CCB International Fund Series

CCB International - China Policy Driven Fund

TRUST PROSPECTUS

FUND SPECIFIC PROSPECTUS

Dated 4 July 2025

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TRUST PROSPECTUS

This prospectus (the "**Trust Prospectus**") comprises information in relation to the CCB International Fund Series (the "**Trust**"), an umbrella unit trust established under the laws of Hong Kong, by a trust deed dated 12 January 2009 as amended and restated from time to time between CCB International Asset Management Limited (the "**Manager**") as manager and HSBC Institutional Trust Services (Asia) Limited as trustee.

The Manager accepts responsibility for the accuracy of the information contained in this Trust Prospectus and each prospectus specific to a sub-fund of the Trust ("**Fund Specific Prospectus**", together the "**Prospectus**") as at the date of its publication.

Distribution of the Prospectus is not authorised after publication of the first annual audited financial statements of the Trust, unless accompanied by a copy of the latest published annual audited financial statements of the Trust and a copy of any subsequent interim report.

The Trust has been authorised by the Securities and Futures Commission of Hong Kong (the "**SFC**") pursuant to section 104 of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "**SFO**"). SFC authorisation is not a recommendation or endorsement of the Trust or any of its sub-funds nor does it guarantee the commercial merits of the Trust or its performance. SFC authorisation does not mean the Trust or any of its sub-funds is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Authorisation is given to CCB International Asset Management Limited and its agents to advertise and market the Trust and its sub-fund in Macau SAR by the Monetary Authority of Macao. No action has been taken to permit an offering of units of the Trust and its sub-fund (the "**Units**") or the distribution of the Prospectus in any jurisdiction where action would be required for such purposes other than Hong Kong and Macau. The Prospectus have been written and authorised for distribution in Hong Kong and Macau only and may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which an offer or solicitation is not authorised.

In particular:

(a) Units have not been and will not be registered under the United States Securities Act of 1933 (as amended) or where action would be required for such purposes and, except in a transaction not subject to, or which does not violate the Securities Act of 1933 and any applicable state securities laws and which would not require the Trust to register under the United States Investment Company Act of 1940 (as amended), may not be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or for the benefit of a US Person (as defined in Regulation S under the Securities Act of 1933).

(b) The Trust has not been and will not be registered under the United States Investment Company Act of 1940 (as amended).

Potential applicants for Units 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 may encounter under the laws of the countries or regions of their incorporation, citizenship, residence or domicile and which may be relevant to the subscription, holding or disposal of Units.

IF IN DOUBT OF THE CONTENTS OF THIS TRUST PROSPECTUS OR THE FUND SPECIFIC PROSPECTUS, YOU SHOULD SEEK INDEPENDENT FINANCIAL AND PROFESSIONAL ADVICE.

INVESTORS SHOULD NOTE THAT THE NET ASSET VALUE PER UNIT IS SUBJECT TO MARKET FLUCTUATION AND MAY GO DOWN AS WELL AS UP.

DIRECTORY OF PARTIES

Manager	CCB INTERNATIONAL ASSET MANAGEMENT LIMITED 12/F., CCB Tower 3 Connaught Road Central Central Hong Kong
Board of Directors of the Manager	Ms. LI Lu Mr. LEE Yat Chun Mr. ZHANG Lan
Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited 1 Queen's Road Central Hong Kong
Auditors	Ernest & Young 22/F, CITIC Tower 1 Tim Mei Avenue Central Hong Kong

DEFINITIONS

For the purposes of the Prospectus, unless the context otherwise requires (or a Fund Specific Prospectus otherwise defines) the following expressions have the following meanings:-

"**A Shares**"	shares issued by companies incorporated in the Mainland China and listed on the SSE or the SZSE, traded in RMB and available for investment by onshore investors and Hong Kong investors through, amongst other channels, Stock Connect;
"**B Shares**"	shares issued by companies listed on the SSE or the SZSE, traded in foreign currencies and available for investment by onshore (Mainland Chinese) investors and foreign investors;
"**Business Day**"	unless otherwise specified in the relevant Fund Specific Prospectus, means any day other than Saturday or Sunday, on which banks in Hong Kong are open for banking services (including, unless otherwise determined by the Manager and the Trustee, on days where such services are provided through electronic channels only under severe weather conditions, including typhoon number 8 signal or above, a black rainstorm warning hoisted or issued by the Hong Kong Observatory), or such other day or days in relation to a Fund as the Manager and the Trustee may determine from time to time;
"Class"	means any class of Units in issue in relation to a Fund;
"Class Currency"	in relation to a Class in a Fund, means the currency of account of such Class as specified in the relevant Fund Specific Prospectus;
"Code"	means the Code on Unit Trusts and Mutual Funds issued by the SFC (as amended, or replaced, from time to time);
"Connected Person"	has the meaning as set out in the Code;
"CSDCC"	China Securities Depository and Clearing Corporation Limited;
"Dealing Day"	the day on which the Manager is open to accept applications for subscription and redemption of Units as specified in the relevant Fund Specific Prospectus;
"**entities within the same group**"	entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognised accounting standards;
"**FDI**"	financial instrument which derive their value from the value and characters of one or more underlying assets;

"**Fund**"	a sub-fund of the Trust for which a separate Fund Specific Prospectus is issued by the Manager;
"**Fund Specific Prospectus**"	means each document describing the features of a Fund or a Class or Classes of Units in relation thereto including, among other things, the investment objective, the fees and charges and the investment restrictions;
"**Government and other Public Securities**"	has the meaning as set out in the Code which at the date of the Trust Prospectus means any investment issued by, or the payment of principal and interest on, which is guaranteed by a government, or any fixed-interest investment issued by its public or local authorities or other multilateral agencies;
"**HK$**" or "**HK dollar**"	Hong Kong dollars, the lawful currency of Hong Kong;
"**HKSCC**"	Hong Kong Securities Clearing Company Limited;
"**Hong Kong**"	the Hong Kong Special Administrative Region of the PRC;
"**Mainland China" or "Mainland**"	all customs territory of the PRC, for the purposes of interpretation of the Trust Prospectus only, excluding Hong Kong and Macau Special Administrative Regions and Taiwan of the PRC;
"**Manager**"	CCB International Asset Management Limited, acting through its Hong Kong office, as the manager of the Trust;
"**Net Asset Value**"	net asset value of the Fund or per Unit of the Class or Classes relating to such Fund, as the context require;
"PRC" or "China"	the People's Republic of China;
"**Recognised Exchange**"	means a stock exchange, over-the-counter market or other organised securities market which is open to the international public and on which securities are regularly traded;
"**Registrar**"	HSBC Institutional Trust Services (Asia) Limited, in its capacity as registrar in respect of the Trust;
"**SFC**"	the Securities and Futures Commission of Hong Kong;
"**SSE**"	the Shanghai Stock Exchange;
"Stock Connect"	the securities trading and clearing linked programme with an aim to achieve mutual stock market access between Mainland China and Hong Kong, comprising the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect;
"**Stock Exchange**"	The Stock Exchange of Hong Kong Limited;
"**SZSE**"	the Shenzhen Stock Exchange;
"**Trust**"	CCB International Fund Series;
"**Trust Deed**"	the trust deed dated 12 January 2009 between the Manager and the Trustee establishing the Trust, as amended and restated or supplemented from time to time;
"Trustee"	HSBC Institutional Trust Services (Asia) Limited, in its capacity as the trustee of the Trust;
"**Unit**"	a unit of the Fund;
"**Unitholder**"	a unit holder for the time being of a Unit; and
"Valuation Point"	the time at which the Net Asset Value of the Fund and Net Asset Value per Unit are calculated as specified for each Fund or Class of Units in the relevant Fund Specific Prospectus.

INTRODUCTION

The Trust is an open-ended umbrella unit trust established under Hong Kong law by a trust deed dated 12 January 2009 as amended and restated from time to time between the Manager and the Trustee. In the case of inconsistency between the provisions of the Fund Specific Prospectus and this Trust Prospectus, the provisions of the Fund Specific

Prospectus shall prevail.

INVESTMENT OBJECTIVE AND POLICY

The Trust offers CCB International - China Policy Driven Fund and is anticipated to offer a range of Funds, each with different investment objectives and policies as specified in the relevant Fund Specific Prospectus.

INVESTMENT RESTRICTIONS

The investment restrictions applicable to a Fund depend on the investment objectives and policies of the relevant Fund. These investment restrictions are contained in the Trust Deed and, subject to any exemptions or additional restrictions applicable to a particular Fund as described in the relevant Fund Specific Prospectus, are summarised below:

(a) the aggregate value of a Fund's investments in, or exposure to, any single entity through the following may not exceed 10% of the Net Asset Value of such Fund:

(1) investments in securities issued by such entity;

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

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

(b) subject to (a) above and Chapter 7.28(c) of the Code, the aggregate value of a Fund's investments in, or exposure to, entities within the same group through the following may not exceed 20% of the Net Asset Value of the 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) the value of a Fund's cash deposits made with the same entity or entities within the same group may not exceed 20% of the Net Asset Value of the Fund, unless:

(1) the cash is held before the launch of the 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 Fund, whereby the placing of cash deposits with various financial institutions would 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 paragraph (c), cash deposits generally refer to those that are repayable on demand or have the right to be withdrawn by a Fund and not referable to provision of property or services.

(d) ordinary shares issued by a single entity held for the account of a Fund, when aggregated with other holdings of ordinary shares issued by a single entity held for the account of all other 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 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) above, where direct investment by a Fund in a market is not in the best interests of investors, a 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 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 Holders or the Fund as a result must be clearly disclosed in the relevant Fund Specific Prospectus; and

(3) the Fund must produce the reports required by Chapter 5.10(b) of 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 Fund;

(g) notwithstanding (a), (b) and (d), not more than 30% of the total Net Asset Value of a Fund may be invested in Government and other Public Securities of the same issue;

(h) subject to (g), a Fund may fully invest in Government and other Public Securities in at least six different issues;

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

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

(1) authorised by the SFC; 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 ETFs shall be subject to paragraph (e) above and the relevant investment limits in ETFs by a Fund should be consistently applied and clearly disclosed in the relevant Fund Specific Prospectus;

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

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

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

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 Fund may invest in scheme(s) authorised by the SFC under Chapter 8 of the Code (except for hedge funds under Chapter 8.7 of the Code), eligible scheme(s) (as determined by the SFC) of which the net derivative exposure (as defined in the Code) does not exceed 100% of its total Net Asset Value, and ETFs satisfying the requirements in paragraph (j) above in compliance with paragraph (k)(1) and (k)(2);

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

applicable to the investments of the underlying scheme;

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

(iv) 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

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

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

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

(2) the relevant Fund Specific Prospectus must state that:

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

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

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

(iv) the aggregate amount of all the fees and charges of the Fund and its underlying master fund must be clearly disclosed;

(3) unless otherwise approved by the SFC, no increase in the overall total of initial charges, redemption charges, management company'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 Fund may result, if the master fund in which the 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)(1), (2), and (k)(i) to (iii); and

(m) if the name of a Fund indicates a particular objective, investment strategy, geographic region or market, the 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 Fund represents.

A Fund shall not:

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

(b) invest in any type of real estate (including buildings) or interests in real estate (including options or rights, but excluding shares in real estate companies and interests in real estate investment trusts (REITs));

(1) in the case of investments in shares in real estate companies and interests in REITs, such investments shall comply with the investment limits as set out in Chapters 7.1, 7.1A, 7.2, 7.3 and 7.11 of the Code, where applicable.

(2) for the avoidance of doubt, where investments are made in listed REITs, Chapters 7.1, 7.1A and 7.2 of the Code apply and where investments are made in unlisted REITs, which are either companies or collective investment schemes, Chapters 7.3 and 7.11 of the Code apply respectively.

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

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

(e) subject to Chapter 7.3 of the 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;

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

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

Financial Derivative Instruments

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

A Fund may acquire FDIs for hedging purposes. FDIs are considered as being acquired for hedging purposes if they meet all of the following criteria:

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

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

(c) although they may not necessarily reference to the same underlying assets, 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 should exhibit price movements with high negative correlation with the investments being hedged under normal market conditions.

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

Each Fund may acquire FDIs for non-hedging purposes ("**investment purposes**"), subject to the limit that the Fund's net exposure relating to these FDIs ("**net derivative exposure**") does not exceed 50% of its total Net Asset Value, except this limit may be exceeded for Funds approved by the SFC under Chapters 8.8 (structured funds) or 8.9 (funds that invest extensively in FDIs) of the Code. In this regard:

(a) for the purpose of calculating net derivative exposure, the positions of FDIs acquired by a 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 positions;

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

(c) for the avoidance of doubt, 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.

The FDIs invested by a 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 (as defined in the Code), Government and other Public Securities, highly liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates, currencies or other asset classes acceptable to the SFC, in which the Fund may invest according to its investment objectives and policies. Where a Fund invests in index-based FDIs, the underlying assets of such FDIs are not required to be aggregated for the purposes of the investment restrictions or limitations set out in Chapters 7.1, 7.1A, 7.1B and 7.4 of the Code provided that the relevant index is in compliance with Chapter 8.6(e) of the Code;

(b) the counterparties to over-the-counter FDI transactions or their guarantors are substantial financial institutions (as defined in the Code);

(c) subject to paragraphs (a) and (b) under the section entitled "Investment Restrictions" above, a Fund's 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 such Fund; 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 nominees, agents or delegates independent of the issuer of the FDIs through measures such as the establishment of a valuation committee or engagement of third party services as maybe established from time to time. The FDIs can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the 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.

Notwithstanding paragraph (c) above, exposure to a counterparty of over-the-counter FDIs may be lowered by collateral received (if applicable) and should be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter FDIs with that counterparty, if applicable.

Subject to the above, a Fund may invest in FDIs provided that the exposure to the underlying assets of the FDIs, together with the other investments of the relevant Fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets as set out in Chapters 7.1, 7.1A, 7.1B, 7.4, 7.5, 7.11, 7.11A, 7.11B and 7.14 of the Code.

For the avoidance of doubt, the restrictions and limitations on counterparty as set out in Chapters 7.1, 7.1A and 7.28(c) of the Code will not apply to FDIs that are:

(a) transacted on an exchange where the clearing house performs a central counterparty role; and
(b) marked-to-market daily in the valuation of their FDI positions and subject to margining requirements at least on a daily basis.

A 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. A transaction in FDIs which gives rise to a future commitment or contingent commitment of a Fund should also be covered as follows:

(a) in the case of FDIs transactions which will, or may at the discretion of the Trustee or the Manager, be cash settled, the Fund should at all times hold sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and

(b) in the case of FDIs transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the 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 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.

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

Collateral

A Sub-Fund may receive collateral from a counterparty to over-the-counter FDI transactions and securities financing transactions. Collateral received from counterparties shall comply with the following requirements:

- Liquidity – collateral must be sufficiently liquid and tradable that it can be sold quickly at a robust price that is close to pre-sale valuation. Collateral should normally trade in a deep and liquid 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 the Sub-Fund's exposure to issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in Chapters 7.1, 7.1A, 7.1B, 7.4, 7.5, 7.11, 7.11A, 7.11B and 7.14 of the Code;

- Correlation – the value of the collateral should not have any significant correlation with the creditworthiness of the counterparty or the issuer of the FDIs in such a way that would undermine the effectiveness of the collateral. As such, securities issued by the counterparty or the issuer of the FDIs or any of their related entities should not be used as collateral;

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

- Independent custody – collateral must be held by the 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;

- Re-investment of collateral - cash collateral received may only be reinvested in short-term deposits, high quality money market instruments and money market funds authorised under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC, and subject to corresponding investment restrictions or limitations applicable to such investments or exposure as set out in Chapter 7 of the Code. Non-cash collateral received may not be sold, re-invested or pledged;

  For the purpose herein, "money market instruments" refer to securities normally dealt in on the money markets, including government bills, certificates of deposit, commercial papers, short-term notes and bankers' acceptances, etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account. Any re-investment of cash collateral shall be subject to the following further restrictions and limitations:

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

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

  (iii) when the cash collateral received is reinvested into other investment(s), such investment(s) is/are not allowed to be engaged in any securities financing transactions.

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

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

For the avoidance of doubt, there is no current intention for the Trust or its Sub-Fund(s) to receive any collateral in view of the current strategy of the Trust and the Sub-Fund, but where any such Sub-Fund does receive collateral, prior approval shall be obtained from the SFC (if required) and the relevant collateral policy and criteria will be disclosed in the Prospectus in accordance with the Code.

Securities Financing Transactions

A Sub-Fund may enter into securities lending transactions, sale and repurchase transactions, 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.

If a Sub-Fund engages in securities financing transactions, it 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, 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 (as the case may be) subject to the securities financing transactions or terminate the securities financing transactions into which it has entered.

For the avoidance of doubt, there is no current intention for the Trust or its Sub-Fund(s) to engage in securities lending, sale and repurchase transactions and reverse repurchase transactions, but where any such Sub-Fund does engage such transactions, prior approval shall be obtained from the SFC (if required) and the details of policy regarding securities financing transactions will be disclosed in the Prospectus in accordance with the Code.

BORROWING RESTRICTIONS

Subject to the borrowing restrictions set out herein, the purposes for which borrowings may be made and the restrictions on the level of borrowings which may be made for each Fund are set out in the relevant Fund Specific Prospectus. The Manager may borrow up to 10% of the latest available Net Asset Value of a Fund. For this purpose, back-to-back loans do not count as borrowing. The assets of a Fund may be charged or pledged as security for any borrowings for the accounts of that Fund provided the assets so charged or pledged do not, at any time, exceed the level of the Fund's permitted borrowing limit as set out above.

RISK FACTORS

Principal Risk Factors

Investors can lose money by investing in Units. Applicants should carefully consider the risk factors described below together with all of the other information included in this Trust Prospectus and refer to the relevant Fund Specific Prospectus of any particular Fund for any additional risk factors before deciding whether to invest in Units.

The Net Asset Value per Unit may fall or rise. There can be no assurance that an investor will achieve a return on his investment in the Units or a return on capital invested.

Each Fund is subject to the principal risks described below. Some or all of these risks may adversely affect a Fund's Net Asset Value, Unit price, yield, total return and/or its ability to meet its objective.

Business Conditions and General Economy

The profitability of the investments of the Fund could be adversely affected by a worsening of general economic conditions globally or in certain individual markets. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices could significantly affect the activity level of investments by investors in the Fund and/or the investments by the Fund. For example: (a) an economic downturn or significantly higher interest rates could adversely affect the credit quality of the on-balance sheet and off-balance sheet assets; (b) a market downturn or worsening of the economy could cause the

Company or a Fund to incur mark to market losses in its trading portfolios.

Effect of Governmental Policy and Regulation

The investments of the Fund can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities. Areas where changes could have an impact include:

(a) the monetary, interest rate and other policies of central banks and regulatory authorities;

(b) general changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which the Fund operates;

(c) general changes in the regulatory requirements, for example, prudential rules relating to the capital adequacy framework and rules designed to promote financial stability and increase depositor protection;

(d) changes in competition and pricing environments;

(e) further developments in the financial reporting environment; and

(f) expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership.

Exchange Rates

The base currency of a Fund is not necessarily its investment currency. Investments are made in those currencies that, in the opinion of the Manager, best benefit the performance of the relevant Fund. Changes in foreign currency exchange rates will affect the value of Units held in a Fund. Unitholders investing in any Funds other than in base currency of such Funds should be aware that exchange rate fluctuations could cause the value of their investment to diminish or increase.

Interest Rates

The value of fixed income securities held by any Fund generally will vary inversely with changes in interest rates and such variation may affect Unit prices accordingly.

Investment in Equity Securities

The value of a Fund will be affected by changes in the stock markets and changes in the value of individual securities. At times, stock markets and individual securities can be volatile and prices can change substantially in short periods of time. The equity securities of small companies are more sensitive to these changes than those of larger companies. This risk will affect the value of a Fund, which will fluctuate as the value of the underlying equity securities fluctuates.

Investment in Fixed Income Securities

(a) Interest Rates

Impact of changes in macro-economic policies (i.e. monetary policy, fiscal policy) will have an influence over capital markets affecting the pricing of fixed income securities. The value of fixed income securities held by any Fund generally will vary inversely with changes in interest rates and such variation may affect Unit prices accordingly.

(b) Credit Rating Downgrading Risk

An issuer of fixed income securities may experience an adverse change in its financial condition which may in turn result in a decrease in the credit rating assigned by an internationally recognised credit rating agency to such issuer and fixed income securities issued by such issuer. Credit rating of fixed income securities reflects the issuer's ability to make timely payments of interest or principal - the lower the rating, the higher the risk of default. The adverse change in financial condition or decrease in credit rating of issuer may result in increased volatility in, and adverse impact on, the price of the relevant fixed income securities and negatively affect liquidity, making any such fixed-income security more difficult to sell.

(c) Valuation Risk

Fixed income securities (including corporate bonds and commercial paper) are subject to the risk of mispricing or improper valuation, i.e. operational risk that the fixed income securities are not priced properly. Valuations are primarily based on the valuations from independent third party sources where the prices are available, accordingly, valuations may sometimes involve uncertainty and judgemental determination and independent pricing information may not be available at all times. In the event of adverse market conditions where it is not possible to obtain any reference quotation from the market, the latest available quotations of the bond or commercial paper or the quotation of other bonds or commercial paper with very similar attributes may be used to estimate the fair market value. Such valuation methodology may not be equal to the actual liquidation price due to liquidity and size constraints. If valuation is proven to be incorrect, this will affect the Net Asset Value calculation of the Fund.

(d) Lower-Rated Securities Risk

Where a Fund will invest in high yield, high risk fixed-income securities (including bonds) that are rated in the lower rating categories below investment grade or which are unrated, such fixed-income securities are considered to be subject to greater risk of loss of principal and interest than higher-rated securities and are considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal, which may in any case decline during sustained periods of deteriorating economic conditions or rising interest rates. Lower-quality debt securities tend to be more sensitive to adverse news about the issuer, or the market or economy in general with higher volatility, than higher quality debt securities. The market for lower quality debt securities can be less liquid than for higher quality debt securities, especially during periods of recession or general market decline.

In the case where the credit rating is designated/assigned by an internationally recognised credit agency or in the case the credit rating is designated/assigned by a PRC credit rating agency or unrated, the Manager may refer to their credit ratings as one of the factors for reference, but will primarily rely on its own analysis to evaluate each fixed income instrument independently.

Counterparty and Settlement Risk

A Fund will be exposed to counterparty risk on parties (including any custodian(s)) with whom they trade and when placing cash on deposit. A Fund is also subject to the risk that counterparties may not have access to finance and/or assets at the relevant time and may fail to comply with their obligations under the relevant sale and repurchase agreements. The lack of creditworthiness of financial institutions may be conducive to increased counterparty risk. If a counterparty becomes insolvent or otherwise fails to perform its obligations, the Fund may experience significant delays in obtaining any recovery in an insolvency, bankruptcy, or other reorganisation proceeding~~.~~, and the Manager could experience delays in liquidating the Fund's positions and incur significant losses (including the loss of that portion of the Fund's portfolio financed through such a transaction, a decline in value of its investment during the period in which the Manager seeks to enforce its rights, an inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights). The Fund may obtain only a limited recovery or may obtain no recovery in such circumstances. If the credit rating of such counterparty declines, the Manager may determine not to enter into transactions for the Fund with that counterparty in the future and/or to terminate any transactions currently outstanding between the Fund and that counterparty; alternatively, the Manager may in its discretion determine to enter into new transactions with that counterparty and/or to keep existing transactions in place, in which event the Fund would be subject to any increased credit risk associated with that counterparty.

A Fund will also be exposed to the risk of settlement default by a counterparty with which a Fund trades when buying and selling financial instruments (settlement risk). The risk of default of a counterparty is directly linked to the credit worthiness of the counterparty.

Currency Risk

A Fund may also issue Classes denominated in a currency other than the base currency of that Fund. A Fund may be invested in part in assets quoted in currencies other than its base currency or the relevant Class Currency. The performance of such Fund will therefore be affected by movements in the exchange rate between the currencies in which the assets are held and the base currency of such Fund or the relevant Class Currency. Since the Manager aims to maximise returns for such Fund in terms of its base currency, investors in such Fund may be exposed to additional

currency risk. These risks may have adverse impact on the relevant Fund and its investors.

Assets of certain Funds may be denominated in currencies other than the Fund currency and the currency of some assets may not be freely convertible. Such kind of Funds may be adversely affected by changes in foreign exchange rates between the currencies in which the assets of the relevant Fund are held and the Fund currency in which the relevant Fund is denominated.

Further, in order to protect its present and further assets and liabilities against the fluctuation of currencies, a Fund may enter into transactions the object of which is the purchase or the sale of forward foreign exchange contracts, the purchase or the sale of call options or put options in respect of currencies, the purchase or the sale of currency forwards or the exchange of currencies on a mutual agreement basis provided that these transactions be made on a regulated market that operates regularly and is recognised and is open to the public. These non-hedging transactions constitute a higher risk than investments in transferable securities due to their greater volatility and less liquidity. These non-hedging transactions are used in a manner that does not interfere with the investment objectives and policies of a Fund.

Transactions in FDIs

For the purposes of hedging and risk management, a Fund may seek to protect the returns from its underlying assets by using FDIs. These transactions may expose the Fund to counterparty risk mentioned above. The ability to use these techniques and instruments may be limited by market conditions and regulatory limits and there can be no assurance that the objective sought to be attained from the use of these techniques and instruments will be achieved. Participation in such techniques and instruments involves investment risks and transaction costs to which a Fund would not be subject if it did not use these techniques and instruments. There may be an imperfect correlation between instruments and the underlying investments or market sectors being hedged. Investments in instruments that are traded over the counter markets may involve additional liquidity risk as there is no existing market on which to close out open transactions. In addition, if the Manager's predictions of movements in the direction of the relevant securities, foreign currency and interest rate markets are inaccurate, the adverse consequences to a Fund may leave the Fund in a less favourable position than if such techniques and instruments were not used.

The eventuation of any of the above risks could have an adverse effect on the Net Asset Value of a Fund which uses FDIs. There is also no guarantee that the use of FDIs for hedging purposes will be effective and the Fund may therefore be subject to substantial loss. There is no assurance that any derivative strategy used by a Fund will succeed.

Emerging and Developing Markets

Investors should note that Funds which invest in securities of issuers located in emerging and less developed markets such as the Eastern Europe, Pacific and Latin American region could involve special considerations and risks. The special risks are those such as currency fluctuations, political risks, the risks of investing in countries or regions with smaller capital markets, price volatility and restrictions on foreign investment. Companies of the relevant markets may have standards of financial reporting, accounting and information disclosure which are not comparable to those of developed markets. Information and accounts may thus not be publicly available nor be in accordance with international standards.

Procedures currently in place for custody, settlement, clearing and registration of securities transactions in emerging markets may be less developed than those in place in other more developed markets and thus can increase settlement risk or result in delay in realising securities and adversely affect prices. The issuers and stock exchanges and other market participants may be subject to a level of regulation which may be less than that of developed markets. Less efficient banking and telecommunications systems can give rise to delayed payments and in extreme cases could lead to dispute over the title of securities. Investments may be affected by changes in law and government policy as well as political changes which may affect the stability of governments and markets and/or result in restrictions on foreign investment or the repatriation of monies.

Operational Risk

The Fund's operations are carried out by the service providers described herein. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of Units) or other disruptions.

Custody Risk

Custodians (or sub-custodians (if any)) may be appointed for the purpose of custodying assets (such as cash and securities) of a Fund. Assets of a Fund may be exposed to custodial risk.

Investors understand and acknowledge that the assets under the custody of the custodians (or sub-custodians (if any)) are subject to the risk of any acts of the custodians (or sub-custodians (if any)) which may result in a loss to a Fund, such as but not limited to, fraud, acts of misconduct or breaches of the custodian's (or sub-custodian's (if any)) duty of care in relation to the assets.

In case of liquidation, bankruptcy or insolvency of a custodian (or sub-custodian (if any)), a Fund may face difficulties tracing the securities that are under custody by the custodian (or sub-custodian (if any)), and may rank pari passu with all other unsecured creditors of the custodian (or sub-custodian (if any)). A Fund may face difficulties and/or encounter delays in recovering such debt from the custodian (or sub-custodian (if any)), or may not be able to recover it in full or at all, in which case a Fund will suffer losses.

Liquidity risk

The Fund may invest in securities where the volume of transactions may fluctuate significantly depending on market sentiment. There is a risk that investments made by the Fund may become less liquid in response to market developments or adverse investor perceptions. In extreme market situations, there may be no willing buyer and the investments cannot be readily sold at the desired time or price, and the Fund may have to accept a lower price to sell the investments or may not be able to sell the investments at all. An inability to sell a portfolio position can adversely affect the Fund's value or prevent the Fund from being able to take advantage of other investment opportunities.

Liquidity risk also includes the risk that the Fund will not be able to pay redemption proceeds within the allowable time period because of unusual market conditions, an unusually high volume of redemption requests, or other uncontrollable factors. To meet redemption requests, the Fund may be forced to sell investments, at an unfavourable time and/or conditions.

Risk factors in relation to a Fund which invests in securities of issuers located in or associated with Mainland China

In recent years the PRC government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of Mainland Chinese economy. Although many of such reforms have resulted in significant economic growth and social progress, some of them are unprecedented or experimental and are subject to adjustment. Further adjustment of the reform measures may be made and it is uncertain how such reforms will impact on the stock markets as well as the performance of a Fund.

Companies in Mainland China are required to follow Mainland Chinese accounting standards and practice which, to a certain extent, follow international accounting standards. The financial statements prepared by accountants following Mainland Chinese accounting standards and practice may differ from those prepared in accordance with international accounting standards.

The PRC government has been developing a comprehensive system of commercial laws and considerable progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organisation and governance, foreign investment, commerce, taxation and trade, however, these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement involve uncertainties.

Credit Market Exposures

Future earnings of or return derived from an investment of the Fund could be affected by depressed asset valuations resulting from a deterioration in market conditions. Financial markets are sometimes subject to stress conditions where steep falls in asset values can occur, as demonstrated by events affecting asset-backed collateralised debt obligations and the US sub-prime residential mortgage market. Severe market events are difficult to predict. As market conditions change, the fair value of any credit market exposures could fall further and result in additional losses or impairment

charges, which could have a material adverse effect on the earnings or return of a Fund's investment. Such losses or impairment charges could derive from: a decline in the value of exposures; a decline in the ability of counterparties, including monoline insurers, to meet their obligations as they fall due; or the ineffectiveness of hedging and other risk management strategies in circumstances of severe stress. Any value ultimately realised by the Fund on sale of an asset will depend on the prices achievable in the market following the decision to sell which may be higher or lower than the asset's current estimated value. If there is a shortfall between the proceeds obtained on disposal and the carrying value of the asset on the balance sheet there would be an adverse effect on the earnings or return of the Fund.

Risks associated with Stock Connect

What is the Stock Connect?

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

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

Eligible securities

Initially, Hong Kong and overseas investors are only able to trade certain stocks listed on the SSE market (the "**SSE Securities**") and the SZSE market (the "**SZSE Securities**"). SSE Securities include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H Shares listed on the Stock Exchange and eligible A-shares listed on the Shanghai Stock Exchange's (SSE) Science and Technology Innovation Board ("STAR Board") except the following:

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

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

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

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

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

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

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

Trading day

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

Trading quota

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

A Fund's investments through the Stock Connect may be subject to the following risks:

(a) Quota Limitations

The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). The Fund's ability to invest in China A-Shares through the Stock Connect may be affected.

(b) Suspension Risk

It is contemplated that the Stock Exchange, 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 is effected, the Fund's ability to access Mainland Chinese market through the Stock Connect will be adversely affected.

(c) Differences in Trading Day

The Stock Connect will only operate on days when both Mainland China 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 Mainland Chinese market but Hong Kong investors (such as the Fund) cannot carry out any China A-Shares trading.

(d) Operational Risk

The Stock Connect provides a new channel for investors from Hong Kong and overseas to access the Mainland Chinese stock market directly. Market participants are able to participate in this programme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. Market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect requires routing of orders across the border. This requires the development of new information technology systems on the part of the Stock Exchange and exchange participants. There is no assurance that the systems of the Stock Exchange 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 fail to function properly, trading in both markets through the programme could be disrupted.

(e) Recalling of Eligible Stocks

If a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold and cannot be bought. This may affect the Fund's tracking of the Index if, for example, a constituent of the Index is recalled from the scope of eligible stocks.

(f) Clearing and Settlement Risk

The HKSCC and CSDCC establish clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. Should the remote event of CSDCC default occur and the CSDCC be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against the CSDCC. HKSCC will in good faith seek recovery of the outstanding stocks and monies from the CSDCC through available legal channels or through the CSDCC's liquidation. In that event, the Fund may suffer delay in the recovery process or may not be able to fully recover its losses from the CSDCC.

(g) Regulatory Risk

The Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in Mainland China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect. The regulations are untested and there is no certainty as to how they will be applied, and are subject to change which may have potential retrospective effect. There can be no assurance that the Stock Connect will not be abolished.

(h) No Protection by Investor Compensation Fund

The Fund's investments through the Stock Connect will not be covered by Hong Kong's 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. Since default matters in Northbound trading via the Stock Connect do not involve products listed or traded in Stock Exchange or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. On the other hand, since the Fund is carrying out Northbound trading through securities brokers in Hong Kong but not Mainland Chinese brokers, it is not protected by the China Securities Investor Protection Fund (中國證券投資者保護基金) in Mainland China. Therefore the Fund is exposed to the risks of default of the broker(s) it engages in its trading in China A-Shares through the programme.

Risks associated with ChiNext market and/or STAR board

- Higher fluctuation on stock prices and liquidity risk: Listed companies on ChiNext market and/or STAR Board are usually of emerging nature with smaller operating scale. Listed companies on ChiNext market and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the main board.
- Over valuation risk: Stocks listed on ChiNext and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.
- Differences in regulation: The rules and regulations regarding companies listed on the ChiNext market and STAR Board are less stringent in terms of profitability and share capital than those in the main boards.
- Delisting risk: It may be more common and faster for companies listed on ChiNext market and/or STAR Board to delist. ChiNext market and STAR Board have stricter criteria for delisting compared to the main boards. This may have an adverse impact on the f und if the companies that it invests in are delisted.
- Concentration risk Applicable to STAR Board: STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the fund to higher concentration risk.
- Investments in the ChiNext market and/or STAR Board may result in significant losses for the fund and its investor.

Leverage

Market conditions have substantially reduced the availability of credit, which may have a material adverse effect on the Trust or the Fund's ability to achieve its investment objective with respect to any particular investment and/or the Fund's entire portfolio, which could have a material adverse effect on the Trust or the Fund's overall return objectives.

FATCA Withholding Risk

The U.S. tax provisions commonly known as the Foreign Account Tax Compliance Act ("**FATCA**") generally impose a reporting regime and potentially a 30% withholding tax on certain income ("Withholding Payments"), including but not limited to certain United States ("**U.S**.") source income (such as dividends and interest) and possibly a portion of certain non-U.S. source payments to the extent attributable to Withholdable Payments ("**Passthru Payments")**, which is to be defined under FATCA.

In the event that the Trust (for itself or for the Fund) is not able to comply with the requirements imposed by FATCA and the Trust or the Fund suffers withholding tax in relation to certain payments as a result of the non-compliance, the Net Asset Value of the Trust and the Fund may be adversely affected and the Trust and the Fund may suffer a significant loss as a result.

For further information, please see the section headed "Foreign Account Tax Compliance" in the section "TAXATION" in this Trust Prospectus.

BREACH OF INVESTMENT AND BORROWING RESTRICTIONS

If any of the investment and borrowing restrictions applicable to a Fund are breached, the Manager will as a matter of priority take all steps as are necessary within a reasonable period of time to remedy the situation, having due account of the interests of Unitholders of the relevant Fund.

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 a Fund's investments, reconstructions or amalgamations, payments out of the assets of a Fund or redemptions of Units. However, for so long as those limits are exceeded, the Manager will not acquire any further investments subject to the relevant restriction and will take all reasonable steps to restore the position so that the limits are no longer exceeded.

CHANGE TO INVESTMENT POLICY

Any required changes to this Trust Prospectus and the Fund Specific Prospectus as a result of any changes to the investment policy will require approval from the SFC. At least one month's prior notice of such changes (or such longer period as required under the Trust Deed (if applicable) and applicable laws and regulations) will be given to the Unitholders concerned.

MANAGEMENT AND ADMINISTRATION

Manager

CCB International Asset Management Limited is the Manager of the Trust. It was incorporated in Hong Kong on 29 November 2004. It is an indirect wholly owned subsidiary of China Construction Bank Corporation. The Manager is licensed with the SFC (CE No. AMI621) to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO and will conduct its regulated activities in accordance with the SFO and the relevant codes/guidelines/circulars issued by the SFC. In respect of Type 1 (dealing in securities) regulated activity, the Manager shall seek the SFC's prior approval before extending services at retail level. The Manager was appointed the manager of the Trust pursuant to the Trust Deed. Investors may contact Mr. LEE Yat Chun, director of the Manager at 852 3911 8361 for queries regarding information of the Manager.

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

With effect from 30 June 2014, the Manager has registered with the U.S. Internal Revenue Service ("**IRS**") as a sponsoring entity to the Trust in relation to FATCA (with Global Intermediary Identification Number (GIIN) number: HDGYE7.00000.SP.344).

Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited, a company incorporated with limited liability in Hong Kong, has been appointed as trustee and registrar to the Trust.

Under the Trust Deed, the Trustee is responsible for the safe-keeping of the assets and administration of the Trust.

HSBC Institutional Trust Services (Asia) Limited is incorporated with limited liability in Hong Kong on 27 September 1974 and is registered as a trust company under Section 77 of Trustee Ordinance and is an Approved Trustee under the Mandatory Provident Fund Schemes Ordinance. Being registered as the Approved Trustee, it is subject to statutory regulation of the Mandatory Provident Fund Schemes Authority.

HSBC Institutional Trust Services (Asia) Limited is a wholly owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited and its ultimate holding company is HSBC Holdings plc. As a member of the HSBC Group, HSBC Institutional Trust Services (Asia) Limited is part of one of the world’s leading international banking and financial service organisations. The HSBC Group has major commercial and investment banking businesses in the Asia Pacific region, Europe, the Americas, the Middle East and Africa.

HSBC Institutional Trust Services (Asia) Limited is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Trust. In addition, HSBC Institutional Trust Services (Asia) Limited is not responsible for the preparation of this Trust Prospectus and the Fund Specific Prospectus and therefore accept no responsibility for any information contained in this Trust Prospectus and the Fund Specific Prospectus.

The Trustee shall take into its custody or under its control all of investments, cash and other assets forming part of the Trust Fund of each Fund and hold them in trust exclusively for the Unitholders of the relevant Fund in accordance with the terms of the Trust Deed. The Trustee shall, in respect of any investments or other assets of a Fund which by nature cannot be held in custody, maintain a proper record of such investments or assets in its books under the name of the Trust.

Subject to the provisions of the Trust Deed, the Trustee may, from time to time, as it thinks fit or at the direction of the Manager where the Trustee has no discretion in the choice of such delegate due to applicable laws and regulations of the relevant jurisdiction, permit any nominee, delegate, agent or other person (including a Connected Person of the Trustee) appointed to hold, as Custodian, delegate, nominee or agent, all or any of the investments, assets or other property comprised in the Trust or any of the Funds and may, upon such terms as may be determined by the Trustee, empower any such person to appoint sub-custodians provided that such appointment shall be made (i) with the prior consent in writing of the Trustee, (ii) with the Trustee's agreement in writing, or (iii) with no objection in writing by the Trustee (each such custodian, delegate, nominee, agent, other person and sub-custodian a "**Correspondent**").

For so long as the Trust and/or a Fund is authorised by the SFC pursuant to section 104 of the SFO, the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any Correspondent which is not a Connected Person of the Trustee (other than, in relation to any act or omission of such Correspondent, being appointed in relation to the Trust Fund Assets (as defined in the Trust Deed) in respect of certain markets as specified in Schedule 14 to the Trust Deed) provided that the Trustee (i) has exercised reasonable care, skill and diligence in the selection, appointment and ongoing monitoring of such Correspondent; and (ii) is satisfied that such Correspondent retained remains suitably qualified and competent on an ongoing basis to provide the relevant service to the relevant Fund. The Trustee shall, remain liable for the acts and omissions of any Correspondent which is a Connected Person of the Trustee, as if the same were the acts and omissions of the Trustee.

The Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of or be liable for any loss or damage caused by any securities depository or clearing system.

ISSUE OF UNITS

Form of Units

Units will be in registered form. Unit certificates will not be issued. A contract note will be issued upon issue of Units as a result of an investor's application and will be forwarded by ordinary post (at the risk of the investor) to the investor's address of record.

Fractions of not less than one-thousandth of a Unit will be issued. Application moneys representing smaller fractions of a Unit (i.e. less than one-thousandth of a Unit) will be retained by the relevant Fund.

Upon issue, and subject to the provisions of this Trust Prospectus, the Fund Specific Prospectus and the Trust Deed, Units are entitled to participate equally in the profits of the relevant Fund.

Units do not carry any preferential or pre-emptive rights. At any meeting of Unitholders, every Unitholder who (being an individual) is present in person or (being a partnership or corporation) is present by an authorised representative or by proxy shall have one vote in respect of each whole Unit it holds. Unitholders are not entitled to any vote in respect of fractions of Units but are entitled to participate in the liquidation proceeds.

Upon the death of a Unitholder, the Registrar reserves the right to require the provision of appropriate legal documentation in order to verify the rights of all and any successors in title to Units.

SUBSCRIPTION FOR UNITS

Classes of Units

Different classes of Units may be offered for each Fund. Although the assets attributable to each Class of Units of a Fund will form one single pool, each class of Units may be denominated in a different Class Currency or may have a different charging structure with the result that the Net Asset Value attributable to each Class of Units of a Fund may differ. In addition, each Class of Units may be subject to different minimum subscription amount and minimum holding amount. Investors should refer to the relevant Fund Specific Prospectus for the available Classes of Units and the applicable minimum amounts.

Issue Price

Units for any Class are available for issue on each Dealing Day at the Net Asset Value per Unit of that Class (for further details, see "Calculation of Net Asset Value" on page 24 below of this Trust Prospectus) calculated as at the Valuation Point subject to an initial charge as set out in the relevant Fund Specific Prospectus and any fiscal and purchase charges.

Fiscal and purchase charges may be imposed by the Manager in its discretion to compensate the Fund for any dilution in a Fund's Net Asset Value as a result of a large volume of applications from investors, or a large application request by an investor, on any Dealing Day. The Manager will only charge fiscal and purchase charges if, in its opinion, the existing Unitholders might otherwise materially be adversely affected. A Fund shall be entitled to retain the benefit of any rounding adjustment arising on calculation of subscription.

Minimum subscription and minimum holding

Applicants should refer to the Fund Specific Prospectus for the minimum subscription amount that must be subscribed for the Units and the minimum holding of Units of the relevant Fund.

The Manager may, at its absolute discretion, waive or modify these minimum limits with respect to any Class of a Fund.

Application procedure

Applications for Units should be made by completing an application form available from the Manager and sending it to the Trustee by facsimile or other means, as determined by the Manager and/or the Trustee from time to time. If required by the Trustee, the signed originals of the application form sent by facsimile must be mailed or sent to the Trustee by hand, together with the supporting documentation described on the application form.

Where subscription of Units is made through an authorised distributor, Units may be registered in the name of a nominee company of such distributor through whom the applicant subscribes for Units. As a result of this arrangement, the applicant will be dependent on the person in whose name the applicant's Units are registered to take action on his/her behalf.

Application for Units received by the Trustee before the application deadline on any Dealing Day will usually be effected at the Net Asset Value per Unit of the relevant Fund (for further details, see "Calculation of Net Asset Value" on page 24 below of this Trust Prospectus) calculated as at the relevant Valuation Point plus the initial charge and each amount, if any, per Unit as the Manager may determine represents fiscal and purchase charges. An application for Units received by the Trustee after the application deadline on any Dealing Day, or on any day that is not a Dealing Day, will usually be processed on the next Dealing Day.

Notwithstanding the immediately preceding paragraph, the Manager may, at its absolute discretion, and upon consultation with the Trustee, accept applications for Units after the application deadline on any Dealing Day. Such applications for Units may be processed on the same Dealing Day if the Manager agrees after consultation with the Trustee.

Unless the Manager at its absolute discretion has agreed otherwise, applications for Units will only be accepted on receipt by or on behalf of the Trustee of cleared funds in the full amount of the application moneys within three Business Days after the Dealing Day on which Units are issued. Third party payments of application moneys are not allowed.

Investors should confirm the relevant cut-off time with the authorised distributors if they choose to submit the application form through such a distributor.

The Manager and the Trustee shall not be responsible or liable to any applicant, Unitholder or any relevant parties for any loss resulting from the non-receipt of any application form or applications received after the application deadline on any Dealing Day, by whichever method it is sent (including non-receipt of the application forms).

The Manager, and the Trustee after consultation with the Manager, reserve the right to reject, in whole or in part, any application without giving any reason. In the event that an application is rejected, application moneys will be returned without interest by HK dollar cheque through the post at the risk of the person(s) entitled to payment. In addition, the Manager may, at any time and from time to time and in its absolute discretion, without liability and without notice, discontinue the issue and sale of Units.

No later than the end of the second following Business Day after being registered as the holder in respect of any Units applied for, the Registrar shall send written confirmation to the applicant (or the first named in the case of joint applicants) of its or their entry on the register of Unitholders.

As the Trust is not registered under the United States Securities Act of 1933, as amended, nor has the Trust been registered under the United States Investment Company Act of 1940, as amended, its Units may not be offered or sold, directly or indirectly, in the United States of America or its territories or possessions or areas subject to its jurisdiction, or to its citizens or residents (hereinafter referred to as "US Persons"). Accordingly, the Trust may require any subscriber to provide it with any information that it may consider necessary for the purpose of deciding whether or not he is, or will be, a US Person.

Subject to the matters referred to in this section (and the section entitled "Anti-Money Laundering Regulations" on page 37 below of this Trust Prospectus), applications for Units will normally be processed immediately upon receipt by the Trustee, or its agents.

Payment procedure

Payments for Units should normally be paid in the relevant base currency of the relevant Fund or Class Currency as disclosed in the relevant Fund Specific Prospectus. Unless otherwise specified in the relevant Fund Specific Prospectus relating to a Fund and subject to the agreement of the Trustee and the Manager and to applicable limit on foreign exchange, arrangement can be made for application to pay for Units in most of other major currencies and in such cases, the cost of currency conversion will be borne by the applicant.

Purchase made by cheques, or bank drafts in any freely convertible currency, will only be effected upon receipt of cleared funds within three Business Days after the Dealing Day on which Units are issued. No post-dated cheques will be accepted. Cleared moneys are invested net of any bank charges.

The Trustee will not process applications if subscription moneys are remitted from an account not in the applicant's name or from an account in a country which is not a member of the Financial Action Task Force on Money Laundering ("FATF country") unless the Manager has obtained sufficient evidence to satisfy itself of the provenance and legitimacy of such subscription moneys and instructs the Trustee accordingly. This means that if subscription moneys do not come from an account in the applicant's name in a FATF country, the application is likely to be delayed and the Trustee is likely to require in those circumstances further verification of the applicant's identity and source of funds.

If there is no timely receipt of cleared funds by or on behalf of the Trustee on or before the third Business Day after the Dealing Day on which Units are issued, an application may lapse and be cancelled. In such circumstances, the Manager or the Trustee may charge a cancellation fee to represent administrative costs incurred in processing an application and may require the defaulting applicant to pay compensation for any loss directly or indirectly resulting from the failure by the applicant to make good settlement by the settlement date.

If payment is made by telegraphic transfer, in order to avoid possible delays a copy of the remittance instruction should be enclosed with the application and the relevant remitting bank should be instructed to advise the Trustee of the remittance of the funds and the full name of the investor on whose behalf the payment is made should be indicated. The Trustee and the Manager reserve the right to delay the acceptance of any such application pending receipt of such information. Third party payment of application moneys is not allowed.

Investors should carefully note the payment instructions set out on the application form.

Where payments are made by telegraphic transfer, neither the Trustee nor the Manager shall be responsible for reconciling remittances where problems occur in the transmission, or as a result of inadequate or incorrect details on the transfer instructions. Bank charges in connection with a telegraphic transfer may be deducted from the proceeds of the transfer by the remitting bank, correspondents, agents or sub-agents, and the receiving bank may also deduct bank charges from the remittance. The amount invested will therefore be the net amount of money actually received into the Trust's account, following the deduction of all relevant charges.

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

Where amounts are received in any currency other than HK dollars, they will be converted into HK dollars and the proceeds of conversion (after deducting the costs of conversion and other reasonable costs and expenses) will be applied in the subscription of Units. Conversion of currencies may involve some delay, and will be made at the then prevailing market rate obtained by the Trustee. Any residual cash caused by conversion of currencies will be retained for the benefit of the relevant Fund.

REDEMPTION OF UNITS

Redemption of Units

A Unitholder may redeem all or some of its Units in whole on any Dealing Day, subject to the minimum redemption amount as set out in the Fund Specific Prospectus. Partial redemptions may be made, as long as the minimum holding as set out in the Fund Specific Prospectus remains in the Unitholder's account after the redemption is completed. If, after redemption, a Unitholder would be left with a balance of Units having a value of less than the minimum holding, the Manager may decide that this request be treated as a request for redemption for the full balance of the Unitholder's holding of Units. A Unitholder wishing to redeem its Units should complete a redemption form and send it to the Trustee.

Redemption amount

Units redeemed on a Dealing Day will be redeemed at the redemption price based on the Net Asset Value per Unit of the relevant Class applicable to that Dealing Day less the redemption charge and each amount, if any, per Unit as the Manager may determine represents fiscal and sales charges. Fiscal and sales charges may be imposed by the Manager in its discretion to compensate the Fund for any dilution in the Fund's Net Asset Value as a result of a large volume of redemptions by Unitholders, or a large redemption request from any Unitholder, on any Dealing Day. The Manager will only charge fiscal and sales charges if, in its opinion, the continuing Unitholders might otherwise materially be adversely affected. A Fund shall be entitled to retain the benefit of any rounding adjustments arising from the calculation of redemption prices.

On the Dealing Day on which the redemption is effected, the corresponding Units will be cancelled in the Trust's Unit register. Any taxes, commissions and other fees incurred in the respective countries or regions in which Units are redeemed and, where so specified in the relevant Fund Specific Prospectus, a redemption charge will be charged out of the redemption proceeds payable. The redemption charge will be for the account of the Manager.

Redemption procedure

A redemption request must be given by completing a redemption form available from the Manager and sending it to the Trustee by facsimile or other means, as determined by the Manager and/or the Trustee from time to time, specifying the number of Units to be redeemed, the name of the Unitholder(s) and payment instructions for the redemption proceeds. Failure to provide any of the required information may result in delay of such application for redemption whilst verification is being sought from the Unitholder.

A redemption request may be accepted by prior arrangement with the Manager and on the terms and conditions required by the Manager and the Trustee. Where redemption requests are accepted, Unitholders will be required to indemnify the Manager and Trustee against any loss, cost, proceeding, action, claim or other liability of any nature whatsoever arising directly or indirectly as a result of reliance upon such instructions. The Manager and Trustee may rely conclusively upon,

and shall incur no liability, in respect of any action taken as a consequence of such instructions believed in good faith to be signed by properly authorised persons.

Subject to the provisions under "Suspension of dealing" below, applications for redemption will be considered as binding and irrevocable by the Manager and the Trustee.

Redemption requests for Units received by the Trustee prior to redemption deadline as specified on the Fund Specific Prospectus on a Dealing Day will be processed using the Net Asset Value per Unit (for further details, see "Calculation of Net Asset Value" on page 24 below of this Trust Prospectus) calculated as at the Valuation Point in respect of that Dealing Day less the redemption charge and each amount, if any, per Unit as the Manager may determine represents fiscal and sales charges. Redemption requests received by the Trustee after the redemption deadline on a Dealing Day, or on a day which is not a Dealing Day, will be processed on the next Dealing Day.

Notwithstanding the immediately preceding paragraph, the Manager, may at its absolute discretion, and upon consultation with the Trustee, accept redemption requests after the redemption deadline on any Dealing Day. Such redemption requests may be processed on the same Dealing Day if the Manager agrees after consultation with the Trustee.

Investors should confirm the relevant cut-off time with the authorised distributors if they choose to submit the redemption request through such a distributor.

The Manager and the Trustee shall not be responsible or liable to a Unitholder or any relevant parties for any loss resulting from non-receipt of any redemption request or redemption request received after the redemption deadline on any Dealing Day, by whichever method it is sent (including non-receipt of the redemption forms).

Payment of redemption proceeds

Redemption proceeds will not be paid to any redeeming Unitholder until:

(a) a valid redemption request (including the original written redemption request duly signed by the Unitholder where the redemption request was sent by facsimile or such other means as determined by the manager and/or the Trustee from time to time) has been received by the Trustee; and

(b) the signature of the Unitholder (or each joint Unitholder) has been verified to the satisfaction of the Trustee.

Third party payment is not allowed.

Where no account details have been provided or in the absence of instructions to the contrary, redemption proceeds will be paid by cheque in the base currency of the relevant Fund or the Class Currency of the relevant Class of Units. Payment will normally be made within seven Business Days after the Dealing Day on which Units were redeemed or, if later, after the day original redemption documentation is received, and in any event within four weeks of that Dealing Day. Payments made by cheque will be sent at the redeeming Unitholder's risk. Bank charges (if any) incurred in making payment will be borne by the redeeming Unitholder and accordingly will be deducted from the redemption proceeds. If a Unitholder requests payment in any freely convertible currency acceptable to the Manager other than the base currency of the relevant Fund or the Class Currency of the relevant Class of Units, the conversion will be made at the then prevailing market rate obtained by the Trustee and any conversion costs will be borne by the Unitholder. Any request to redeem Units may not be executed until any previous transaction involving the Units to be redeemed has been completed and full settlement in respect of such Units completed.

Restrictions on redemption and Liquidity Risk Management

The Manager may, after consultation with the Trustee, having regard to the best interests of the Unitholders, suspend the redemption of Units or delay the payment of redemption proceeds during any periods in which the determination of the Net Asset Value per Unit of a Fund or Class is suspended (for further details see "Suspension of dealing" on page 26 of this Trust Prospectus).

The Manager has established a liquidity risk management policy which enables it to identify, monitor and manage the

liquidity risks of each Fund and to ensure that the liquidity profile of the investments of the relevant Fund will facilitate compliance with such Fund's obligation to meet redemption requests. Such policy, combined with the liquidity risk 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 liquidity risk monitoring function of the Manager is carried out by designated staff responsible for risk management who are functionally independent from the day-to-day portfolio investment staff of the Manager.

The Manager's liquidity policy takes into account the investment strategy, the liquidity profile, the redemption policy, the dealing frequency, the ability to enforce redemption limitations and the fair valuation policies of each Fund. These measures seek to ensure fair treatment and transparency for all investors. The liquidity management policy involves monitoring the profile of investments held by each Fund on an on-going basis to ensure that such investments are appropriate to the redemption policy as stated under the section headed "Redemption of Units" above and will facilitate compliance with each Fund's obligation to meet redemption requests.

As a liquidity risk management tool, with a view to protecting the best interests of Unitholders, the Manager is entitled to elect to limit the value or the aggregate number of Units relating to any Funds redeemed on any Dealing Day to 10% (or such higher percentage as the Manager may determine in any particular case and as permitted by the SFC) of the total number of Units in issue (as the case may be) to protect the interests of the Unitholders. In this event, the limitation will apply pro rata so that all Unitholders wishing to redeem Units on that Dealing Day will redeem the same proportion by value of those Units, and Units not redeemed (but which would otherwise have been redeemed) will be carried forward for redemption, subject to the same limitation, on the next Dealing Day. If requests for redemption are so carried forward, the Trustee will inform the Unitholders concerned.

CONVERSION OF UNITS FROM ONE FUND TO ANOTHER

Unitholders may apply to convert Units of any Class of one Fund (the "**original fund**") for Units of another Fund (the "**new fund**") subject to Units of the new fund being in issue and being offered for sale, subject to the creation, issue or sale thereof not being suspended and subject to the right of Unitholders of the original fund not being suspended, provided that no such conversion shall be effected if it would result in the Unitholder being a Unitholder of the new fund or Units of the original fund less in number than the minimum investment limits for a relevant Fund (see "Subscription for Units" on page 19 above of the Trust Prospectus), by giving notice to the Trustee before 5:30 p.m. (Hong Kong time) on any Dealing Day.

The general provisions applying to redemption of Units will apply equally to conversion. The rate at which the original fund will be converted on any common Dealing Day (which is both a Dealing Day in relation to Units of the original fund and a Dealing Day in relation to Units of the new fund) will be determined by reference to the prevailing Unit prices applicable to redemptions and subscriptions for Units of the relevant Funds (see "Subscription for Units" and "Redemption of Units" on pages 19 and 22 above of the Trust Prospectus) on that relevant common Dealing Day on which the conversion is to be effected.

There is no conversion fee payable on a conversion exchange of Units.

CALCULATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Manager and the Trustee have agreed that the Net Asset Value per Unit will be determined by the Trustee as at the Valuation Point in accordance with the terms of the Trust Deed. The Trust Deed provides (*inter alia*) that:

a) the Net Asset Value per Unit shall be determined in respect of any relevant Dealing Day by (i) calculating as at the relevant Valuation Point therefor the Net Asset Value of the Fund; (ii) dividing the resulting amounts by the number of Units then outstanding; and (iii) rounding up to the nearest HK cent, unless determined otherwise by the Manager, with the relevant Fund retaining the benefit of any such rounding;

b) The value of any investment (other than including an unit, share or other interest in a collective investment scheme quoted, listed, trade or normally dealt in on a Recognised Exchange but excluding a unit, share or

other interest in an unlisted collective investment scheme or a commodity) quoted, listed, traded or normally dealt in a Recognised Exchange 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 closing price as calculated and published by the Recognised Exchange for such Investment or (if no last traded price or closing price is available) the latest available price on the Recognised Exchange on which the Investment is quoted, listed, traded or ordinarily normally dealt in for such amount of such Investment at or immediately preceding the Valuation Point, 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 Recognised Exchange, the Valuer shall adopt the price or, as the case may be, middle quotation on the Recognised Exchange which, in the Manager's 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 Recognised Exchange but in respect of which, for any reason, prices on that Recognised Exchange may not be available at any relevant time, the Value thereof shall be determined in such manner as the Manager (or the Trustee if the Trustee is the Valuer), may decide acting prudently and in good faith.

(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.

(iv) For the purpose of the foregoing provisions, the Trustee shall be entitled to use and rely upon electronically transmitted information from such source or sources as it may from time to time think fit with regard to the pricing of Investments on any Recognised Exchange notwithstanding that the prices so used are not the last traded prices.

c) The value of any investment (other than an interest in a collective investment scheme, or a commodity quoted, listed or ordinarily dealt in on a Recognised Exchange) which is not quoted ("**Unquoted Investment**") 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 contained. For this purpose:

(i) The initial value of an Unquoted Investment shall be the amount expended out of the relevant Fund in the acquisition thereof (including in each case the amount of the fiscal and purchase charges incurred in the acquisition thereof and the vesting thereof in the Trustee).

(ii) The Manager may at any time with the approval of the Trustee and 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.

d) subject as provided in paragraph (f) below, the value of each unit or other interest in any collective investment scheme which is valued as at the same day as the relevant Fund shall be the net asset value per unit or other interest in such collective investment scheme calculated as at that day or, if the Manager so determines, or if such collective investment scheme is not valued as at the same day as the relevant Fund, shall be the last published net asset value per unit or other interest in such collective investment scheme (where available) or (if the same is not available) the last published bid price for such unit, share or other interest. If no such net asset value, bid prices or price quotations are available, the Value thereof shall be determined from time to time in such manner as the Manager shall determine;

e) 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;

f) notwithstanding the foregoing, the Manager may with the consent of the Trustee adjust the value of any investment or permit some other method of valuation to be used if, having regard to relevant circumstances, the Manager considers that such adjustment or use of such other method is required or desirable to reflect the fair value of the investment;

g) property other than investments and cash shall be valued in such manner and at such time or times as the Manager may decide acting prudently and in good faith and after consultation with the Trustee.

h) the value of any investment (whether of a security or cash) otherwise than in the currency of a Fund shall be converted into the currency of the relevant Fund at the rate (whether official or otherwise) obtained by the Trustee in the circumstances having regard to any premium or discount which may be relevant and to the costs of exchange.

In order to determine the Net Asset Value of a Unit of a particular Class related to a Fund where there are in issue two or more Classes of Units related to that Fund, the Net Asset Value of that Fund shall be calculated before the deduction of the amount of any liabilities attributable specifically to the Class in question; such amounts shall be apportioned between each Class of Units relating to such Fund by reference to the number of undivided shares in the relevant Fund represented by all Units of each Class in such Fund in issue; the liabilities specifically attributable to the Class of Units in question shall be deducted from such apportioned amount; and the resulting sum shall be divided by the number of Units of the relevant Class in issue immediately prior to the relevant Valuation Point.

Publication of Net Asset Value

Subject as otherwise provided in the relevant Fund Specific Prospectus, the Net Asset Value per Unit of each Fund will be published daily on the Manager's website http://www.ccbintl.com.hk/ (this website has not been reviewed or authorised by the SFC).

Suspension of dealing

The Manager may at any time after consultation with the Trustee, having regard to the best interests of the Unitholders, temporarily suspend the right of the Unitholders to require the redemption of Units under this paragraph and may accordingly temporarily delay the payment of any moneys in respect of any such realisation so suspended during any of the following periods:

a) any period when any market on which a substantial part of the investments or other property for the time being comprised in the Fund is quoted, listed or dealt in is closed otherwise than for ordinary holidays;

b) any period when dealings on any such market are restricted or suspended;

c) during the existence of any state of affairs as a result of which disposal of some or all investments or other property for the time being comprised in the Fund cannot, in the opinion of the Manager, be effected normally or without seriously prejudicing the interests of Unitholders;

d) during any breakdown in the means of communications normally employed in determining the Net Asset Value or redemption price or when for any other reason the value of any investment or other property for the time being comprised in the Fund or redemption price cannot be promptly and fairly ascertained;

e) any period when the realisation of investments or other property for the time being comprised in the Fund or the transfer of funds involved in such realisation cannot, in the opinion of the Manager, be effected at normal prices or normal rates of exchange; or

f) any period when the payment or receipt of the proceeds of the realisation of any of the investments or other property comprised in the Fund is the subject of delay.

Whenever the Manager declares a suspension, as soon as practicable after any declaration and at least once a month during the period of the suspension, it shall publish a notice in The Standard and the Hong Kong Economic Times and on the Manager's website http://www.ccbintl.com.hk/ (this website has not been reviewed or authorised by the SFC) and/or cause a notice to be given to Unitholders and to all those (whether Unitholders or not) whose applications to redeem Units are affected by the suspension, stating that the suspension declaration has been made.

Application for Units made or pending during a suspension period may be withdrawn by notice in writing received by the

Trustee prior to the end of the suspension period. Applications not withdrawn will be processed on the first Dealing Day following the end of the suspension period, on the basis of the Net Asset Value per Unit determined as at the Valuation Point in respect of such Dealing Day.

Any Unitholder or potential Unitholder may at any time after such a suspension has been declared and before termination of such suspension withdraw any application for the redemption of Units of the relevant Fund (but only if the realisation of those Units has not been effected on a Dealing Day prior to that suspension) or any application for the issue of Units or any conversion notice in respect of the conversion of Units of that Fund or of Units of another Fund into Units of that Fund by notice in writing to the Manager or, if the Manager and the Trustee have so agreed, the Trustee.

No Units will be issued or redeemed by the Trust during any period in which the determination of the Net Asset Value per Unit is suspended.

No Units may be redeemed during a period of suspension.

DISTRIBUTION POLICY

The distribution policy of each of the Funds will be set out in the relevant Fund Specific Prospectus.

CHARGES AND EXPENSES

Management Fee

The Manager is entitled to receive a management fee from the Trust in relation to a Fund at a rate as set out in the Fund Specific Prospectus.

The management fee is payable monthly in arrears.

The Manager may increase the rate of management fee payable in respect of the Fund (up to a maximum rate of 2.5% per annum) on giving not less than three months' notice to Unitholders.

The Fund had appointed the Manager to distribute and/or to deal in the Units (including (where necessary) to receive applications for subscription of Units for the Fund) in relation to the Fund. The Manager does not receive any fees with respect to its distribution of the Units of the Fund other than those disclosed in the Prospectus.

For the purposes of Schedule 9 to the Code of Conduct for Persons Licensed by or Registered with the SFC, the Manager (acting in its capacity as the distributor of the Fund) is not an independent intermediary because it has close links or other legal or economic relationships with issuers of products that it may distribute to the Unitholders.

Performance Fee

The Manager may be entitled to receive a performance fee from the Trust in relation to a Fund at a rate as set out in the Fund Specific Prospectus.

Trustee Fee

The current fees payable to the Trustee in relation to a Fund are set out in the relevant Fund Specific Prospectus.

Registrar's Fees

The current fees payable to the Registrar in relation to a Fund are set out in the relevant Fund Specific Prospectus.

Other Charges and Expenses

Each Fund will bear the costs set out in the Trust Deed which are directly attributable to it. Where those costs are not directly attributable to a Fund each Fund will bear the costs in proportion to its respective Net Asset Value or in any manner than the Manager considers fair. These include, but are not limited to, all stamp and other duties, taxes, governmental charges, bank charges, brokerage, exchange costs and commissions, transfer fees and expenses, registration fees and expenses, valuation fees and expenses; the fees and expenses of sub-custodians, the fees and expenses of the auditors and legal advisers; the expenses of or incidental to the preparation of amendments to the constitutive documents of the Trust and the expenses of holding meetings of Unitholders and of giving notices to Unitholders; the costs and expenses of obtaining and maintaining any regulatory approval or authorisation of the Trust or in complying with any undertaking given, or agreement entered into in connection with any rules governing such approval or authorisation; and any costs incurred in publishing the redemption prices of Units, all costs of preparing, printing and distributing all statements, all costs of preparing financial reports, the expenses of preparing and printing any prospectus, and any other operating and out of pocket expenses.

Save as those costs and expenses referred to above no promotional and advertising expenses may be charged to the Trust's assets. No commission will be payable to sales agents out of the Trust's assets.

The preliminary establishment expenses of the Trust have been fully amortised. In the event that further Funds are established, the Manager may reallocate the preliminary establishment expenses of the Trust to such additional sub-funds, as it deems appropriate. The preliminary establishment expenses of the additional sub-funds shall also be borne by the relevant sub-fund and shall be amortised over such period as the Manager may determine.

The Manager may share any fees it receives with authorised distributors or agents procuring subscriptions to Units. The Manager and its associates may, with the consent of the Trustee, deal with any investment fund, both as principal and agent, and, subject as provided below, may retain any benefit which they receive as a result.

Fees payable by investors

Subject as otherwise provided in the Fund Specific Prospectus, investors may be subject to initial charge and redemption charge of up to 5% of the issue price and redemption price of each Unit, respectively.

Connected Transaction, Cash Rebates and Soft Commissions

In transacting with brokers or dealers connected to the Manager, the Trustee or any of their Connected Persons, the Manager must ensure that it complies with the following obligations:

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

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

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

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

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

(f) the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the Fund’s annual report.

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.

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: for

example, research and advisory services, computer hardware associated with specialised software or research services and performance measures etc., provided that:

(a) the goods or services are of demonstrable benefit to the Fund, such that their provision can reasonably be expected to benefit the Trust as a whole and may contribute to an improvement in the Trust's performance and that of the Manager or any of its Connected Persons in providing services to the Trust and for which no direct payment is made but in consideration of which the Manager or any of its Connected Persons will direct transactions to that party;

(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) periodic disclosure is made in the annual reports in respect of the Trust and the Funds in form of a statement describing the soft dollar policies and practices of the Manager, including a description of the goods and services received by them; and

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

Those goods and services do not include travel accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employee salaries or direct money payments. Details of soft commission arrangements will be disclosed in the Trust's accounts.

TAXATION

The following statements regarding taxation are by way of a general guide to potential investors in respect of the Trust regarding the law and practice in force in Hong Kong at the date of this Trust Prospectus.

Hong Kong

(a) Hong Kong Profits Tax:

- The Trust:

For so long as the Trust maintains its authorisation with the SFC under Section 104 of the SFO, the Trust will be regarded as a specified investment scheme under section 26A(1A) of the Inland Revenue Ordinance. Any sums received or accrued to a specified investment scheme (whether they are sourced from Hong Kong or not) will not be subject to Hong Kong profits tax.

- Unitholders:

Unitholders will generally not be subject to any Hong Kong profits tax on distributions from the Trust.

Unitholders will not be subject to Hong Kong profits tax on the gains realised on the disposal or redemption of any Units if the Unitholders do not carry on a trade, profession or business in Hong Kong or the Units are held by the Unitholders as capital assets for Hong Kong profits tax purposes. For Unitholders carrying on a trade, profession or business in Hong Kong, the gains realised on the disposal or redemption of any Units may be subject to Hong Kong profits tax (which is currently charged at the rate of 16.5% in the case of corporations, and 15% in the case of individuals and unincorporated business) if the gains in question arise in or are derived from such trade, profession or business and sourced in Hong Kong.

The Inland Revenue (Amendment) (No. 3) Ordinance 2018, which seeks to implement a two-tier profits tax system in Hong Kong, was enacted on 21 March 2018. Under the regime, the profits tax rate for the first HK$2 million of assessable profits of corporations and unincorporated businesses are lowered to 8.25% and 7.5% (i.e. half of the prevailing Hong Kong profits tax rates) respectively, with certain exceptions.

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

(b) Hong Kong Stamp Duty:

- The Trust:

Hong Kong stamp duty is ordinarily payable on the sale and purchase of Hong Kong stock. "Hong Kong stock" is defined as "stock" the transfer of which is required to be registered in Hong Kong. If the Trust invests in Hong Kong stock, it could be subject to Hong Kong stamp duty of 0.1% (borne by each of the buyer and seller) on the higher of the consideration amount or market value. In addition, a fixed duty of HK$5.00 is currently payable on any instrument of transfer.

- Unitholders:

Hong Kong stamp duty will not be payable by the Unitholders on the issuance of Units, redemption of Units, or the sale or transfer of the Units effected by extinguishing the Units or the sale or transfer is to the Manager who subsequently re-sells the Units within two months thereof.

Pursuant to the Remission by Class issued by the Secretary for the Treasury on 20 October 1999, transfer of Hong Kong stocks to the Trust in exchange for allotment of Units or transfer of Hong Kong stocks from the Trust in consideration for redemption of Units, subject to application, is exempt from Hong Kong stamp duty, to the extent that the Trust remains authorised as a collective investment scheme by the SFC under Section 104 of the SFO.

Other types of sales or purchases or transfers of the Units by Unitholders should be liable to Hong Kong stamp duty of 0.1% (borne by each of the buyer and seller) on the higher of the consideration amount or market value. In addition, a fixed duty of HK$5.00 is currently payable on any instrument of transfer of Units.

The above information relating to taxation is based on the enacted laws and current practice of the Inland Revenue Department of Hong Kong. It is not comprehensive and is subject to change. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Units and to the provision of the laws of the jurisdiction in which they are subject to tax.

Automatic Exchange of Financial Account Information

Over 100 countries and jurisdictions around the world have committed to adopt rules for automatic exchange of financial account information. Under these rules, financial institutions ("FIs") are required to identify the tax residency of account holders and report certain information including but not limited to their investment income and account balance to the local tax authority where the financial institution is a tax resident in. When countries or jurisdictions start exchanging information on an automatic basis, the relevant local tax authority where the financial account is maintained will provide this information to the tax authority of the account holder's country or jurisdiction of tax residence. This information exchange will be conducted on an annual basis.

The Inland Revenue (Amendment) (No. 3) Ordinance 2016 (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 (as defined in the Ordinance) in Hong Kong ("**Hong Kong FIs**") to collect certain required information relating to non-Hong Kong tax residents holding financial accounts with the FIs, and report such information to the IRD for the purpose of AEOI exchange. Generally, the information will be reported and automatically exchanged on an annual basis in respect of account holders that are tax residents in an AEOI partner jurisdiction(s) with which Hong Kong has an agreement in force to conduct AEOI ("**Competent Authority Agreement**" or "**CAA**"); however, the Trust (for itself and for each Fund), the Manager and/or their agents will further collect information relating to residents of other jurisdictions.

The Trust (for itself and for each Fund) is required to comply with the requirements of the Ordinance, which means that the Trust (for itself and for each Fund) and/or its agents shall collect and provide to the IRD the required information relating to Unitholders and prospective investors. The Ordinance as implemented in Hong Kong requires the Trust to, amongst other things: (i) register the Fund as a "Reporting Financial Institution" with the IRD; (ii)

conduct due diligence on its accounts (i.e., accounts held by 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 to transmit on an annual basis 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 residents in a jurisdiction with which Hong Kong has a CAA in force; and (ii) individuals who control certain "passive non-financial entities" (including the entities in which such individual controls) and who are tax residents in such jurisdictions ("controlling persons"). Under the Ordinance, details of Unitholders and controlling persons, including but not limited to their name, date 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 a Fund of the Trust and/or continuing to invest in a Fund of the Trust, Unitholders acknowledge that they may be required to provide additional information to the Trust with respect to a Fund, the Manager and/or the Trust's agents in order for the Trust to comply with the Ordinance. In particular, the Trust (for itself and for a Fund), the Manager and/or the Trustee's agents may require each Unitholder/prospective investor to:

(1) complete and provide a self-certification form with information regarding (including but not limited to) his/her jurisdiction of tax residence, his/her tax identification number in his/her country or jurisdiction of tax residence, his/her date of birth, and in the case where the Unitholder is an entity (for example, a trust or a company), the entity classification of the entity for AEOI purpose and information regarding its "controlling persons" of certain such entities;
(2) provide all required information and documentation for complying with the Trust's due diligence procedures; and
(3) advise the Trustee, the Manager and/or their agents of any change in circumstances which affect the Unitholder's or the controlling person of Unitholder's tax residence status and provide a suitably updated self-certification form within 30 days of such change in circumstances.

The Unitholder's information (and information on controlling persons) may be transmitted by the IRD to authorities in other jurisdictions.

The Trust, the Manager and/or the Trust's agents cannot provide the Unitholders any tax or legal advice. If Unitholders/prospective investors have doubts about their tax residence or other questions, they should seek professional advice. 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 a Fund of the Trust.

Foreign Account Tax Compliance Act (FATCA)

The U.S. tax provisions commonly known as FATCA generally impose a reporting regime and potentially a 30% withholding tax with respect to (i) Withholdable Payments and (ii) Passthru Payments. As a general matter, the rules are designed to require U.S. persons' direct and indirect ownership of certain foreign financial accounts to be reported to the IRS.

Generally, FATCA will subject all Withholdable Payments and Passthru Payments received by a Foreign Financial Institution (as defined in the Final Treasury Regulations or an applicable intergovernmental agreement (an "**IGA**")) ("**FFI**") to 30% withholding tax unless the FFI enters into an agreement with the IRS (a "**FFI Agreement**"), complies with the terms of an applicable IGA or is otherwise exempt. Under an FFI Agreement or an applicable IGA, an FFI generally will be required to provide information as may be required to comply with the provisions of the new rules, including but not limited to information regarding its direct and indirect U.S. account holders. In the event that the Trust (for itself or for the Fund) is not able to comply with the requirements imposed by FATCA and the Trust or the Fund suffers withholding tax in relation to certain payments as a result of the FATCA non-compliance, the Net Asset Value of the Trust and the Fund may be adversely affected and the Trust and the Fund may suffer a significant loss as a result.

With effect from 30 June 2014, the Manager has registered with the IRS as a sponsoring entity to the Fund in relation to

FATCA (with Global Intermediary Identification Number (GIIN) number: HDGYE7.00000.SP.344). As a sponsoring entity, the Manager, on behalf of the Fund, generally will be required to report to the IRS in respect of direct and certain indirect U.S. investors of the Fund and may be required to impose a 30% withholding of tax on the share of Withholdable Payments and Passthru Payments attributable to, including but not limited to, non-U.S. financial entities that themselves do not enter into valid FFI Agreements, comply with the terms of an applicable IGA or otherwise qualify for an exemption.

The Hong Kong Government signed a Model 2 IGA with the United States on 13 November 2014 (the "Hong Kong IGA"). Under the Hong Kong IGA, financial institutions in Hong Kong (such as the Fund) generally will need to register with the IRS and comply with the requirements of an FFI Agreement, either directly or through a sponsoring entity. Otherwise they may be subject to a 30% withholding tax on certain Withholdable Payments and Passthru Payments made to them.

In order to comply with FATCA, the Manager, acting in good faith and on reasonable grounds, may liquidate a non-compliant investor's interest in the Fund, provided that such action is permitted by applicable laws and regulations. Any tax caused by a Unitholder's failure to comply with FATCA will be borne by the Unitholder.
Each Unitholder should consult its own tax advisors regarding the requirements, possible implications and related tax consequences of FATCA with respect to its own situation.

Mainland China

By investing in China A-Shares, the Fund may be subject to taxes imposed by Mainland China.

(a) Corporate Income Tax:

Under general Mainland Chinese tax law, if the Fund is considered as a Mainland Chinese tax resident, it will be subject to Mainland China Corporate Income Tax ("**CIT**") at 25% on its worldwide taxable income. If the Fund is considered a non-Mainland China resident but has a permanent establishment ("**PE**") in Mainland China, the profits attributable to that PE would be subject to Mainland China CIT at 25%. If the Fund is a non-Mainland China resident without PE in Mainland China, the income derived by it from the investment in China A-Shares would in general be subject to 10% withholding CIT in the Mainland China, unless exempt or reduced under specific tax circulars or relevant tax treaty.

In respect of equity interest investments such as China A-Shares, the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission have promulgated circulars on 14 November 2014 and 5 November 2016 to clarify the relevant Mainland China tax treatment.

Pursuant to the Circular on the Taxation Policy of the Pilot Programme for the Mutual Stock Market Access between Shanghai and Hong Kong Stock Markets and the Circular on Taxation Policy of the Pilot Programme for the Mutual Stock Market Access between Shenzhen and Hong Kong Stock Markets, in respect of trading through Stock Connect:

(i) Hong Kong market corporate investors shall be temporarily exempt from Mainland China CIT on gains realised from the transfer of China A-Shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange with effect from 17 November 2014 and 5 December 2016 respectively; and

(ii) Hong Kong market corporate investors are required to pay Mainland China withholding income tax on dividend distributed by China A-Shares companies at a standard rate of 10%. Such Mainland China withholding income tax shall be withheld and paid to the in-charge Mainland Chinese tax bureau of the relevant China A-Share company (before HKSCC is able to provide details such as investor identities and holding periods to the CSDCC, the policy of differentiated rates of taxation based on holding periods will temporarily not be implemented).

Interests derived from government bonds are exempt from Mainland Chinese income tax under the CIT Law.

Unless a specific exemption is applicable, for recipients that are treated as non-residents in Mainland China under the CIT Law, an income withholding tax ("**WHT**") is levied on the payment of interests on debt instruments issued by Mainland Chinese tax residents, including bonds issued by enterprises established within mainland China. The general WHT rate applicable is 10%.

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**"), if a Hong Kong tax resident derives interest income from the Mainland China, the withholding income tax rate can be reduced to 7% provided that the relevant Hong Kong tax residents is the beneficial owner of the interest income under the Arrangement. If the sub-fund can be considered as a beneficial owner of the interest income, it may be eligible for the preferential treaty rate. Otherwise, the general rate of 10% will be applicable to the relevant sub-fund.

Effective from 7 November 2018 to 6 November 2021, bond interest income derived by foreign institutional investors in the China bond market is exempted from CIT, as is provided in the Caishui [2018] No. 108 released by the Ministry of Finance of the Mainland China and the State Administration of Taxation on 22 November 2018 ("Caishui [2018] No. 108"). Such exemption does not apply to interest income derived by a PE of the foreign institutional investors in the Mainland China.

Aside from the above-mentioned general rules, the Mainland Chinese tax authorities have not clarified whether CIT are payable by foreign institutional investors on gains arising from the trading in securities that do not constitute shares or other equity investments, such as bonds and other fixed income securities. It is therefore possible that the relevant tax authorities may, in the future, clarify the tax position and impose CIT or other taxes on realised gains by foreign institutional investors from dealing in debt securities in Mainland China. As a matter of practice, the Mainland Chinese tax authorities have not levied Mainland Chinese WHT on capital gains realised by foreign institutional investors from the trading of debt securities in Mainland China.

(b) Value-add Tax ("**VAT**") and other Surtaxes:

Pursuant to Circular Caishui [2016] No. 36 and the Caishui [2016] No. 127, Hong Kong market investors (including corporate and individual investors) are exempted from VAT on gains arising from the trading of China A-Shares through Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect.

Pursuant to Caishui [2018] No. 108, interest income of bonds derived by foreign institutional investors in the China bond market is exempted from VAT for three years effective from 7 November 2018 to 6 November 2021.

There is no specific written guidance by the Mainland Chinese tax authorities on the treatment of VAT in respect of gains derived by foreign institutional investors from trading in China interbank bond market ("CIBM"). In light of the uncertainty, reference is made to Caishui [2016] No. 36 and Caishui [2016] No. 70 to determine the potential tax liability where capital gains derived from investment in China interbank local currency markets (including money market, bond market and FDI market) by financial institutions, which are approved by People's Bank of China, are exempt from VAT.

Other than the VAT exemption in the paragraph above, Circular [2016] 36 shall apply to levy VAT at 6% on the difference between the selling and purchase prices in trading of marketable securities.

If VAT is applicable, there are also other surtaxes (which include Urban Construction and Maintenance Tax, Education Surcharge and Local Education Surcharge) that would amount to as high as 12% of VAT payable.

(c) Stamp duty:

Stamp duty under the Mainland Chinese laws generally applies to the execution and receipt of all taxable documents listed in the Mainland Chinese Provisional Rules on Stamp Duty.

Under the Circular on the Taxation Policy of the Pilot Programme for the Mutual Stock Market Access between Shanghai and Hong Kong Stock Markets and the Circular on Taxation Policy of the Pilot Programme for the Mutual Stock Market Access between Shenzhen and Hong Kong Stock Markets, Hong Kong market investors trading

through Stock Connect are required to pay stamp duty arising from the sale and purchase of China A-Shares and the transfer of China A-Shares by way of succession and gift in accordance with the prevailing Mainland Chinese taxation regulations. Stamp duty is generally imposed on the sale of China A-Shares at a rate of 0.1% of the sales consideration on each disposal of China A-Shares via Stock Connect.

Tax Provision:

It is the intention of the Manager to operate the affairs of the Manager and the Fund such that they are not tax resident enterprises and have no permanent establishment in the Mainland China for Mainland Chinese corporate income tax purposes, although this cannot be guaranteed.

There are risks and uncertainties associated with the current Mainland Chinese tax laws, regulations and practice in respect of income realised via access products on the Fund's investments in the Mainland China (which may have retrospective effect). Any increased tax liabilities on the Fund may adversely affect the Fund's value.

The Manager intends to make relevant provision on dividend and interest from Mainland Chinese securities (including coupon interest income derived from Mainland Chinese Bonds issued by the policy banks in the Mainland China) if the Mainland Chinese WHT is not withheld at source at the time when such income is received (where WHT is already held at source, no further provision will be made) except interest income from investments in Mainland Chinese onshore bonds received for the period from 7 November 2018 to 6 November 2021.

Based on independent and professional tax advice, the Manager will not provide for any Mainland Chinese WHT on the gross unrealised and realised capital gains derived from the trading of Mainland Chinese bonds. The Manager will review the tax provisions policy of the Fund, and it may in future change the tax provisions policy, including making provisions to reflect taxes payable when considered appropriate. Investors should note this may have a substantial negative impact on the NAV of the Fund.

Any shortfall between the provision and the actual tax liabilities, which will be debited from the Fund's assets, will adversely affect the Fund's NAV. The actual tax liabilities may be lower than the tax provision made. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

Various tax reform policies have been implemented by the Mainland Chinese 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 Mainland China will be changed with retrospective effect in the future and any such change may have an adverse effect on the asset value of the Fund. Moreover, there is no assurance that tax preferential treatments or incentives currently offered to foreign institutional investors, 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 Mainland China which the Fund invests in, thereby reducing the income from, and/or value of the Units.

General

Investors should consult their professional advisers on the consequences to them of acquiring, holding, redeeming, transferring or selling Units under the relevant laws of the jurisdictions to which they are subject, including the tax consequences 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/region of citizenship, residence, domicile or incorporation and their personal circumstances.

GENERAL INFORMATION

Financial Reports

The financial year end of the Trust is 31 December in each year. Annual reports will be sent to Unitholders within four months of the end of each financial year and unaudited interim reports will be sent to Unitholders within two months after 30 June in each year. The annual reports and the unaudited semi-annual reports of the Fund will be

issued in English only.

The financial statements of the Fund will be prepared in accordance with International Financial Reporting Standards and Appendix E to the Code.

Trust Deed

The Trust was established under Hong Kong law by a trust deed made between the Manager and the Trustee. All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Trust Deed.

The Trust Deed contains the duties and responsibilities of the Trustee and the Manager. The Trust Deed requires that (subject as provided in the Trust Deed) the Trustee and the Manager exercise their respective powers and authorities in the exclusive interests of the Unitholders.

The Trust Deed also contains provisions for the indemnification of the Trustee and the Manager and their relief from liability in certain circumstances. Unitholders and intending applicants are advised to consult the terms of the Trust Deed.

Notwithstanding the above, nothing in any of the provisions of the Trust Deed shall (i) exempt either the Trustee or the Manager (as the case may be) from or against any liability to Unitholders for breaches of trust through fraud or negligence or any liability to Unitholders imposed by virtue of any Hong Kong law nor (ii) indemnify either the Trustee or the Manager (as the case may be) against such liability by Unitholders or at Unitholders' expense.

Modification of Trust Deed

The Trustee and the Manager may agree to modify the Trust Deed by supplemental deed provided that in the opinion of the Trustee 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 (with the exception of the cost of preparing and executing the relevant supplemental deed) does not increase the 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 or (iii) is made to correct a manifest or technical error. In all other cases modifications involving any material changes may not be made without the approval of the SFC (where such SFC approval is required), or the approval by way of an extraordinary resolution of the Unitholders affected.

Any modifications to the Trust Deed, unless they are sanctioned by an extraordinary resolution of the Unitholders affected or in the opinion of the Trustee are not of material significance or are made to correct a manifest error or the SFC agrees that no notice is required, will be notified to the Unitholders as soon as practicable after they are made. The Trustee shall give such period of notice as required by the SFC to the Unitholders before any modifications to the Trust Deed are to take effect.

Meetings of Unitholders

In respect of CCBI International – China Policy Driven Fund, the Trust Deed provides for meetings of Unitholders to be convened by the Trustee or the Manager upon at least 21 days' notice. Notices of meetings of Unitholders will be posted to Unitholders.

Proxies may be appointed. The quorum at Unitholders' meetings is Unitholders present in person or by proxy holding not less than 10% (or, in relation to a resolution proposed as an extraordinary resolution, 25%) of Units in issue. If a quorum is not present, the meeting will be adjourned for not less than 15 days. Separate notice of any adjourned meeting will be given, and at an adjourned meeting, Unitholders, whatever their number or the number of Units held by them, will form a quorum. An ordinary resolution may be passed by a simple majority of the votes of those present and entitled to vote in person or by proxy at a duly convened meeting.

An extraordinary resolution is required under the Trust Deed for certain purposes and is a resolution proposed as such and passed by a majority of 75% of the total number of votes cast.

The Trust Deed provides that at any meeting of Unitholders, every Unitholder who (being an individual) is present in person or (being a partnership or corporation) is present by an authorised representative or by proxy shall have one vote. On a poll every Unitholder who is present or by representative or by proxy will have one vote for every whole Unit of which he is the holder.

Compulsory Redemption or Transfer of Units

The Manager or the Trustee may require a Unitholder to transfer his Units or, failing a transfer, may redeem his Units in accordance with the Trust Deed if it comes to the notice of the Manager or the Trustee that the Unitholder holds his Units (a) as a US Person; (b) in breach of the law or requirements of any country/region, any governmental authority or any stock exchange on which Units are listed; or (c) in circumstances (whether directly or indirectly affecting the Unitholder and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Manager or Trustee to be relevant) which, in the opinion of the Manager or the Trustee, may result in the Trust incurring any liability to taxation or suffering any other pecuniary disadvantage which the Trust may not otherwise have incurred or suffered.

Conflicts of Interest

The Manager and the Trustee may from time to time act as trustee, administrator, registrar, manager, custodian, investment manager or investment delegate or otherwise as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of the Trust or any Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Trust or any Fund. Each will, at all times, have regard in such event to its obligations to the Trust and to Unitholders and will endeavour to ensure that such conflicts are resolved fairly. In any event, the Manager shall ensure that all investment opportunities will be fairly allocated.

The assets under management at any time during the life of the Fund may include monies invested by the Manager and/or affiliates of the Manager and such investment may constitute a significant portion of the assets under management of the Fund. There is no assurance that any such monies will continue to be investment in the Fund by the Manager or affiliates of the Manager for any particular length of time. Redemption of such monies may affect the performance of the Fund.

Material Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into in relation to the Trust and are, or may be, material:

- the Trust Deed;
- any agreements between the Manager and third parties referred to in the Fund specific Prospectus.

Documents available for inspection

For as long as each Fund remains authorised by the SFC, copies of the agreements referred to under "Material Contracts" above are available for inspection free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Manager at 12/F., CCB Tower, 3 Connaught Road Central, Central, Hong Kong and copies thereof may be obtained from the Manager at that address on payment of a reasonable fee.

Termination of the Trust and/or Funds

The Trust (or a Fund) may be terminated by the Trustee, with the approval of the Manager (except in the case of the liquidation of, or analogous proceedings in respect of, the Manager or the Manager's failure to appoint a new trustee in place of the Trustee following the receipt of a written notice of retirement from the Trustee) in the following circumstances:

(a) it becomes illegal or in the opinion of the Manager impossible or impracticable to continue the Trust (or a Fund);

(b) the Trust (or a Fund) becomes liable to taxation (whether in Hong Kong or elsewhere) in respect of income or capital gains at a rate considered by the Manager to be excessive in relation to the rate which would be borne by investors by investing directly in relevant portfolio securities;

(c) the Trust (or a Fund) ceases to be authorised by the SFC pursuant to the SFO;

(d) the Manager goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or analogous proceedings where, after the expiration of a period of three months, the Trustee has not appointed a new manager;

(e) if the net asset value of the Trust or a Fund is less than HK$100 million; or

(f) if the Manager shall fail to appoint a new trustee in place of the Trustee within such time as the Trustee considers to be reasonable after the date of the Trustee's written notice to retire in accordance with the Trust Deed.

Unitholders may at any time terminate the Trust by extraordinary resolution with effect from the date such extraordinary resolution is passed or such later date (if any) as such extraordinary resolution may provide.

At least three months' prior notice of the termination of the Trust (or a Fund) will be given to Unitholders (unless the Trust or a Fund is terminated by reason of illegality, in which case no prior notice need to be given to Unitholders but Unitholders will be notified as soon as reasonably practicable).

Any unclaimed proceeds or other cash held by the Trustee in the event of a termination may at the expiration of twelve calendar months from the date upon which the same became payable be paid into court, subject to the right of the Trustee to deduct any expenses it may incur in making such payment.

Creation of Funds

The Manager can, at its discretion, decide to create further Funds with different investment objectives and in such cases, this Trust Prospectus will be updated accordingly. The Manager shall maintain for each Fund a separate pool of assets.

Anti-Money Laundering Regulations

As part of the responsibility of the Trustee and the Manager for the prevention of money laundering, they may require a detailed verification of an investor's identity and the source of the payment of application moneys. Depending on the circumstances of each application, a detailed verification may not be required where:

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

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

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

The Trustee and the Manager reserve the right to request any information that they consider 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 may refuse to accept the application and the related application moneys. None of the Trustee, the Manager or their respective delegates or agents shall be liable to the prospective investor or Unitholder for any loss suffered by such party as a result of the rejection or delay of any subscription application or payment of redemption proceeds.

Enquiries and Complaints

Investors may contact the Manager for any queries or complaints in relation to any Fund. To contact the Manager, investors may either:

- write to the Manager (address at 12/F., CCB Tower, 3 Connaught Road Central, Central, Hong Kong); or
- call the Manager's customer service hotline: 852 3911 8361

Further Information

Investors may access the website of the Manager at http://www.ccbintl.com.hk/ for further information on the Trust, and the Fund(s), including the Trust Prospectus and the Product Key Facts Statement of each of the Funds, annual and interim reports and latest Net Asset Values. This website has not been reviewed or authorised by the SFC.

FUND SPECIFIC PROSPECTUS

CCB INTERNATIONAL - CHINA POLICY DRIVEN FUND

This document relates to the CCB International - China Policy Driven Fund, a Hong Kong unit trust established by a trust deed. This Fund Specific Prospectus should be read in conjunction with the Trust Prospectus dated 4 July 2025 relating to the CCB International Fund Series. In case of discrepancies between the Trust Prospectus and this document in relation to the CCB International - China Policy Driven Fund, this document shall prevail.

DEFINITIONS

Defined terms used in this Fund Specific Prospectus which are not defined below bear the same meanings as in the Trust Prospectus.

"**Business Day**"	has the same meaning as that set out in the Trust Prospectus;
"**Class Currency**"	the currency of account in relation to a class of Units as specified in this Fund Specific Prospectus;
"Dealing Day"	every Business Day;
"**Fund**"	the CCB International - China Policy Driven Fund, being a sub-fund of the Trust offered pursuant to this Fund Specific Prospectus;
"**HK$ Class Unit**"	a Unit designated as a HK$ Class Unit and having the specific features as set out more particularly in this Fund Specific Prospectus. For the avoidance of doubt, any Units issued on or prior to 1 January 2016 shall be designated as HK$ Class Unit;
"**RMB Class Unit**"	a Unit designated as a RMB Class Unit and having the specific features as set out more particularly in the 关于建银国际基金系列之建银国际－国策主导基金在内地销售的补充说明书 ("supplemental prospectus for Mainland Chinese investors in relation to the CCB International Fund Series – CCB International – China Policy Driven Fund" (translated name)), which is available to investors of Mainland China investing in the Fund through the Mainland-Hong Kong Mutual Recognition of Funds (MRF) scheme. For the avoidance of doubt, RMB Class Unit is not available for Hong Kong or Macau investors;
"**Trust Prospectus**"	the prospectus relating to CCB International Fund Series dated 4 July 2025, as amended or supplemented from time to time;
"**Valuation Point**"	means the close of business in the last relevant market to close on each relevant Dealing Day or such other time or times as the Manager may from time to time determine.

This Fund Specific Prospectus comprises information in relation to the Fund, a sub-fund of the Trust. Units in the Fund are now being offered for subscription on the terms set out in the Trust Prospectus and the Trust Deed. It is envisaged that further Funds may be created in the future. The Trust is managed by CCB International Asset Management Limited.

SUMMARY

Set out below is a summary of the Fund. The summary information is derived from, and should be read in conjunction with, the full text of this Fund Specific Prospectus. Your attention is drawn to the section entitled "Risk Factors" in the Trust Prospectus.

Key Information in respect of the Fund:

Dealing Day	Every Business Day		
Classes of Units	*Class*	*Class Currency*	*Investors to whom this Class is Available*
	HK$ Class Unit	HK$	Hong Kong investors and Macau investors

	RMB Class Unit*	RMB	Investors of Mainland China investing in the Fund through the Mainland-Hong Kong Mutual Recognition of Funds (MRF) scheme. RMB Class Unit is not available to Hong Kong or Macau investors.
Minimum Initial Subscription	HK$ Class Unit: HK$1,000		
Minimum Additional Subscription	HK$ Class Unit: HK$1,000		
Minimum Redemption Size	HK$ Class Unit: HK$1,000 subject to a minimum holding of HK$1,000		
Manager	CCB International Asset Management Limited		
Trustee and Registrar	HSBC Institutional Trust Services (Asia) Limited		
Management Fee	Currently at a rate of 1.75% per annum of the Net Asset Value of the Fund (subject to a maximum rate of 2.5%)		
Initial Charge	Up to 5% of the issue price of each Unit		
Redemption Charge	Up to 5% of the redemption price of each Unit		
Trustee Fee	Up to 0.125% per annum of the Net Asset Value of the Fund, and which is subject to an annual minimum fee of US$40,000 per Fund. With effect from 1 May 2020, the annual fee component of the Trustee Fee will change such that it will comprise: (a) up to 0.125% per annum of the Net Asset Value of the Fund, subject to an annual minimum fee of US$40,000; and (b) a flat fee of US$4,000 per annum. For the avoidance of doubt, the maximum permitted level of the Trustee Fee (i.e. 1% per annum of the Net Asset Value of the Fund) remains unchanged as a result of the change of the annual fee component of the Trustee Fee effective from 1 May 2020.		

* Details in relation to the RMB Class Unit (available to investors of Mainland China investing in the Fund through the Mainland-Hong Kong Mutual Recognition of Funds (MRF) scheme) will be set out more particularly in the 关于建银国际基金系列之建银国际－国策主导基金在内地销售的补充说明书 ("supplemental prospectus for Mainland Chinese investors in relation to the CCB International Fund Series – CCB International – China Policy Driven Fund" (translated name)).

INVESTMENT OBJECTIVE AND POLICY

Currency Denomination

The base currency of the Fund is HK dollars. The Class Currency of HK$ Class Units and RMB Class Units is HK dollars and Renminbi, respectively.

Investment Objective

The investment objective of the Fund is to achieve long-term appreciation of the Unit price through capital growth and income appreciation by investing in a diversified portfolio of equities and equity related securities, bonds that are listed primarily on the Hong Kong stock exchange and/or any securities exchange and can benefit from the policy(ies) in place and/or to be made by the government and/or statutory bodies of Mainland China, Hong Kong, Macau and Taiwan subject to the investment restrictions applicable to the Fund, as set out in the Trust Prospectus.

Investment Policy

The Fund will invest primarily (i.e. up to 100% of its Net Asset Value) in equities and equity related securities. These include, but are not limited to, fully-paid up shares listed on stock exchanges and other organised securities markets that are open to the public and on which such securities are regularly traded ("**Recognised Stock Exchanges**"), and to a limited extent, (i.e. up to 10% of its Net Asset Value) in American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs) listed on Recognised Stock Exchanges and warrants listed on Recognised Stock Exchanges. Up to 10% of the Net Asset Value of the Fund will be invested in Hong Kong authorised unit trusts and mutual funds, which may include exchange-traded funds ("**ETFs**"). The Manager intends to treat such ETFs as collective investment schemes for the purposes of and subject to the requirements in Chapters 7.11, 7.11A and 7.11B of the Code.

From time to time, the Fund may also invest (i) in bonds that are listed or quoted on any stock exchange, over-the-counter market or other organised securities markets that are open to the public and on which the bonds are regularly traded and (ii) directly into China A-Shares through Stock Connect, including ChiNext market and/or the Science and Technology Innovation Board ("STAR Board"). Exposure to China A-Shares through Stock Connect will not be more than 20% of the Net Asset Value of the Fund. For further details on Stock Connect, please refer to the risk factors headed "Risks associated with Stock Connect" in the Trust Prospectus.

Notwithstanding the above, the total investments of the Fund in the Mainland Chinese markets, regardless of any investment channels (including but not limited to the Stock Connect) may not exceed 20% of the Net Asset Value of the Fund.

For the purpose of hedging and risk management of the portfolio, the Fund may use options, futures or warrants which are economically appropriate to the reduction of relevant risks or costs or to improve investment performance subject to any such transactions complying with the overall investment restrictions of the Fund in relation to FDIs as set out in the section headed "Investment Restrictions" in the Trust Prospectus above.

Subject to the investment restrictions as set out in the Code, the Fund may enter into futures, options and warrants contracts relating to FDIs, provided that these transactions are conducted on a regulated market that operates regularly and is recognised and is open to the public. The Fund may also enter into forward purchase settlement transactions for the purposes of hedging with broker-dealers who make markets in these transactions and who are financial institutions that specialise in these types of transactions and are participants in the over-the-counter markets.

The Manager will not enter into securities lending, sale and repurchase or reverse repurchase transactions on behalf of the Fund.

Investors should refer to page 13 of the Trust Prospectus for the specific risk considerations applicable to the use of FDIs.

[1] Details in relation to the RMB Class Unit (available to investors of Mainland China investing in the Fund through the Mainland-Hong Kong Mutual Recognition of Funds (MRF) scheme and not available for Hong Kong investors or Macau investors) will be set out more particularly in the 关于建银国际基金系列之建银国际－国策主导基金在内地销售的补充说明书 ("supplemental prospectus for Mainland China investors in relation to the CCB International Fund Series – CCB International – China Policy Driven Fund" (translated name)).

INVESTMENT RESTRICTIONS

The Fund is subject to the investment restrictions described in the "Investment restrictions" section in the Trust Prospectus.

BORROWING RESTRICTIONS

The maximum borrowings of the Fund may not exceed 10% of its total Net Asset Value. For the purposes of this restriction, back-to-back loans do not count as borrowing.

SUBSCRIPTION FOR UNITS

Issue Price

Each Unit will be offered at the issue price being the Net Asset Value per Unit calculated as at the Valuation Point subject to an initial charge of up to 5% of the issue price of the Unit by the investor or Unitholder and any fiscal and purchase charges.

Minimum subscription and minimum holding

Initial minimum subscription

HK$1,000

Minimum additional subscription amount

HK$1,000

Minimum holding of Units HK$1,000

The Manager may, at its discretion, waive or modify these minimum limits.

HK$ Class Units

Application procedure

Applications for Units received by the Trustee prior to 5:30 p.m. (Hong Kong time) on any Dealing Day will usually be effected at the Net Asset Value per Unit of the Fund calculated as at the relevant Valuation Point plus the initial charge of up to 5% of the issue price of the Unit and each amount, if any, per Unit as the Manager may determine represents fiscal and purchase charges. An application for Units received by the Trustee after the application deadline on any Dealing Day, or on any day that is not a Dealing Day, will usually be processed on the next Dealing Day.

Notwithstanding the immediately preceding paragraph, the Manager, may at its absolute discretion and upon consultation with the Trustee, accept applications for Units after 5:30 p.m. (Hong Kong time) on any Dealing Day. Such applications for Units may be processed on the same Dealing Day if the Manager agrees after consultation with the Trustee.

Investors should confirm the relevant cut-off time with the authorised distributors if they choose to submit the application form through such a distributor.

REDEMPTION OF UNITS

Redemption of Units

A Unitholder may redeem all or some of its Units in whole on any Dealing Day, provided that the minimum redemption amount is HK$1,000 for HK$ Class Units. Partial redemptions may be made, as long as the minimum holding of HK$1,000 for HK$ Class Units remains in the Unitholder's account after the redemption is completed. If, after redemption, a Unitholder would be left with a balance of Units having a value of less than the minimum holding, the Manager may decide that this request be treated as a request for redemption for the full balance of the Unitholder's

holding of Units. A Unitholder wishing to redeem its Units should complete a redemption form and send it to the Trustee.

Redemption procedure

Redemption requests for Units received by the Trustee prior to 5:30 p.m. (Hong Kong time) on a Dealing Day will be processed using the Net Asset Value per Unit calculated as at the Valuation Point in respect of that Dealing Day less the redemption charge of up to 5% of the redemption price of the Unit and each amount, if any, per Unit as the Manager may determine represents fiscal and sales charges. Redemption requests received by the Trustee after 5:30 p.m. (Hong Kong time) on a Dealing Day, or on a day which is not a Dealing Day, will be processed on the next Dealing Day.

Notwithstanding the immediately preceding paragraph, the Manager, may at its absolute discretion and upon consultation with the Trustee, accept redemption requests for Units after 5:30 p.m. (Hong Kong time) on any Dealing Day. Such redemption requests may be processed on the same Dealing Day if the Manager agrees after consultation with the Trustee.

Investors should confirm the relevant cut-off time with the authorised distributors if they choose to submit the redemption request through such a distributor.

CALCULATION OF NET ASSET VALUE

The Net Asset Value per Unit will be determined by the Trustee as at the Valuation Point in accordance with the terms of the Trust Deed. The details of the valuation rules are described in the Trust Prospectus under "Calculation of Net Asset Value".

DISTRIBUTION POLICY

The Manager does not presently intend to make cash distributions in respect of the Fund. Income earned by the Fund will be reinvested in the Fund and reflected in the value of its Units.

CHARGES AND EXPENSES

Management Fee

The Manager is entitled to receive, on an annual basis, a management fee from the Trust, currently at a rate of 1.75% per annum with respect to the Units of the Net Asset Value of the Fund calculated and accrued as at each Dealing Day.

The management fee is payable monthly in arrears.

The Manager may at any time charge a smaller percentage with authority, on giving notice to the Trustee, to increase it to a larger percentage (up to a maximum rate of 2.5% per annum of the Net Asset Value of the Fund) with effect from the expiry of three months' notice in writing given by the Manager to the Holders.

Initial Charge and Redemption Charge

The Manager is entitled to receive an initial charge of up to 5% of the issue price of each Unit and a redemption charge of up to 5% of the redemption price of each Unit.

The Manager may pay the whole or a part of the initial charge and/or redemption charge to any intermediary.

Trustee Fee

The Trustee is currently entitled to receive, on an annual basis, a Trustee Fee from the Trust at a sliding scale at a rate of up to 0.125% per annum of the aggregate Net Asset Value of this Fund calculated and accrued as at each Dealing Day, subject to an annual minimum fee of US$40,000. With effect from 1 May 2020, the annual fee component of the Trustee Fee of the Fund will change such that it will comprise: (a) up to 0.125% per annum of the Net Asset

Value of the Fund, subject to an annual minimum fee of US$40,000; and (b) a flat fee of US$4,000 per annum. For the avoidance of doubt, the maximum permitted level of the Trustee Fee (i.e. 1% per annum of the Net Asset Value of the Fund) remains unchanged as a result of the change of the annual fee component of the Trustee Fee effective from 1 May 2020.

The Trustee Fee is payable monthly in arrears.

This fee payable to the Trustee includes the fees payable for the services rendered in its capacity as trustee of the Trust and custodian of the assets of the Fund. The Trustee may at any time charge a smaller percentage with authority, or, with the prior approval of the Manager, to increase it to a larger percentage (up to a maximum rate of 1% per annum of the Net Asset Value of the Fund) with effect from the expiry of three months' notice in writing given by the Trustee to the Unitholders.

The Trustee is also entitled to receive from the Trust valuation fees for each daily valuation of the Net Asset Value of the Fund and the Net Asset Value per Unit, processing fees for receiving and processing applications for and redemptions and conversions of Units, sub-custodian safe-keeping fees and transaction fees. The Trustee is also entitled to receive other fees and charges as agreed from time to time and relevant out-of-pocket expenses and disbursements.

Registrar's Fees

The Registrar is entitled to receive, on an annual basis, a fixed fee of US$5,000 from the Trust and other transaction costs to cover each subscription, redemption or transfer and distribution of dividend (if any).