FTSE HK-Japan Equity Cash Flow

Focus Index ETF of the Underlying Index and/or (ii) the name of CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF will be notified to investors.

15. THE UNDERLYING INDEX

This section is a brief overview of the Underlying Index. It contains a summary of the principal features of the Underlying Index and is not a complete description of the Underlying Index. As of the date of this Prospectus, the summary of the Underlying Index in this section is accurate and consistent with the complete description of the Underlying Index. Complete information on the Underlying Index appears on the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Underlying Index

The Underlying Index is designed to follow the frameworks of HKEX ETF Connect rules, with exposure to Southbound Stock Connect eligible Hong Kong-listed stocks and Japanese equities, selected for their strong cash flow characteristics and dividend yield to achieve high index-level free cash flow yield compared to the index universe.

The Underlying Index is denominated and quoted in HKD.

The Underlying 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 Underlying Index is a free float-adjusted market capitalisation weighted index. The SEHK-listed securities and TSE-listed securities are free float-adjusted market capitalisation weighted in the Underlying Index within the weighting allocation (as described under the heading "Index constituents selection and reviews" below).

The Underlying Index was launched on 28 March 2025 and had a base level of 1,000 as of 20 March 2020. As of 31 October 2025, the Underlying Index consists of 80 stocks with full market capitalization of HKD 8,638 billion.

Index Provider

The Underlying Index is compiled and managed by FTSE International Limited (the "**Index Provider**").

The Manager, the Investment Adviser and their respective Connected Persons are independent of the Index Provider.

Index constituents selection and reviews

Index Universe

The index universe of the Underlying Index consists of constituents in FTSE Southbound Stock Connect Cash Flow Focus Net Tax Index and constituents in FTSE Japan ex-REITs High Income Cash Flow 50 100% Hedged to HKD Net Tax Index (each a "**Component Index**", collectively, the "**Component Indices**") [1]. The Component Indices are part of the FTSE Cash Flow Focus Index Series, which is

[1] For the details relating to the index rules of FTSE Southbound Stock Connect Cash Flow Focus Net Tax Index and constituents in FTSE Japan ex-REITs High Income Cash Flow 50 100% Hedged to HKD Net Tax Index, please refer to https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-cash-flow-focus-index-series-ground-rules.pdf and the Index Provider's website https://www.lseg.com/en/about-us/ftse-russell (the website has not been reviewed by the Commission).

designed to achieve a consistently higher index-level free cash flow yield compared to the underlying universe.

The FTSE Southbound Stock Connect Cash Flow Focus Net Tax Index is designed to represent the performance of high-quality large and mid-cap Hong Kong and Chinese companies which are listed on the SEHK and available to Chinese Mainland investors through the Southbound Stock Connect Scheme which demonstrate high index-level free cash flow yield.

The FTSE Japan ex-REITs High Income Cash Flow 50 100% Hedged to HKD Net Tax Index identifies the top 50 Japanese stocks based on free cash flow yield and dividend yield metrics.

Securities that are constituents of FTSE Southbound Stock Connect Index[2] are eligible for inclusion in FTSE Southbound Stock Connect Cash Flow Focus Net Tax Index. Securities ranked within the bottom 40% of lowest quality[3] (i.e. a composite of lower profitability and higher leverage) based on the FTSE Southbound Stock Connect Index or with missing data are excluded. Securities ranked within the top 10% of highest risk[4] (i.e. higher volatility) based on the FTSE Southbound Stock Connect Index or with insufficient/missing return data are excluded. An additional liquidity screen will also be applied to the FTSE Southbound Stock Connect All Cap Index universe whereby the bottom 20 percentile of the universe by average daily traded value data (based on the last 252 trading days average of daily traded volume times closing price, with minimum 60 days of trading history) will be excluded.

Securities that are constituents of FTSE Japan Index[5] are eligible for inclusion in FTSE Japan ex-REITs High Income Cash Flow 50 100% Hedged to HKD Net Tax Index. Securities ranked within the top 20% of highest risk[4] (i.e. higher volatility) based on the FTSE Japan Index or with insufficient/missing return data are excluded.

The following Industry Classification Benchmark ("**ICB**") sectors are excluded from the FTSE Southbound Stock Connect Cash Flow Focus Net Tax Index:

ICB Sector Code	ICB Sector Name
301010	Banks
302030	Mortgage Real Estate Investment Trusts
303010	Life Insurance

[2] For the details relating to the index rules of FTSE Southbound Stock Connect Index, please refer to https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-southbound-stock-connect-index-series-ground-rules.pdf and the Index Provider's website https://www.lseg.com/en/about-us/ftse-russell (the website has not been reviewed by the Commission).

[3] Quality defined as a composite of (i) profitability, being a combination of three measures: return on assets, change in asset turnover and accruals, and (ii) leverage, being the ratio of operating cash flow to total debt measured relative to the regional industry (ICB) median stock level. For further details, please refer to https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-global-factor-index-series-ground-rules.pdf (the website has not been reviewed by the Commission).

[4] Risk refers to the volatility factor as defined in the FTSE Global Factor Index Series Ground Rules. For further details, please refer to https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-global-factor-index-series-ground-rules.pdf (the website has not been reviewed by the Commission).

[5] For the details relating to the index rules of FTSE Japan Index, please refer to https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-global-equity-index-series-ground-rules.pdf and the Index Provider's website https://www.lseg.com/en/about-us/ftse-russell (the website has not been reviewed by the Commission).

303020	Non-life Insurance
351020	Real Estate Investment Trusts

The following Industry Classification Benchmark ("**ICB**") sectors are excluded from the FTSE Japan ex-REITs High Income Cash Flow 50 100% Hedged to HKD Net Tax Index:

ICB Sector Code	ICB Sector Name
302030	Mortgage Real Estate Investment Trusts
351020	Real Estate Investment Trusts

For both Component Indices, securities with a negative trailing 12-month free cash flow are excluded (save for securities falling within these ICB sectors: Banks (301010), Life Insurance (303010), and Non-life Insurance (303020) in respect of FTSE Japan ex-REITs High Income Cash Flow 50 100% Hedged to HKD Net Tax Index).

In respect of FTSE Japan ex-REITs High Income Cash Flow 50 100% Hedged to HKD Net Tax Index, securities falling within these ICB sectors: Banks (301010), Life Insurance (303010), and Non-life Insurance (303020) are ignored when calculating free cash flow and their free cash flow metric used for calculating the composite score (described below under the heading "Constituent Selection") are set to be 0.

Constituent Selection

For each Component Index, eligible securities are ranked by composite score in descending order. A composite score is calculated for each eligible security using the following metrics: (i) the latest 12-month free cash flow/full market capitalisation and (ii) latest 12-month dividend yield. To ensure the analysis reflects recent trends and reduces the impact of short-term fluctuations, an exponentially weighted moving average is calculated for each of these metrics, which gives more importance to the most recent data. Because companies operate in different markets with varying norms, each company's figures are then compared to others within the same country or market group. This comparison adjusts the raw numbers to show how much better or worse a company performs on each measure relative to its peers. To prevent extreme values from having an outsized influence, any exceptionally high or low comparative scores are capped at a reasonable limit. For FTSE Japan ex-REITs High Income Cash Flow 50 100% Hedged to HKD Net Tax Index specifically, companies in the banking and insurance sectors are treated differently regarding their cash flow metric, recognising that this measure may not be directly comparable to other industries; in these cases, the cash flow component of the score is effectively neutralised. Finally, the overall composite score is calculated by combining the adjusted comparative scores for free cash flow and dividend yield. The relative importance of these two factors varies depending on the specific index: for FTSE Southbound Stock Connect Cash Flow Focus Net Tax Index, free cash flow carries significantly more weight (70%) than dividends (30%), while for FTSE Japan ex-REITs High Income Cash Flow 50 100% Hedged to HKD Net Tax Index, both free cash flow and dividends are given equal importance (50% each). For details on the calculation of the composite score, please refer to the index rules of the Component Indices[1].

The Component Indices are reviewed quarterly in March, June, September and December. Separately for each Component Index, at the quarterly review, eligible companies are ranked within their respective universe in descending order of

composite score. A security will be added at the periodic review if it rises to a rank equal to or above the inclusion threshold (20th position in respect of FTSE Southbound Stock Connect Cash Flow Focus Net Tax Index; 30th position in respect of FTSE Japan ex-REITs High Income Cash Flow 50 100% Hedged to HKD Net Tax Index). An existing security will be deleted at the periodic review if it falls to a rank below the deletion threshold (40th position in respect of FTSE Southbound Stock Connect Cash Flow Focus Net Tax Index; 70th position in respect of FTSE Japan ex-REITs High Income Cash Flow 50 100% Hedged to HKD Net Tax Index).

A constant number of constituents will be maintained at review. The number of constituents in FTSE Southbound Stock Connect Cash Flow Focus Net Tax Index is 30. The number of constituents in FTSE Japan ex-REITs High Income Cash Flow 50 100% Hedged to HKD Net Tax Index is 50. For each Component Index, if there are more than the designated number of constituents after the addition or deletion at periodic review (as described above), the lowest-ranking constituent(s) will be deleted to ensure the number of constituents remain at the designed number. Conversely, if there are fewer than the designed number of constituents after the addition or deletion at periodic review (as described above), the highest-ranking non-constituent(s) will be added to ensure the number of constituents remains at the designated number.

At each quarterly review, the weight of each security in respect of FTSE Southbound Stock Connect Cash Flow Focus Net Tax Index and FTSE Japan ex-REITs High Income Cash Flow 50 100% Hedged to HKD Net Tax Index is capped at 10% and 5% respectively.

Weighting Allocation

The Underlying Index aims to maintain the following weighting allocation between Southbound Stock Connect eligible Hong Kong-listed securities and Japan-listed securities upon each rebalancing:

a. FTSE Southbound Stock Connect Cash Flow Focus Net Tax Index: 65% (i.e., the aggregate weight of Hong Kong-listed constituents will not exceed 65% when combined with Japan-listed constituents)

b. FTSE Japan ex-REITs High Income Cash Flow 50 100% Hedged to HKD Net Tax Index: 35% (i.e., the aggregate weight of Japan-listed constituents will not exceed 35% when combined with Hong Kong-listed constituents)

Underlying Index Maintenance and Review

The Underlying Index is reviewed semi-annually in March and September. At the review, the Underlying Index will be reviewed using prices of the Component Indices as at the close of business on the third Friday of the review month and implement the changes after the close of business on the third Friday (i.e. effective the following Monday) of the review month. An additional rebalance will be conducted for the Underlying Index using the prices of the underlying Component Indices as at the close of business on the second last business day of the review month (where the second last business day of the month falls on a Saturday or Sunday for any individual markets, prices will be taken as at close of the last business day before Saturday). Changes will be effective after the open of the last business day of the review month.

Index Securities of the Underlying Index

You can obtain the most updated list of the index constituents of each of the Component Indices with their respective weightings from the website and any additional information and other important news of the Component Indices from the website https://www.lseg.com/en/ftse-russell/index-resources/constituent-weights

(this website has not been reviewed by the Commission).

Index code

Bloomberg: CFIIECHJ

Index Provider disclaimer

The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF has been developed solely by CSOP Asset Management Limited. The CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the FTSE ETF Connect HK-Japan Cash Flow Focus Composite Index (net total return version) (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 license. 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 CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the CSOP Nomura FTSE HK-Japan Equity Cash Flow Focus Index ETF or the suitability of the Index for the purpose to which it is being put by CSOP Asset Management Limited.

APPENDIX 23

CSOP KOSPI 200 ETF

(a sub-fund of the CSOP ETF Series(*This includes synthetic ETFs), a Hong Kong umbrella unit trust authorized under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

STOCK CODE: 3121

MANAGER

CSOP Asset Management Limited

15 June 2026

CSOP KOSPI 200 ETF
Stock Code: 3121

1. KEY INFORMATION

1.1 General

This appendix sets out information specific to the CSOP KOSPI 200 ETF ("**CSOP KOSPI 200 ETF**"). For general information about the Trust and its Sub-Funds, please refer to Part 1 of this Prospectus. Investors should read both Parts of this Prospectus before investing in the CSOP KOSPI 200 ETF. In particular, investors should consider the general risk factors set out in section "***4. General Risk Factors***" of Part 1 of this Prospectus and any specific risk factors set out in section "***7. Risk Factors relating to the CSOP KOSPI 200 ETF***" of this Appendix, before investing in the CSOP KOSPI 200 ETF.

Application has been made to the SEHK for the listing of, and permission to deal in, the Units of the CSOP KOSPI 200 ETF. Subject to the compliance with the relevant admission requirements of the HKSCC, Units in the CSOP KOSPI 200 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 Units on the SEHK or such other date as may be determined by the HKSCC. Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

1.2 Summary of Information

The following table sets out certain key information in respect of the CSOP KOSPI 200 ETF, and should be read in conjunction with the full text of this Prospectus.

Investment Type	Exchange Traded Fund ("**ETF**") authorized as a collective investment scheme by the Commission under Chapter 8.6 of the Code
Underlying Index	KOSPI 200 Index (net total return version) Launch Date: 15 June 1994 Base Date: 3 January 1990 Number of constituents: 200 (as of 31 March 2026) Base Currency of Underlying Index: Korean Won ("**KRW**")
Type of Underlying Index	A net total return index which means that it reflects the reinvestment of dividends or distributions, after deduction of any withholding tax. The Underlying Index is

	denominated and quoted in KRW.
Index Provider	Korea Exchange ("**KRX**")
Investment Strategy	Please refer to section "3***. Investment Objective and Strategy***" of this Appendix for further details.
Initial Issue Date	17 June 2026
Listing Date	18 June 2026
Dealing on SEHK Commencement Date	18 June 2026
Exchange Listing	SEHK – Main Board
Stock Code	3121
Stock Short Name	CSOP KOSPI
ISIN Number	HK0001309035
Trading Board Lot Size	100 Units
Base Currency	KRW
Trading Currency	HKD
Dividend Policy	The Manager has discretion as to whether or not the CSOP KOSPI 200 ETF will make any distribution, the frequency and amount of distribution. Currently the Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP KOSPI 200 ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any). The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP KOSPI 200 ETF are charged to/paid out of the capital of the CSOP KOSPI 200 ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP KOSPI 200 ETF and therefore, the CSOP KOSPI 200 ETF may effectively pay dividend out of capital. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from capital gains attributable to that original investment. Any distributions involving payment of dividends

		out of or effectively out of the CSOP KOSPI 200 ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP KOSPI 200 ETF. Distributions will be in HKD (if any). Please refer to section "***6. Distribution Policy***" in this Appendix for further information on the distribution policy of the CSOP KOSPI 200 ETF and the risk factor under section "***7.11 Distributions out of or effectively out of capital risk***" in this Appendix for the risk associated with distributions paid out of capital.
Application Unit size for Creation/ Redemption (only by or through Participating Dealers)		Minimum 1,000,000 Units (or multiples thereof)
Method of Creation/ Redemption		Cash (in USD only)
Parties	Manager	CSOP Asset Management Limited
	Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited
	Custodian	The Hongkong and Shanghai Banking Corporation Limited
	Participating Dealer(s)	Please refer to the Manager's website set out below for the latest list.
	Market Maker(s)	Please refer to the Manager's website set out below for the latest list.
	Service Agent	HK Conversion Agency Services Limited
	Listing Agent	Altus Capital Limited
Financial Year		Ending 31 December each year (The first financial year-end of the CSOP KOSPI 200 ETF will be 31 December 2026. The first semi-annual unaudited interim reports and first audited accounts of the CSOP KOSPI 200 ETF will be for the period ending 30 June 2027 and 31 December 2026 respectively.)
Management Fee		Up to 2% per annum of the Net Asset Value accrued daily and calculated as at each Dealing Day, with the current rate being 0.99% per annum of the Net Asset Value

	accrued daily and calculated as at each Dealing Day. One month's prior notice will be provided to investors if the management fee is increased up to the maximum rate.
Website	https://www.csopasset.com/en/products/hk-ckp2 (The contents of this website and any other websites referred to in this Appendix have not been reviewed by the Commission)

1.3 Custodian for the CSOP KOSPI 200 ETF

The Hongkong and Shanghai Banking Corporation Limited has been appointed by the Trustee as custodian (the "**Custodian**"), and will be responsible for the safe custody of the CSOP KOSPI 200 ETF's assets.

Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the acts or omissions of the Custodian. Neither the Custodian nor its delegate (if any) is responsible for the preparation of this Prospectus and they accept no responsibility or liability for the information contained here other than the description under this section "***1.3 Custodian for the CSOP KOSPI 200 ETF***".

1.4 Market Maker

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 of the CSOP KOSPI 200 ETF. 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 to facilitate the efficient trading of Units of the CSOP KOSPI 200 ETF. The Manager will use its best endeavours to put in place arrangements so that at least one market maker is required to give not less than three months' notice prior to terminating market making arrangement under the relevant market making agreement.

The list of market markers in respect of the CSOP KOSPI 200 ETF is available on https://www.csopasset.com/en/products/hk-ckp2 and from time to time will be displayed on www.hkex.com.hk.

2. DEALING

2.1 The Initial Offer Period

Units of the CSOP KOSPI 200 ETF will initially be offered only to the Participating Dealer(s) from 9:00 a.m. (Hong Kong time) on 15 June 2026 to 4:30 p.m. (Hong Kong time) on 16 June 2026, unless otherwise extended by the Manager (the "**Initial Offer Period**"). The purpose of the Initial Offer Period is to enable the Participating Dealer(s) to apply for Units on their own account or on behalf of third party Primary Market Investors in accordance with the terms of the Trust Deed and the Operating Guidelines.

Primary Market Investors who are retail investors may only submit a creation request or redemption request through a Participating Dealer or a stockbroker who has opened an account with a Participating Dealer.

Investors should note that the Participating Dealers and the stockbrokers through whom a Creation Application is made may impose an earlier dealing deadline, require other supporting documents for the Creation Application and adopt other dealing procedures different from those set out for the CSOP KOSPI 200 ETF in this Prospectus. For example, the dealing deadline set by the Participating Dealers or the stockbrokers may be earlier than that set out for the CSOP KOSPI 200 ETF in this Prospectus. Investors should therefore check the applicable dealing procedures with the relevant Participating Dealer or stockbroker (as the case may be).

2.2 Extension of the Initial Offer Period

If the Initial Offer Period is extended beyond 16 June 2026, dealings in the Units on the SEHK will commence on the fourth (4th) Business Day following the close of the Initial Offer Period.

2.3 Exchange Listing and Trading

Application has been made to the SEHK for listing of and permission to deal in Units in the CSOP KOSPI 200 ETF.

Currently, Units are expected to be listed and dealt only on the SEHK and no application for listing or permission to deal on any other stock exchanges is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on other stock exchanges.

If trading of the Units of the CSOP KOSPI 200 ETF on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for those Units.

2.4 Buying and Selling of Units of the CSOP KOSPI 200 ETF on SEHK

Dealings on the SEHK in Units of the CSOP KOSPI 200 ETF issued after the Initial Offer Period are expected to begin on the trading day after the Initial Issue Date.

A Secondary Market Investor can buy and sell the Units of the CSOP KOSPI 200 ETF on the SEHK through his stockbroker at any time the SEHK is open. Units of the CSOP KOSPI 200 ETF may be bought and sold in the Trading Board Lot Size (or the multiples thereof). The Trading Board Lot Size is currently 100 Units.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit of the CSOP KOSPI 200 ETF 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 of the CSOP KOSPI 200 ETF in the secondary market may be higher or

lower than the Net Asset Value per Unit of the CSOP KOSPI 200 ETF.

Please refer to section "***Schedule 2 – 3. Trading of Listed Class of Units on the SEHK (Secondary Market)***" in Part 1 of this Prospectus for further information on buying and selling of Units on the SEHK.

2.5 Creation Applications and Redemption Applications by Participating Dealers

The general terms and procedures relating to Creation Applications and Redemption Applications by the Participating Dealers are set out in section "***Schedule 2 – 2. Creation and Redemption of Application Units (Primary Market)***" of Part 1 of this Prospectus, which should be read in conjunction with the following specific terms and procedures which relate to the CSOP KOSPI 200 ETF only.

The Manager currently only allows Cash Creations and Cash Redemptions for Units of the CSOP KOSPI 200 ETF. Any cash payable by Participating Dealers in a Cash Creation must be in USD.

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 Application Unit size for CSOP KOSPI 200 ETF is 1,000,000 Units (or multiples thereof). Creation Applications submitted in respect of Units other than in Application Unit size will not be accepted. The minimum subscription for the CSOP KOSPI 200 ETF is one Application Unit.

Units can be redeemed by way of a Redemption Application (through a Participating Dealer). Any cash proceeds received by Participating Dealers in a Cash Redemption shall be paid in USD only.

2.5.1 Dealing Period

The dealing period on each Dealing Day for a Creation Application or Redemption Application in respect of the CSOP KOSPI 200 ETF commences at 9:00 a.m. (Hong Kong time) and ends at the Dealing Deadline at 1:30 p.m. (Hong Kong time) (or otherwise as determined at the discretion of the Manager after consulting with the Trustee), as may be revised by the Manager from time to time. Any Creation Application or Redemption Application received after the Dealing Deadline will be considered as received on the next Dealing Day.

2.5.2 Issue Price and Redemption Price

In respect of each Creation Application during the Initial Offer Period, the Issue Price of a Unit of any class which is the subject of a Creation Application in relation to the CSOP KOSPI 200 ETF shall be equal to USD1 or its equivalent in KRW, or such other price as may be determined by the Manager in consultation with the Trustee.

After the Initial Offer Period, the Issue Price of a Unit of any class in

the CSOP KOSPI 200 ETF shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point in respect of the relevant Valuation Day rounded to the nearest second (2nd) decimal place (with 0.005 being rounded up).

The Redemption Price of Units of any class redeemed shall be the Net Asset Value per Unit of the relevant class calculated as at the Valuation Point of the relevant Valuation Day rounded to the nearest second (2nd) decimal place (with 0.005 being rounded up).

The benefit of any rounding adjustments will be retained by the CSOP KOSPI 200 ETF.

The "**Valuation Day**" of the CSOP KOSPI 200 ETF, coincides with, and shall mean, the Dealing Day of the CSOP KOSPI 200 ETF or such other days as the Manager may determine.

The latest Net Asset Value of the Units will be available on the Manager's website at https://www.csopasset.com/en/products/hk-ckp2 (the website has not been reviewed by the Commission) or published in such other publications as the Manager decides.

2.5.3 Dealing Day

In respect of the CSOP KOSPI 200 ETF, "**Dealing Day**" means each Business Day.

"**Business Day**" in respect of the CSOP KOSPI 200 ETF means a day on which (a)(i) the SEHK is open for normal trading; and (ii) the SEHK and the KRX on which the securities comprising or held by the CSOP KOSPI 200 ETF are traded is open for normal trading, and (b) the Underlying Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time.

3. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The investment objective of the CSOP KOSPI 200 ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the KOSPI 200 Index (net total return version) (the "**Underlying Index**"). There is no assurance that the CSOP KOSPI 200 ETF will achieve its investment objective.

Investment Strategy

In order to achieve the investment objective of the CSOP KOSPI 200 ETF, the Manager will primarily use a full replication strategy by directly investing all, or substantially all, of the assets of the CSOP KOSPI 200 ETF in securities constituting the Underlying Index ("**Index Securities**") in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index.

The CSOP KOSPI 200 ETF may invest up to 100% of its Net Asset Value directly in equity securities listed on the Korea Composite Stock Price Index (the "**KOSPI**")

Market of the Korea Exchange.

Under exceptional circumstances (i.e. due to restrictions, suspensions of trading and/or limited availability of certain Index Securities), where it is not feasible or not in the best interest of investors to acquire certain Index Securities due to restrictions or limited availability and/or where it is not cost efficient, by reference to the CSOP KOSPI 200 ETF's Net Asset Value, to use a full replication strategy, the Manager may use a representative sampling strategy to invest in:

(i) a representative sample whose performance is closely correlated with the Underlying Index, but whose constituents may or may not themselves be constituents of the Underlying Index;

(ii) other 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 Underlying Index. Such CIS may be authorised by the SFC, eligible schemes under Chapter 7.11A of the Code or non-eligible schemes. The CSOP KOSPI 200 ETF's aggregate investment in other CIS may be up to 10% of the Net Asset Value of the CSOP KOSPI 200 ETF; and/or

(iii) FDIs, including but not limited to, KOSPI 200 Index futures (if any), to obtain exposure to the performance of the Index Securities. The CSOP KOSPI 200 ETF may invest up to 10% of its Net Asset Value in FDIs.

Prior notice will not be given to investors if the Manager switches from a full replication strategy to a representative sampling strategy in exceptional circumstances, or vice versa. In pursuing the representative sampling strategy, the Manager may cause the CSOP KOSPI 200 ETF 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 Commission.

Other than as set out above, the CSOP KOSPI 200 ETF may also invest in FDIs for hedging purposes.

The CSOP KOSPI 200 ETF may also invest not more than 5% of its Net Asset Value in cash and money market funds authorised by the Commission for cash management purpose.

The CSOP KOSPI 200 ETF will not enter into sale and repurchase transactions, reverse repurchase transactions and other similar over-the-counter transactions. Prior approval of the Commission (to the extent required under applicable regulatory requirements) will be sought and not less than one month's prior notice (or such shorter notice period as may be permitted under applicable regulatory requirements) will be given to Unitholders in the event the Manager wishes to enter into such transactions.

3A. SECURITIES LENDING TRANSACTIONS

The Manager may, on behalf of the CSOP KOSPI 200 ETF, enter into securities lending transactions, with the maximum level for up to 50% and expected level for approximately 20% of its Net Asset Value. The Manager will be 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 CSOP KOSPI 200 ETF and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. Please refer to the section "***Securities Financing Transactions***" of Schedule 1 in Part 1 of this Prospectus in regard to the

details of the arrangements.

As part of the securities lending transactions, the CSOP KOSPI 200 ETF must receive cash and/or non-cash collateral (fulfilling the requirements under section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus) of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis and be safekept by the Trustee or an agent appointed by the Trustee. Please refer to the section "***2.4 Trustee and Registrar***" in Part 1 of this Prospectus in regard to the extent of the Trustee's responsibility for the safekeeping of the assets of the Trust and the appointment of agents. 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. Any reinvestment of cash collateral received shall be subject to the requirements as set out in the section "***Collateral***" of Schedule 1 in Part 1 of this Prospectus. Information as required under the Code will be disclosed in the annual and interim financial reports and on the Manager's website (as the case may be).

To the extent the CSOP KOSPI 200 ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the CSOP KOSPI 200 ETF. The cost relating to securities lending transactions will be borne by the borrower.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to the section "***7.7 Securities lending transactions risk***" of this Appendix for further details.

4. OVERVIEW OF KOREA CAPITAL MARKET

The Korea Exchange (KRX) was established in 2005 through the merger of the Korea Stock Exchange (founded in 1956), the KOSDAQ Market (launched in 1996 for tech and venture firms), and the Korea Futures Exchange. The KRX operates three equity market segments, namely the KOSPI Market, the KOSDAQ Market and the KONEX Market. The KOSPI Market serves as the main board and is largely comprised of large-cap and blue-chip companies. The KOSDAQ Market focuses mainly on startup companies as well as SMEs in such tech-savvy area as IT (information technology), BT (bio technology) and CT (culture technology). The KONEX Market is a new market established in 2013 for small- and medium-sized enterprises exclusively in order to form the basis of creative economy by reinforcing support through the capital market for SMEs at the early stage. As of 8 April 2026, there are 2,769 listed companies across the equity markets in the KRX, with a total market capitalisation of KRW 5,444 trillion.

The key trading information of the Korean stock market are as follows:

Key indexes	KOSPI / KOSPI 200 / KOSDAQ
Trading hours (Korea Standard Time)	Pre-hours session: 0800-0900 (0700-0800 Hong Kong time) Regular trading session: 0900-1530 (0800-1430 Hong Kong time) After-hours session: 1540-1800

	(1440-1700 Hong Kong time)
Trading lot size	1 share
Settlement	T+2
Daily price limit	For the KOSPI and the KOSDAQ Markets: +/-30% For the KONEX Market: +/-15% The daily price limits apply to an individual security based on the closing price of the security on the previous day. Once the daily price limit is reached, no trades can be executed outside the aforementioned ranges for the remainder of the trading session. For the avoidance of doubt, trading can continue to take place within ranges, including at the limit price itself.
Circuit breakers	The 3 phases of circuit breakers in the KOSPI and the KOSDAQ Markets are below: • Phase 1: If the index (KOSPI or KOSDAQ Index) decreases by 8% or more from the previous day's closing price for one minute, the trading of the market will be suspended for 20 minutes. • Phase 2: If the index (KOSPI or KOSDAQ Index) decreases by 15% or more from the previous day's closing price for one minute and the index decreases by an additional 1% from the time the first set of circuit breaker is exercised. The trading of the market will be suspended for 20 minutes. • Phase 3: If the index (KOSPI or KOSDAQ Index) decreases by 20% or more from the previous day's closing price for one minute and the index decreases by an additional 1% from the time the second set of circuit breaker is exercised. The trading of the market will be suspended for the remainder of the day with no off-market trading. The implementation of each phase of circuit breakers is limited to one time in one day. Phases 1 and 2 are not triggered during 40 minutes before the market closing whereas phase 3 is triggered during that time period.
Volatility interruption	When the price changes by 10% or more from the previous single price execution (static VI), or the newly executed price is +/-2~6%* than the previously latest executed price (dynamic VI), a two-minute cooling period (periodic call auction for 2 minutes) will be triggered.

Note:
** Percentage differs depending on its market or the trading hours.*

For more information, please refer to the KRX's website: https://global.krx.co.kr/main/main.jsp (which has not been reviewed by the SFC).

5. BORROWING RESTRICTIONS

The Manager may borrow up to 10% of the total Net Asset Value of the CSOP KOSPI 200 ETF to acquire investments, to redeem Units or to pay expenses relating to the CSOP KOSPI 200 ETF.

6. DISTRIBUTION POLICY

The Manager has discretion as to whether or not the CSOP KOSPI 200 ETF will make any distribution, the frequency and amount of distribution. Currently the

Manager intends to distribute income to Unitholders annually (in December) having regard to the CSOP KOSPI 200 ETF's net income after fees and costs. However, there is no guarantee of regular distribution nor the amount being distributed (if any).

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP KOSPI 200 ETF are charged to/paid out of the capital of the CSOP KOSPI 200 ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP KOSPI 200 ETF and therefore, the CSOP KOSPI 200 ETF may effectively pay dividend out of capital. **Investors should note that payments of dividends 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 dividends out of or effectively out of the CSOP KOSPI 200 ETF's capital may result in an immediate reduction in the Net Asset Value per Unit of the CSOP KOSPI 200 ETF and will reduce any capital appreciation for the Unitholders of the CSOP KOSPI 200 ETF.**

The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website https://www.csopasset.com/en/products/hk-ckp2 (this website has not been reviewed by the Commission).

The distribution policy may be amended subject to the Commission's prior approval (where required) and upon giving not less than one month's prior notice to Unitholders.

Distributions (if declared) will be declared and paid in HKD only. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in HKD only. The details of the distribution declaration dates, distribution amounts and ex-dividend payment dates will be published on the Manager's website https://www.csopasset.com/en/products/hk-ckp2 (this website has not been reviewed by the Commission) and on HKEX's website.

There can be no assurance that a distribution will be paid.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

7. RISK FACTORS RELATING TO THE CSOP KOSPI 200 ETF

In addition to the general risk factors common to all Sub-Funds set out in section "***4. General Risk Factors***" in Part 1 of this Prospectus, investors should also consider the specific risks associated with investing in the CSOP KOSPI 200 ETF including those set out below. The following statements are intended to be summaries of some of those risks. They do not offer advice on the suitability of investing in the CSOP KOSPI 200 ETF. Investors should carefully consider the risk factors described below together with the other relevant information included in this Prospectus before deciding whether to invest in Units of the CSOP KOSPI 200 ETF. The Commission's authorisation is

not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

7.1 Equity market risk

The CSOP KOSPI 200 ETF'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.

Please also refer to the risk factor "***Investment risks – Equity Risk***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

7.2 Korean market risk

Investors should be aware of the potential market risks associated with trading in the Korean market. In particular, the Korean market is subject to high volatility as a result of high retail trading participation (which can contribute to faster shift in market sentiment and more pronounced short-term price movements), as well as sudden regulatory shifts and shifts in market sentiment. Furthermore, Korean stocks have historically traded at lower valuations compared to global peers due to concerns over corporate governance and prevalence of family-controlled conglomerates, as well as geopolitical risks

Trading in the Korean market is also subject to circuit breakers and daily price limits. The KRX has mechanisms such as circuit breakers or daily limit up/down rules that may have possibilities to lead to a market halt, resulting in the suspension of trading activities for the day. These interruptions can affect the normal operation of the CSOP KOSPI 200 ETF, thereby impacting its ability to track the performance of the Underlying Index.

7.3 Geographical concentration risk

Insofar as the investments in Index Securities are concerned, the constituents of the Underlying Index, and accordingly the CSOP KOSPI 200 ETF's investments, are concentrated in Korea. The value of the CSOP KOSPI 200 ETF 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 Korean market.

7.4 Sector concentration risk

The constituents of the Underlying Index, and accordingly the CSOP KOSPI 200 ETF's investments, may from time to time be concentrated in companies in a particular sector. The value of the CSOP KOSPI 200 ETF 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. In particular, the top two constituents of the Underlying Index (i.e. Samsung

Electronics Co., Ltd. and SK Hynix Inc.), and accordingly the CSOP KOSPI 200 ETF's investments, are concentrated in the technology sector (in particular, the electronics and technology hardware industry, focusing on the semiconductor business).

Technology theme risks

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. In this regard, the Underlying Index may be subject to particularly high volatility as it is heavily concentrated in its top two constituents, which are both of the technology sector. 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 cyber security risks resulting in undesirable legal, financial, operational and reputational consequences. The CSOP KOSPI 200 ETF may be exposed to risks associated with different technology sectors and themes (including computer services, software, consumer digital services, semiconductors, electronic components, production technology equipment, computer hardware, telecommunications equipment, electronic entertainment, diversified retailers, drug retailers). A downturn in the business for companies in these sectors or themes may have adverse effects on the CSOP KOSPI 200 ETF.

Electronics and technology hardware industry risks

Electronics and technology hardware companies can be significantly affected by cyclical market patterns, rapid product obsolescence, frequent new product introductions, evolving industry standards, competitive pressures, aggressive pricing, technological developments, changing domestic demand, the ability to attract and retain skilled employees and availability and price of components. In addition, many technology hardware companies rely on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and technologies.

Semiconductor company risks

The risks of investments in the semiconductor sector industry include intense competition, both domestically and internationally, such as competition from subsidized foreign competitors with lower production costs; risks of rapid obsolescence of products; economic performance of the customers of semiconductor companies (such as the artificial intelligence industry and information technology infrastructure); and rapidly changing product and market demands. The stock prices of semiconductor companies have been and likely will continue to be extremely volatile.

7.5 Large/mega-capitalisation companies risk

Some of the constituents of the Underlying Index are large/mega-capitalisation companies that are relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. They may struggle with flexibility to respond quickly to disruptions and changes in trends.

The high valuation of large/mega-capitalisation companies can make them more susceptible to market corrections, downturns and changes in interest rates. Moreover, large/mega-capitalisation companies typically have high price-to-earnings ratio than smaller capitalisation companies which can lead to overvaluation and may indicate there is less room for gains and even potential downward price adjustment.

Large/mega-capitalisation companies usually exert market dominance and therefore frequently face regulatory pressures, in particular antitrust scrutiny. This leads to legal challenges and increased costs which may in turn affect profitability.

7.6 Risks relating to the Underlying Index of CSOP KOSPI 200 ETF

The CSOP KOSPI 200 ETF may be subject to the following risks in relation to the Underlying Index:

(i) If the Underlying Index is discontinued or the Manager's licence from the Index Provider under the relevant Licence Agreement is terminated, the Manager may, in consultation with the Trustee, seek the Commission's prior approval to replace the Underlying Index with an index that is tradable and has similar objectives to the Underlying Index. Please refer to section "***14. Replacement of the Underlying Index***" below on the circumstances in which the Underlying Index may be replaced by the Manager. Such change shall be made in accordance with the provisions of the Trust Deed and with the prior approval of the Commission. For the avoidance of doubt, index-tracking will remain the CSOP KOSPI 200 ETF 's investment objective.

The Manager has been granted a licence by the Index Provider to use the Underlying Index as a basis for determining the composition of the CSOP KOSPI 200 ETF and to use certain trade marks in the Underlying Index. The licence granted shall take effect from the effective date of the Licence Agreement (i.e. 11 June 2026), and shall continue until terminated pursuant to the agreement. There is no guarantee that the Licence Agreement will be perpetually renewed.

The CSOP KOSPI 200 ETF may be terminated if the Underlying Index is discontinued and/or the Licence Agreement is terminated and the Manager is unable to identify or agree with any Index Provider terms for the use of a suitable replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index and which meets the acceptability criteria under Chapter 8.6(e) of the Code. Any such replacement index will be subject to the prior approval of the Commission under the Code and Unitholders will be duly notified of the same. Accordingly, investors should note that the ability of the CSOP KOSPI 200 ETF to track the Underlying Index depends on the continuation in force of the Licence Agreement in respect of the Underlying Index

or a suitable replacement. The CSOP KOSPI 200 ETF may also be terminated if the Underlying Index ceases to be compiled or published and there is no replacement index, using, in the opinion of the Manager, the same or substantially similar formula for the method of calculation as used in calculating the Underlying Index.

The Manager and the Index Provider may by mutual agreement terminate or postpone the parties' obligations under the Licence Agreement upon the occurrence of a force majeure event such that the terms of the Licence Agreement can no longer be performed. There is no guarantee or assurance of exact or identical replication at any time of the performance of the relevant Underlying Index.

For further information on the grounds for terminating the Licence Agreement in respect of the Underlying Index, please refer to section "***12. Index Licence Agreement***" in this Appendix.

(ii) There may be changes in the constituent securities of the Underlying Index from time to time. For example, a constituent security may be delisted or a new eligible security may be added to the Underlying Index. In such circumstances, in order to achieve the investment objective of the CSOP KOSPI 200 ETF, the Manager may rebalance portfolio of the CSOP KOSPI 200 ETF. The price of the Units may rise or fall as a result of these changes. Thus, an investment in Units will generally reflect the Underlying Index as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the Units. Please refer to the section "***15. The Underlying Index***" of this Appendix below for more information on how the Underlying Index is compiled.

(iii) The process and the basis of computing and compiling the Underlying 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 Underlying Index, its computation or any information related thereto.

7.7 Securities lending transactions risk

Collateral risk

As part of the securities lending transactions, the CSOP KOSPI 200 ETF 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 CSOP KOSPI 200 ETF if the borrower fails to return the securities lent out. The CSOP KOSPI 200 ETF 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 CSOP KOSPI 200 ETF 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.

7.8 Risks of investing in other collective investment schemes

The CSOP KOSPI 200 ETF may invest in other collective investment schemes, and may therefore be subject to the risks associated with such underlying schemes. The CSOP KOSPI 200 ETF does not have control of the investments of the underlying schemes and there is no assurance that the investment objective and strategy of the underlying schemes will be successfully achieved which may have a negative impact to the Net Asset Value of the CSOP KOSPI 200 ETF.

Any tracking error of these underlying schemes will also contribute to the tracking error of the CSOP KOSPI 200 ETF. In addition, the tax provision made by the other collective investment schemes may be more or less than their actual tax liabilities. Any shortfall of such tax provision may adversely affect the performance of such other collective investment schemes.

The underlying schemes in which the CSOP KOSPI 200 ETF may invest may not be authorised by the Commission. There may be additional costs involved when investing into these underlying schemes. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the CSOP KOSPI 200 ETF's redemption requests as and when made.

If the CSOP KOSPI 200 ETF invests in other active or passive investment products managed by the Manager or Connected Person of the Manager, all initial charges and redemption charges on these listed or unlisted 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 case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

7.9 Risks associated with investment in FDIs

The CSOP KOSPI 200 ETF may invest up to 10% of its Net Asset Value in FDIs. Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. FDIs are susceptible to price fluctuations and higher volatility, and may have large bid and offer spreads and no active secondary markets. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the CSOP KOSPI 200 ETF. Exposure to FDIs may lead to a high risk of significant loss by the CSOP KOSPI 200 ETF.

Please also refer to the risk factor "***Investment risks – Financial Derivative Instruments and Collateral Risks***" under "***4. General Risk Factors***" in Part 1 of this Prospectus for further details.

The Manager has put in place measures to address the risks due to investment in FDIs. For example, the Manager will ensure that counterparties to transactions of over-the-counter FDIs or their guarantors must be substantial financial institutions. Collateral accepted by the CSOP KOSPI 200 ETF will be high quality assets only, and the Manager will continuously monitor the quality of collateral to ensure no deterioration of collateral received by the CSOP KOSPI 200 ETF. Please also refer to the headings "***Financial Derivative Instruments***" and "***Collateral***" under Schedule 1 in Part 1 of this Prospectus for a description of the Manager's policy regarding FDIs and collateral.

7.10 Foreign exchange risk

The CSOP KOSPI 200 ETF's Base Currency is in KRW but has Units traded in HKD on the SEHK. Accordingly, investors may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and HKD when trading the Units in the secondary market.

7.11 Distributions out of or effectively out of capital risk

The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the CSOP KOSPI 200 ETF are charged to/paid out of the capital of the CSOP KOSPI 200 ETF, resulting in an increase in distributable income for the payment of dividends by the CSOP KOSPI 200 ETF and therefore, the CSOP KOSPI 200 ETF may effectively pay dividends out of the capital. Investors should note that payment of distributions out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that amount. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the CSOP KOSPI 200 ETF.

7.12 Other risks

Operating risk. There is no assurance that the performance of the CSOP KOSPI 200 ETF will be identical to the performance of the Underlying Index. The level of fees, taxes and expenses payable by the CSOP KOSPI 200 ETF will fluctuate in relation to the Net Asset Value. Although the amounts of certain ordinary expenses of the CSOP KOSPI 200 ETF can be estimated, the growth rate of the CSOP KOSPI 200 ETF, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of the CSOP KOSPI 200 ETF or the actual level of its expenses. Under the terms of the Trust Deed and as summarised under the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, the Manager may terminate the CSOP KOSPI 200 ETF. On the termination of the CSOP KOSPI 200 ETF, the CSOP KOSPI 200 ETF will be liquidated and investors will receive distributions of cash although the Manager has the power to decide to make distributions in specie.

No market in the Units risk. Although the Units are to be listed on the SEHK and 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 the Units, investors should be aware that 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 other ETFs which are traded on the SEHK and which are based upon indices.

Termination of market maker risk. A market maker may cease to act as a market maker for the CSOP KOSPI 200 ETF in accordance with the terms of its agreement including upon giving prior written notice. The termination notice period for at least one market maker for Units of the CSOP KOSPI 200 ETF will be no less than three months. The liquidity for the Units of the CSOP KOSPI 200 ETF may be affected if there is no market maker for the Units. The Manager will use its best endeavours to put in place arrangements so that there is at least one market maker for the CSOP KOSPI 200 ETF to facilitate efficient trading of Units. It is possible that there is only one market maker for the CSOP KOSPI 200 ETF or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.

Liquidity risk. Units will be a new security and following listing on the SEHK, it is unlikely that the Units will initially be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, at least one market maker has been appointed. In turn this may affect the liquidity and trading price of the Units in the secondary market. Therefore, Unitholders may not be able to sell their Units in the secondary market in as timely a manner as some other equity products denominated in Hong Kong dollars listed in Hong Kong, and the trading price may not fully reflect the intrinsic value of the Units.

Tracking error risk. The CSOP KOSPI 200 ETF may be subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index. Factors such as the fees and expenses of the CSOP KOSPI 200 ETF, imperfect correlation between the CSOP KOSPI 200 ETF's assets and the Index Securities, inability to rebalance the CSOP KOSPI 200 ETF's holdings of Index Securities in response to changes in the constituents of the Underlying Index, rounding of the Index Securities' prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the Underlying Index. These factors may cause the CSOP KOSPI 200 ETF's returns to deviate from the Underlying Index.

Trading difference risk. As the KRX may be open when Units in the CSOP KOSPI 200 ETF are not priced, the value of the securities in the CSOP KOSPI 200 ETF's portfolio may change on days when investors will not be able to purchase or sell the Units. Differences in trading hours between the KRX and the SEHK may also increase the level of premium or discount of the Unit price to its Net Asset Value.

While shares listed on the KRX are subject to trading bands, circuit

breakers and daily price limits which restrict increases and decreases in the trading price, and may impact or halt normal trading, Units of the CSOP KOSPI 200 ETF listed on the SEHK are not. This difference may also increase the level of premium or discount of the Unit price to its Net Asset Value.

Korean tax risk. Under Korea tax laws, income derived from the CSOP KOSPI 200 ETF's investments in Korean securities and derivative instruments generally constitutes Korea-sourced income and may be subject to Korean taxation. Currently, income derived by a foreign investor such as the CSOP KOSPI 200 ETF from portfolio investments in South Korea is subject to Korean withholding tax. Dividends (including dividends received by domestic corporations in connection with over-the-counter ("**OTC**") derivative transactions) and certain other Korea-sourced income received by such foreign investors having no domestic place of business in Korea are generally subject to withholding tax at a rate of 22% inclusive of local income tax.

Pursuant to the Convention between the Government of the Republic of Korea and the Government of the Hong Kong Special Administrative Region of the People's Republic of China for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (the "**KR-HK tax treaty**"), the withholding tax rate applicable to Korea-sourced dividends may be reduced to 10% or 15%, and an exemption from Korean taxation may be available for certain other items of Korea-sourced income, subject to satisfaction of the tax treaty conditions and completion of the prescribed procedural requirements under the Korea tax laws. There can be no assurance, however, that the CSOP KOSPI 200 ETF will qualify for such treaty benefits or that such benefits will not be challenged or denied by the Korean tax authorities.

In contrast, capital gains derived from the sale of shares listed and traded on the KRX are currently not taxed under applicable South Korean income and corporate tax laws, provided that a foreign investor is a minor shareholder who holds less than 25% of the listed shares (by voting power or value) at any time during the five-year period preceding the transfer. Capital gains arising from the transfer of equity securities that do not satisfy the above conditions may be subject to Korean withholding tax at the lower of (i) 11% of the gross sales proceeds or (ii) 22% of the net capital gains, in each case inclusive of local income tax.

However, there can be no assurance that the Korean government will not in the future increase the applicable withholding tax rates, impose new taxes, or otherwise change the current tax treatment of investments in Korean securities. In particular, the Korean government may introduce additional taxation, including capital gains tax or transaction-based taxes, on the purchase or sale of KRX-listed shares, including transactions effected by foreign investors or collective investment schemes domiciled outside South Korea.

To the extent the CSOP KOSPI 200 ETF obtains exposure through FDI like swaps, futures or options, and other standardized derivatives traded on a

derivatives market in accordance with the Financial Investment Services and Capital Markets Act ("**FISCMA**") is generally not subject to Korean withholding tax for a foreign investor under applicable South Korean income and corporate tax laws. By contrast, income derived from OTC derivative transactions may constitute Korea-sourced income unless such transactions qualify as hedging transactions under the FISCMA. Accordingly, capital gains arising from the disposal of OTC derivatives that do not qualify as hedging transactions may be subject to Korean withholding tax.

Korea has introduced taxes on futures and options, and future changes to the tax treatment of derivative instruments, or the imposition of new taxes or levies, could increase the CSOP KOSPI 200 ETF's costs, and adversely affect the CSOP KOSPI 200 ETF's ability to achieve its investment objective.

8. FEES AND CHARGES

8.1 Management Fees

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum of the Net Asset Value of the CSOP KOSPI 200 ETF accrued daily and calculated as at each Dealing Day and payable monthly in arrears.

8.2 Trustee's and Registrar's Fee

The management fee is inclusive of the Trustee's and Registrar's fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee.

The Trustee's fee is inclusive of the fees payable to the Custodian.

The Trustee shall also be entitled to be reimbursed out of the assets of the CSOP KOSPI 200 ETF all out-of-pocket expenses incurred.

8.3 Service Agent's Fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the CSOP KOSPI 200 ETF. For any period less than a month, the reconciliation fee is payable by the CSOP KOSPI 200 ETF on a pro-rata basis and accrues on a daily basis.

8.4 Other Charges and Expenses of CSOP KOSPI 200 ETF

Please refer to section "***10.5 Other Charges and Expenses***" in Part 1 of this Prospectus on other charges and expenses payable by the CSOP KOSPI 200 ETF.

8.5 Establishment costs of CSOP KOSPI 200 ETF

The establishment costs of the CSOP KOSPI 200 ETF are estimated to be not exceeding HKD600,000; such costs shall be borne by the CSOP KOSPI 200 ETF (unless otherwise determined by the Manager) and amortised over the first five financial years of CSOP KOSPI 200 ETF or such other period as determined by the Manager after consulting the auditor.

8.6 Fees Payable by Participating Dealers, Primary Market Investors and Secondary Market Investors

The fees payable by Participating Dealers, Primary Market Investors and Secondary Market Investors are summarised in the respective tables below:

8.6.1 Participating Dealers

Creation and Redemption of Units by a Participating Dealer

Application Cancellation Fee	USD1,200 per cancellation *(See Note 1)*
Extension Fee	USD1,200 per extension *(See Note 1)*
Transaction Fee	USD800 per Application *(See Note 2)*
Service Agent's Fee	See Note 3
Stamp duty	Nil

Participating Dealers shall also bear all transaction costs, Duties and Charges and other expenses and charges.

8.6.2 Primary Market Investors creating or redeeming Units through a Participating Dealer or a stockbroker

Primary Market Investors submitting creation or redemption requests through the Participating Dealer or a stockbroker should note that the Participating Dealer or the stockbroker (as the case may be) may impose fees and charges in handling such requests. Such investors should check the relevant fees and charges with the Participating Dealer or the stockbroker (as the case may be).

8.6.3 Secondary Market Investors Dealing in Units on the SEHK

Brokerage	Market rates (in currency determined by the intermediaries used by the investors)
Transaction levy	0.0027% *(see Note 4 and Note 9)*
Accounting and Financial Reporting Council ("**AFRC**")	0.00015% of the trading price *(see Note 5)*

transaction levy	
Trading fee	0.00565% *(see Note 6 and Note 9)*
Stamp duty	Nil *(see Note 7)*
Investor compensation levy	0.002% (currently suspended) *(see Note 8)*

Note:

1. The Application Cancellation Fee of USD1,200 and the Extension Fee of USD1,200 are payable by the Participating Dealer, and are payable to the Trustee for its own account, on each occasion the Manager grants the request of such Participating Dealer for cancellation or extended settlement in respect of such Application as provided in this Prospectus.
2. A Transaction Fee of USD800 per Application is payable by each Participating Dealer for the account and benefit of the Trustee.
3. A Service Agent's Fee of HKD1,000 is payable by each Participating Dealer to the Service Agent for each book-entry deposit transaction or book-entry withdrawal transaction.
4. A transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.
5. An AFRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.
6. A trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.
7. For a transfer effected on or after 13 February 2015 executed for a transaction by which a Unit of the CSOP KOSPI 200 ETF is transferred, stamp duty is waived pursuant to the Stamp Duty (Amendment) Ordinance 2015.
8. The investor compensation levy of the trading price of the Units, payable by the buyer and the seller, has been suspended pursuant to the exemption notice published by the Commission on 11 November 2005.
9. The transaction levy and trading fee will be paid by intermediaries to HKEX in Hong Kong dollars and calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on the HKEX's website by 11:00 a.m. on each trading day.

   Investors should consult their own intermediaries as to how and in what currency the trading related fees and charges should be paid by the investors.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to section "***12.11 Documents Available for Inspection***" in Part 1 of this Prospectus for the list of the documents that are available for inspection.

10. TERMINATION OF CSOP KOSPI 200 ETF

Without prejudice to the grounds of termination as set out in the section headed "***12.5 Termination of the Trust or a Sub-Fund***" in Part 1 of this Prospectus, if on any date, the aggregate Net Asset Value of the Units of the relevant classes outstanding in relation to the CSOP KOSPI 200 ETF shall be less than HKD 100 million, the CSOP KOSPI 200 ETF and/or any classes of Units relating to the CSOP KOSPI 200 ETF may be terminated by the Manager in its absolute discretion by notice in writing.

11. PUBLICATION OF INFORMATION RELATING TO THE CSOP KOSPI 200 ETF

Please refer to section "***12.15 Publication of Information Relating to the Sub-Funds***" in Part 1 of this Prospectus for the information relating to the CSOP KOSPI 200 ETF that will be published on the Manager's website and HKEX's website.

12. INDEX LICENCE AGREEMENT

According to the licence agreement entered into between the Manager and the Index Provider (the "**Licence Agreement**"), the initial term of the licence of the Underlying Index shall remain in full force and effect for 1 year from 11 June 2026. The Licence Agreement shall be automatically renewed for 1 year unless either party to the Licence Agreement serves a written notice of the termination of at least 30 days prior to the end of the then current term to the other party. The Licence Agreement may otherwise be terminated in accordance with the provisions of the Licence Agreement.

13. MATERIAL CHANGES TO THE UNDERLYING INDEX

The Commission should be consulted on any events that may affect the acceptability of the Underlying Index. Significant events relating to the Underlying Index will be notified to Unitholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Underlying Index, or a change in the objective and characteristics of the Underlying Index.

14. REPLACEMENT OF THE UNDERLYING INDEX

The Manager reserves the right, with the prior approval of the Commission and provided that in its opinion the interests of the Unitholders would not be adversely affected, to replace the Underlying Index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(i) the Underlying Index ceasing to exist;
(ii) the licence to use the Underlying Index being terminated;
(iii) a new index becoming available that supersedes the existing Underlying Index;
(iv) 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 Underlying Index;

(v) investing in the Index Securities comprised within the Underlying Index becomes difficult;
(vi) the Index Provider increasing its licence fees to a level considered too high by the Manager;
(vii) the quality (including accuracy and availability of the data) of the Underlying Index having in the opinion of the Manager, deteriorated;
(viii) a significant modification of the formula or calculation method of the Underlying Index rendering that index unacceptable in the opinion of the Manager; and
(ix) the instruments and techniques used for efficient portfolio management not being available.

The Manager may change the name of CSOP KOSPI 200 ETF if the Underlying Index changes or for any other reasons including if licence to use the Underlying Index is terminated. Any change to (i) the use by the CSOP KOSPI 200 ETF of the Underlying Index and/or (ii) the name of CSOP KOSPI 200 ETF will be notified to investors.

15. THE UNDERLYING INDEX

This section is a brief overview of the Underlying Index. It contains a summary of the principal features of the Underlying Index and is not a complete description of the Underlying Index. As of the date of this Prospectus, the summary of the Underlying Index in this section is accurate and consistent with the complete description of the Underlying Index. Complete information on the Underlying Index appears on the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General Information on the Underlying Index

The Underlying Index is a free-float-adjusted market capitalisation weighted index based on 200 blue chip companies listed on the KOSPI Market of the KRX, which are selected on the basis of such factors as their sector representation, liquidity, and market capitalisation.

The Underlying Index is denominated and quoted in KRW.

The Underlying 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 Underlying Index was launched on 15 June 1994 and had a base level of 100 as of 3 January 1990. As of 31 March 2026, the Underlying Index consists of 200 stocks with a total market capitalisation of KRW 2,482.44 trillion.

Index Provider

The Underlying Index is compiled and managed by the KRX (the "**Index Provider**").

The Manager (and each of its Connected Persons) is independent of the Index Provider.

Index constituents selection and reviews

<u>Index Universe</u>

The index universe of the Underlying Index consists of constituents of the KOSPI market as of the screening base date, which is the last trading day of the month two

months prior to the rebalancing month (the "screening base date"). The following are excluded:

(i) companies on the KRX's watchlist or scheduled to be delisted;

(ii) companies investing in real estate, ship, or social infrastructure, and special purpose acquisition companies ("**SPAC**"); and

(iii) issues with a free-float rate below 10%.

Companies that have been listed on the KOSPI market for less than six months (including those that became publicly listed by merging with a SPAC) are deemed ineligible for screening; provided, however, that a company falling under any of the following cases may not be excluded:

(i) companies whose listing has been transferred from the KOSDAQ market where the combined listing period on both markets is more than six months; and

(ii) spun-off companies from a constituent of the KOSPI market or companies added to the KOSPI market prior to the screening base date as an exceptional addition of a newly listed issue.

Other companies deemed disqualified may be excluded at the discretion of the Index Provider.

Company classifications

As of the screening base date, eligible securities are classified into one of ten sectors in accordance with the Global Industry Classification Standard ("**GICS**") (namely, (1) Energy; (2) Materials; (3) Industrials; (4) Consumer Discretionary; (5) Consumer Staples; (6) Health Care; (7) Financials & Real Estate; (8) Information Technology; (9) Communication Services; and (10) Utilities).

<u>Screening criteria and period</u>

1. Screening Criteria:

   Screening for index inclusion is based on the average daily market capitalisation and average daily trading value of each eligible company.

2. Screening period:

   Companies are screened over the six months preceding the screening base date. Each one-month period spans from the first trading day to the last trading day of the applicable month.

   In the case where a merger (excluding a small scale merger) or a spin-off takes place between the first trading day of the screening period and the rebalancing day, the screening period spans from the day of listing to the screening base date.

   As for a company added to the Underlying Index prior to the screening base date as an exceptional addition of a newly listed issue, the screening period spans from the day of listing to the screening base date.

   With respect to the stocks whose trading is resumed before the screening base date that arrives after being under long-term trading suspension following a listing maintenance review, the screening period shall be from the trading resumption day to the screening base date.

In the case where a merger (excluding a small scale merger) or a spin-off takes place, or trading of a stock is resumed after having long-term trading suspension following a listing maintenance review, between the first trading day of the screening period and the rebalancing day, average daily market capitalisation and average daily trading value may be adjusted, if necessary.

Constituent selection

The constituents of the Underlying Index are selected based on the following criteria:

Step 1

Within each GICS sector, eligible companies are filtered based on liquidity and size:

(a) Companies whose ranking by average daily trading value is not within the top 85% of eligible companies in a given sector are removed.

(b) From the remaining pool, companies are removed if they do not fall within the top 85% of the relevant sector's cumulative market capitalisation. The first company exceeding this 85% threshold is retained.

Step 2

Companies selected in Step 1 goes through the following steps to be confirmed as a constituent:

(a) Current index constituents with average daily market capitalisation ranking within 110% of the number of current constituents in a given sector are retained, provided they meet the liquidity requirement outlined in Step 1(a).

(b) Non-constituents are selected if their average daily market capitalisation ranking is within 90% of the number of current constituents in a given sector. However, this does not apply if the number of existing constituents in the corresponding sector is less than 3.

Step 3

Additional inclusion (or deletion) is made if the number of constituents is below (or above) 200 after Step 2 is completed.

(a) If fewer than 200 constituents have been selected, remaining companies that meet the liquidity requirement outlined in Step 1(a) are selected regardless of sector classification in order by average daily market capitalisation, until 200 stocks are included.

(b) If more than 200 companies have been selected, companies are removed regardless of sector classification in ascending order of average daily market capitalisation, until the target count of 200 companies is satisfied.

Exceptional addition of large-cap stocks

Notwithstanding the criteria specified in “Company Classifications”, “Screening criteria and period” and “Constituent selection” above, a security ranked in the top 50 stocks by market capitalisation amongst those meeting criteria specified in “Index Universe” above will be added to the Underlying Index on an exceptional basis, considering sectoral balance and liquidity. If added, the selected company replaces the constituent with the smallest market capitalisation. Market capitalisation herein refers to the average daily market capitalisation over the 15 trading days preceding the screening base date.

Exceptional addition of newly listed companies

A newly listed stock that is in the top 50 common shares in the KOSPI Market by market capitalisation and whose float-adjusted market capitalisation exceeds the result of multiplying the market capitalisation of top 50th listed company by 0.5 will be added to the Underlying Index. The company can be selected prior to rebalancing considering sectoral balance and liquidity. Market capitalisation and float-adjusted market capitalisation herein refer to the average daily market capitalisation and average daily float-adjusted market capitalisation (daily float-adjusted market capitalisation defined by KRX considering factors such as mandatory stock holding period) over the 15 trading days following the listing day.

Reserved issues

Up to ten eligible securities that are not selected as constituents but satisfy the liquidity requirement outlined in Step 1(a) within their sector are chosen as reserved issues in order of average daily market capitalisation. Where a constituent is removed from the Underlying Index as result of a disqualification event (e.g. delisting or put on the KRX's watchlist), the removed company is replaced with the top reserved issue.

Underlying Index Maintenance and Review

The Underlying Index is rebalanced on a semi-annual basis in accordance with the constituent selection criteria set out above. Rebalancing is implemented on the trading day immediately following the last trading day of the June and December delivery months for KOSPI 200 futures contracts.

Selected companies are reviewed and confirmed by the Index Committee in May (for the June rebalancing) and November (for the December rebalancing).

Index Securities of the Underlying Index

You can obtain the most updated list of the index constituents of the Underlying Index with their respective weightings from the website and any additional information and other important news of the Underlying Index from the website https://eindex.krx.co.kr/contents/GLB/05/0502/0502030101/GLB0502030101.jsp?upmidCd=0102&idxCd=1028&idxId=K2G01P&addDataYn=&globalYn=#1be3686ec5cb98595cf6179ba66d7a8b=1 (this website has not been reviewed by the Commission).

Index code

Bloomberg: KSP2NTR

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