



# HSBC Jintrust Large Cap Equity Securities Investment Fund

Hong Kong Covering Document  
April 2025

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PUBLIC

## **HSBC Jintrust Large Cap Equity Securities Investment Fund**

a fund established pursuant to  
a Fund Contract taking effect from 24 June 2009 (and as amended from time to time)  
between the Fund Manager and the Fund Custodian and  
regulated under the *Securities Investment Funds Law of  
the People's Republic of China*

### **HONG KONG COVERING DOCUMENT**

**This document (herein the “Hong Kong Covering Document”) is supplemental to, forms part of and should be read in conjunction with the prospectus for HSBC Jintrust Large Cap Equity Securities Investment Fund (the “Fund”) as updated from time to time (the “Prospectus”) and the Product Key Facts Statement of the Fund. Unless otherwise provided in this Hong Kong Covering Document, terms defined in the Prospectus shall have the same meaning in this Hong Kong Covering Document.**

**April 2025**

## DIRECTORY OF PARTIES

### **Fund Manager and Registrar**

HSBC Jintrust Fund Management Company  
Limited  
17/F, HSBC Building  
Shanghai International Finance Centre  
8 Century Avenue  
Pudong New District  
Shanghai

### **Board of Directors of the Fund Manager**

Liu Pengfei  
He Huifen  
Wu Xu  
Lee Suen Chun  
Mei Jianping  
Dicky Yip  
Hu Dayuan

### **Fund Custodian**

Bank of Communications Co., Ltd.  
188 Yincheng Middle Road  
Pudong New District  
Shanghai

### **Hong Kong Representative**

HSBC Investment Funds (Hong Kong)  
Limited  
Level 22, HSBC Main Building  
1 Queen's Road Central  
Hong Kong

### **Accounting Firm**

PricewaterhouseCoopers Zhong Tian LLP  
Certified Public Accountants  
6/F DBS Bank Tower, 1318 Lu Jia Zui Ring  
Road,  
Pudong New Area, Shanghai 200120, PRC

### **Legal adviser to the Fund Manager (as to Hong Kong law)**

Deacons  
5/F, Alexandra House  
18 Chater Road  
Central  
Hong Kong

# IMPORTANT INFORMATION FOR INVESTORS

If you are in doubt about the contents of the Prospectus, this Hong Kong Covering Document or the Product Key Facts Statement, you should consult your bank manager, legal adviser, accountant or other independent financial adviser.

Units are offered only on the basis of the information contained in the Prospectus, this Hong Kong Covering Document and the Product Key Facts Statement, which are valid only if accompanied by a copy of the latest annual report and, if published thereafter, the latest half-yearly and quarterly report.

HSBC Jintrust Fund Management Company Limited, the Fund Manager, accepts full responsibility for the accuracy of the information contained in the Prospectus, this Hong Kong Covering Document and the Product Key Facts Statement of the Fund, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement in these documents misleading. However, neither the delivery of the Prospectus, this Hong Kong Covering Document or the Product Key Facts Statement of the Fund nor the offer or issue of Units shall under any circumstances constitute a representation that the information contained therein is correct as of any time subsequent to the date of publication. These documents may from time to time be updated.

The Fund is an open-ended contract-type investment fund established under a Fund Contract taking effect from 24 June 2009 (and as amended from time to time) between the Fund Manager and the Fund Custodian. The Fund has been registered with and is subject to the on-going supervision of the China Securities Regulatory Commission (“CSRC”).

The Fund has been authorised by the Securities and Futures Commission (“SFC”) in Hong Kong under Section 104 of the Securities and Futures Ordinance of Hong Kong (“SFO”) and is available for sale to the public in Hong Kong. Such authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

This Hong Kong Covering Document is prepared for distribution in Hong Kong only. This Hong Kong Covering Document contains additional details of the Fund in connection with its authorisation for distribution in Hong Kong. It must be read in conjunction with the Fund’s latest available Prospectus and the Product Key Facts Statement.

In particular:

## United States

Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or under the securities laws of any state and the Fund has not been and will not be registered under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”).

Units of the Fund may not be offered or sold to any “U.S. Person” (a “**USP**”). For the purposes of this restriction, the term USP shall mean the following:

1. An individual who is deemed a resident of the U.S. under any U.S. law or regulation.
2. An entity:
  - i. that is a corporation, partnership, limited liability company or other business entity:
    - a. that was created or organized under U.S. federal or state law including any non-U.S. agency or branch of such entity; or
    - b. where regardless of place of formation or organization, was organized principally for passive investment (such as an investment company or fund or similar entity other than an employee benefit plan or employee pension scheme for the employees, officers, or principals of a non-U.S. entity having its principal place of business outside the United States);
      - and owned directly or indirectly by one or more USPs, with respect to which such USPs (unless defined as a Qualified Eligible Person under CFTC Regulation 4.7(a)) directly or indirectly hold in the aggregate 10% or greater beneficial interest; or
      - where a USP is the general partner, managing member, managing director or other position with authority for directing the entity’s activities; or
      - was formed by or for a USP principally for the purpose of investing in securities not registered with the Securities and Exchange Commission (“**SEC**”); or
      - where more than 50% of its voting ownership interests or non-voting ownership interests are directly or indirectly owned

by USPs; or

- c. that is any agency or branch of a non-U.S. entity located in the U.S.; or
- d. has its principal place of business in the U.S.; or
- ii. that is a trust created or organized under U.S. federal or state law or regardless of the place of creation or organization;
  - a. where one or more USPs has the authority to control all substantial decisions of the trust; or
  - b. where the administration of the trust or its formation documents are subject to the supervision of one or more U.S. courts; or
  - c. where any settlor, founder, trustee, or other person responsible for decisions related to the trust is a USP; or
- iii. that is an estate of a deceased person regardless of where the person resided while alive where an executor or administrator is a USP.
- 3. An employee benefit plan established and administered in accordance with the laws of the U.S.
- 4. A discretionary or non-discretionary investment account or similar account (other than an estate or trust) held by a non-U.S. or U.S. dealer or other fiduciary for the benefit or account of a USP (as defined above).

For the purpose of this definition, the “United States” and “U.S.” means the United States of America (including the States and the District of Columbia), its territories, possessions and other areas of subject to its jurisdiction.

If, subsequent to a Unitholder’s investment in the Fund, the Unitholder becomes a USP, such Unitholder will be restricted from making any additional investments in the Fund.

The Fund Manager may, from time to time, waive or modify the above restrictions, subject to the provisions of the Fund Contract.

#### **Canada**

The Units described in this Hong Kong Covering Document are not to be distributed in Canada.

#### **The Mainland-Hong Kong Mutual Recognition of Funds (“MRF”)**

On 22 May 2015, the SFC and the CSRC signed a “*Memorandum of Regulatory Cooperation concerning Mutual Recognition of Funds between the Mainland and Hong Kong*” (the “**Memorandum**”). The Memorandum provides a framework for mutual recognition of publicly offered funds between the CSRC and the SFC so that these recognised funds may be offered to the public in both markets.

Under the MRF framework, securities investment funds regulated by the CSRC and offered for sale to the public in Mainland China (i.e. the People’s Republic of China, which for the purpose of this Hong Kong Covering Document excludes Hong Kong, Macau and Taiwan) may be authorised by the SFC and offered to the public in Hong Kong, subject to any additional requirements imposed by the SFC.

The Fund is registered with and regulated by the CSRC and has been authorised by the SFC under the SFO pursuant to the terms of the MRF. MRF operates under the following principles:

- a) the Fund meets the prevailing eligibility requirements released by the SFC;
- b) the Fund remains registered with the CSRC and is allowed to be marketed to the public within Mainland China;
- c) the Fund generally operates and is managed in accordance with the relevant laws and regulations in Mainland China and its constitutive documents (i.e. the Fund Contract);
- d) the sale and distribution of the Fund in Hong Kong shall comply with the applicable laws and regulations in Hong Kong;
- e) the Fund will comply with the additional rules released by the SFC governing the authorisation, post-authorisation and ongoing compliance, and the sale and distribution of the Fund in Hong Kong; and
- f) during the period the Fund remains authorised by the SFC, the Fund Manager shall ensure Unitholders of both Mainland China and Hong Kong receive fair and the same treatment, including in respect of investor protection, exercise of rights, compensation and disclosure of information.

The Fund Manager confirms that Unitholders of both Mainland China and Hong Kong will receive fair and the same treatment pursuant to (f) above.

Without prejudice to the principle of fair treatment for Mainland China and Hong Kong investors, some of the services mentioned in the Prospectus may not be available to Hong Kong investors (for example, the “Regular Savings Plan” and some services set out in the section “25. Services for Unitholders” of the Prospectus). Hong Kong investors should check with authorised distributors for further details of the services provided to Hong Kong investors. Different authorised distributors may provide different types of services associated with investment in the Fund. Investors may check with authorised distributors for further details.

The Fund is an MRF fund which is subject to the following eligibility requirements:

- a) the Fund is of an eligible fund type under MRF;
- b) the Fund is established and managed and operates in accordance with Mainland China laws and regulations and its constitutive documents;
- c) the Fund is a publicly offered securities investment fund registered with the CSRC under the *Securities Investment Funds Law of the People’s Republic of China*;
- d) the Fund has been established for more than 1 year;
- e) the Fund has a minimum fund size of not less than RMB200 million or its equivalent in a different currency;
- f) the Fund does not primarily invest in the Hong Kong market; and
- g) the value of Units in the Fund sold to Hong Kong investors shall not exceed 80% of the value of the Fund’s total assets.

The Fund Manager is registered and operates in Mainland China in accordance with Mainland China laws and regulations and is licensed by the CSRC to manage publicly offered securities investment funds.

The Fund Custodian is qualified to act as custodian for publicly offered securities investment funds pursuant to Mainland China laws and regulations.

Following SFC authorisation, if the Fund ceases to meet the requirements prescribed by the SFC from time to time, the Fund Manager shall notify the SFC immediately. The Fund may not continue to be marketed to the public in Hong Kong and may not accept new subscriptions.

Investors should note that, when the value of Units in the Fund sold to Hong Kong investors is approaching and is expected to breach the

80% limit mentioned in sub-paragraph (g) above, the Fund should notify the SFC in writing immediately, and suspend subscription or apply a fair arrangement to apportion subscription orders to keep the Hong Kong holding within the 80% limit. In these circumstances, there is a risk that Hong Kong investors may not be able to subscribe for the number of Units they desire (or not able to subscribe for any Units at all). For the avoidance of doubt, even if the 80% limit is reached, Hong Kong investors can continue to hold their existing Units in the Fund and such Units will not be compulsorily redeemed.

#### **Hong Kong Representative**

The Hong Kong Representative is HSBC Investment Funds (Hong Kong) Limited. The Hong Kong Representative has been appointed by the Fund Manager in accordance with the Code on Unit Trusts and Mutual Funds (the “**Code**”). The fees (if any) of the Hong Kong Representative are borne by the Fund Manager.

#### ***Contact details of the Hong Kong Representative:***

HSBC Investment Funds (Hong Kong) Limited  
Level 22, HSBC Main Building,  
1 Queen’s Road Central,  
Hong Kong

Telephone: (852) 2284 1118

#### ***Collection of personal data by the Hong Kong Representative***

- (1) Information (including personal data, confidential information and information necessary to assess tax status) provided by investors on the application form, and details of transactions or dealings between the investors and the Hong Kong Representative will be used, shared, stored, processed, transferred and disclosed (in and outside Hong Kong) so that the Hong Kong Representative or a member of the HSBC Group can carry out its obligations in respect of the Fund or for other purposes including but not limited to (a) providing services to the Unitholder, (b) fulfilling or complying with any applicable statute, law, regulation, ordinance, rule, judgment, decree, voluntary code, directive, sanctions regime, court order, agreement with authorities (“**Laws**”); any demands from authorities or obligations under Laws; and Laws requiring any member of the HSBC Group to verify investors’ identity (“**Compliance Obligations**”), (c) detecting, investigating and preventing fraud, money laundering, corruption, tax evasion and any other crime or attempts to violate laws and fulfilling related Compliance Obligations, (d) enforcing or defending HSBC Group’s, or a member of the HSBC Group’s rights, (e) fulfilling internal operational requirements of the HSBC Group, (f) maintaining HSBC Group’s overall relationship with the Unitholder.
- (2) Failure to provide information may result in the Hong Kong Representative being unable to provide services to investors or taking appropriate action or reporting to tax authorities. Information may be shared with other parties including but not limited to entities within the HSBC Group (provided that such information will be protected by HSBC Group’s data protection policy).
- (3) Investors have the right to request access to and correction of any personal data or to request the personal data not to be used for direct marketing purposes.
- (4) Collection and use of personal data will be subject to the requirements under the Personal Data (Privacy) Ordinance of Hong Kong.

**Enquiries and Complaints**

Enquiries and complaints concerning the Fund (including information concerning subscription and redemption procedures and the current Net Asset Value) should be directed to HSBC Investment Funds (Hong Kong) Limited at (852) 2284 1118 or at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong. HSBC Investment Funds (Hong Kong) Limited will respond to any enquiry or complaint as soon as practicable and in a timely fashion.

**Schemes not Authorised By SFC**

In relation to fund(s) as set out in the Hong Kong offering documents, only the Fund is authorised by the SFC for offering to the public in Hong Kong pursuant to section 104 of the SFO.

**Warning:** Please note that the other fund(s) mentioned in the Hong Kong offering documents may not be authorised by the SFC for offering to the public in Hong Kong. It is an offence to offer any of these funds which have not been authorised by the SFC to the public in Hong Kong unless an exemption under section 103 of the SFO applies. Intermediaries should take note of this.

**Classes of Units for Hong Kong Investors**

Only Class H Units are available to Hong Kong investors. Hong Kong investors should pay attention to the details and specific features of such Class H Units as disclosed in this Hong Kong Covering Document. If there are inconsistencies with the Prospectus concerning any information about Class H Units, the disclosure in this Hong Kong Covering Document shall prevail.

Class H Units are denominated in Renminbi (RMB). At the time Class H Units are first issued, the initial value of Class H Units will be set at RMB1.0000.

The Net Asset Value per Class H Unit as at the relevant Hong Kong Dealing Day will be determined by calculating the Net Asset Value of the Fund attributable to Class H Units after the market closes on the same day taking into account the liabilities and assets specifically attributable to Class H Units and dividing that amount by the total number of Class H Units on the relevant Hong Kong Dealing Day, with the result being rounded to 4 decimal places. Fractions of Class H Units may be issued for up to 2 decimal places.

Dealing in Class H Units will be in accordance with the procedures set out below under "Dealing and Settlement Procedures in Hong Kong".

**Changes and Notification**

Changes to the Fund will be made in accordance with the applicable Mainland China laws and regulations and the provisions of the Fund's constitutive documents. Such changes (which may impact on Class H Units) shall be effective upon approval by the CSRC or compliance with the appropriate procedures in Mainland China, and thereafter, the changes shall be submitted to the SFC for filing, except where such changes are subject to prior approval from the SFC pursuant to applicable regulatory requirements including but not limited to (i) changes that concern the eligibility of the Fund under the MRF arrangement and (ii) changes affecting Hong Kong investors only and falling within Chapter 11.1 of the Code. Unitholders will be notified of the changes pursuant to applicable regulatory requirements.

Notices and ongoing disclosure of information of the Fund shall be made available to Mainland Chinese investors and Hong Kong investors at the same time, except for any notice to Mainland Chinese investors which is issued only in respect of classes of Units of the Fund not available in Hong Kong and not relevant to Hong Kong investors, or relate solely to issues that have no impact on Hong Kong investors. The Fund Manager shall take reasonable steps and measures to ensure that notices affecting both Mainland China and Hong Kong investors are dispatched to investors in Mainland China and Hong Kong at the same time.

Notices (in English and traditional Chinese) in electronic form will be posted on the Hong Kong website of HSBC Global Asset Management (Hong Kong) Limited at [www.assetmanagement.hsbc.com/hk](http://www.assetmanagement.hsbc.com/hk) for Hong Kong investors. Investors may visit this website for further information on and the latest notices of the Fund. This website has not been reviewed by the SFC.



## **Investment Objectives and Strategies**

Investors' attention is drawn to the investment objectives, strategies and other details on the Fund's investments in sub-sections (I) – (IV) in the section "13. Fund Investment" of the Prospectus and the Product Key Facts Statement. Additional information on the Fund's investment objectives and strategies is set out below for investors' further reference:

### **1. Investment Objectives**

The Fund aims to deliver strong investment returns and outperform the benchmark consistently. The Fund's benchmark is: CSI 300 Index \* 90% + Interbank deposit rate \* 10%. For details relating to the benchmark, please refer to sub-section (V) in the section "13. Fund Investment" of the Prospectus. The Fund seeks to invest in Mainland China large-cap blue chip companies that are in leading positions in various industries and are expected to generate sustainable profit growth. On the basis of risk control, the Fund will invest in Mainland China companies that offer solid dividend income and long-term capital growth.

### **2. Investment Strategy**

The Fund is an equity fund with its primary scope of investment in the equities issued and listed in the PRC in accordance with laws. The Fund is also permitted to invest, on an ancillary basis, in Mainland treasury bonds, financial bonds, enterprise bonds, central bank bills, convertible bonds, warrants, asset-backed securities, and other financial instruments which are eligible for fund investments as permitted by the national securities regulatory authorities. After taking appropriate procedures, the Fund Manager may include other types of investments, if permitted by laws and regulations or by any regulatory authorities in the future, in the Fund's investment scope.

The asset allocation of the Fund's portfolio is as follows: equities shall account for 85%-95% of the Fund's assets, and warrants shall account for 0-3%, of the net asset value of the Fund. Investment in fixed income securities and cash shall account for 5% -15% of the Fund's assets, of which investment in cash (not including settlement provisions, guarantee deposits paid or subscription amount receivables) or government bonds which have a maturity of less than one year shall account for at least 5% of the net asset value of the Fund.

The Fund invests no less than 80% of its equity assets in the equities of large-cap blue chip Mainland companies listed on the China A-share market, which are undervalued but with sustainable and stable profit growth and have established leading position in their respective sectors. The Fund Manager will rank the stocks listed on the China A-share market quarterly in a descending order according to their respective total market capitalization. The top 30% of stocks with the largest total market capitalization are considered as large caps. In the event the market capitalization of the invested stocks falls and the stocks are no longer considered as large caps, the Fund may continue to hold such stocks but will dispose of them within a reasonable time of no longer than 3 months or acquire other large caps to ensure that it complies with the 80% requirement. However, the Fund may invest less than 80% of its equity assets in the equities of large-cap blue chip Mainland companies if the proportion of investment in large caps falls below the above requirement as a result of relative changes in prices of stocks held by the Fund (i.e. when the prices of large caps fall so that the percentage invested in large caps falls below 80% of the Fund's equity assets), provided that the Fund Manager shall make adjustment (e.g. increase the holding in large caps so that the 80% requirement is maintained) within a reasonable period of no longer than 3 months.

In course of the Fund's practical management, the actual asset allocation of the Fund will be adjusted proactively by the Fund Manager (but will still be within the percentage limits specified above), taking into account the macro-economic conditions of the PRC and cyclical changes in the securities market, with an aim to achieve an optimal risk-return balance for all investment in various assets while maintaining the investment percentage within the above limits. Subject to any applicable requirements of laws and regulations, the Fund Manager may make appropriate adjustment to the above percentage.

The Fund may from time to time invest substantially in shares listed on ChiNext Board and/or the Science and Technology Innovation Board (provided that such investment is in compliance with the investment strategy in the Fund Contract).

Where the Fund invests in financial derivative instruments, (including warrants) such instruments will be used for hedging purpose only.

### **Additional Disclosure on Securities Lending and/or Repurchase Transactions**

The Fund does not engage in borrowing, margin facilities or financing, securities lending, repurchase transactions, reverse repurchase transactions similar over-the-counter transactions. Prior regulatory approval will be sought and at least one month's prior notice will be given to Unitholders in Hong Kong if there is a change in this policy.

### **Risk Factors**

**Investors should refer to the section headed "21. Risk Disclosure" in the Prospectus as are relevant to investment in the Fund and the following additional information in respect of the risks associated with investing in the Fund:**

#### **1. Risks associated with the MRF arrangement**

- *Quota restrictions:* The MRF scheme is subject to an overall quota restriction. Subscription of Units in the Fund may be suspended at any time if such quota is used up.
- *Failure to meet eligibility requirements:* If the Fund ceases to meet any of the eligibility requirements under the MRF, it may not

be allowed to accept new subscriptions. In the worst-case scenario, the SFC may withdraw its authorisation for the Fund to be publicly offered in Hong Kong for breach(es) of eligibility requirements. There is no assurance that the Fund can satisfy these requirements on a continuous basis.

- *Mainland China tax risk:* Currently, certain tax concessions and exemptions are available to the Fund and/or its investors under the MRF regime. There is no assurance that such concessions and exemptions or Mainland tax laws and regulations will not change. Any change to existing concessions and exemptions as well as relevant laws and regulations may adversely affect the Fund and/or its investors, who may suffer substantial losses as a result.
- *Different market practices:* Market practices in the Mainland China and Hong Kong may be different. In addition, operational arrangements of the Fund and other public funds offered in Hong Kong may be different in certain ways. For example, subscriptions or redemptions of Units may only be processed on a Hong Kong Dealing Day (i.e. a business day in both the Mainland China and Hong Kong), or the Fund may have different cut-off times or dealing day arrangements versus other SFC-authorised funds. Investors should ensure that they understand these differences and their implications.

## **2. Investment risks**

- The Fund is an investment fund. There is no guarantee on the repayment of principal or payment of dividends or distribution. Further, there is no guarantee that the Fund will be able to achieve its investment objectives, or that the stated strategies can be successfully implemented.

## **3. Substantial redemption risk**

- Substantial redemptions of Units in the Fund may require the Fund Manager to liquidate investments of the Fund rapidly which would adversely affect the Net Asset Value of the Fund, and may result in suspension or delay in redemption process in the worst case. Pursuant to Mainland China regulations, the payment of proceeds of redemption may be deferred by not more than 20 Working Days, where a situation of continuous Substantial Redemption (as defined in the Prospectus) occurs.

## **4. Concentration risks/Mainland China market risks**

- The Fund invests primarily in securities related to the Mainland China market and may be subject to additional concentration risks. Investing in the Mainland China market may give rise to different risks including political, policy, tax, economic, foreign exchange, legal, regulatory and liquidity risks.

## **5. RMB currency and conversion risks**

- RMB is currently not freely convertible and is subject to exchange controls and restrictions which, under exceptional circumstances, may cause a delay in payment of redemptions and/or dividend payments in RMB.

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## **6. Mainland China equity risks**

- *Market risk:* The Fund's investment in equity securities is subject to general market risks, and its value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.
- *Volatility risk:* High market volatility and potential settlement difficulties in the Mainland China equity markets may also result in significant fluctuations in the prices of securities traded on such markets and may thereby adversely affect the value of the Fund.
- *Policy risk:* Securities exchanges in the Mainland China typically have the right to suspend or limit trading in any security traded on the relevant exchange. The Mainland Chinese authorities may also implement policies that may affect the financial markets and thus the Fund.
- *High stock valuation risk:* The stocks listed on the Mainland China stock exchanges may have a higher price-to-earnings ratio. Such high valuation may not be sustainable.
- *Liquidity risk:* Securities markets in Mainland China may be less liquid than other developed markets. The Fund may suffer substantial losses if it is not able to dispose of investments at a time it desires.

## **7. Risks associated with ChiNext market and/or the Science and Technology Innovation Board (STAR Board)**

- *Higher fluctuation on stock prices and liquidity risk:* Companies listed on ChiNext market and/or STAR Board are usually of emerging nature with a smaller operating scale. Companies listed 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, investments in these boards may be subject to higher fluctuations 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 ChiNext market and STAR Board may be less stringent in terms of matters such as profitability, track record and share capital than those on the main board.
- *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 board. This may have an adverse impact on the Fund if the companies that it invests in are delisted.
- *Concentration risk:* STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the Fund to higher concentration risk.
- Investments in ChiNext market and/or STAR Board may result in significant losses for the Fund and its investors.

#### 8. *Mainland China debt securities risks*

- *Volatility and liquidity risks:* The Mainland China debt securities markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of such securities may be subject to fluctuations.
- *Counterparty risk:* The Fund is exposed to the credit/default risk of issuers of the debt securities that the Fund may invest in.
- *Interest rate risk:* Investment in the Fund is subject to interest rate risk. In general, the prices of debt securities tend to rise when interest rates fall, and vice versa.
- *Downgrading risk:* The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Fund may be adversely affected. The Fund Manager may or may not be able to dispose of the debt instruments that are being downgraded.
- *Credit rating agency risk:* The Mainland China's credit appraisal system and rating methodologies may be different from those employed in other markets. Credit ratings given by Mainland China rating agencies may therefore not be directly comparable with those given by other international rating agencies.
- *Risk associated with asset-backed securities:* The Fund may invest in asset-backed securities (including asset-backed commercial papers) which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risks compared to other debt securities. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

#### 9. *Taxation risk*

- Investors should note specific uncertainty in tax position and tax risks relating to potential tax liabilities on income and gains that arise from investing in, holding or disposing of Units in the Fund. Changes in tax regulations and/or the tax provisioning policy of the Fund will impact investors remaining in the Fund. Investors who have sold or redeemed their interests prior to such change will not be impacted. Investors may be advantaged or disadvantaged depending upon whether and how gains arising from the disposal of Units and distributions from the Fund will ultimately be taxed and when the investors invested in the Fund. There are certain risks relating to the Mainland China tax regime and FATCA, as further described in the section below headed "**Taxation**".

#### **Dealing and Settlement Procedures in Hong Kong**

For Hong Kong investors, the details on the minimum initial investment, minimum subsequent investment, minimum redemption and the minimum holding in respect of the Fund are set out below:

Minimum initial investment	Minimum subsequent investment	Minimum redemption	Minimum holding
RMB10,000	RMB10,000	RMB10,000	RMB10,000

For the purpose of dealing in Units in Hong Kong, a "**Hong Kong Dealing Day**" shall be *both* (1) a Business Day in Mainland China (i.e. a trading day of the Shanghai Stock Exchange and Shenzhen Stock Exchange) *and* (2) a business day in Hong Kong on which banks are open for normal banking business. Where as a result of a number 8 typhoon signal, black rainstorm warning or other similar event, the period

during which banks in Mainland China or Hong Kong are open on any day is reduced, such day shall not be a Hong Kong Dealing Day unless the Fund Manager determines otherwise. Subscription and redemption of Units in Hong Kong take place on each Hong Kong Dealing Day, save for a period of suspension of valuation of and dealing in Units of the Fund set out below under the heading “Suspension of Valuation and Dealing” under the section “**Net Asset Value**”.

### ***Subscription Procedures***

In general, applications for Class H Units in the Fund by Hong Kong investors may be sent to authorised distributors appointed to distribute Units of the Fund in Hong Kong. The authorised distributors will forward the subscription requests to the Hong Kong Representative or service provider(s) to be appointed by it from time to time which will forward such requests to the Registrar, which is responsible for handling registration and settlement of Class H Units.

To subscribe for Units in the Fund at the Net Asset Value per Unit on a Hong Kong Dealing Day (calculated as of the close of the relevant market), investors should submit a properly documented request for subscription to the authorised distributors. To be dealt with on a Hong Kong Dealing Day, a subscription request must be received by an authorised distributor no later than 3 p.m. (Hong Kong time) on the relevant Hong Kong Dealing Day. Where a subscription request is received after 3 p.m. (Hong Kong time), the request will be dealt with on the next following Hong Kong Dealing Day. Units are usually allotted within 2 Hong Kong Dealing Days after the relevant request is accepted, whereupon the relevant authorised distributor is expected to notify investors of the outcome of the subscription.

The number of Units allotted will be calculated by reference to the Net Asset Value per Unit, after taking into account the subscription charge. Please refer to the section “**Fees and Expenses**” for further details.

Unless otherwise agreed by the Fund Manager, investors must pay subscription proceeds fully to the authorised distributor in cleared funds at the time the subscription request is submitted. The Fund Manager reserves the right to deem subscription requests not accompanied by cleared funds to be invalid so that they will not be processed by the Hong Kong Representative. In such case, any late subscription proceeds will be refunded to the investor (without interest after deduction of any bank charges incurred).

Notwithstanding the foregoing, the Fund may rely upon orders placed, even prior to receipt of subscription monies, and may invest the expected subscription amounts. Under normal circumstances, any failure by an investor to transmit subscription monies within 7 Hong Kong Dealing Days of receipt of a properly documented subscription request given to the authorised distributor (provided that such request is accepted by the Fund Manager) may result in certain losses, costs or expenses for the account of the Fund. Investors agree to indemnify the Fund Manager, the Fund Custodian and other service providers for any losses, costs or expenses incurred by them as a result of the failure of the investors to transmit subscription monies in immediately available funds for the account of such Fund by the relevant deadline for receipt of subscription monies.

Payment for Units should be made in RMB. If payment is made in any other currency, the authorised distributors may in its discretion arrange for the necessary foreign exchange transactions (at prevailing market exchange rates, i.e. the market exchange rate applied by the bank at the relevant time of currency conversion) before the subscription request is forwarded to the Registrar on that Hong Kong Dealing Day. Currency conversion is subject to the availability of RMB and investors may be exposed to currency risks. All bank charges will be borne by the investor.

**No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on the Type 1 (dealing in securities) regulated activity under Part V of the Securities and Futures Ordinance.**

Notwithstanding the foregoing, individual authorised distributors may have different dealing arrangements and procedures (including supporting documents and means of transmission of dealing requests) that must be complied with when Units are acquired through such distributors. In particular, authorised distributors may impose earlier dealing deadlines for receiving instructions for subscriptions. Investors should pay attention to the arrangements of the distributors concerned.

There may also be changes to the arrangements for subscription and dealing deadline as a result of market events. Investors should inquire with the Hong Kong Representative or authorised distributors for the relevant arrangements.

Notwithstanding that a subscription request has been submitted to the authorised distributor, the Fund Manager retains its absolute discretion to reject an investor's subscription in whole or in part, in accordance with the Fund Contract or relevant Mainland China laws and regulations.

Currently, Hong Kong investors may not switch from the Fund to any other investment funds managed by the Fund Manager. The Fund Manager may, at its discretion in the future, offer fund switching to other SFC authorised funds managed by the Fund Manager (after consultation with the Hong Kong Representative) for Hong Kong investors and in that case the Fund Manager will notify Hong Kong investors. In any event, where switching is offered in future, investors may only switch into investment funds that have been authorised by the SFC.

### ***Redemption Procedures***

A Hong Kong Unitholder who wishes to request a redemption of the whole or any part of his holding of Class H Units in the Fund may submit his redemption request to the authorised distributor through which Units were acquired. The authorised distributors will forward the redemption requests to the Hong Kong Representative or service provider(s) to be appointed by it from time to time which will forward such

requests to the Registrar, which is responsible for handling registration and settlement of Class H Units.

To redeem Units in the Fund at the Net Asset Value per Unit on a Hong Kong Dealing Day (calculated as of the close of the relevant market), investors should submit a properly documented request for redemption to the authorised distributors. To be dealt with on a Hong Kong Dealing Day, a redemption request must be received by an authorised distributor no later than 3 p.m. (Hong Kong time) on the relevant Hong Kong Dealing Day. Where a redemption request is received after 3 p.m. (Hong Kong time), the request will be dealt with on the next following Hong Kong Dealing Day. Units are usually redeemed within 2 Hong Kong Dealing Days after the relevant request is accepted, whereupon the relevant authorised distributor is expected to notify investors of the outcome of the redemption.

The redemption proceeds will be calculated by reference to the Net Asset Value per Unit. A redemption charge will be deducted from the amount payable to the investors. Please refer to the section “**Fees and Expenses**” for further details.

If, upon redemption of Class H Units held by a Unitholder, the remaining balance of the Units is of a value less than RMB10,000 upon or after the redemption, the redemption request shall be treated as a request to redeem all remaining Units held by the Unitholder. In other words, the remaining Units will be compulsorily redeemed and this compulsory redemption will be processed without consent of or notification to the investors.

Notwithstanding the foregoing, individual authorised distributors may have different dealing arrangements and procedures (including supporting documents and means of transmission of dealing requests) that must be complied with when Units are redeemed through such distributors. In particular, authorised distributors may impose earlier dealing deadlines for receiving instructions for redemptions. Investors should pay attention to the arrangements of the distributors concerned.

There may also be changes to the arrangements for redemption and dealing deadline as a result of market events. Investors should inquire with the Hong Kong Representative or authorised distributors for the relevant arrangements.

Proceeds from redemption after deduction of the applicable redemption charge will be paid in RMB to the registered Unitholder by telegraphic transfer with bank details to be provided by the relevant Unitholder usually within 7 Hong Kong Dealing Days of receipt of a properly documented redemption request given to the authorised distributor (provided that such request is accepted by the Fund Manager). Pursuant to Mainland China regulations, the payment of proceeds of redemption may be deferred by not more than 20 Working Days, where a situation of continuous Substantial Redemption occurs. In addition, if the business operation is affected by Force Majeure (as defined in the Prospectus) or an event beyond the control of the Fund Manager, the Registrar or the Fund Custodian, such as regulatory requirements or exchange controls, delay in data transmission on a stock exchange or trading market, failure of communication systems, failure of banks' data exchange systems, the redemption proceeds shall be transferred on the next following Hong Kong Dealing Day when the Force Majeure event ceases to exist.

#### ***Changes to information and Anti-money Laundering Checks***

If there is any change in the information contained in a Unitholder's application form or the Unitholder's personal information or details, the Unitholders should notify the Hong Kong Representative (who in turn will notify the Registrar) in writing of any such change and furnish the Hong Kong Representative with such additional documents relating to such change as the Hong Kong Representative or the Fund Manager may request.

In the event of delay or failure to produce any documents or information required for verification of identity or legitimacy of subscription monies, the Fund Manager, the Fund Custodian and/or authorised distributors may refuse to accept an application and the subscription moneys relating thereto. Further, they may delay in paying any redemption proceeds if a Unitholder delays in producing or fails to produce any documents or information required for the purposes of verification of identity, and may refuse to make payment to a Unitholder if either of them suspects or is advised that (i) such payment may result in a breach or violation of any anti-money laundering law or other laws or regulations by any person in any relevant jurisdiction; or (ii) such refusal is necessary or appropriate to ensure compliance with any such laws or regulations in any relevant jurisdiction.

#### **Nominee Arrangements and Unitholder Meetings**

For Hong Kong investors, the holding of Units in the Fund will be through the relevant authorised distributors or their nominees. As such, the authorised distributor or its nominee will act as nominee and be recorded as the holder of the relevant Units by the Registrar. Therefore, the underlying investors will not be recorded as the holder of the relevant Units.

Each authorised distributor is expected to keep a record of the underlying holders on behalf of whom it holds Units in the Fund.

Because of the nominee arrangement, the relevant authorised distributor or its nominee will be recorded as holder on the register of the Fund (in this section an authorised distributor (or its nominee) is referred to as the “**Nominee Account Holder**”), and it will be entitled to exercise the rights as a holder of Units (including but not limited to voting rights, the right to take legal action against the Fund Manager and Fund Custodian), instead of the individual underlying investors.

The Fund Manager will communicate details of all Unitholder Meetings such as meeting date, time and the resolutions relating to the Fund to the Nominee Account Holders who are expected to further notify Hong Kong investors of such details, together with the voting

arrangements as soon as practicable. Hong Kong investors may vote by giving instructions to the Nominee Account Holders. The Nominee Account Holders will consolidate the voting instructions from Hong Kong investors and submit such instructions to the Fund Manager. These instructions will be processed pursuant to the provisions of the Fund Contract.

Investors must comply with the arrangements and deadlines specified by the relevant Nominee Account Holder, in order to participate in the voting process in Unitholder Meetings.

Hong Kong investors should consider the above and understand the difference in position as a result of holding Units by way of a nominee arrangement. In particular, Hong Kong investors will exercise their rights in the Fund through a nominee, whereas Mainland China investors holding Units directly are entitled to exercise their rights in the Fund directly.

#### **Net Asset Value**

##### ***Publication of the Net Asset Value per Unit***

The Net Asset Value per Class H Unit shall be made available on each Hong Kong Dealing Day on the Hong Kong website of HSBC Global Asset Management (Hong Kong) Limited at [www.assetmanagement.hsbc.com/hk](http://www.assetmanagement.hsbc.com/hk). This website has not been reviewed by the SFC.

##### ***Suspension of Valuation and Dealing***

Any suspension of the determination of the Net Asset Value of the Fund and the subscription or redemption of Units of the Fund will be announced as soon as practicable on the Hong Kong website of HSBC Global Asset Management (Hong Kong) Limited at [www.assetmanagement.hsbc.com/hk](http://www.assetmanagement.hsbc.com/hk) in accordance with and under the circumstances described in the section headed “8. Subsequent Subscription and Redemption of Fund Units”, within such timeframe as required under applicable regulations.

For any suspension or deferral of dealings of the Fund requiring notification to the CSRC, the SFC shall also be notified correspondingly.

Investors should note that the aforesaid website has not been reviewed by the SFC.

#### **Distribution Policy**

The Fund is allowed to distribute income generated from the Fund’s investment attributable to the Class H Units during the relevant period. Such distribution will not be paid from capital.

Dividends, if declared, will be paid at such times as the Fund Manager in its discretion determines, and will be by way of cash dividend only.

#### **Fees and Expenses**

Investors should refer to the section headed “18. Fund Expenses and Taxes” of the Prospectus for the applicable fees and expenses for the Fund.

In addition, notwithstanding the disclosure in the Prospectus, Class H Units will be subject to a *different* level of subscription charge and redemption charge, as set out in this section.

Subscription of Class H Units is subject to a subscription charge of up to 5.00% of the total subscription proceeds. The Fund Manager may (i) agree and acknowledge that it waives its rights to retain any of the subscription charge and (ii) allow distributors and intermediaries to retain and receive this charge. An illustrative example of the subscription charge is set out below for reference:

Example: Assuming that an investor invests RMB10,000 to subscribe for Class H Units, the rate of the applicable subscription charge is 5.00%, and the net asset value of a Class H Unit on the same Hong Kong Dealing Day is RMB1.2000, then the number of Units shall be calculated as follows:

Subscription charge =  $\text{RMB}10,000 \times 5.00\% = \text{RMB}500$

Net subscription proceeds =  $\text{RMB}10,000 - \text{RMB}500 = \text{RMB}9,500$

Number of Units subscribed =  $\text{RMB}9,500.00 / \text{RMB}1.2000 = 7,916.67$  Units

Therefore, the investor receives 7,916.67 Class H Units in the Fund by investing RMB10,000 in the above example.

Redemption of Class H Units is subject to a redemption charge of 0.13% of the total redemption proceeds. All of the redemption charge shall become the asset of the Fund. An illustrative example of the redemption charge is set out below for reference:

Example: Assuming that an investor redeems 20,000 Units from the Fund, the rate of the applicable redemption charge is 0.13%, and the net asset value of a Class H Unit on the same Hong Kong Dealing Day is RMB1.2000, then redemption proceeds to be paid to the investor shall be calculated as follows:

Total value of Units = RMB1.2000 \* 20,000 = RMB24,000

Redemption charge = RMB24,000 \* 0.13% = RMB31.20

Net redemption proceeds = RMB24,000 – RMB31.20 = RMB23,968.80

Therefore, the investor receives RMB23,968.80 for the redemption effected in the above example.

The attention of prospective investors is drawn to details of other fees and expenses relating to the Fund as set out in the section headed “18. Fund Expenses and Taxes” of the Prospectus.

The Fund Manager may, in its absolute discretion, share with, waive, reduce or rebate the payment of all or any portion of the subscription charge and/or management fee received by the Fund Manager to any person including intermediaries introducing investors.

#### **Taxation**

**Investors may refer to the Prospectus for more information on the possible tax implications. It is the responsibility of investors or prospective investors to inform themselves of, and where appropriate consult their professional advisors on, the possible tax consequences including any tax reporting obligations and/or tax relief of them subscribing for, buying, holding, converting, redeeming or otherwise disposing of Units under the relevant laws of their country of citizenship, residence, or domicile or incorporation. Investors and prospective investors also should bear in mind that levels and bases of taxation, as well as tax authority practices, may change and that such changes may have, depending on countries, retrospective effect.**

**The following statements regarding taxation are based on advice received by the Fund regarding the law and practice in force in the relevant jurisdictions at the date of this Hong Kong Covering Document and may be subject to change.**

#### ***Mainland China***

##### ***(a) Taxation for Investors***

On 18 December 2015, The Ministry of Finance, the State of Administration of Taxation and the CSRC jointly released the Caishui [2015] No.125 (the “**Notice**”) which specifies the Mainland China taxation for investments in Mainland China securities investment funds under MRF (“**Recognised Mainland Funds**”) by Hong Kong investors or investors in Hong Kong (“**Hong Kong Market Investors**”), and as set out below:

##### Corporate Income Tax (“**CIT**”) and Individual Income Tax (“**IIT**”)

Disposal gains of Recognised Mainland Funds derived by Hong Kong Market Investors is temporarily exempt from CIT and IIT respectively. Distributions from Recognised Mainland Funds received by Hong Kong Market Investors would not be subject to CIT and IIT respectively.

##### Business Tax (“**BT**”) and Value Added Tax (“**VAT**”)

Pursuant to the Notice, disposal gains of Recognised Mainland Funds derived by Hong Kong Market Investors are temporarily exempted from BT.

On 23 March 2016, the PRC Ministry of Finance (“**MOF**”) and the State Administration of Taxation (“**SAT**”) jointly issued Caishui [2016] No. 36, which provides detailed implementation guidance on the further rollout of the VAT reform. From 1 May 2016, VAT has replaced BT to cover all sectors, including financial services that used to fall under BT.

Caishui [2016] No. 36 grants VAT exemption on gains realised by Hong Kong Market Investors from the trading of Recognised Mainland Funds under the MRF.

##### Stamp Duty

Mainland China Stamp Duty is temporarily not payable by Hong Kong Market Investors for the subscription, redemption, purchase, sales, gift or inheritance of units/shares of Recognised Mainland Funds.

##### ***(b) Taxation for Mainland China Securities Investment Funds***

##### Corporate Income Tax (“**CIT**”) and Individual Income Tax (“**IIT**”)

Pursuant to Caishui [2008] No. 1, gains realised from the trading of Mainland China shares and bonds, dividend from Mainland China shares, interest from Mainland China bonds and other income by Mainland China securities investment funds shall temporarily be exempted from CIT.

Pursuant to Caishui [2002] No. 128, listed companies and issuers of bonds should withhold a maximum of 20% IIT from payment of dividends or interest to a Mainland China securities investment fund. However, the income tax will be withheld at the rates of 10% and 7% respectively for dividends and interests declared by the Mainland China issuers to Recognised Mainland Funds on the portion of dividends and interests attributable to Hong Kong Market Investors pursuant to the Notice.

#### Value Added Tax (“VAT”)

Pursuant to Caishui [2016] No. 36, capital gains realised from the trading of Mainland China shares and bonds by Mainland China securities investment funds are exempted from VAT. In addition, coupon interests from government bonds and municipal local government bonds received by Mainland China securities investment funds are exempted from VAT.

Recently MOF and SAT jointly issued Caishui [2016] No. 70, which is a supplementary notice to Caishui [2016] No. 36 concerning the financial industry. According to Caishui [2016] No. 70, coupon interests from holding of financial bonds (i.e. bonds issued by PRC incorporated financial institutions in the inter-bank bond market or exchange market) by Mainland China securities investment funds are exempted from VAT.

In accordance with Caishui [2016] No. 140 and Caishui [2017] No. 56, VAT arising from taxable activities in the course of operation of asset management products including Recognised Mainland Funds would be temporarily subject to the simplified tax calculation method charged at a rate of 3% effective from 1 January 2018, unless otherwise specifically exempted. The tax liabilities and surcharges will be borne by and accrued from the Fund’s assets and paid by the Fund Manager as tax payer.

The aforesaid VAT exemption is technically not applicable to interests derived from bonds other than those mentioned above which may be subject to VAT. However, since the actual enforcement of the new VAT rules is currently uncertain, the Fund Manager does not make any VAT provision for interest income from bonds at this stage in accordance with market practice and tax advice received. The Fund Manager will review the tax provisioning policy from time to time and reserves the right to provide for VAT for the account of the Fund as it considers appropriate.

#### Stamp Duty

In addition, sale of A-Shares and B-Shares (“**Mainland Shares**”) is subject to Mainland stamp duty at a rate of 0.1% of the total proceed. The stamp duty is charged to the seller but not the buyer of the Mainland Shares.

Various tax reform policies have been implemented by the Mainland China government in recent years, and existing tax laws and regulations may be revised or amended in the future. Changes in tax policies may reduce the after tax profits of the companies in Mainland China which the Fund invests in, thereby reducing returns from such investments, and/or value of the Units. There is no assurance that current tax exemptions or incentives will not be abolished in the future. Investors should seek their own tax advice on their Mainland China tax position with regard to their investment in the Recognised Mainland Fund.

There is also a possibility that the current tax laws, regulations and practice in Mainland China will be changed with retrospective effect in the future. Such changes may impact the tax provisioning policy and tax position of the Fund, and could have a material adverse impact on the Net Asset Value of the Fund, thereby causing significant losses to investors. Investors may be advantaged or disadvantaged depending upon whether and how the gains arising from the disposal of Units and distributions from the Fund will ultimately be taxed and when the investors invested in the Fund.

Investors should seek their own tax advice on their Mainland China tax position with regard to their investment in the Fund.

### ***Hong Kong***

During such time as the Fund remains authorised under Section 104 of the SFO, it is not expected to be subject to any Hong Kong profits tax arising from the carrying on of its activities as described in the Prospectus and this Hong Kong Covering Document. Except as mentioned below, Unitholders will not be subject to any Hong Kong tax on distributions from the Fund or on capital gains realised on the sale of any Unit.

If the acquisition, holding and redemption of Units is or forms part of a trade, profession or business carried on in Hong Kong, any income derived by the relevant Unitholder may attract Hong Kong profits tax. No Hong Kong stamp duty will be payable on the issue, redemption or transfer of Units.

### ***Foreign Account Tax Compliance***

Sections 1471 – 1474 (referred to as “**FATCA**”) of the U.S. Internal Revenue Code of 1986, as amended (“**IRS Code**”) imposes rules with respect to certain payments to non-United States persons, including interest and dividends from securities of U.S. issuers and gross proceeds from the sale of such securities. All such payments may be subject to withholding at a 30% rate, unless the recipient of the payment satisfies certain requirements intended to enable the U.S. Internal Revenue Service (“**IRS**”) to identify United States persons (within the meaning of the IRS Code) with interests in such payments. To avoid such withholding on payments made to it, a foreign financial institution (an “**FFI**”), such as the Fund (including, generally, other investment funds organised outside the U.S.), generally will be required to enter into an



agreement (an “**FFI Agreement**”) with the U.S. IRS under which it will agree to identify its direct or indirect owners who are United States persons and report certain information concerning such persons to the U.S. IRS.

In general, an FFI which does not sign an FFI Agreement or is not otherwise exempt will face a punitive 30% withholding tax on all “withholdable payments” derived from U.S. sources, including dividends, interest and certain derivative payments made on or after 1 July 2014. In addition, starting from 1 January 2019, gross proceeds such as sales proceeds and returns of principal derived from stocks and debt obligations generating U.S. source dividends or interest will be treated as “withholdable payments.”

Recognising that there may be legal issues with financial institutions entering into an FFI Agreement with the IRS many governments have entered or will enter into an Intergovernmental Agreement (an IGA). The Mainland Chinese government has not entered into an IGA with the U.S. as of the date hereof, although it has substantially negotiated such agreement and has been added to the “white list” countries treated as having an IGA in place.

In relation to the Fund, the Fund Manager intends to comply with FATCA in good time to ensure that none of the Fund’s income is subject to FATCA withholding. In the event that the Fund Manager is not able to comply with the requirements imposed by FATCA and FATCA withholding is suffered on the Fund’s investments as a result of non-compliance, the Net Asset Value of the Fund may be adversely affected and the Fund may suffer significant loss as a result. As of the date hereof, the Fund Manager has already registered with the U.S. IRS as a Registered Deemed-Compliant Financial Institution (including a Reporting Financial Institution under a Model 1 IGA) and has obtained its Global Intermediary Identification Number. The Fund will rely on the Fund Manager’s FATCA registration for the purpose of complying with obligations under FATCA.

In the event a Unitholder does not provide the requested information and/or documentation, the Fund Manager with respect to the Fund reserves the right to take any action and/or pursue all remedies at its disposal including as far as legally permitted, without limitation, reporting the relevant information of such Unitholder to the relevant authorities.

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

#### **Reports**

Audited annual reports incorporating financial statements, unaudited interim reports and quarterly reports shall be made available to each Unitholder in accordance with the section headed “20. Disclosure of Fund Information” of the Prospectus. Annual reports will be made available within 3 months after the end of each year. Interim reports of the Fund will be made available within 2 months after the end of the first half of each year. Quarterly reports of the Fund will be made available within 15 Working Days after the end of each quarter.

Financial reports made available to Hong Kong investors will be supplemented with such additional information as required to be furnished to Hong Kong investors under the MRF arrangement (or otherwise required by the SFC from time to time).

Unitholders will be notified as and when the above reports are available. All the above reports shall be made available to Unitholders electronically on the Hong Kong website of HSBC Global Asset Management (Hong Kong) Limited at [www.assetmanagement.hsbc.com/hk](http://www.assetmanagement.hsbc.com/hk). Investors should note that the aforesaid website has not been reviewed by the SFC. These reports will be also made available for inspection at the registered office of the Hong Kong Representative.

#### **Documents Available To Investors**

Offering documents and ongoing disclosure of information of the Fund (including notices and financial reports) shall be made available to Mainland Chinese investors and Hong Kong investors at the same time, except for any notice to Mainland Chinese investors which is issued only in respect of classes of Units of the Fund not available in Hong Kong and not relevant to Hong Kong investors, or relate solely to issues that have no impact on Hong Kong investors.

Copies of the following documents are available for inspection free of charge during normal business hours on weekdays (excluding Saturdays and public holidays) at the registered office of the Hong Kong Representative:-

- (i) approval documents of the CSRC for the offering of the Fund;
- (ii) the Fund Contract of the Fund, as amended from time to time;
- (iii) the Custody Agreement as referred to in the Prospectus;
- (iv) the Prospectus of the Fund registered with the CSRC, this Hong Kong Covering Document and the Product Key Facts Statement, as amended from time to time;
- (v) financial reports of the Fund under the above section headed “Reports”;
- (vi) legal opinion (issued by Mainland China counsel);
- (vii) the Hong Kong Representative Agreement;

(viii) notices of the Fund to Hong Kong investors;

(ix) such other documents as are set out in the Prospectus to be available for public inspection.

Items (i), (ii), (iii), (v), (vi) and (ix) will be available in simplified Chinese only. Documents set out in item (iv) will be available in English and traditional Chinese only. Item (vii) will be available in English only. All notices to Hong Kong investors set out in item (viii) will be provided in English and traditional Chinese.

Investors may request for specific information regarding items (ii) and (v) in traditional Chinese and/or English by submitting a request in writing to the Hong Kong Representative. The Hong Kong Representative will respond to such request as soon as practicable.

Copies of documents set out in items (iv) and (v) may also be obtained, free of charge, upon request at the registered office of the Hong Kong Representative. Copies of the other documents set out above may be obtained upon payment of a reasonable fee upon request at the registered office of the Hong Kong Representative.

As regards item (iv), the Prospectus of the Fund shall be updated in accordance with the applicable Mainland China laws and regulations; and the Hong Kong Covering Document and the Product Key Facts Statement shall be updated where necessary to reflect corresponding changes.

# **HSBC Jintrust Large Cap Equity Securities Investment Fund**

**Prospectus (Updated)  
(2025 No. 3)**

**Fund Manager: HSBC Jintrust Fund Management  
Company Limited**

**Fund Custodian: Bank of Communications Co., Ltd.**

## Important Information

The Offering of HSBC Jintrust Large Cap Equity Securities Investment Fund (hereinafter referred to as this “Fund”) was approved by the CSRC on 28 April 2009 in its approval document Zheng Jian Xu Ke [2009] No.343. This Fund Contract takes effect on 24 June 2009.

The Fund Manager guarantees that the contents of this Prospectus are true, accurate and complete. This Prospectus has been approved by the CSRC, but in giving the approval for the offering of this Fund, the CSRC does not make any substantive judgment on or guarantee the value and income of the Fund, and does not imply that investment in this Fund is risk-free.

The Fund Manager manages and operates the Fund assets on the principles of the fulfilment of duties, and being honest and credible, prudent and diligent, but does not guarantee that investment in this Fund will be profitable, or that Unitholders will receive minimum income. Since the price of the Fund may go up as well as down, the Fund Manager does not guarantee that Unitholders will receive the full amount that they originally invested.

This Fund invests in the securities market. The net value of the Fund may fluctuate due to such factors as the volatility of securities market. Before investing in this Fund, Investors shall fully understand the risk and return characteristics and features of this Fund product, fully consider its own risk tolerance level, judge the market in a rational manner and make independent decisions on investment behavior such as the intention, timing and quantity of the Subscription (Subsequent Subscription) of the Fund. Investors are entitled to the Fund Income and take the corresponding investment risk based on the units held. The risks associated with the investment in this Fund include: systematic risks arising from the impact of political, economic and social factors on the prices of securities, specific non-systematic risks of individual securities, liquidity risk arising from the continuous and substantial redemption of Fund units by Fund Investors, fund management risk arising in the course of fund management by the Fund Manager, credit risk arising from the investment in bonds by this Fund, the risks associated with

the investment strategies of this Fund, etc. This Fund is an equity fund, with risks higher than money market fund, bond fund and mixed fund, and belongs to the type of funds with higher risk and income among securities investment funds. The initial denomination of this Fund is 1 yuan. The net value of this Fund may be lower than the initial denomination with the impact of securities market fluctuation, thus the Investors of this Fund may suffer loss.

Investment involves risks and Investors shall read the Prospectus and the Fund Contract of this Fund carefully before subscribing (purchasing) this Fund. Past results are not indicative of future performance. The results of the Fund Manager in managing other funds are no guarantee of the result and performance of the new fund.

For individual investors, please read and fully understand the User Privacy Policy of HSBC Jintrust Fund Management Co., Ltd. (<https://www.hsbcjt.cn/zcytk/bmxy>). By reading this privacy policy, you will be aware of and agree upon the collection, use, storage or processing in other ways by HSBC Jintrust of your personal information in accordance with the above-mentioned privacy policy, applicable laws and regulations and relevant regulatory provisions, for the purpose of opening fund accounts for you and carrying out corresponding fund activities and as required by applicable laws and regulations and relevant regulatory provisions (such as provisions on anti-money laundering, investor suitability management, real-name system, etc.). The personal information includes basic personal information, personal identification information, personal property information and other information, including some sensitive personal information. If you do not agree to our processing of your personal information, we will be unable to provide you with fund accounts and corresponding fund business services.

For institutional investors, if the personal information of any third party is required, it should make sure that the source of personal information is legal and that the processing by the fund manager of such personal information does not violate the authorization and consent of such third party. Institutional investors should remind the third party to read the User Privacy Policy of HSBC Jintrust Fund, and, in particular, inform the third party of the methods of information processing to be carried out by the fund manager in accordance with the relevant provisions of the Personal Information Protection Law, and obtain the consent of such third party.

This prospectus (updated) has been reviewed by the Fund Custodian. In

accordance with the requirements of relevant regulations, the Fund Manager will update the following sections of the Prospectus on July 21, 2025: Section III Fund Manager, Subsection II Key Officers. The remaining contents of this Prospectus remain current as of June 9, 2025. The relevant financial data and NAVs are as of 30 June 2025. The financial data in this Prospectus have not been audited.

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# 1. PREFACE

This Prospectus is drafted pursuant to the Law of the People's Republic of China on Securities Investment Funds (hereinafter referred to as the *Funds Law*), the Administrative Measures on the Operation of Publicly Offered Securities Investment Funds (hereinafter referred to as the "*Measures on Operation*"), the Measures for the Supervision and Administration of Distributors of Publicly Offered Securities Investment Funds (hereinafter referred to as the *Measures on Sales*), the Administrative Measures on Information Disclosure of Publicly Offered Securities Investment Funds (hereinafter referred to as the "*Measures on Information Disclosure*"), the Liquidity Risk Management Regulations on the Operation of Publicly Offered Securities Investment Funds (hereinafter referred to as the *Liquidity Risk Management Regulations*) and other relevant provisions and the Fund Contract of HSBC Jintrust Large Cap Equity Securities Investment Fund (hereinafter referred to as the Fund Contract).

This Prospectus explains all the matters necessary for Investors to make investment decisions, such as the investment objectives, strategies, risks and fee rate of HSBC Jintrust Large Cap Equity Securities Investment Fund. Before making any investment decision, Investors shall read this Prospectus carefully.

The Fund Manager guarantees that there is no false record, misleading statement or material omission in this Prospectus, and takes legal responsibility for the truthfulness, accuracy and completeness of this Prospectus. The application for the offering of this Fund is made on the basis of the information set out in this Prospectus. This Prospectus shall be interpreted by the Fund Manager. The Fund Manager does not entrust or authorize any other person to provide any information that is not set out in this Prospectus or to make any explanation or clarification of this Prospectus.

This Prospectus is drafted pursuant to the Fund Contract of this Fund and approved by the CSRC. The Fund Contract is the legal document stipulating the rights and obligations of the Parties to the Fund. Fund Investors become Unitholders and Parties to the Fund Contract from the date they acquire the Fund units pursuant to the Fund Contract. Their holding of the Fund units indicates their acknowledgement and acceptance of the Fund Contract, and they shall enjoy rights and assume obligations



pursuant to the *Funds Law*, the Fund Contract and other relevant provisions. Fund Investors shall carefully read the Fund Contract to understand the rights and obligations of the Unitholders.

For detailed information about Class H Fund Units of this Fund, please refer to the Hong Kong Covering Document of this Fund.

Investors of Class H Units of this Fund shall read the Prospectus together with the Hong Kong Covering Document of this Fund and the product key facts statement of Class H Fund Units of this Fund.

## 2. Definitions

Unless the context otherwise requires, the following terms or abbreviations in this Prospectus shall have the meanings given below:

<b>Fund or the Fund</b>	HSBC Jintrust Large Cap Equity Securities Investment Fund;
<b>Fund Contract</b>	<i>Fund Contract of HSBC Jintrust Large Cap Equity Securities Investment Fund</i> and any valid amendment and supplement thereto;
<b>Prospectus or the Prospectus</b>	<i>Prospectus of HSBC Jintrust Large Cap Equity Securities Investment Fund</i> ;
<b>Updated Prospectus</b>	<i>Updated Prospectus of HSBC Jintrust Large Cap Equity Securities Investment Fund</i> , i.e. the prospectus updated in accordance with the provisions of the relevant Laws and Regulations;
<b>Product Key Facts</b>	Refers to the Product Key Facts Concerning <i>HSBC Jintrust Large Cap Equity Securities Investment Fund</i> and updates thereof;
<b>Custody Agreement</b>	<i>Custody Agreement of HSBC Jintrust Large Cap Equity Securities Investment Fund</i> and any valid amendments or supplements made thereto;
<b>Business Rules</b>	<i>The Business Rules on Open-End Funds of HSBC Jintrust Fund Management Company Limited</i> ;
<b>Offering Announcement</b>	<i>Offering Announcement of Units of HSBC Jintrust Large Cap Equity Securities Investment Fund</i> ;
<b>CSRC</b>	China Securities Regulatory Commission;
<b>The Banking Regulatory Authority</b>	People's Bank of China and / or National Financial Regulatory Administration;
<b>Funds Laws</b>	<i>The Securities Investment Fund Law of the People's Republic of China</i> that was passed at the 5th session of the Standing Committee of the Tenth National People's Congress of the People's Republic of China on 28 October 2003, and was revised at the 30th session of the

Standing Committee of the Eleventh National People's Congress of the People's Republic of China on 28 December 2012, and came into force on 1 June 2013, and was revised at the 14th session of the Standing Committee of the Twelfth National People's Congress of the People's Republic of China on 24 April 2015 in accordance with the *Decision of the Standing Committee of the National People's Congress of the People's Republic of China on Revising Seven Laws including the Port Law of the People's Republic of China*, and the amendments made thereto by the promulgation authority from time to time;

***Measures on Operation***

*Administrative Measures on the Operation of Publicly Offered Securities Investment Funds* that was promulgated on July 7, 2014 by CSRC and came into force on August 8, 2014, and the amendments made thereto by the promulgation authority from time to time;

***Liquidity Risk  
Management  
Regulations***

*Liquidity Risk Management Regulations for Publicly-Offered Open-End Equity Investment Funds* issued by the China Securities Regulatory Commission (CSRC) on 31 August 2017, and implemented on 1 October of the same year, and amendments made thereto by the promulgation authority from time to time;

***Measures on Sales***

*Measures for the Supervision and Administration of Distributors of Publicly Offered Securities Investment Funds* that was promulgated on 28 August 2020 by CSRC and came into force on 1 October 2020, and the amendments made thereto by the promulgation authority from time to time;

***Measures on  
Information Disclosure***

The *Administrative Measures on Information Disclosure of Publicly Offered Securities Investment Funds* promulgated by the CSRC on July 26, 2019 and

	implemented on September 1, 2019, and amendments made by the promulgating authority thereto from time to time;
<b>Yuan</b>	RMB Yuan;
<b>Parties to the Fund Contract</b>	Legal entities that are bound by the Fund Contract and are entitled to the rights and assume the obligations thereunder, including the Fund Manager, the Fund Custodian and Unitholders;
<b>Fund Manager</b>	HSBC Jintrust Fund Management Company Limited;
<b>Fund Custodian</b>	Bank of Communications Co., Ltd.;
<b>Unitholders</b>	Investors who lawfully acquire the Fund units according to the Laws and Regulations or the Fund Contract;
<b>Registration Business</b>	Registration, depository, transfer, clearing and settlement of the Fund, including the opening and management of Investors' fund accounts, registration of Units, confirmation, clearing and settlement of Sales Business of the Fund, distribution of dividends on behalf of the Fund, establishment and keeping of the register of the Unitholders, etc.;
<b>Registrar</b>	An institution that processes the Registration Business. The Registrar of the Fund is HSBC Jintrust Fund Management Company Limited;
<b>Investors</b>	Individual Investors, Institutional Investors, Qualified Foreign Institutional Investors or other investors permitted by the Laws and Regulations or the CSRC to purchase securities investment funds;
<b>Individual Investors</b>	A natural person who is allowed to invest in securities investment funds according to the relevant Laws and Regulations and other relevant provisions of the People's Republic of China;
<b>Institutional Investors</b>	An enterprise legal person, a public institution legal

	person, a social group or other organization which is allowed to invest in securities investment funds under the relevant laws and regulations of the People's Republic of China as well as other relevant rules;
<b>Qualified Foreign Institutional Investors or QFIIs</b>	Foreign Institutional Investors who comply with the <i>Administrative Measures on the Domestic Securities Investment by Qualified Foreign Institutional Investors</i> and the relevant Laws and Regulations, are approved by the CSRC to invest in China's securities markets and allotted an investment quota by the State Administration of Foreign Exchange;
<b>Initial Offer Period of the Fund</b>	The offering period of the Fund units as set out in the Fund Contract and the Prospectus and approved by the CSRC, and that shall not exceed three months from the first date of the offering of the Fund units;
<b>Effective Date of the Fund Contract</b>	The date of confirmation by the CSRC in writing provided that the total Fund units offered by the Fund and the number of Unitholders comply with the provisions of the relevant Laws and Regulations and meet the conditions stipulated in the Fund Contract, and the Fund Manager has completed the filing formalities at the CSRC in accordance with the Funds Law upon the expiration of the Initial Offer Period of the Fund ;
<b>Duration</b>	The indefinite period from the Effective Date of the Fund Contract to the date on which the Fund Contract is terminated;
<b>Working Day</b>	A normal trading day of Shanghai Stock Exchange and Shenzhen Stock Exchange;
<b>Subscription</b>	An investor's application for purchasing certain Fund Units of the Fund in accordance with the provisions of the Fund Contract and the Prospectus during the Initial Offer

	Period of the Fund;
<b>Subsequent Subscription</b>	An investor's application for purchasing certain Fund Units of the Fund during the Duration of the Fund upon the Fund Contract being effective;
<b>Redemption</b>	The act of Unitholders to request the Fund Manager to convert the units of this Fund held by them into cash according to the conditions prescribed in the Fund Contract;
<b>Substantial Redemption</b>	On any Business Day, the sum of the net value of the Fund's assets represented by the number of Fund Units redeemed (the remaining Units after deducting the total Fund Units under Subsequent Subscription applications from the total Fund Units under Redemption applications) and the net value of the Fund's assets represented by the number of switched-out Fund Units (the number of Fund Units for which switch-out is applied after deducting the number of Fund Units for which switch-in is applied) exceeds 10% of the total net value of the Fund's assets total net value of the Fund's assets on the previous Business Day;
<b>Fund Switching</b>	A Unitholder's switching of the Units of the Fund into units of other funds managed by the Fund Manager pursuant to the Fund Contract and the Business Rules of the Fund Manager as then in force;
<b>Agency Transfer</b>	A Unitholder's transfer of the fund units of the same fund in their Fund Accounts from one Sales Institution (for custody) to another Sales Institution;
<b>Investment Instruction</b>	The orders given by the Fund Manager to the Fund Custodian when investing the Fund assets, such as the instruction for the transfer of funds and the transfer of physical securities;

<b>Sales Agency</b>	An institution that qualifies to sell the Fund as agent and is entrusted by the Fund Manager to handle the Subscription, Subsequent Subscription, Redemption of the Fund and other fund operations on its behalf;
<b>Sales Institutions</b>	The Fund Manager and the Sales Agency of the Fund;
<b>Fund Sales Outlets</b>	Direct sales centers of the Direct Sales Institution and the outlets of the Sales Agency;
<b>Designated Media</b>	Refer to national newspapers, websites (including the websites of the Fund Manager and the Fund Custodian and the CSRC's electronic disclosure website for funds) and other media outlets designated by the CSRC for information disclosure;
<b>Fund Account</b>	An account opened by the Registrar for the Fund Investor that records the balance and changes of the Fund Units held by the Fund Investor and registered by the Registrar;
<b>Trading Account</b>	An account opened by the Sales Institution for the Fund Investor that records the balance and changes of the Fund Units held by the Fund Investor and for which the Sales Institution handles the Subscription, Subsequent Subscription, Redemption, Switching and Agency Transfer;
<b>Business Day</b>	A day on which the Fund Manager processes the subsequent subscription, redemption or other business of the Fund Units;
<b>T Day</b>	A day on which the Sales Institution accepts an Investor's application for Subsequent Subscription, Redemption or other operations;
<b>T+n Day</b>	The n <sup>th</sup> Working Day after T Day (excluding T Day);
<b>Fund Income</b>	The bonus, dividends, coupons, bid-ask spreads of securities, interests of bank deposits and other lawful incomes;

<b>Total Asset Value of the Fund</b>	The Total Asset Value of the Fund shall mean the sum of the value of all types of securities and notes purchased by the Fund, the principal and interest of bank deposits, the accrued interest of bonds, Subsequent Subscription Amount Receivable and other receivables of the Fund, margins deposited and the value created by other investments;
<b>Net Asset Value of the Fund</b>	The value calculated by deducting liabilities of the Fund from the Total Asset Value of the Fund;
<b>Net Asset Value Per Fund Unit</b>	The net asset value of the Fund units resulting from dividing the Net Asset Value of a certain class of the Fund on the calculation date by the total balance of Fund Units of the said class on the calculation date;
<b>Valuation of Fund Asset</b>	The process of valuation of assets and liabilities of the Fund in order to determine the Net Asset Value of the Fund and the Net Asset Value per Fund Unit;
<b>Laws and Regulations</b>	The prevailing valid laws, administrative regulations, judicial interpretations, local regulations, local rules, departmental rules and other regulatory documents of the People's Republic of China, and amendments or supplements made from time to time thereto;
<b>Assets with restricted liquidity</b>	Assets that cannot be realized at a reasonable price as prescribed by laws, regulations, regulatory authorities or contracts or transactional constraints, including but not limited to reverse repurchases and bank term deposits (including bank deposits with agreed terms and conditions for early withdrawal) with a maturity longer than 10 trading days, shares suspended from trading, new shares with circulation restrictions and shares issued through private placement, asset-backed securities and bonds which cannot be transferred or traded due to default



	on debts by issuer etc.;
<b>Force Majeure</b>	Events and factors that cannot be foreseen, defied or avoided, including but not limited to floods, earthquakes and other natural disasters, wars, chaos, fires, government forfeitures, confiscations, changes of the laws, sudden power failures or other sudden incidents, and the unusual suspension or discontinuation of trading on securities exchanges.
<b>SFC</b>	The Securities & Futures Commission of Hong Kong
<b>Circular</b>	The <i>Circular on Mutual Recognition of Funds (MRF) between the Mainland and Hong Kong</i> , which was issued by the SFC on 22 May 2015 and put into effect on 1 July 2015, as well as its amendments made by the issuer periodically;
<b>Sales Service Fee</b>	The expenses accrued from the assets of the Fund for the marketing and distribution of the Fund and the provision of services for the Fund's Unitholders;
<b>Class A Fund Units</b>	The class of Units distributed in Mainland China and created for mainland investors in accordance with the relevant provisions of laws and regulations such as the <i>Funds Law</i> and the <i>Measures on Sales</i> , and with respect to which the Subsequent Subscription fee is charged when an Investor lodges a Subsequent Subscription application but the Sales Service Fee is not accrued;
<b>Class C Fund Units</b>	The class of Units distributed in Mainland China and created for mainland investors in accordance with the relevant provisions of laws and regulations such as the <i>Funds Law</i> and the <i>Measures on Sales</i> , and with respect to which no Subsequent Subscription fee is charged when an Investor lodges a Subsequent Subscription application and the Sales Service Fee is accrued from the assets of the

	fund units of the class;
<b>Class H Fund Units</b>	Class of Units of the Fund created for Hong Kong Investors and distributed by Hong Kong Sales Institutions in accordance with the relevant rules of laws and regulations such as the <i>Funds Laws</i> , the <i>Measures on Sales</i> and the <i>Circular</i> , and with respect to which the Subsequent Subscription fee is charged when an Investor lodges a Subsequent Subscription application but no Sales Service Fee is accrued;
<b>Fund Units</b>	Class A Fund Units, Class C Fund Units, Class H Fund Units and other classes of Fund Units of the Fund to be added in the future, except as otherwise provided in the Fund Contract with respect to Class H Fund Units;
<b>Hong Kong Representative</b>	The representative of the Fund in Hong Kong in accordance with the <i>Circular</i> and other laws and regulations, which will be responsible for receiving Subsequent Subscription and Redemption applications from Investors/institutions in Hong Kong, coordinating fund sales, filing with the SFC, making information disclosure to and communications with Fund Investors in Hong Kong as well as performing other duties under Hong Kong laws;
<b>Hong Kong Sales Institutions</b>	Sales Institutions which are approved by the SFC and are qualified to sell funds as appointed by the Hong Kong Representative;
<b>Nominal Holders</b>	Based on the characteristics of the Hong Kong market, the Hong Kong Representative or the Hong Kong Sales Institutions (or their respective agents) will nominally hold the Fund units (Class H Fund Units) of the Recognized Mainland Fund on behalf of the Investors and will appear in the holder roster at the Registrar;

<b>Business Day of Class H Fund Units</b>	A Business Day of the Fund's Class A and Class C Fund Units that is also a working day in Hong Kong on which the Subsequent Subscription, Redemption or other businesses of the Fund can be handled for the Hong Kong Investors and settlement arrangements for Class H Fund Units can be made;
<b>China</b>	The People's Republic of China (for the purpose of the Fund, excluding the Hong Kong Special Administrative Region, Macao Special Administrative Region or Taiwan region);
<b>Hong Kong</b>	The Hong Kong Special Administrative Region.

### 3. Fund Manager

#### (I) Profile of the Fund Manager

Name: HSBC Jintrust Fund Management Company Limited

Registered Address: 17/F, HSBC Building, Shanghai International Finance Centre, 8 Century Avenue, Pudong New District, Shanghai

Office Address: 17/F, HSBC Building, Shanghai International Finance Centre, 8 Century Avenue, Pudong New District, Shanghai

Legal Representative: Liu Pengfei

Date of Incorporation: 16 November 2005

Document that Approves Its Incorporation: CSRC Zheng Jian Ji Jin Zi [2005] No.172

Form of Organization: Limited company

Registered Capital: RMB200 Million yuan

Duration: Continuous operation

Contact Person: Zhou Hui

Tel.: 021-20376789

Ownership Structure: Shanxi Trust Company Limited (hereinafter referred to as “Shanxi Trust”) owns a 51% stake and HSBC Global Asset Management (UK) Limited owns a 49% stake.

#### (II) Key Officers

##### (1) Members of the Board of Directors:

Mr. Liu Pengfei Chairman of the Board, holding a bachelor’s degree. Mr. Liu was previously the deputy general manager of the Investment Management Department at Shanxi Guoxin Investment Group Co., Ltd., deputy general manager of the Capital Operations Department, general manager of the Financial Investment Department, and employee director at Shanxi Financial Investment Holdings Limited, secretary of the Party Committee and chairman at Shanxi Taihang Industrial Investment Fund Management Co., Ltd., and executive director at Shanxi Xinchuang Industrial Park Co., Ltd. He is currently the member of the Party Committee and deputy general manager of Shanxi Financial Investment Holdings Limited, while serving concurrently the posts

of interim Party branch secretary of Shanxi Jinxin Clean Energy Guidance Investment Co., Ltd., secretary of the Party Committee and chairman of Shanxi Financial Holding Capital Management Co., Ltd., director of Shanxi Securities Co., Ltd., and director of Shanxi Financial Investment Holdings Limited.

Ms. He Huifen, Vice Chairman of the Board and Director, Master Degree. Former Deputy Financial Controller of Marketing Department of JPMorgan Chase Bank, Senior Investment Product Manager of Marketing Department of Hang Seng Bank, Assistant General Manager of Wealth Management Department of AXA Insurance and Finance Co., Ltd., and Head of Institutional Business Customer Relationship Management in Hong Kong, China, Asia (excluding Japan) Managing Director, and Chairman of China of Fidelity Asia Holdings Pte. Ltd. She serves currently as the Chief Executive Officer of Asia Pacific, HSBC Global Asset Management (Hong Kong) Limited. She is also a director of HSBC Global Asset Management (Hong Kong) Limited, a director of HSBC Investment Funds (Hong Kong) Limited, a director of HSBC Global Asset Management (Taiwan) Limited, a director of HSBC Global Asset Management Holdings (Bahamas) Limited, and a director of HSBC Asset Management (Japan) Limited and a director of HSBC Asset Management (Singapore) Limited.

Mr. Wu Xu, Director, holding a master's degree. Mr. Wu was previously the director of the Party Committee Office and director of the Board Office at Shanxi Trust Co., Ltd., deputy director of the Board Office and general manager of the General Management Department at Shanxi Financial Investment Holdings Limited, director at Shanxi Property Rights Exchange Co., Ltd., director and secretary of the Party Committee at Shanxi Trust Co., Ltd. He is currently the secretary of the Party Committee and chairman of Shanxi Trust Co., Ltd.

Mr. Lee Suen Chun, Director and holder of a master degree, was the Manager and Business Development director of e-commerce and project development department in Jardine Fleming Fund (JPMorgan Asset Management), Director and Executive of Asia Pacific Business Development and China business in HSBC Global Asset Management (Hong Kong) Limited, General Manager and Director of HSBC Jintrust Fund Manager Company Limited, the Chairman of HSBC Global Asset Management (Taiwan) Limited. He is currently General Manager of HSBC Jintrust Fund Manager Company Limited.

Mr. Mei Jianping Independent Director, holding a doctoral degree. Mr. Mei was previously an associate professor of Finance at New York University, visiting associate professor at The University of Chicago, visiting associate professor at the University of Amsterdam, and distinguished professor at Tsinghua University. He is currently the professor at Cheung Kong Graduate School of Business. He is currently the independent non-executive director of Powerlong Real Estate Holdings Limited and independent non-executive director of MIE Holdings Corporation.

Mr. Dicky Yip, Independent Director and holder of a master's degree. He served as vice president of West Bank operation at HSBC (US), head of retail department of HSBC (HK), president of China business at the China Representative Office of HSBC, vice president of Bank of Communications, chief representative of Asia Pacific at the Institute of International Finance (IIF) and an independent director of DBS Bank (Hong Kong) Limited. He is currently the chairman and independent non-executive director of Lu.com Holdings Limited.

Mr. Hu Dayuan is the Independent Director and has received PhD Degree. Mr. Hu was the postdoctoral researcher in University of Kentucky, the Chinese dean of the BiMBA Business School the National School of Development at Peking University, and the vice dean and secretary of the Party Committee of the National School of Development at Peking University. At present, Mr. Hu is the professor of the National School of Development at Peking University.

(2) General Profiles of Members of the Supervisory Committee:

Mr. Yao Wei Chairman of the Board of Supervisors, holding a master's degree. Mr. Yao was previously the deputy general manager of the Human Resources Department and deputy general manager of the Audit Department at Shanxi Financial Investment Holdings Limited. He is currently the general manager of the Audit Department of Shanxi Financial Investment Holdings Limited. He is currently the supervisor and chairman of the Board of Supervisors of Shanxi Financial Leasing Co., Ltd., director of Shanxi Financial Holding Capital Management Co., Ltd., and supervisor of Shanxi Guoxin Medical & Healthcare Investment Management Co., Ltd.

Mr. Wang Yunfeng Supervisor, holding a bachelor's degree. Mr. Wang previously held office at Bank of China and Deutsche Bank. He joined HSBC Group in 2005, serving as executive director of Global Capital Markets and Global Banking & Capital

Markets in China and head of Global Banking & Capital Markets in China of The Hongkong and Shanghai Banking Corporation Limited successively. He is currently the vice chairman, president, and chief executive officer of HSBC Bank (China) Company Limited, director of the Fourth Standing Committee of the China Banking Association, chairman of Financial Talent Professional Committee of Shanghai Financial Association, council member of the China Finance 40 Forum, member of the Strategy and Development Committee under the Board of Directors of the Shenzhen Stock Exchange, member of managing committee of the China Children's Development Fund, council member of the Shanghai Chinese Overseas Friendship Association, council member of Wellington College China, member of the 14th Shanghai Municipal Committee of the Chinese People's Political Consultative Conference (CPPCC), and member of the Executive Committee of The Hongkong and Shanghai Banking Corporation Limited.

Ms. Zhou Yun Supervisor, holding a bachelor's degree. Ms. Zhou previously served the posts of assistant editor-in-chief at That's Shanghai (English), researcher at Shanghai Bureau of Canada Post Media News Agency, and researcher at Shanghai Bureau of Dow Jones Financial News. She joined HSBC Jintrust Fund Management Company Limited in August 2015, serving as marketing manager and deputy director of the Marketing Department. She is currently the director of Product Promotion and Investment Communication Department of HSBC Jintrust Fund Management Company Limited.

Ms. Lin Lin Supervisor, holding a bachelor's degree. Ms. Lin previously worked at the General Management Department of First-Trust Fund Management Co., Ltd. She joined HSBC Jintrust Fund Management Company Limited in May 2014, serving as compliance assistant, assistant compliance manager, compliance manager, senior compliance manager and deputy director of the Compliance Department successively. She is currently the director of the Compliance Department of HSBC Jintrust Fund Management Company Limited.

(3) General Profiles of the General Manager and Other Senior Management Officers:

Mr. Lee Suen Chun, Director and holder of a master degree, was the Manager and Business Development director of e-commerce and project development department in

Jardine Fleming Fund (JPMorgan Asset Management), Director and Executive of Asia Pacific Business Development and China business in HSBC Global Asset Management (Hong Kong) Limited, General Manager and Director of HSBC Jintrust Fund Manager Company Limited, the Chairman of HSBC Global Asset Management (Taiwan) Limited.

Mr. Wang Lirong, Deputy General Manager and holder of a master's degree, was the deputy general manager of the fixed income department, deputy general manager of the securities investment department and head of the innovative business department of Shanxi Trust, deputy general manager of Shanghai Wan Fang Investment Management Co., Ltd. and deputy chief compliance officer of HSBC Jintrust Fund Management Company Limited.

Mr. Lu Bin, Deputy General Manager, director of Equity Investment Department, portfolio manager and holder of a master's degree, was assistant analyst, analyst, assistant director of Research Department, general manager assistant of HSBC Jintrust Fund Management Company Limited.

Mr. Lv Zhanjia, Deputy General Manager and holder of a master's degree. He worked as management trainee of Head Office, senior specialist of Asset Management Business Centre and deputy general manager of Private Bank Wealth Management Department of Asset Management Business Centre at Bank of Communications Co., Ltd., deputy general manager of Fixed Income Department, general manager of Fixed Income Department and general manager of Multi-Asset Investment Department at BOCOM Wealth Management Co., Ltd. He joined HSBC Jintrust Fund Management Company Limited in September 2023.

Mr. Yuan Zhonglei, Deputy General Manager and Chief Operating Officer, holder of a master's degree. He worked as project assistant, project specialist, senior project specialist, project manager, senior project manager of Technical and Operational Innovation Department, senior project manager, director of Business Innovation Service Department (former Technical and Operational Innovation Department) at HSBC Bank (China) Company Limited.

Ms. He Hanxi Deputy General Manager and Marketing Director, holding a master's degree. Ms. He previously worked at the Market Development Department of China Construction Bank, Shanghai Branch and Fullgoal Fund Management Company



Limited. She joined HSBC Jintrust Fund Management Company Limited in November 2005, serving successively as the deputy director of the Marketing Department, the marketing director, and the assistant general manager.

Ms. Zhou Hui, Chief Compliance Officer, holding a master's degree. Ms. Zhou previously served the posts of tax consultant at Deloitte Touche Tohmatsu, compliance assistant at Everbright Pramerica Fund Management Co., Ltd. She joined HSBC Jintrust Fund Management Company Limited in June 2005, serving successively as a compliance officer, compliance manager, the deputy director of the Compliance Department, and the director of the Compliance Department.

Mr. Yang Jianqing, Chief Information Officer (Head of Information Technology) and holder of a Bachelor Degree, was Module Development Manager and Party Branch Secretary of Fund Division for Hundsun Technologies Inc., Application Support Analyst, Deputy Director, Director of IT Department for HSBC Jintrust Fund Management Company Limited.

Mr. Wu Ping, Head of Risk Management and holder of a Bachelor Degree, was Risk Control Manager, Risk Control Senior Manager, Deputy Director of Risk Management Department, Director of Risk Management Department and Chief Risk Officer for HSBC Jintrust Fund Management Company Limited.

Mrs. Luo Cheng, Head of Finance and holder of a master's degree, was Financial Accounting for Fullgoal Fund Management Company Limited, Accountant, Senior Accountant, Accounting Manager, Deputy Director of Financial Department, Director of Financial Department for HSBC Jintrust Fund Management Company Limited.

(4) Portfolio Manager of this Fund:

Mr. Min Liangchao, holder of a master's degree. Mr. Min previously served the posts of researcher at Ping An Securities Co., Ltd., researcher, senior macro strategy analyst, assistant research director, and deputy research director at HSBC Jintrust Fund Management Company Limited. He currently serves as the equity research director at HSBC Jintrust Fund Management Company Limited, and the fund manager of the following funds: HSBC Jintrust 2026 Lifecycle Securities Investment Fund (since September 30, 2021), HSBC Jintrust New Momentum Mixed Securities Investment Fund (since September 30, 2021), HSBC Jintrust Large Cap Equity Securities Investment Fund (since March 18, 2023), HSBC Jintrust Total China Equity Securities

Investment Fund (since September 14, 2024) and HSBC Jintrust Economic Cycle Focused Mixed Fund (since May 28, 2025).

Past Portfolio Manager(s) of this Fund:

Mr. Lin Tongtong was the Portfolio Manager from 24 June 2009 to 4 December 2010.

Ms. Wang Pin was the Portfolio Manager from 24 June 2009 to 23 May 2015.

Mr. Qiu Dongrong was the Portfolio Manager from 16 September 2014 to 28 April 2018.

Ms. Guo Min was the Portfolio Manager from 28 April 2018 to 30 May 2020.

Ms. Yan Jin was the Portfolio Manager from 9 May 2020 to 5 June 2021.

Mr. Huang Lihua was the Portfolio Manager from 11 July 2020 to 18 March 2023.

(5) Names and Titles of the Members of the Investment Committee:

Lee Suen Chun, General Manager; LU Bin, Deputy General Manager, Director of the Equity Investment Department and the Fund Manager of the following funds: HSBC Jintrust Dynamic Strategy Mixed Securities Investment Fund, HSBC Jintrust China Manufacturing Equity Securities Investment Fund, HSBC Jintrust Carbon Awareness Equity Securities Investment Fund, HSBC Jintrust Core Growth Mixed Securities Investment Fund, HSBC Jintrust Research Selection Mixed Securities Investment Fund, HSBC Jintrust Dragon Growth Mixed Securities Investment Fund, and HSBC Jintrust Times Pioneer Mixed Securities Investment Fund; LV Zhanjia Deputy General Manager; MIN Liangchao, Equity Research Director, and the Fund Manager of the following funds: HSBC Jintrust 2026 Lifecycle Securities Investment Fund, HSBC Jintrust New Momentum Mixed Securities Investment Fund, HSBC Jintrust Large Cap Equity Securities Investment Fund, HSBC Jintrust Total China Equity Securities Investment Fund and HSBC Jintrust Economic Cycle Focused Mixed Fund; WU Liu, Assistant General Manager, Director of the Fixed Income Investment Department, and the Fund Manager of the following funds: HSBC Jintrust 2016 Lifecycle Open Securities Investment Fund, HSBC Jintrust Fengying Bond Securities Investment Fund, HSBC Jintrust Huixin Six-month Holding Bond Securities Investment Fund, HSBC Jintrust Huiyue Mixed Securities Investment Fund, HSBC Jintrust Huiying Mixed Securities Investment Fund, and HSBC Jintrust Huijia Bond Securities Investment Fund. Fund Managers may add or replace relevant personnel as

needed. The Investment Decision Committee may require relevant personnel to attend investment decision meetings depending on the needs of the work.

(6) The personnel listed above are not close relatives of each other.

### **(III) Duties of the Fund Manager**

(1) To offer the Fund in accordance with the law and comply with the formalities required for the filing of the Fund;

(2) To manage and operate the Fund assets in an honest, trustworthy, diligent and responsible manner from the Effective Date of the Fund Contract;

(3) To employ sufficient personnel with professional qualifications to analyze and make decisions on the investment of the Fund, and manage and operate the Fund assets in a professional manner;

(4) To employ sufficient professionals to handle the Subscription, Subsequent Subscription and Redemption of the Fund units or entrust other institutions to handle such operations as agents;

(5) To employ sufficient professionals and be equipped with corresponding technological facilities for the registration of the Fund or entrust other institutions to handle such operations as agents;

(6) To establish and improve the systems such as internal risk control, supervision and auditing, financial management, personnel management, etc., guarantee that the Fund assets managed are separate from the assets of the Fund Manager; separately manage, keep separate accounts and make separate securities investments for the different funds it manages;

(7) Not to use the Fund assets to seek illegal benefits for itself or any third party and not to entrust any third party to operate the Fund assets, other than in accordance with the *Funds Law*, the Fund Contract and other relevant provisions;

(8) To accept the supervision by the Fund Custodian in accordance with the law;

(9) To adopt appropriate and reasonable measures such that the method of calculating the Subscription, Subsequent Subscription and Redemption prices of the Fund units complies with the provisions of the legal documents such as the Fund Contract, calculate and publish the information on NAV and determine the prices for the Subsequent Subscription and Redemption of the Fund units in accordance with the

relevant provisions;

(10) To perform the information disclosure and reporting obligations in strict accordance with the *Funds Law*, the Fund Contract and other relevant provisions;

(11) To keep confidential the trade secrets of the Fund and not to divulge the investment plans and investment intention of the Fund. Unless otherwise prescribed by the *Funds Law*, the Fund Contract and other relevant provisions, the information about the Fund shall be kept confidential and shall not be divulged to others before public disclosure;

(12) To prepare the plan for the distribution of the Fund Income in accordance with the Fund Contract and distribute the Fund Income to the Unitholders in a timely manner;

(13) To accept the Subsequent Subscription and Redemption applications in accordance with the Laws and Regulations and the provisions of the Fund Contract, and pay redemption proceeds and the dividend amount in full in a timely manner;

(14) Not to seek a controlling stake in or direct management of listed companies;

(15) To convene general meetings of Unitholders in accordance with the *Funds Law*, the Fund Contract and other relevant provisions or cooperate with the Fund Custodian and the Unitholders to convene general meetings of Unitholders in accordance with the law;

(16) To maintain records, accounting books, statements and other relevant information regarding the management of the Fund assets as required;

(17) To carry out accounting and prepare financial accounting reports for the Fund;

(18) To ensure that all the documents or information that have to be provided to the Unitholders are sent within the prescribed time limit;

(19) To prepare quarterly, interim and annual reports;

(20) To ensure that Investors can inspect the public information relating to the Fund at any time within such period and in such way as stipulated in the Fund Contract, and can obtain the duplicate copy of the relevant information after paying a reasonable fee; to ensure that Investors can inspect the public information relating to the Fund at any time within such period and in such way as stipulated in the Fund Contract, and can obtain the duplicate copy of the relevant information after paying a reasonable fee;

(21) To organize and participate in the Fund asset liquidation group and take part in the safekeeping, clearing, valuation, realization and distribution of Fund assets;

(22) To report to the CSRC and inform the Fund Custodian in a timely manner when facing dissolution, termination in accordance with the law, bankruptcy or the taking over of assets by the receiver;

(23) To be liable for compensation if its violation of the Fund Contract results in the loss of Fund assets or prejudices the lawful rights and interests of the Unitholders, and its compensation liability shall not be relieved upon expiry of its appointment;

(24) To act in the interest of the Unitholders by claiming from the Fund Custodian for loss of the Fund assets arising from the Fund Custodian's violation of the Fund Contract;

(25) Not to engage in any activity that will harm the Fund assets and the interest of other parties to this Fund;

(26) To treat different funds that it manages in a fair manner and prevent the allocation of resources among different funds from being carried out in a way that prejudices the interest of the Unitholders;

(27) To exercise the right to institute litigation or other legal proceedings on behalf of the Unitholders in the name of the Fund Manager;

(28) To perform other duties as prescribed by the Laws and Regulations and the Fund Contract.

#### **(IV) Undertakings by the Fund Manager**

(1) The Fund Manager shall have full authority to manage the investment of this Fund in strict accordance with the Laws and Regulations and the Fund Contract and in line with the investment objectives, strategies and restrictions set out in the Prospectus.

(2) The Fund Manager shall not act in violation of the *Funds Law* and other Laws and Regulations, shall establish and improve the internal control framework, and take effective measures to prevent the following acts:

- 1) Mingling its own assets or others' assets with the Fund assets for securities investment;
- 2) Treating the different fund assets that it manages in an unfair manner;
- 3) Using the Fund assets to seek benefit for a third party other than the Unitholders;
- 4) Promising income to or bearing losses for Unitholders in violation of the

rules;

- 5) Using the Fund assets to underwrite securities;
- 6) Using the Fund assets to provide loans or guarantees for others;
- 7) Using the Fund assets for investment with unlimited liability;
- 8) Using the Fund assets to trade other fund units, unless otherwise prescribed by the State Council;
- 9) Using the Fund assets to make capital contribution to the Fund Manager or the Fund Custodian of this Fund, or trade the stocks or bonds issued by the Fund Manager or the Fund Custodian of this Fund;
- 10) Using the Fund assets to trade securities issued by or securities underwritten during the underwriting period by the controlling shareholder of the Fund Manager or the Fund Custodian of this Fund or a company that is materially interested in the Fund Manager or the Fund Custodian of this Fund;
- 11) Using the Fund assets for insider dealing, manipulating the trading prices of securities or engaging in other improper securities trading activities;
- 12) The amount of Fund assets used to apply for the subscription of shares issued exceeds the total assets of the Fund or the number of shares for which the Fund applies exceeds the total number of shares issued this time by the company intending to issue the shares;
- 13) The market value of the shares of a listed company which this Fund holds exceeds 10% of the NAV of this Fund;
- 14) The exposure of this Fund and other funds managed by the Fund Manager to a security issued by a company exceeds 10% of that security;
- 15) Violating the stipulations of the Fund Contract in relation to the investment universe, investment strategies and investment ratios;
- 16) Committing other acts prohibited by the Laws and Regulations, the CSRC and the Fund Contract.

(3) The Fund Manager undertakes to strengthen staff management, improve professional conduct, urge and bind its staff to observe the relevant Laws and Regulations and the standards of the industry, be honest and trustworthy, diligent and

responsible and not to engage in the following activities:

- 1) Operating beyond their scope of authority or in violation of the rules;
- 2) Violating the Fund Contract or the Custody Agreement;
- 3) Willfully prejudicing the lawful rights and interests of the Unitholders or other institutions related to the Fund;
- 4) Disclosing false information in, among others, the materials submitted to the CSRC;
- 5) Rejecting, interfering, hindering or seriously affecting the lawful regulation by the CSRC;
- 6) Being derelict in their duties and abusing their authority;
- 7) Divulging the trade secrets in relation to the securities and the Fund that come to their knowledge during their terms of office, or information such as the investment content and investment plans of the Fund that have not been disclosed in accordance with the law;
- 8) Directly or indirectly making equity investments other than the investments made by the Fund under the system of the Company, assisting other organizations or individuals or accepting their entrustment to conduct securities trading or conducting such trading in any other way;
- 9) Violating the business rules of the stock exchanges, manipulating the market prices and disrupting the market order by means of bucketing or prearranged trading;
- 10) Belittling industry peers to raise their own status;
- 11) Willfully including false, misleading and deceptive elements in public information disclosure and advertisements;
- 12) Seeking business development by improper means;
- 13) Violating social ethics and damaging the images of the personnel managing securities investment funds;
- 14) Committing other acts prohibited by the Laws and Regulations.

(4) Undertakings by the Portfolio Manager

- 1) Seeking, with prudence, to maximize the benefits of Unitholders in accordance with the relevant Laws and Regulations and the provisions

- of the Fund Contract;
- 2) Not seeking improper benefits for himself, the agents, the representatives, the employees or any other third party by taking advantage of his position;
  - 3) Not divulging trade secrets in relation to the securities and the Fund that come to his knowledge during his term of office, or information such as the investment content and investment plans of the Fund that have not been disclosed in accordance with the law;
  - 4) Not conducting securities trading for other organizations or individuals in whatever way.

## **(V) Internal Control Framework of the Fund Manager**

### **(1) Objectives of Internal Control**

- 1) To ensure that the company operates in strict compliance with the relevant Laws and Regulations of the State and the regulatory rules of the industry and takes the initiative to develop the operation philosophy and principles that emphasize compliant and regulated operation.
- 2) To prevent and mitigate operation risk, improve operating and management efficiency, ensure the steady operation of the business, and the security and integrity of the entrusted assets and realize the continuous, stable and healthy development of the company.
- 3) To ensure that the financial and other information on the Fund and the company is true, accurate, complete and timely.

### **(2) Principles of Internal Control**

- 1) Principle of comprehensiveness: Internal control shall cover all the businesses, departments or organs and personnel at all levels of the company and all aspects such as decision-making, implementation, supervision and provision of feedback.
- 2) Principle of effectiveness: Reasonable internal control procedures shall be established and the internal control system shall be implemented effectively through scientific means and methods of internal control.
- 3) Principle of independence: All the organs, departments and posts of the



company shall be independent from each other and the fund assets, own assets and other assets of the company shall be operated separately.

- 4) Principle of check and balance: The company's internal departments and posts shall have clearly defined authorities and duties and perform check and balance.
- 5) Principle of cost-effectiveness: The company shall use scientific operation and management methods to reduce operation cost, improve economic efficiency and achieve the best internal control effect at reasonable control cost.

### (3) Internal Control Framework

The company's internal control framework is made up of the internal control outline, the basic management systems and the departmental business rules. The company's internal control outline elaborates the internal control principles prescribed in the company's articles of association and is the outline and overview of all the basic management systems. The internal control outline specifies clearly the contents such as the internal control objectives, internal control principles, control environment and internal control measures. The basic management systems include the risk control system, the investment management system, the fund accounting system, the information disclosure system, the monitoring and compliance system, the management system of information technologies, the company's financial system, the information and record management system, the performance evaluation and appraisal system and the emergency response system. The departmental business rules are the specific description of the major duties, posts, post responsibilities and operation rules of all the departments that are based on the basic management systems.

The company adheres to the following principles when establishing the internal control framework:

- 1) Principle of compliance with the laws and rules: The company's internal control framework shall comply with the laws, regulations, rules and all the provisions of the State.
- 2) Principle of comprehensiveness: The internal control framework shall cover all the segments of the company's operation and management. The system shall contain no omission or loophole.

- 3) Principle of prudence: Prudent operation and the prevention and mitigation of risks shall be the starting point in formulating the internal control framework.
- 4) Principle of timeliness: The internal control framework shall be modified or improved in line with the amendment of the relevant Laws and Regulations and the changes of the internal and external environment, such as the company's operation strategies, operation policies and operation philosophy.

#### (4) Internal Control System

The company's internal control system is a comprehensive and stringent system with clear segregation of duties, and check and balance. The company's Board of Directors takes ultimate responsibility for the company's establishment of the internal control system and maintenance of its effectiveness. All the business departments are responsible for the internal control of their own departments. The Chief Compliance Officer and the Compliance Department are responsible for examining the implementation of the company's internal control measures. The internal control system is specifically made up of the following components:

##### 1) Board of Directors

The Board of Directors is responsible for formulating the company's internal control outline and assumes overall and ultimate responsibility for the company's internal control.

##### 2) Chief Compliance Officer

The Chief Compliance Officer is responsible for monitoring the compliance of the company and its business operation, and supervising and examining the company's implementation of the internal control system. The Chief Compliance Officer is accountable to the Board of Directors, reports the status of the company's implementation of the internal control system to the Board of Directors on a regular and ad hoc basis, and submits compliance reports to the CSRC on a regular basis.

##### 3) Compliance Department

The Compliance Department is responsible for supervising the implementation of the internal control system by all the departments. The Compliance Department is accountable to the General Manager, examines the implementation of the internal

control framework by all the business departments and these departments' compliance with the Laws and Regulations and other provisions of the State on a regular and ad hoc basis, and gives recommendations for revision in a timely manner.

#### 4) Business Departments

Internal control is the responsibility of all the business departments. The heads of all the departments assume direct liabilities for their own departments' internal control, are responsible for implementing the company's internal control framework and are responsible for formulating, implementing and maintaining their own departments' internal control measures.

#### (5) The Fund Manager's statement on internal control

The Fund Manager is aware that establishing the internal control system, maintaining its effectiveness and effectively implementing the internal control framework are the responsibilities of the Board of Directors and the management team. The Board of Directors shall take the ultimate responsibility therefor. The Fund Manager guarantees that the above disclosure about internal control is true and accurate and undertakes to continuously improve the internal control framework based on the market changes and the development of the Fund Manager.

## 4. Fund Custodian

### I. Overview of the Fund Custodian

#### (I) Profile of the Fund Custodian

Legal Chinese Name of the Company: 交通银行股份有限公司 (Abbreviation: 交通银行)

Legal English Name of the Company: BANK OF COMMUNICATIONS CO., LTD

Legal Representative: Ren Deqi

Domicile: 188 Yincheng Middle Road, China (Shanghai) Pilot Free Trade Zone

Office Address: 18 Xianxia Road, Changning District, Shanghai, China

Postal Code: 200336

Date of Registration: 30 March 1987

Registered Capital: 74.263 billion yuan

Fund Custody Qualification Approval Document and Number: CSRC Zheng Jian Ji Zi [1998] No. 25

Contact Person: Fang Yuan

Tel: 95559

Founded in 1908, Bank of Communications (BOCOM) is one of the oldest banks in China and one of the note-issuing banks in the modern history of China. Bank of Communications was officially open for business after its re-establishment in 1987. It is the first nationwide state-owned joint-stock commercial bank in China, with its headquarter located in Shanghai. BOCOM was listed on the Hong Kong Stock Exchange in June 2005 and on the Shanghai Stock Exchange in May 2007. BOCOM has been listed among the “Fortune 500 Companies” for 16 consecutive year and ranked No. 154 in terms of operating revenue by *Fortune*, and ranked No. 9 among the Top 1000 World Banks in terms of its total Tier Capital by *The Banker*.

As of 31 March 2025, BOCOM had total assets of RMB 15.29 trillion yuan. From January to March 2025, BOCOM realized net profits (attributed to shareholders of the parent company) of RMB 25.37 billion yuan.

Bank of Communications Head Office has an Asset Custody Department / Asset

Custody Business Development Center (hereinafter referred to as the “Custody Department/ Custody Business Development Center”). With years of experience in the fund, securities and banking industries, current staff members are qualified to work in the fund industry and have mid- to high-level professional technical titles such as economist, accountant, engineer and lawyer. They are highly educated and boast excellent professional skills and ethics as well as different professional expertise. They are a team of honest, diligent, aggressive, innovative and enthusiastic personnel engaging in the asset custody sector.

## (II) Key Officers

Mr. Ren Deqi, Chairman and Executive Director of Bank of Communications and Senior Economist

Mr. Ren has been appointed to be the Chairman and Executive Director of Bank of Communications since January 2020 (has taken the role of the President from December 2019 to July 2020). From August 2018 to January 2020, he was the Vice Chairman (he took the role of acting as the Chairman of Bank of Communications from April 2019 to January 2020.), Executive Director of Bank of Communications. From August 2018 to December 2019, he was the President of Bank of Communications. From July 2014 to November 2016, he was the Vice President of Bank of China. From December 2016 to June 2018, he was the Executive Director and Vice President of Bank of China. He also held the additional position of the Non-Execution Director of BOC Hong Kong (Holdings) Limited from October 2015 to June 2018, the President of BOC Shanghai yuan-trading headquarters from September 2016 to June 2018, and has served successively as the Deputy General Manager of Credit Approval Department, the General Manager of Risk Monitoring & Control Department, the General Manager of Credit Management Department, the President of Hubei Branch and the General Manager of Risk Management Department of China Construction Bank from August 2003 to May 2014. From July 1988 to August 2003, he worked successively in Yueyang Changling Sub-branch, Yueyang Central Sub-branch and Yueyang Branch of China Construction Bank, and Office of Credit Management Committee and Credit Risk Management Department of China Construction Bank. Mr. Ren received Master of Engineering degree in Tsinghua University in 1988.

Mr. Zhang Baojiang, Vice Chairman, Executive Director, President and Senior

Economist.

Mr. Zhang has been serving as the President of Bank of Communications since June 2024. Previously, he held various positions at the Agricultural Development Bank of China (ADBC), including Vice President, President of Anhui Branch, Director of the General Office, Vice President of Shaanxi Branch, Deputy Director of the Policy Research Office (responsible for overall management), Deputy Director of the General Office, and Deputy Director of the Policy Research Office. Mr. ZHANG earned his Master's degree in Economics in 1998 and Doctoral degree in Economics in 2004 from the Graduate School of the Party School of the CPC Central Committee.

Mr. Xu Tie, General Manager of Custody Department/ Custody Business Development Center.

Mr. Xu has been appointed to be the General Manager of the Bank of Communications since April 2022. From December 2014 to April 2022, he was the Deputy General Manager of the Bank of Communications. From July 2000 to December 2014, he successively took the positions of Customer Manager of Asset Custody Department, the deputy senior manager, and senior manager of Insurance and Pension Department, as well as the senior manager and general manager assistant of the Insurance and Security Business Department. Mr. Xu received a master degree of economics in Fudan University in 2000.

### (III) Operation of Fund Custody Business

As of March 31, 2025, Bank of Communications provided custody services for 854 securities investment funds. The Bank also acts as custodian for the following products: specific client asset management plans of fund company, securities company' client asset management plans, wealth management products, trust schemes, private investment funds, insurance assets, the National Social Security Fund, Basic Pension Insurance Funds, social security fund augmented through the transfer of state-owned equity, pension security management funds, corporate annuity funds, occupational annuity funds, enterprise annuity pension products, futures companies' asset management plans, as well as QFI securities investment assets, QDII securities investment assets, RQDII securities investment assets, QDIE funds, QDLP funds, QFLP funds, etc.

## II. Internal Control System of the Fund Custodian

### (I) Objectives of Internal Control

BOCOM should strictly comply with the laws and regulations of the State and the rules and relevant administrative provisions of the industry, strengthen internal management, improve the business systems of the Custody Department/ Custody Business Development Center and ensure thorough implementation of all the rules, and effectively manage and control all types of business risks by identifying, assessing, monitoring and mitigating all types of risks to ensure the stable operation of businesses and protect the lawful rights and interests of the Unitholders.

### (II) Principles of Internal Control

1. Principle of legitimacy: All the systems formulated by the Custody Department/ Custody Business Development Center should comply with national laws and regulations as well as the regulatory requirements of the regulatory agencies and should cover all the operational and management activities of custody businesses.

2. Principle of comprehensiveness: The Custody Department/ Custody Business Development Center should establish an internal control mechanism under which all the tier-2 divisions are self-regulated and the risk & compliance division manages and controls risks, which should cover all the businesses, all the departments and personnel at all levels, and penetrate into all operational aspects such as decision-making, implementation, supervision and provision of feedback, and a comprehensive risk management and supervision mechanism shall be established.

3. Principle of independence: The Custody Department/ Custody Business Development Center is independently in charge of the custody of the entrusted assets of the Fund, guarantees that the Fund assets are separated from the assets of BOCOM, establishes separate accounts, performs separate accounting and keeps separate books for the entrusted assets of different funds.

4. Principle of check and balance: The Custody Department/ Custody Business Development Center should comply with the principles of proper authorization and check and balance, and the organizational structure shall be established in a way that guarantees that all the tier-2 divisions and posts have clearly defined authorities and duties, and perform check and balance. Effective check and balance measures shall be taken to eliminate the blind spots in internal control.

5. Principle of effectiveness: The Custody Department/ Custody Business

Development Center should set up a scientific and reasonable internal control decision-making mechanism, implementation mechanism and supervision mechanism based on a 3-level internal control and management model covering posts, tier-2 business divisions and risk & compliance division. Reasonable internal control procedures shall be established through effective control processes and control measures so as to ensure the effective implementation of all objectives of internal control management.

6. Principle of cost-effectiveness: The Custody Department/ Custody Business Development Center 's internal control shall correspond to the size of the fund under custody, the business scope and the risk control requirement of the business operation. The cost of business operation shall be minimized to achieve the best internal control at reasonable control cost.

### (III) Internal Control Framework and Measures

The Custody Department/ Custody Business Development Center has established a series of stringent and complete management rules and systems for the custody of securities investment funds in accordance with the laws and regulations such as the *Securities Investment Funds Law*, the *Commercial Bank Law of the People's Republic of China*, and the *Guideline on Asset Custody of Commercial Banks*, so as to ensure that the operation of the fund custody business is regulated, safe and highly efficient. These rules and systems include the *Measures for the Administration of the Asset Custody Business of BOCOM*, the *Measures for the Management of Business Risks of the Asset Custody Department of BOCOM*, the *Confidentiality System of the Asset Custody Department of BOCOM*, the *Code of Conduct for Personnel Engaging in the Asset Custody Business of BOCOM*, the *Measures for the Management of Operation Business Information of the Asset Custody Department of BOCOM*, etc., which BOCOM will continue to improve based on market changes and the development of the fund business, so as to ensure a scientific and reasonable segregation of duties in the course of business, establish well-regulated technological systems, institutionalize business management, set up Chinese walls for core business operation, implement all security isolation measures, and have dedicated personnel to take charge of information disclosure.

The Custody Department/ Custody Business Development Center implements a full-process and full-chain risk management through prior reveal, ongoing risk control



and post-examination in all the segments of the fund custody business. The Custody Center also engages an internationally renowned accounting firm to assess the internal control of the operation of the fund custody business according to the international standards.

### III. The Fund Custodian's Methods and Procedures for Supervising the Fund Manager's Operation of the Fund

Pursuant to the *Securities Investment Funds Law*, the *Administrative Measures on the Operation of Publicly Offered Securities Investment Funds* and the provisions of the relevant securities regulations, BOCOM, as the Fund Custodian, shall monitor and verify that the investment targets of the Fund, the holding limits of the investment portfolios of the Fund assets, the accounting for Fund assets, the calculation of the NAV of the Fund, the accrual and payment of the remuneration to the Fund Manager and the Fund Custodian, the receipt of Subsequent Subscription amount and the payment of Redemption proceeds of the Fund and the distribution of the Fund Income comply with the Regulations.

When BOCOM, as the Fund Custodian, discovers that the Fund Manager has acted in violation of the relevant securities regulations such as the *Securities Investment Funds Law* and the *Administrative Measures on the Operation of Publicly Offered Securities Investment Funds* and the Fund Contract, it shall promptly request the Fund Manager to make rectification. Upon receipt of the notice, the Fund Manager shall confirm and correct the violation in a timely manner. BOCOM is entitled to re-examine the alleged matter and urge the Fund Manager to make rectification. If the Fund Manager fails to rectify the violation notified by BOCOM in a timely manner, BOCOM shall report the matter to the CSRC.

When BOCOM, as the Fund Custodian, discovers any act of the Fund Manager that seriously violates the rules, it shall report the matter to the CSRC according to the related Regulations and request the Fund Manager to make rectification within a specified time limit.

## 5. Relevant Service Agencies

### (I) Sales Institutions of Fund Units

#### (1) Direct Sales Institutions

Investment and Financial Management Centre of HSBC Jintrust Fund Management Company Limited

Address: 17/F, HSBC Building, Shanghai International Finance Centre, 8 Century Avenue, Pudong New District, Shanghai

Tel: 021-20376868

Fax: 021-20376989

Website: [www.hsbcjt.cn](http://www.hsbcjt.cn)

Customer Service Centre Tel: 021-20376888

#### (2) Sales Agencies of Class A Fund Units

##### ■ Bank of Communications Co., Ltd

Registered Address: 188 Yincheng Middle Road, China (Shanghai) Pilot Free Trade Zone

Office Address: 188 Yincheng Middle Road, China (Shanghai) Pilot Free Trade Zone

Legal Representative: Ren Deqi

Tel: (021) 58781234

Fax: (021) 58408483

Contact person: Gao Tian

Customer Service Hotline: 95559

Website: [www.bankcomm.com](http://www.bankcomm.com)

##### ■ China Construction Bank Corporation

Registered Address: 25 Finance Street, Xicheng District, Beijing

Office Address: Building 1, 1 Naoshikou Street, Xicheng District, Beijing

Legal Representative: Zhang Jinliang

Customer Service Hotline: 95533

Website: [www.ccb.com](http://www.ccb.com)

■ Industrial and Commercial Bank of China Limited

Registered Address: 55 Fuxingmennei Street, Xicheng District, Beijing

Legal Representative: Liao lin

Tel: 010-66106912

Fax: 021-66107914

Customer Service Hotline: 95588

Website: [www.icbc.com.cn](http://www.icbc.com.cn)

■ Agricultural Bank of China Limited

Domicile: 69 Jianguomennei Street, Dongcheng District, Beijing

Office Address: 69 Jianguomennei Street, Dongcheng District, Beijing

Legal Representative: Gu Shu

Customer Service Hotline: 95599

Website: [www.abchina.com](http://www.abchina.com)

■ Bank of China Limited

Registered Address: 1 Fuxingmennei Street, Xicheng District, Beijing

Legal Representative: Ge Haijiao

Tel: (010) 66109330

Fax: (010) 66109144

Contact Person: Xing Ran

Customer Service Hotline: 95566

Website: [www.boc.cn](http://www.boc.cn)

■ Shanghai Pudong Development Bank Co., Ltd.

Registered Address: 12 Zhongshan Dong Yi Road, Shanghai

Office Address: 12 Zhongshan Dong Yi Road, Shanghai

Legal Representative: Zhang Weizhong

Tel.: (021)61618888

Fax: (021)63604199

Contact Persons: Zhao Shouliang

Customer Service Hotline: 95528

Company Website: [www.spdb.com.cn](http://www.spdb.com.cn)

■ CITIC Bank Corporation Limited

Registered Address: F6-30, F32-42, Building 1, Court 10, Guanghua Road, Chaoyang district, Beijing

Legal Representative: Fang Heying

Customer Service Hotline: 95558 (Nationwide)

Contact Person: Feng Jing

Tel: 010-66637262

Email: [fengjing@citicbank.com](mailto:fengjing@citicbank.com)

Website: [www.citicbank.com](http://www.citicbank.com)

■ China Merchants Bank Co., Ltd.

Registered Address: 7088 Shennan Road, Futian District, Shenzhen

Legal Representative: Miu Jianmin

Tel: 0755—83199084

Fax: 0755—83195201

Customer Service Hotline: 95555

Contact Person: Ji Pingwei

Website: [www.cmbchina.com](http://www.cmbchina.com)

■ China Everbright Bank Co., Ltd.

Registered Address: China Everbright Center, No. 25 Taipingqiao Street, Xicheng District, Beijing

Legal Representative: Wu Lijun

Tel: 010-68098778

Fax: 010-68560661

Contact Person: Wu Yuanshou

Customer Service Hotline: 95595 (Nationwide)

Website: [www.cebbank.com](http://www.cebbank.com)

■ Hua Xia Bank Co., Ltd.

Registered Address: 22 Jianguomennei Street, Dongcheng District, Beijing

Office Address: 22 Jianguomennei Street, Dongcheng District, Beijing

Legal Representative: Li Minji

Customer Service Centre Tel: 95577

Website: [www.hxb.com.cn](http://www.hxb.com.cn)

■ China Minsheng Banking Co., Ltd.

Registered Address: 2 Fuxingmennei Street, Xicheng District, Beijing

Office Address: 2 Fuxingmennei Street, Xicheng District, Beijing

Legal Representative: Gao Yingxin

Tel: 010-58351666

Fax: 010-83914283

Contact Person: Li Xiaoming

Customer Service Hotline: 95568

Company Website: [www.cmbc.com.cn](http://www.cmbc.com.cn)

■ PingAn Bank Co., Ltd.

Registered Address: Ping An Bank Building, 5047 Shennan East Road, Shenzhen

Legal Representative: Xie Yonglin

Customer Service Hotline: 95511-3

Website: <http://bank.pingan.com>

■ Bank of Ningbo Co., Ltd.

Registered Address: 345 Ningdong Road, Yinzhou District, Ningbo, Zhejiang Province

Legal Representative: Lu Huayu

Customer Service Hotline: 95574

Website: [www.nbcb.com.cn](http://www.nbcb.com.cn)

■ Bank of Wenzhou Co., Ltd.

Registered address: No. 1316 Huibin Road, Lucheng District, Wenzhou, Zhejiang Province

Office address: No. 1316 Huibin Road, Lucheng District, Wenzhou, Zhejiang Province

Legal representative: Chen Hongqiang

Contact person: Lin Bo

Phone: (0577) 88990082

Fax: (0577) 88995217

Hotline: (0577) 96699

Website: [www.wzbank.cn](http://www.wzbank.cn)

■ China Bohai Bank Co., Ltd.

Registered Address: 201-205 Machang Road, Hexi District, Tianjin

Office Address: 218 Haihe East Road, Hedong District, Tianjin

Legal Representative: Li Jinhong

Contact Person: Wang Hong

Tel: 022-58316666

Fax: 022-58316569

Customer Service Hotline: 95541

Company Website: [www.cbhb.com.cn](http://www.cbhb.com.cn)

■ Shanghai Rural Commercial Bank Co., Ltd.

Registered Address: 70 East No. 2 Zhongshan Road, Huangpu District, Shanghai

Office Address: SRCB Building, 70 East No. 2 Zhongshan Road, Huangpu District, Shanghai

Legal Representative: Xu Li

Contact Person: Shi Chuanrong

Tel: 021-61899999

Fax: 021-50105124

Customer Service Hotline: 021-962999, 4006962999

Company Website: <http://www.srcb.com>

■ HSBC Bank (China) Co., Ltd.

Registered address: Rooms 02-03, 21st Floor, Room 01, 25th-38th Floors, No. 8 Century Avenue, China (Shanghai) Free Trade Zone

Office address: 22nd Floor, HSBC Building, No. 8 Century Avenue, Shanghai

Legal representative: Wang Yunfeng

Website: [www.hsbc.com.cn](http://www.hsbc.com.cn)

Hotline: 95366

■ Shanxi Securities Co., Ltd.

Registered Address: East Tower, Shanxi World Trade Center, 69 Fuxi Street, Taiyuan, Shanxi

Office Address: East Tower, Shanxi World Trade Center, 69 Fuxi Street, Taiyuan, Shanxi

Legal Representative: Hou Wei

Contact Person: Wang Guyu

Contact Tel: 0351-8686703

Fax: 0351-8686619

Customer Service Hotline: 400-666-1618

Website: [www.i618.com.cn](http://www.i618.com.cn)

■ Shenwan & Hongyuan Securities Co., Ltd.

Registered Address: 45/F, 989 Changle Road, Xuhui District, Shanghai

Office Address: 45/F, Century Business Plaza, 989 Changle Road, Xuhui District, Shanghai

Legal Representative: Zhang Jian

Contact Person: Chen Yu

Tel: 021-33388999

Customer Service Hotline: 95523 or 4008895523

Fax: 021-33388224

Website: [www.swhysc.com](http://www.swhysc.com)

■ China Securities Co., Ltd.

Registered address: Building 4, No. 66 Anli Road, Chaoyang District

Office address: No. 10 Guanghua Road, Chaoyang District, Beijing

Legal representative: Liu Cheng

Contact person: Quan Tang

Phone: 010-85130577

Fax: 010-65182261

Hotline: 400-8888-108 (toll-free)

Website: [www.csc108.com](http://www.csc108.com)

■ Everbright Securities Co., Ltd.

Registered Address: 1508 Xinzha Road, Jing'an District, Shanghai

Office Address: 1508 Xinzha Road, Jing'an District, Shanghai

Legal Representative: Liu Qiuming

Contact Person: Gong Juntao

Tel: 021-22169999

Fax: 021-22169134

Customer Service Hotline: 95525

Website: [www.ebscn.com](http://www.ebscn.com)

■ China Merchants Securities Co., Ltd.

Registered Address: 111 Fuhuay Road, Futian Subdistrict, Futian District, Shenzhen

Office Address: 23/F, China Merchants Securities Tower, 111 Fuhuay Road, Futian Subdistrict, Futian District, Shenzhen

Legal Representative: Huo Da

Contact Person: Lin Shengying

Tel: 0755-82943666

Fax: 0755-82943636

Customer Service Hotline: 400-8888-111, 95565

Website: [www.newone.com.cn](http://www.newone.com.cn)

■ Guangfa Securities Co., Ltd.



Registered address: Room 618, No. 2 Tengfei 1ST Street, China-Singapore  
Guangzhou Knowledge City, Huangpu District, Guangzhou, Guangdong Province

Office address: Guangfa Securities Building, No. 26 Machang Road, Tianhe  
District, Guangzhou, Guangdong Province

Legal representative: Lin Chuanhui

Contact person: Huang Lan

Hotline: 95575 or call local business outlets

Website: [www.gf.com.cn](http://www.gf.com.cn)

■ China Galaxy Securities Co., Ltd.

Registered address: Suite 101, Floors 7-18, Building 1, 8 Xiyong Street, Fengtai  
District, Beijing

Office address: Qinghai Financial Building, Building 1, 8 Xiyong Street, Fengtai  
District, Beijing

Legal representative: Wang Sheng

Hotline: 4008-888-888 or 95551

Website: [www.chinastock.com.cn](http://www.chinastock.com.cn)

■ Guotai Haitong Securities Co., Ltd.

Registered address: No. 618 Shangcheng Road, China (Shanghai) Free Trade Zone

Office address: Guotai Haitong Building, No. 768 Nanjing West Road, Jing'an  
District, Shanghai

Legal representative: Zhu Jian

Contact phone: 021-38676966

Contact person: Chen Jingcang

Website: [www.gtht.com](http://www.gtht.com)

Service hotline: 95521

■ CITIC Securities Co., Ltd.

Registered address: North Building, Times Square Excellence (Phase II), No. 8  
Zhongxin 3rd Road, Futian District, Shenzhen, Guangdong Province

Office address: CITIC Securities Building, No. 48 Liangmaqiao Road, Chaoyang

District, Beijing

Legal representative: Zhang Youjun

Contact person: Chu Xiaoning

Phone: 010-84683893

Fax: 010-84865560

Hotline: 95548

Website: [www.cs.ecitic.com](http://www.cs.ecitic.com)

■ CITIC Securities (Shandong) Co., Ltd.

Legal Representative: Yang Baolin

Registered Address: 20/F, Building 1, Qingdao International Finance Plaza, 222  
Shenzhen Road, Laoshan District, Qingdao

Office Address: 20/F, Building 1, Qingdao International Finance Plaza, 222  
Shenzhen Road, Laoshan District, Qingdao

Contact Person for Fund Business: Wu Zhongchao

Tel: 0532-85022326

Fax: 0532-85022605

Customer Service Hotline: 95548

Company Website: [www.citicssd.com](http://www.citicssd.com)

■ Industrial Securities Co., Ltd.

Registered Address: 268 Hudong Road, Fuzhou

Office Address: 21/F, Building 1, Zendai Wudaokou Plaza, Lane 1199, Minsheng  
Road, Pudong New District, Shanghai

Legal Representative: Yang Huahui

Contact Person: Yang Shengfang

Tel: 021-38565785

Fax: 021-38565955

Customer Service Hotline: 400-8888-123

Website: [www.xyzq.com.cn](http://www.xyzq.com.cn)

■ Guosen Securities Co., Ltd.

Registered Address: 16-26/F, Guosen Securities Mansion, 1012 Hongling Middle Road, Luohu District, Shenzhen

Contact Address: 21/F, SITIC Building, 1010 Hongling Middle Road, Luohu District, Shenzhen

Legal Representative: Zhang Nasha

Contact Number: 0755-82130833

Contact Person: Li Ying

Fax: 0755-82133952

National Unified Customer Service Hotline: 95536

Company Website: [www.guosen.com.cn](http://www.guosen.com.cn)

Postal Code: 518001

■ Guoyuan Securities Co., Ltd.

Registered Address: 179 Shouchun Road, Hefei

Legal Representative: Feng Liangzhi

Customer Service Hotline: 4008-888-777

Company Website: [www.gyzq.com.cn](http://www.gyzq.com.cn)

■ China International Capital Corporation Limited

Registered Address: 27/F & 28/F, Block 2, China World Trade Centre, 1 Jianguomenwai Street, Beijing

Office Address: 27/F & 28/F, Block 2, China World Trade Centre, 1 Jianguomenwai Street, Beijing

Legal Representative: Chen Liang

Contact Persons: Yang Hanyu and Chen Xi

Customer Service Hotline: (+86-10)65051166

Company Website: [www.cicc.com.cn](http://www.cicc.com.cn)

■ Huatai Securities Co., Ltd.

Registered Address: 228 Jiangdong Middle Road, Nanjing

Office Address: Huatai Securities Plaza, 228 Jiangdong Middle Road, Jianye District, Nanjing; 10/F, SBF Tower, 5999 Yitian Road, Lianhua sub-district ,

Futian District, Shenzhen, Guangdong

Legal Representative: Zhang Wei

Contact Person: Hu Zihao

Tel: 021-50351281

Customer Service Hotline: 95597

Website: [www.htsc.com.cn](http://www.htsc.com.cn)

■ Orient Securities Co., Ltd.

Registered Address: 21-29/F, Building 2, 318 Zhongshan North Road, Shanghai

Office Address: 21-29/F, Building 2, 318 Zhongshan North Road, Shanghai

Legal Representative: Gong Dexiong

Contact Persons: Wu Yu and Shen Yan

Tel: 021-63325888

Fax: 021-63326173

Customer Service Hotline: 95503

Company Website: [www.dfzq.com.cn](http://www.dfzq.com.cn)

■ Essence Securities Co., Ltd.

Registered Address: Essence Financial Building, 119 Fuhua First Road, Futian Sub-district, Futian District, Shenzhen City

Office Address: Essence Financial Building, 119 Fuhua First Road, Futian Sub-district, Futian District, Shenzhen City

Legal Representative: Duan Wenwu

Registered Capital: RMB 10 Trillion Yuan

Form of Organization: Company Limited

Duration: Continuous operation

Postcode: 518046

Tel: 0755-81688000

Date of Incorporation: August 2006

Customer Service Hotline: 95517

Company Website: <http://www.essence.com.cn/>

■ TX Investment Consulting Co., Ltd.

Registered Address: Room 701, Block B, Focus Place, 19 Jinrong Street, Xicheng District, Beijing

Office Address: 5/F, Block C, 28 Xijiekouwai Street, Xicheng District, Beijing

Legal Representative: Lin Yixiang

Contact Person: Tan Lei

Tel: 010-66045182

Fax: 010-66045518

Customer Service Hotline: 010-66045678

Company Website: [www.txsec.com](http://www.txsec.com), [www.txjijin.com](http://www.txjijin.com)

■ Sinolink Securities Co., Ltd.

Registered Address: 95 Dongchenggen Shang Street, Chengdu, Sichuan

Office Address: 95 Dongchenggen Shang Street, Chengdu, Sichuan

Legal Representative: Ran Yun

Contact Person: Du Jing, Li Jianping

Tel: 028-86690057

Fax: 028-86690126

Customer Service Hotline: 95310

Website: [www.gjzq.com.cn](http://www.gjzq.com.cn)

■ Shenzhen Zhonglu Fund Sales Co., Ltd.

Registered Address: Units 12-13, 4/F, Phase I, Halo Plaza, 8 Liyuan Road, Sunxi Community, Sungang Street, Luohu District, Shenzhen

Legal Representative: Xue Feng

Contact Person: Gong Jiangjiang

Customer Service Hotline: 4006-788-887

Website: [www.zlfund.cn](http://www.zlfund.cn) & [www.jjmmw.com](http://www.jjmmw.com)

■ Shanghai Tiantian Fund Sales Co., Ltd.

Registered Address: 2/F, Building 2, 190 Longtian Road, Xunhui District, Shanghai

Office Address: Eastmoney Tower, 88 South Wanping Road, Xuhui District, Shanghai

Legal Representative: Qi Shi

Customer Service Hotline: 95021

Website: [www.1234567.com.cn](http://www.1234567.com.cn)

■ Ant (Hangzhou) Fund Sales Co., Ltd.

Registered Address: Room 599, 5/F, Building 3, 969 West Wenyi Road, Wuchang Street, Yuhang District, Hangzhou, Zhejiang Province

Office Address: Block E, No. 77, Huanglong International Center, Xueyuan Road, West Lake District, Hangzhou, Zhejiang Province

Legal Representative: Wang Jun

Contact Person: Han Aibin

Customer Service Hotline: 95188-8

Website: [www.fund123.cn](http://www.fund123.cn)

■ Shanghai Howbuy Fund Sales Limited

Registered Address: Suite 6211, 501 Dongdaming Road, Hongkou District, Shanghai (postal code: 200081)

Office Address: 10/F 11F 14F, Huarun Times Plaza, 500 Zhangyang Road, Pudong New District, Shanghai

Website: [www.ehowbuy.com](http://www.ehowbuy.com)

Customer Service Hotline: 400-700-9665

Legal Representative: Tao Yi

■ Zhejiang Tonghuashun Fund Sales Limited

Registered Address: Room 903 Yuanmao Mansion, 1 Wen'er West Road, Hangzhou, Zhejiang Province

Legal Representative: Wu Qiang

Contact Person: Fei Chaochao

Company Website: [www.5ifund.com](http://www.5ifund.com)

Customer Service Hotline: 952555

■ Noah Upright Fund Sales Co., Ltd.

Registered Address: No. 9, Lane 360, Feihong Road, Hongkou District, Shanghai

Office Address: 3/F, Building A, Noah Wealth Center, 1226 Shenbin South Road, Minhang District, Shanghai

Legal Representative: Wu Weiguo

Contact Person: Huang Xinwen

Company Website: [www.noah-fund.com](http://www.noah-fund.com)

Customer Service Hotline: 400-821-5399

■ Donghai Securities Co., Ltd.

Registered Address: 18/F, Investment Square, 23 Yanling West Road, Changzhou, Jiangsu Province

Office Address: Donghai Securities Mansion, 1928 Dongfang Road, Pudong New District, Shanghai

Legal Representative: Wang Wenzhuo

Tel: 021-20333333

Fax: 021-50498825

Customer Service Hotline: 95531; 400-8888-588

Website: [www.longone.com.cn](http://www.longone.com.cn)

■ Zhongtai Securities Co., Ltd.

Registered Address: 86 Jingqi Road, Jinan, Shandong Province

Legal Representative: Wang Hong

Contact Person: Li Ming Juan

Telephone: 0531-68889344

Fax: 0531-68889518

Company Website: [www.zts.com.cn](http://www.zts.com.cn)

Customer Service Hotline: 95538

■ Zheshang Securities Co., Ltd.

Address: 201 Wuxing Road, Jianggan District, Hangzhou, Zhejiang

Legal Representative: Wu Chenggen

Contact Person: Gao Yang

Tel: 0571-87902974

Company Website: [www.stocke.com.cn](http://www.stocke.com.cn)

Customer Service Hotline: 95345

■ Huaxin Securities Co., Ltd.

Registered address: Room 2301A, Block A, Donghai International Center, 7888 Shennan Avenue, Donghai Community, Xiangmihu Subdistrict, Futian District, Shenzhen

Legal representative: Yu Yang

Contact person: Chen Min

Website: [www.cfsc.com.cn](http://www.cfsc.com.cn)

Hotline: 95323; 400-109-9918

■ Cinda Securities Co., Ltd.

Registered Address: Building 1, 9 Naoshikou Street, Xicheng District, Beijing

Legal Representative: Zhu Ruimin

Contact Person: Wang Weian

Company Website: [www.cindasc.com](http://www.cindasc.com)

Customer Service Hotline: 95321

■ Hexun Information Technology Co., Ltd.

Registered Address: Room 1002, 22 Chaowai Street, Chaoyang District, Beijing

Legal Representative: Zhang Zhifang

Contact Person: Chen Huihui

Company Website: <https://caifu.licaike.com/index/>

Customer Service Hotline: 4009-200-022

■ Beijing Zhanheng Fund Sales Co., Ltd.

Registered Address: Room 615A, Building 5, Courtyard 27, North Fourth Ring Road, Chaoyang District, Beijing



Office Address: Room 615A, Building 5, Courtyard 27, North Fourth Ring Road, Chaoyang District, Beijing

Legal Representative: Yan Zhenjie

Contact Person: Li Mengxuan

Company Website: [www.myfund.com](http://www.myfund.com)

Customer Service Hotline: 400-888-6661

■ HuaAn Securities Co., Ltd.

Registered address: No. 1018 Ziyun Road, Binhu New District, Hefei, Anhui Province

Legal representative: Zhang Hongtao

Website: [www.hazq.com](http://www.hazq.com)

Hotline: 95318

■ Hang Seng Bank (China) Co., Ltd.

Registered address: Floors 34, 36, 46, Hang Seng Bank Building, No. 1000 Lujiazui Ring Road, Pudong New District, Shanghai

Office address: Floors 34, 36, 46, Hang Seng Bank Building, No. 1000 Lujiazui Ring Road, Pudong New District, Shanghai

Legal representative: Song Yuesheng

Website: [www.hangseng.com.cn](http://www.hangseng.com.cn)

Hotline: 8008308008/4008308008

■ Industrial Bank Co., Ltd.

Registered Address: 154 Hudong Road, Fuzhou, Fujian

Office Address: 154 Hudong Road, Fuzhou, Fujian

Legal Representative: Lv Jiajin

Contact Person: Chen Yong

Customer Service Hotline: 95561

Company Website: [www.cib.com.cn](http://www.cib.com.cn)

■ Changjiang Securities Co., Ltd.

Registered Address: 88 Huaihai Road, Jiangnan District, Wuhan

Office Address: 88 Huaihai Road, Jiangnan District, Wuhan

Legal Representative: Liu Zhengbin

Telephone: [021-65799999](tel:021-65799999)

Contact Person: Xi Boyu

Customer Service Hotline: 95579

Website: [www.95579.com](http://www.95579.com)

■ Dongxing Securities Co., Ltd.

Registered Address: 12/F & 15/F, Tower B, Xinsheng Building, 5 Finance Street, Xicheng District, Beijing

Office Address: 12/F & 15/F, Tower B, Xinsheng Building, 5 Finance Street, Xicheng District, Beijing

Legal Representative: Li Juan

Contact Person: Tang Manchuan

Telephone Number: 010-66555316

Fax: 010-66555147

Customer Service Hotline: 4008888993

Company Website: [www.dxzq.net](http://www.dxzq.net)

■ Shenwan HongYuan Securities (China West) Co., Ltd.

Registered Address; Room 2005, 20/F, Dacheng International Plaza, 358, Beijing South Road, Urumchi High-tech Park (New Urban Area), Xinjiang

Office Address: Room 2005, 20/F, Dacheng International Plaza, 358, Beijing South Road, Urumchi High-tech Park (New Urban Area), Xinjiang

Legal Representative: Wang Xianjun

Contact Person: Liang Li

Contact Tel: 0991-2307105

Customer Service Hotline: 95523、4008895523

Fax: 010-88085195

Company Website: [www.swhysc.com](http://www.swhysc.com)

■ CITIC Futures Co., Ltd.

Registered Address: 13/F Room 1301-1305 & 14/F, North Tower, Times Square Excellence (Phase II), 8 Central Third Road, Futian District, Shenzhen, Guangdong

Office Address: 13/F Room 1301-1305 & 14/F, North Tower, Times Square Excellence (Phase II), 8 Central Third Road, Futian District, Shenzhen, Guangdong

Legal Representative: Dou Changhong

Contact Person: Li Tian

Customer Service Hotline: 400-990-8826

Company Website: [www.citicsf.com](http://www.citicsf.com)

■ Shanghai Lujinsuo Fund Sales Co., LTD.

Registered Address: 7/F, No.1088, YuanShen Road, Pudong New District, Shanghai

Office Address: 7/F Ping'an Fortune Tower, No.1088, Yuanshen Road, Pudong New District, Shanghai

Legal Representative: Chen Yibin

Contact Person: Ning Boyu

Tel: 021-20665952

Fax: 021-22066653

Customer Service Hotline: 4008219031

Company Website: [www.lufunds.com](http://www.lufunds.com)

Postal Code: 200120

■ Zhuhai Yingmi Fund Sales Co., Ltd.

Registered Address: Room 2719, 3000 East Huandao Road, Hengqin New Area, Zhuhai

Legal Representative: Xiao Wen

Company Website: [www.yingmi.com](http://www.yingmi.com)

Customer Service Hotline: 020-89629066

■ Guangzhou Rural Commercial Bank Co., Ltd.

Registered address: No. 9 Yingri Road, Huangpu District, Guangzhou

Legal representative: Cai Jian

Website: [www.grcbank.com](http://www.grcbank.com)

Hotline: 95313

■ China Postal Savings Bank Co., Ltd.

Registered address: No. 3 Finance Street, Xicheng District, Beijing

Office Address: Building A, No. 3 Finance Street, Xicheng District, Beijing

Legal representative: Zheng Guoyu

Hotline: 95580

Fax: (010) 68858117

Website: [www.psbc.com](http://www.psbc.com)

■ Ping An Securities Co., Ltd.

Registered Address: 22/F-25/F, Building B, Ping An International Finance Center, 5023 Yitian Road, Futian sub-district, Futian District, Shenzhen

Office Address: 11/F, Building D, LCM Plaza, Lane 2389, Zhangyang Road, Pudong New District, Shanghai

Legal Representative: He Zhijiang

Contact Person: Wangyang

Telephone: 021-38632136

Fax: 021-58991896

Customer Service Hotline: 95511-8

Company Website: [stock.pingan.com](http://stock.pingan.com)

■ Beijing Huicheng Fund Sales Co., Ltd.

Registered Address: Room 401-2, Building D, Global Finance & News Center, A1 Xuanwumenwai Street, Xicheng District, Beijing

Office Address: Room 401, Building D, Global Finance & News Center, A1 Xuanwumenwai Street, Xicheng District, Beijing

Legal Representative: Wang Weigang

Contact Person: Wang Xiaoxiao

Tel.: 010-56251471

Tel.: 010-62680527

Fax: 010-62680827

Website: [www.hcfunds.com](http://www.hcfunds.com)

Service Hotline: 400-0555-728

Postal Code: 100052

■ JingdongKenterui Fund Sales Co., Ltd.

Registered Address: 1-7-2, F4, Building 1, No. 76, Zhichun Road, Haidian District, Beijing

Office Address: 15/F, Building A, Jingdong Group Headquarter, 18 Kechuang XI Street, Yizhuang Economic-Technological Development Area, Tongzhou District, Beijing

Legal Representative: Zou Baowei

Tel.: 95118

Fax: 010-89189566

Customer Service Hotline: 95118

Company Website: [kenterui.jd.com](http://kenterui.jd.com)

■ Eastmoney Securities Co., Ltd.

Registered Address: Building 10, International Enterprise Center, Liuwu New Area, Lhasa, Tibet Autonomous Region

Office Address: Eastmoney Tower, 88 South Wanping Road, Xuhui District, Shanghai

Legal Representative: Dai Yan

Tel.: 021-23586583

Contact Person: Chen Yanan

Customer Service Hotline: 95357

Website: [www.18.cn](http://www.18.cn)

■ Jinshang Bank Co., Ltd.

Registered Address: No. 59, Changfeng Street, Xiaodian District, Taiyuan, Shanxi

Office Address: No. 59, Changfeng Street, Xiaodian District, Taiyuan, Shanxi

Legal Representative: Hao Qiang

Contact Person: Zhang Chunwei

Tel: 95105588

Company Website: [www.jshbank.com](http://www.jshbank.com)

■ CITIC Securities South China Co., Ltd.

Registered address: Room 901 (Part: Self-compiled No. 01) and Room 1001 (Part: Self-compiled No. 01), No. 395 Linjiang Avenue, Tianhe District, Guangzhou

Office address: Floors 19-20, Main Tower, Guangzhou International Finance Center, No. 5 Zhujiang West Road, Tianhe District, Guangzhou

Legal representative: Chen Keke

Contact person: Chen Jing

Contact phone: 020-88836999

Hotline: 95548

Fax: 020-88836984

Website: [www.gzs.com.cn](http://www.gzs.com.cn)

■ Soochow Securities Co., Ltd.

Registered Address: No. 5, Xingyang Street, Suzhou Industrial Park

Office Address: No. 5, Xingyang Street, Suzhou Industrial Park

Legal Representative: Fan Li

Contact Person: Lu Xiao

Contact Number: 0512-62938521

Customer Service Hotline: 95330

Fax: 0512-65588021

Website: [www.dwzq.com.cn](http://www.dwzq.com.cn)

■ CICC Wealth Management Co., Ltd.

Registered address: Rooms L4601-L4608, China Resources Tower, No. 2666 Keyuan South Road, HaiZhu Community, Yuehai Subdistrict, Nanshan District, Shenzhen

Office address: Floors 4, 18-21, Block A, Rongchao Tower, No. 6003 Yitian Road, Futian District, Shenzhen

Legal representative: Gao Tao

Contact person: Wan Yulin

Contact phone: 0755-82026907

Hotline: 95532

Website: <https://www.ciccwm.com>

■ Tianfeng Securities Co., Ltd.

Registered address: 20th Floor, Tianfeng Securities Building, No. 446 Gaoxin Avenue, Wuhan Donghu New Technology Development Zone, Wuhan

Office address: 48th Floor, Block A, Poly Plaza, No. 99 Zhongnan Road, Wuchang District, Wuhan

Legal representative: Pang Jiamin

Contact person: Wang Yawei

Phone: 13971585665

Hotline: 4008005000 or 95391

Website: [www.tfzq.com](http://www.tfzq.com)

■ Tebon Securities Co., Ltd.

Registered Address: F/9, South Building, 510 Caoyang Road, Putuo District, Shanghai

Office Address: F/22, S2, The Bund Finance Center, 600 Zhongshan Second Road, Huangpu District, Shanghai

Legal Representative: Wu Xiaochun

Telephone: 021-68761616-6572

Fax: 021-68767880

Contact Person: Min Jia

Website: <http://www.tebon.com.cn>

Service Hotline: 400-8888-128

■ Huabao Securities Co., Ltd.

Registered address: Floors 2-4, No. 370 Pudian Road, China (Shanghai) Free Trade Zone

Office address: 57th Floor, No. 100 Century Avenue, China (Shanghai) Free Trade Zone

Legal representative: Liu Jiahai

Contact person: Liu Wenchuan

Hotline: 4008-209-898

Website: [www.cnhbstock.com](http://www.cnhbstock.com)

■ China Life Insurance Company Ltd.

Registered Address: 16 Beijing Financial Street, Xicheng District, Beijing

Office Address: 16 Beijing Financial Street, Xicheng District, Beijing

Legal Representative: Cai Xiliang

Company Website: [www.e-chinalife.com](http://www.e-chinalife.com)

Service Hotline: 95518

■ Teng'An Fund Sales Co., Ltd.

Registered Address: Room 201, Building A, No.1, No.1 Qianwan Road, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen

Office Address: 15/F, Tecent Binhai Building, 33 Tianhai Second Road, Nanshan District, Shenzhen

Legal Representative: Tan Guangfeng

Customer Service Hotline: 95016

Website: [www.txfund.com](http://www.txfund.com)

■ Beijing Duxiaoman Fund Sales Co., Ltd.

Registered Address: Room 103, 1/F, Building 4, West Area, Yard 10, Xibeiwang East Road, Haidian District, Beijing

Office Address: Building 4, West Area, Yard 10, Xibeiwang East Road, Haidian District, Beijing

Legal Representative: Ge Xin

Contact Person: Sun Fuchao



Contact Number: 010-59403028

Customer Service Hotline: 95055-4

Website: [www.duxiaomanfund.com](http://www.duxiaomanfund.com)

■ Shanghai JiYu Fund Sales Co., Ltd.

Registered Address: Unit 3001, 30/F, 500 Guangdong Road, Huangpu District, Shanghai

Office Address: Room 1503, Peace Finance Building, 488 Yincheng Middle Road, Pudong New Area, Shanghai

Legal Representative: Wang Xiang

Tel.: (021)65370077

Fax: (021)58350979

Contact Person: Han Yuxin

Customer Service Hotline: 400-820-5369

Website: <https://www.jigoutong.com>

■ Beijing Xueqiu Fund Sales Co., Ltd.

Registered Address: Suite 1501, F/15. Building 6, 34 Chuangyuan Road, Chaoyang District, Beijing

Office Address: F/17, Building C, Ronsin Technology Center, 34 Chuangyuan Road, Chaoyang District, Beijing

Legal Representative: Li Nan

Telephone: 010-61840688

Service Hotline: 400-159-9288

Fax: 010-84997571

Website: <https://danjuanfunds.com/>

■ Taixin Wealth Fund Sales Co., Ltd.

Registered Address: Suite 1206, F/10, B118 Jianguo Road, Chaoyang District, Beijing

Office Address: Suite 1206, F/10, B118 Jianguo Road, Chaoyang District, Beijing

Legal Representative: Peng Hao

Contact Person: Sun Xiaomeng

Telephone: 18339217746

Customer Service Hotline: 4000048820

Website: [www.taixincf.com](http://www.taixincf.com)

■ Shanghai Wind Fund Sales Co., Ltd.

Registered address: Block M, Floor 8, 1500 Puming Road, Pudong New Area, Shanghai, China

Office Address: Wind Plaza, 1500 Puming Road, Pudong New Area, Shanghai, China

Legal Representative: Jian Mengwen

Tel: 021-50712782

Website: [www.520fund.com.cn](http://www.520fund.com.cn)

Customer Service Hotline: 400-799-1888

■ Shanghai Liantai Fund Sales Co., Ltd.

Registered address: Room 526, Bldg 15, Lane 900 Lanxi Road, Putuo District, Shanghai

Office address: Floor 3, Building 2, No. 735 Liyang Road, Hongkou District, Shanghai

Postal code: 200080

Legal representative: Yin Binbin

Phone: 021-62680166

Fax: 021-52975270

Hotline: 400-118-1188

Website: [www.66liantai.com](http://www.66liantai.com)

■ UBS Fund Sales (Shenzhen) Co., Ltd.

Registered (Office) Address: Room 301、302, Block A9, Qianhai SZ-HK Fund Town, No. 128, Guiwan Wu Road, Nanshan Street, Qianhai SZ-HK Cooperation Zone, Shenzhen

Legal Representative: He Xiuhong

Customer Service Hotline: 4000080123/0755-33886610

Website: [weubs.com.cn](http://weubs.com.cn)

■ Shenzhen Xinhua Xintong Fund Sales Co., Ltd.

Contact Address: Unit 710-711, Huarong Building, 2003 Shennan Avenue, Futian District, Shenzhen

Customer Service Hotline: 400-000-5767

Company Website: [www.xintongfund.com](http://www.xintongfund.com)

■ Shanghai Lead Fund Sales Co., Ltd.

Registered Address: Unit 208-36, No. 1, Lane 70, Haiji Sixth Road, Lingang Special Area, China (Shanghai) Pilot Free Trade Zone

Office Address: 53/F, Pujiang International Finance Plaza, 1098 Dongdaming Road, Hongkou District, Shanghai

Legal Representative: Li Xingchun

Contact Person: Xia Nan

Customer Service Hotline: 4000325884

Company Website: <http://www.leadfund.com.cn/>

■ Zhongou Wealth Fund Sales Co., Ltd.

Registered address: Room 1008-1, No. 479 Lujiazui Ring Road, China (Shanghai) Free Trade Zone

Office address: Floor 6, Building 8, Jiayu Building, No. 18 Gongping Road, Hongkou District, Shanghai

Legal representative: Xu Xin

Hotline: 400-700-9700

Website: [www.zofund.com](http://www.zofund.com)

■ Fanhua Puyi Fund Sales Co., Ltd.

Registered address: Room 1101, Highland Centre, No. 9 JianShe Road, Chenghua District, Chengdu

Office address: Floor 12, Building B, Longfor Xichen International, Jinniu District,

**Chengdu**

Legal representative: Wang Jianhua

Hotline: 400-080-3388

Website: [www.puyifund.com](http://www.puyifund.com)

■ **Beijing Chuangjin Qifu Fund Sales Co., Ltd.**

Registered address: Room 09A, 4/F-43/F, Building 1, 161 Jinze Road, Fengtai District, Beijing

Office address: Room 09A, 4/F-43/F, Building 1, 161 Jinze Road, Fengtai District, Beijing

Legal representative: Liang Rong

Hotline: 010-66154828

Website: [www.5irich.com](http://www.5irich.com)

(3) **Sales Agencies of Class C Fund Units**

■ **China Postal Savings Bank Co., Ltd.**

Registered address: No. 3 Finance Street, Xicheng District, Beijing

Office Address: Building A, No. 3 Finance Street, Xicheng District, Beijing

Legal representative: Zheng Guoyu

Hotline: 95580

Fax: (010) 68858117

Website: [www.psbc.com](http://www.psbc.com)

■ **Bank of Communications Co., Ltd**

Registered Address: 188 Yincheng Middle Road, China (Shanghai) Pilot Free Trade Zone

Office Address: 188 Yincheng Middle Road, China (Shanghai) Pilot Free Trade Zone

Legal Representative: Ren Deqi

Tel: (021) 58781234

Fax: (021) 58408483

Contact person: Gao Tian

Customer Service Hotline: 95559

Website: [www.bankcomm.com](http://www.bankcomm.com)

■ Industrial and Commercial Bank of China Limited

Registered Address: 55 Fuxingmennei Street, Xicheng District, Beijing

Legal Representative: Liao lin

Tel: 010-66106912

Fax: 021-66107914

Customer Service Hotline: 95588

Website: [www.icbc.com.cn](http://www.icbc.com.cn)

■ Bank of Ningbo Co., Ltd.

Registered Address: 345 Ningdong Road, Yinzhou District, Ningbo, Zhejiang Province

Legal Representative: Lu Huayu

Customer Service Hotline: 95574

Website: [www.nbcb.com.cn](http://www.nbcb.com.cn)

■ China Merchants Bank Co., Ltd.

Registered Address: 7088 Shennan Road, Futian District, Shenzhen

Legal Representative: Miu Jianmin

Tel: 0755—83199084

Fax: 0755—83195201

Customer Service Hotline: 95555

Contact Person: Ji Pingwei

Website: [www.cmbchina.com](http://www.cmbchina.com)

■ China Securities Co., Ltd.

Registered address: Building 4, No. 66 Anli Road, Chaoyang District

Office address: No. 10 Guanghua Road, Chaoyang District, Beijing

Legal representative: Liu Cheng

Contact person: Quan Tang

Phone: 010-85130577

Fax: 010-65182261

Hotline: 400-8888-108 (toll-free)

Website: [www.csc108.com](http://www.csc108.com)

■ Zhuhai Yingmi Fund Sales Co., Ltd.

Registered Address: Room 2719, 3000 East Huandao Road, Hengqin New Area, Zhuhai

Legal Representative: Xiao Wen

Company Website: [www.yingmi.com](http://www.yingmi.com)

Customer Service Hotline: 020-89629066

■ Shanghai Tiantian Fund Sales Co., Ltd.

Registered Address: 2/F, Building 2, 190 Longtian Road, Xunhui District, Shanghai

Office Address: Eastmoney Tower, 88 South Wanping Road, Xuhui District, Shanghai

Legal Representative: Qi Shi

Customer Service Hotline: 95021

Website: [www.1234567.com.cn](http://www.1234567.com.cn)

■ Ant (Hangzhou) Fund Sales Co., Ltd.

Registered Address: Room 599, 5/F, Building 3, 969 West Wenyi Road, Wuchang Street, Yuhang District, Hangzhou, Zhejiang Province

Office Address: Block E, No. 77, Huanglong International Center, Xueyuan Road, West Lake District, Hangzhou, Zhejiang Province

Legal Representative: Wang Jun

Contact Person: Han Aibin

Customer Service Hotline: 95188-8

Website: [www.fund123.cn](http://www.fund123.cn)

■ Shanghai Howbuy Fund Sales Limited

Registered Address: Suite 6211, 501 Dongdaming Road, Hongkou District, Shanghai (postal code: 200081)

Office Address: 10/F 11F 14F, Huarun Times Plaza, 500 Zhangyang Road, Pudong New District, Shanghai

Website: [www.ehowbuy.com](http://www.ehowbuy.com)

Customer Service Hotline: 400-700-9665

Legal Representative: Tao Yi

■ Shanghai Lead Fund Sales Co., Ltd.

Registered Address: Unit 208-36, No. 1, Lane 70, Haiji Sixth Road, Lingang Special Area, China (Shanghai) Pilot Free Trade Zone

Office Address: 53/F, Pujiang International Finance Plaza, 1098 Dongdaming Road, Hongkou District, Shanghai

Legal Representative: Li Xingchun

Contact Person: Xia Nan

Customer Service Hotline: 4000325884

Company Website: <http://www.leadfund.com.cn/>

■ Shanghai Jiyu Fund Sales Co., Ltd.

Registered Address: Unit 3001, 30/F, 500 Guangdong Road, Huangpu District, Shanghai

Office Address: Room 1503, Peace Finance Building, 488 Yincheng Middle Road, Pudong New Area, Shanghai

Legal Representative: Wang Xiang

Tel.: (021)65370077

Fax: (021)58350979

Contact Person: Han Yuxin

Customer Service Hotline: 400-820-5369

Website: <https://www.jigoutong.com>

■ Shenwan & Hongyuan Securities Co., Ltd.

Registered Address: 45/F, 989 Changle Road, Xuhui District, Shanghai

Office Address: 45/F, Century Business Plaza, 989 Changle Road, Xuhui District, Shanghai

Legal Representative: Zhang Jian

Contact Person: Chen Yu

Tel: 021-33388999

Customer Service Hotline: 95523 or 4008895523

Fax: 021-33388224

Website: [www.swhysc.com](http://www.swhysc.com)

■ Shenwan HongYuan Securities (China West) Co., Ltd.

Registered Address: Room 2005, 20/F, Dacheng International Plaza, 358, Beijing South Road, Urumchi High-tech Park (New Urban Area), Xinjiang

Office Address: Room 2005, 20/F, Dacheng International Plaza, 358, Beijing South Road, Urumchi High-tech Park (New Urban Area), Xinjiang

Legal Representative: Wang Xianjun

Contact Person: Liang Li

Contact Tel: 0991-2307105

Customer Service Hotline: 95523、4008895523

Fax: 010-88085195

Company Website: [www.swhysc.com](http://www.swhysc.com)

■ Beijing Huicheng Fund Sales Co., Ltd.

Registered Address: Room 401-2, Building D, Global Finance & News Center, A1 Xuanwumenwai Street, Xicheng District, Beijing

Office Address: Room 401, Building D, Global Finance & News Center, A1 Xuanwumenwai Street, Xicheng District, Beijing

Legal Representative: Wang Weigang

Contact Person: Wang Xiaoxiao

Tel.: 010-56251471

Tel.: 010-62680527

Fax: 010-62680827

Website: [www.hcfunds.com](http://www.hcfunds.com)



Service Hotline: 400-0555-728

Postal Code: 100052

■ China Life Insurance Company Ltd.

Registered Address: 16 Beijing Financial Street, Xicheng District, Beijing

Office Address: 16 Beijing Financial Street, Xicheng District, Beijing

Legal Representative: Cai Xiliang

Company Website: [www.e-chinalife.com](http://www.e-chinalife.com)

Service Hotline: 95518

■ Teng'An Fund Sales Co., Ltd.

Registered Address: Room 201, Building A, No.1, No.1 Qianwan Road, Qianhai  
Shenzhen-Hong Kong Cooperation Zone, Shenzhen

Office Address: 15/F, Tecent Binhai Building, 33 Tianhai Second Road, Nanshan  
District, Shenzhen

Legal Representative: Tan Guangfeng

Customer Service Hotline: 95016

Website: [www.txfund.com](http://www.txfund.com)

■ Zhongou Wealth Fund Sales Co., Ltd.

Registered address: Room 1008-1, No. 479 Lujiazui Ring Road, China (Shanghai)  
Free Trade Zone

Office address: Floor 6, Building 8, Jiayu Building, No. 18 Gongping Road,  
Hongkou District, Shanghai

Legal representative: Xu Xin

Hotline: 400-700-9700

Website: [www.zofund.com](http://www.zofund.com)

■ Fanhua Puyi Fund Sales Co., Ltd.

Registered address: Room 1101, Highland Centre, No. 9 JianShe Road, Chenghua  
District, Chengdu

Office address: Floor 12, Building B, Longfor Xichen International, Jinniu District,

**Chengdu**

Legal representative: Wang Jianhua

Hotline: 400-080-3388

Website: [www.puyifund.com](http://www.puyifund.com)

■ **Taixin Wealth Fund Sales Co., Ltd.**

Registered Address: Suite 1206, F/10, B118 Jianguo Road, Chaoyang District, Beijing

Office Address: Suite 1206, F/10, B118 Jianguo Road, Chaoyang District, Beijing

Legal Representative: Peng Hao

Contact Person: Sun Xiaomeng

Telephone: 18339217746

Customer Service Hotline: 4000048820

Website: [www.taixincf.com](http://www.taixincf.com)

■ **Shanghai Liantai Fund Sales Co., Ltd.**

Registered address: Room 526, Bldg 15, Lane 900 Lanxi Road, Putuo District, Shanghai

Office address: Floor 3, Building 2, No. 735 Liyang Road, Hongkou District, Shanghai

Postal code: 200080

Legal representative: Yin Binbin

Phone: 021-62680166

Fax: 021-52975270

Hotline: 400-118-1188

Website: [www.66liantai.com](http://www.66liantai.com)

■ **Beijing Chuangjin Qifu Fund Sales Co., Ltd.**

Registered address: Room 09A, 4/F-43/F, Building 1, 161 Jinze Road, Fengtai District, Beijing

Office address: Room 09A, 4/F-43/F, Building 1, 161 Jinze Road, Fengtai District, Beijing

Legal representative: Liang Rong

Hotline: 010-66154828

Website: [www.5irich.com](http://www.5irich.com)

For the details of other Sales Institutions, please refer to the Offering Announcement of this Fund and relevant announcements posted on the website of the Fund Manager, or the announcements then issued by the fund manager on change or addition or decrease of the Sales Institutions.

#### (4) Hong Kong Representative of Class H Fund Units

HSBC Investment Funds (Hong Kong) Limited serves as the representative of our company in Hong Kong, which is responsible for receiving Subsequent Subscription and Redemption applications from Investors/institutions in Hong Kong, coordinating fund sales, filing with the SFC, and making information disclosure to and communications with Fund Investors in Hong Kong.

HSBC Investment Funds (Hong Kong) Limited's address: Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong

Tel: 852-2284 1118

Fax: 852-3409 2667

Website: [www.assetmanagement.hsbc.com/hk](http://www.assetmanagement.hsbc.com/hk)

#### (5) Hong Kong Sales Institutions of Class H Fund Units

The Hongkong and Shanghai Banking Corporation Limited ("HSBC HK") and Hang Seng Bank Limited ("Hong Kong Hang Seng Bank") serve as the first batch of Fund Sales Institution ("Hong Kong Sales Agency") of our company in Hong Kong, which are responsible for providing sales services to Hong Kong Investors. The Fund sales shall comply with the relevant requirements of regulators in both the Mainland and Hong Kong.

## **(II) Registrar**

Name: HSBC Jintrust Fund Management Company Limited

Registered address: 17/F, HSBC Building, Shanghai International Finance Centre, 8 Century Avenue, Shanghai Pilot Free Trade Zone, Shanghai, China

Office address: 17/F, HSBC Building, Shanghai International Finance Centre, 8 Century Avenue, Shanghai Pilot Free Trade Zone, Shanghai, China

Legal Representative: Liu Pengfei

Contact Person: Yuan Zhonglei

Contact Tel: 021-20376892

### **(III) Legal Firm (to Provide Written Legal Opinion)**

Name: Shanghai Yuan Tai Law Offices

Registered Address: Room 1405, Huaxia Bank Tower, 256 Pudong South Road, Shanghai

Office Address: Room 1405, Huaxia Bank Tower, 256 Pudong South Road, Shanghai

Person-in-Charge: Liao Hai

Tel: (021) 51150298

Fax: (021) 51150398

Contact Person: Liao Hai

Responsible Solicitors: Liao Hai, Li Ming

### **(IV) Accounting Firm (to Audit Fund Assets)**

Name: PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership)

Registered Address: 11/F., PricewaterhouseCoopers Center, 2 Corporate Avenue, 202 Hu Bin Road, Huangpu District, Shanghai

Executive Partner/Chief Partner: Li Dan

Tel: 021-2323 8888

Fax: 021-2323 8800

Responsible Certified Public Accountants: Ye Erdian and Duan Huanglin

Contact Person: Duan Huanglin

## 6. Offering of the Fund

### (I) Basis of the Fund Offering

The Fund Manager offers this Fund in accordance with the *Funds Law*, the *Measures on Operation*, the *Measures on Sales*, the Fund Contract and other relevant provisions. The Offering was approved by the CSRC on 28 April 2009 in its approval document Zheng Jian Xu Ke [2009] No.343.

### (II) Duration of the Fund

Indefinite

### (III) Type of the Fund

Equity securities investment fund

### (IV) Offering Method

This Fund is publicly offered to Investors through all the Sales Institutions' Fund Sales Outlets. For specific details and contact method, please refer to the *Offering Announcement*.

### (V) Offering Period

The Fund started Offering to the public through all Sales Institutions on 18 May 2009 and successfully concluded the process on 19 June 2009.

### (VI) Offering Targets

The Offering targets of the units of this Fund are Individual Investors and Institutional Investors in the People's Republic of China, Qualified Foreign Institutional Investors and other investors permitted by the Laws and Regulations or the CSRC to buy securities investment funds.

### (VII) Premise for the Offering

This Fund is publicly offered through all the Sales Institutions' outlets for the sales business of the Fund. Please refer to the Offering Announcement for details.

### (VIII) Maximum Offering Scale of the Fund

This Fund does not have any maximum offering scale.

### **(IX) Denomination, Subscription Prices and Fees of the Fund Units and the Formula for Calculating the Subscribed Units**

(1) The initial denomination of a Fund unit: RMB1.00 yuan

(2) The Subscription price of a Fund unit: RMB1.00 yuan

(3) Subscription Fee

This Fund adopts the Subscription by amount method where the Subscription fee is calculated by using a pro rata rate with the Subscription amount as the base number. The Subscription fee shall be paid in advance. Subscription fee of the Fund does not account for the asset of the Fund and is mainly used for the payment of various costs incurred during the Fund Offering Period such as the costs for marketing, sales, registration of the Fund, etc.

<b>Subscription amount (ten thousand yuan)</b>	<b>Subscription fee rate</b>
$A < 50$	1.2%
$50 \leq A < 100$	1.0%
$100 \leq A < 500$	0.6%
$A \geq 500$	1,000 yuan each time

(4) Calculation of the Subscribed Units

The Subscription fee in respect of subscribing for this Fund shall be paid in advance, i.e. the Subscription fee shall be paid when subscribing for the Fund. The Subscription amount of the Investors includes Subscription fee and net Subscription amount. Interest accrued on the valid Subscription amount during the Fund Offering Period shall be vested in the Investors. In case the Fund Contract takes effect, the interest will be converted into Fund units and be included in the Investors' accounts. The specific number of Fund units shall be those set out in the record of the Registrar. The formula for calculating the total number of subscribed units of the Investors is as follows:

Net Subscription amount = Subscription amount / (1 + Subscription fee rate)

Subscription fee = Subscription amount – net Subscription amount

Subscribed units = (net Subscription amount + Interest on the Subscription amount)

/ Initial denomination of the Fund unit

The above calculation results (including subscribed units) will be rounded to two decimal places. Any loss resulting from such rounding shall be borne by the Fund assets and any surplus resulting from such rounding shall become part of the Fund assets.

The Subscription fee is mainly used for the payment of various costs incurred during the Fund Offering Period such as the costs for marketing, sales, registration of the Fund, etc. and does not account for the asset of the Fund.

Example 1: Assuming that an Investor invests 10,000 yuan to subscribe this Fund and the interest accrued from the Subscription amount during the Offering period is 3 yuan, the subscribed units received by the Investor are calculated as follows:

Net subscription amount =  $10,000 / (1 + 1.20\%) = 9,881.42$  yuan

Subscription fee =  $10,000 - 9,881.42 = 118.58$  yuan

Subscribed units =  $(9,881.42 + 3) / 1.00 = 9,884.42$  units

i.e. when an Investor invests 10,000 yuan to subscribe this Fund, he will receive 9,884.42 Fund units (including the units converted from the interest).

**(X) Investors' Subscription of the Fund Units**

(1) Date Schedule for the Subscription

The Fund Offering Period lasts for 33 days from 18 May 2009 to 19 June 2009.

(2) Documents that shall be Submitted and Formalities that shall be Observed for the Subscription by the Investor

A Fund Investor may subscribe this Fund at the Fund Sales Outlets during the Offering period, go through the formality for the Subscription of the Fund, fill in the Subscription application form and make full payment of the Subscription amount in accordance with the provisions of the Sales Institution (for specific details, please refer to the Offering Announcement). Before the initial Subscription, the Investor shall open a Fund Account at HSBC Jintrust Fund Management Company Limited and a Trading Account at the Sales Institution upon presentation of the valid certificates.

(3) Method and Confirmation of Subscription

An Investor may make numerous Subscriptions of the Fund units during the Offering period. Once accepted, a Subscription application shall not be withdrawn.

With regard to a Subscription application submitted within the prescribed hours of

T Day, an Investor may make an enquiry to the outlet to which it lodges the original application or through the customer service center of the Fund Manager as to whether the Subscription application is accepted after T+2 Day.

An Investor may make an enquiry to the outlet to which it lodges the original application or through the customer service center of the Fund Manager on the confirmed units to be subscribed after the Fund Contract takes effect.

#### (4) Subscription Limit

During the Fund Offering Period, no maximum number of subscribed units is set for any Investor subscribing for this Fund.

During the Fund Offering Period, the minimum amount initially subscribed by an Investor shall be 2,000 yuan and the minimum amount subsequently subscribed each time shall be 1,000 yuan.

### **(XI) Treatment of Interest Accrued on the Proceeds from the Offering**

The interest accrued on the valid Subscription amount during the Fund Offering Period will be converted into Fund units and vested in the Unitholder. The number of Fund units converted from the interest accrued during the Fund Offering Period shall be those set out in the record of the Registrar.

**(XII) Before the closing of the Offering of the Fund, Investors' Subscription amount may only be deposited in the dedicated accounts for the Offering of the Fund maintained with commercial banks with the qualification to operate the securities investment fund custody business and shall not be used by anybody.**

During the Fund Offering Period, the Fund raised 2,884,896,208.13 units from 31,795 valid Subscriptions and 658,033.28 Fund Units were converted from the interest accrued from the valid Subscription amount; the combined total was 2,885,554,241.41 Fund Units, all of which were registered under each and every Unitholder account and all Fund assets belonged to Unitholders; each Fund unit accounts for RMB1 yuan.



## 7. Effectiveness of the Fund Contract

### (I) Effectiveness of the Fund Contract

If the following conditions are met upon the expiration of the Initial Offer Period of the Fund, the Fund Manager shall, within 10 days from the date on which the Offering Period expires, engage a statutory capital verification institution to conduct capital verification and shall, within 10 days from the date on which the capital verification report is received, submit the capital verification report to the CSRC, go through the formality for the filing of the Fund and make the announcement:

(1) The total Fund units offered by the Fund are not less than 200 million and the proceeds from the Offering of the Fund is not less than RMB200 million yuan;

(2) There are not less than 200 Unitholders;

The Fund Contract shall take effect from the date on which the filing of the Fund is confirmed by the CSRC in writing. The Fund Manager shall make an announcement on the date following the receipt of the confirmation documents from the CSRC.

### (II) Method of Handling Failed Fund Offering

(1) If the conditions for the Fund Contract to take effect are not met upon the expiration of the Offering Period, or the Fund Contract fails to take effect as a result of Force Majeure during the Fund Offering Period, the Offering of the Fund will fail.

(2) If the Fund Offering fails, the Fund Manager shall bear the liabilities and expenses arising from the Offering with its own assets; and refund the Subscription amount already paid by the Investors, together with the interest calculated at the bank deposit rate for the same period to the Fund subscribers within 30 days after the expiration of the Fund Offering Period.

### (III) Number of Unitholders and Asset Size during the Duration of the Fund

If the number of Unitholders is less than 200 or the NAV of the Fund is below 50 million yuan after the Fund Contract takes effect, the Fund Manager shall report the matter to the CSRC in a timely manner. If any of such situations lasts for 20 consecutive Working Days, the Fund Manager shall explain the reason and submit the recommended solution to the CSRC.

The Fund Manager shall act accordingly if prescribed otherwise by the CSRC or the Laws and Regulations.

**(IV) The Fund Contract of this Fund takes effect on 24 June 2009.**

## 8. Subsequent Subscription and Redemption of Fund Units

### (I) Class of Fund Units

The Fund units of the Fund have different classes, based on the sales target and the application of the Subsequent Subscription fee and Sales Service Fee.

Fund units distributed in Mainland China, created for mainland Investors and with respect to which the Subsequent Subscription fee is charged when an Investor lodges a Subsequent Subscription application but the Sales Service Fee is not accrued are called Class A Fund Units; Fund units distributed in Mainland China, created for mainland Investors and with respect to which no Subsequent Subscription fee is charged when an Investor lodges a Subsequent Subscription application and the Sales Service Fee is accrued from the assets of the fund units are called Class C Fund Units; and fund units distributed in Hong Kong, created for Hong Kong investors, and with respect to which the Subsequent Subscription fee is charged when an Investor lodges a Subsequent Subscription application but no Sales Service Fee is accrued are called Class H Fund Units.

Class A, Class C and Class H Fund Units of the Fund will have separate fund codes, and their Net Asset Value per Fund Unit and Cumulative NAV per Unit will be calculated and published separately.

No switching is allowed between the different classes of Fund Units of the Fund, unless the launch of relevant business is announced separately by the Fund Manager when conditions are ripe.

Without violation of the applicable laws, regulations and the fund contract, as well as without material adverse influence to the interests of the fund unit holders, upon consensus between the fund manager and the fund custodian after negotiation, new fund unit classes will be increased, the current fund unit classification method will be adjusted, or the sales thereof will be suspended. It is not required to convene a meeting of fund unit holders for such adjustments, but proper procedures shall be followed and an announcement thereof shall be made in advance.

**(II) Premise for Handling Subsequent Subscription and Redemption**

The Sales Institutions of Class A and Class C Fund Units of this Fund include the Fund Manager and the Sales Agencies entrusted by the Fund Manager.

Investors can apply for the Subsequent Subscription and Redemption of the Fund at the business premises where the Sales Institutions handle the sales business of the Fund or by other means provided by the Sales Institutions. The Fund Manager may increase or decrease the number of Sales Agencies for the Fund depending on the situation and shall upload such change on the website of the Fund Manager.

When the conditions mature, Investors may purchase and redeem the Fund through the Fund Manager or its designated Sales Agencies by means of telephone, fax or online trading. For specific methods, please refer to further announcements.

The Sales Institutions of Class H Fund Units of this Fund refer to Sales Institutions which are approved by the SFC and are qualified to sell funds as appointed by the Hong Kong Representative.

Investors may apply for the Subsequent Subscription or Redemption of Class H Fund Units at the business premises where the Sales Institutions handle the business of fund sales or by other means provided by the Sales Institutions.

**(III) Business Days and Hours for Handling Subsequent Subscription and Redemption****(1) Business Days and Business Hours**

The Business Day of Class A and Class C Fund Units of this Fund refers to the trading day of the Shanghai Stock Exchange and Shenzhen Stock Exchange on which the business such as the Subsequent Subscription or Redemption of the Fund is handled for Investors. The specific business operation hours shall be subject to the announcement by the Sales Institutions.

If new securities trading markets are established or in other special situations, the Fund Manager may, depending on the situation, adjust the abovementioned business days and specific business operation hours accordingly, make prior announcement of such adjustment.

The Business Day of Class H Fund Units of this Fund only refers to a Business Day of the Fund's Class A and Class C Fund Units that is also a working day in Hong Kong

on which the Subsequent Subscription, Redemption or other businesses of the Fund can be handled for the Hong Kong Investors and settlement arrangements for Class H Fund Units can be made. For specific business operation hours, please refer to the hours published by the Sales Institutions as the final reference.

In case of other special situations, the Fund Manager may, depending on the situation, adjust the Business Day of Class H Fund Units and specific business operation hours accordingly, and make prior announcement of such adjustment.

(2) The time at which Subsequent Subscription commences

The Fund opens for Subsequent Subscription no longer than 3 months after the date on which the Fund Contract takes effect, with the specific time at which Subsequent Subscription commences stipulated on the announcement concerning the commencement of Subsequent Subscription of the Fund. Class A Fund Units of this Fund opened for daily Subsequent Subscription effectively from 30 July 2009. Class C Fund Units of this Fund opened for daily Subsequent Subscription effectively from 13 November 2023.

(3) The time at which Redemption commences

The Fund opens for Redemption no longer than 3 months after the date on which the Fund Contract takes effect, with the specific time at which Redemption commences stipulated on the announcement concerning the commencement of Redemption of the Fund. Class A Fund Units of this Fund opened for daily Redemption effectively from 24 September 2009. Class C Fund Units of this Fund opened for daily Redemption effectively from 13 November 2023.

(4) The Fund Manager shall publish relevant announcements and comply with filing formalities in accordance with the requirements of the Fund Contract when the Fund opens for Subsequent Subscription and Redemption.

(5) The Fund Manager shall not handle the Subsequent Subscription, Redemption or Switching of Fund units on the date or at the time other than that stipulated in the Fund Contract. If an Investor submits the application for Subsequent Subscription, Redemption or Switching on a date or at a time other than that stipulated in the Fund Contract, the prices for the Subsequent Subscription, Redemption or Switching of Fund units shall be the prices on the Business Day on which the Subsequent Subscription, Redemption or Switching of the Fund units of the class handled on the next Business

day occurs.

#### **(IV) Principles of Subsequent Subscription and Redemption**

(1) Principle of “unknown prices”, which means that the prices for the Subsequent Subscription and Redemption of the Fund will be calculated on the basis of the NAV per Unit of each class that is calculated after closing on the date of accepting the applications;

(2) For Class A and Class C Fund Units, the principle of “Subsequent Subscription by amount and Redemption by unit”, which means that the applications for Subsequent Subscription are based on the amount to be invested while the applications for Redemption are made by units, will be adopted; for Class H Fund Units, the rules of Hong Kong Sales Institutions will be adopted, i.e. the applications for Subsequent Subscription will be based on the amount to be invested, while the applications for Redemption will be processed in accordance with the agreement between the Sales Institutions and the Fund Manager, which may accept applications based on units only or accept applications based on either amount or units;

(3) When a Unitholder redeems its Class A or Class C Fund Units, the Fund Manager will process the request according to the “first-in-first-out” principle in respect of the Fund units held by the Unitholder, i.e. when processing the redemption request regarding the Fund units of the Unitholder under the custody of the Sales Institution, Fund units with an earlier confirmation date of Subsequent Subscription will be first redeemed and Fund units with a later confirmation date of Subsequent Subscription will be redeemed later; given the technical constraints of the Hong Kong Sales Institutions, the “first-in, first-out” principle is not required when redeeming Class H Fund Units;

(4) Any application for Subsequent Subscription or Redemption may be withdrawn before the time specified by the Fund Manager on the day on which the application is made and cannot be withdrawn after the time specified by the Fund Manager;

(5) Without prejudice of interests of the Unitholders, the Fund Manager may change the above principles, but it shall announce such change on at least one Designated Media of the CSRC no later than two days prior to the implementation of the new principle.

**(V) Procedures of Subsequent Subscription and Redemption****(1) Lodging the Subsequent Subscription and Redemption Applications**

The Fund Investors shall lodge the Subsequent Subscription or Redemption application during the business operation hours of a Business Day according to the procedure prescribed by the Sales Institution.

When lodging a Subsequent Subscription application for Class A or Class C Fund Units, an Investor shall make the full payment of the Subsequent Subscription amount in a way prescribed by the Sales Institution. When lodging a Redemption application for Class A or Class C Fund Units, an Investor shall have sufficient balance of Fund units. Otherwise, the Subsequent Subscription or Redemption application lodged will be invalid.

When lodging a Subsequent Subscription application for Class H Fund Units, an Investor shall make the full payment of the Subsequent Subscription amount in a way prescribed by the Sales Institution. When lodging a Redemption application for Class H Fund Units, an Investor shall have sufficient balance of Fund units or amount. Otherwise, the Subsequent Subscription or Redemption application lodged will be invalid.

**(2) Confirmation of the Subsequent Subscription and Redemption Applications for Class A and Class C Fund Units**

The Registrar of this Fund shall take the day on which the Subsequent Subscription or Redemption application is received before the end of the trading hours as the Subsequent Subscription or Redemption application date (T Day), and shall confirm the validity of the trade within T+1 Day. With regard to a valid application lodged on T Day, the Investor may enquire about the confirmation of the application at the counter of the sales outlet or in other ways prescribed by the Sales Institution from and including T+2 Day.

**(3) Confirmation of the Subsequent Subscription and Redemption Applications for Class H Fund Units**

Given the characteristics of trading on the Hong Kong market, the method of settlement on different levels will be adopted for the applications and confirmation of Subsequent Subscription and Redemption of Class H Fund Units. The Registrar of the Fund is responsible for handling the settlement and registration of units with the Hong

Kong Representative; the Hong Kong Representative is responsible for handling the settlement and registration of units with the Sales Institutions; and the Hong Kong Sales Institutions are responsible for handling the settlement and registration of units with the Class H Fund Unit Investors;

The Hong Kong Sales Institutions' acceptance of Subsequent Subscription and Redemption applications for Class H Fund Units does not mean such applications will be successful. It only means the applications have really been received by the Hong Kong Sales Institutions. The Fund Manager has the right to partly or fully reject an Investor's application in accordance with the Fund Contract, the Hong Kong Covering Document or relevant laws and regulations.

The Registrar of the Fund shall take the day on which the Subsequent Subscription or Redemption application for Class H Fund Units is received before the end of the trading hours as the Class H Fund Unit Subsequent Subscription or Redemption application date (Day T), and shall confirm the validity of the trade within Day T+1. With regard to a valid application submitted on Day T, the Investor may enquire about the confirmation of the application in a way prescribed by the Hong Kong Sales Institutions from Day T+2 (including Day T+2).

(4) Payment for the Subsequent Subscription and Redemption Applications for Class A and Class C Fund Units

Full payment shall be made for the Subsequent Subscription. If the full amount for the Subsequent Subscription is not paid into the account within the specified period, the Subsequent Subscription will be invalid. In such a case, the Fund Manager or the Sales Agency designated by the Fund Manager shall refund the Subsequent Subscription amount already paid by the Investor to the Investor.

In case of Redemption, when the Investors' Redemption applications were made successfully, the Fund Manager shall pay the Redemption amount within and including T+7 Day. In case of Substantial Redemption, the payment shall be made by referring to the relevant terms of the Fund Contract.

(5) Payment for the Subsequent Subscription and Redemption Applications for Class H Fund Units

Investors shall make full payment at the Hong Kong Sales Institutions for the Subsequent Subscription of Class H Fund Units. If the full amount for the Subsequent



Subscription is not paid into the account within the specified period, the Subsequent Subscription will be unsuccessful. The Fund Manager has the right to partly or fully reject a Subsequent Subscription application reported by the Hong Kong Representative in accordance with the Fund Contract, the Hong Kong Covering Document or relevant laws and regulations. In such cases, the amount for the Subsequent Subscription (without interest) shall be refunded to the Investor as soon as possible.

After an Investor's Redemption application for Class H Fund Units becomes successful, the Fund Manager will pay the redemption proceeds to the Hong Kong Representative within Day T+7 (including Day T+7). If the business operation process is affected by delay in data transmission on a stock exchange or trading market, failure of communication systems, failure of banks' data exchange systems or other factors beyond the control of the Fund Manager and the Fund Custodian, the Redemption proceeds shall be transferred out on the following working day after the elimination of such problems.

In case of Substantial Redemption or other situations related with the suspension of Redemption or deferred payment of Redemption proceeds as stipulated in the Fund Contract, the payment shall be made in accordance with the relevant clauses of the Fund Contract.

## **(VI) Volume and Prices of Subsequent Subscription and Redemption**

(1) Method of Handling the Subsequent Subscription Amount, the Redeemed Units and the Balance of Class A and Class C Fund Units

- 1) The minimum amount of Class A or Class C Fund Units initially purchased by an Investor shall be 2,000 yuan (the restriction on the minimum amount of initial purchase shall not apply to investors who has already subscribed the units of this Fund). The minimum amount of each subsequent purchase of Class A or Class C Fund Units shall be 1,000 yuan; the Sales Agencies may set their own minimum Subsequent Subscription amount requirement(s) on Class A and Class C Fund Units. The restriction on the minimum Subsequent Subscription amount shall not apply to the Investor's buying of Fund units with the Fund Income distributed for the current period.

- 2) When a Unitholder makes a Redemption of Class A or Class C Fund Units from the Sales Institution, he shall redeem no less than 10 Fund units in each Redemption application. The minimum balance of Fund units in each Trading Account of Class A or Class C Fund Units shall not be less than 10. If the balance of Class A or Class C Fund Units maintained with a Sales Institution (outlet) is less than 10 upon or after the Redemption by a Unitholder, a full Redemption shall be made on a one-off basis, unless the balance of Class A or Class C Fund Units in an account is less than 10 for reasons such as the re-investment of dividends, non-trading transfer, Agency Transfer, Substantial Redemption or Fund Switching. However, a full redemption on a one-off basis shall be made when the units are redeemed again.
- 3) The Fund Manager may restrict the limit of Class A or Class C Fund Units that a single Investor may accumulate. For the specific stipulation, please refer to the Prospectus that is updated on a regular basis.
- 4) If accepting subscription applications may potentially lead to a materially adverse effect on the interests of the existing Unitholders, the Fund Manager shall take effective measures to protect the existing Unitholders' legitimate rights and interests by setting an upper limit on the value of a single investor's subsequent subscription or an upper limit on the single-day net subsequent subscription ratio of the fund, rejecting large-sum subsequent subscriptions, or suspending subsequent subscription. Please refer to the relevant announcements for details.

The Fund Manager may, based on the market conditions, adjust the restrictions on the Subsequent Subscription amount, the redeemed units and the minimum number of units held and shall announce such adjustment on at least one Designated Media of the CSRC no later than two days prior to the adjustment.

(2) Method of Handling the Subsequent Subscription Amount, the Redeemed Units and the Balance of Class H Fund Units

The minimum amount of Class H Fund Units initially purchased by an Investor shall be 10,000 yuan. When a Unitholder makes a Redemption of Class H Fund Units, he shall redeem no less than 10,000 Fund units in each Redemption application. The

minimum balance of the amount of Fund units in each Trading Account of Class H Fund Units shall not be less than 10,000 yuan. If the balance of the amount of Class H Fund Units maintained with a Hong Kong Sales Institution is less than 10,000 yuan upon or after the Redemption by a Unitholder, a full Redemption shall be made on a one-off basis.

If the Hong Kong Sales Institutions have their own requirements on the minimum Subscription amount, Redeemed Units, and the minimum number of units held with respect to Class H Fund Units, the business rules of the Hong Kong Sales Institutions shall prevail.

### (3) Subsequent Subscription and Redemption Fee Rates

#### 1) Subsequent Subscription fee rate:

Investors purchasing Class A or Class H Fund Units of this Fund are required to pay the Subsequent Subscription fee, and Investors purchasing Class C Fund Units will not be charged the Subsequent Subscription fee. Investors who make multiple purchases of Class A or Class H Fund Units on the same day shall pay the Subsequent Subscription fee according to the applicable fee rate for each Subsequent Subscription based on the amount of a single Subsequent Subscription. The Subsequent Subscription fee for Class A and Class H Fund Units is used for the payment of various costs, such as marketing, sales, registration of the Fund, etc. and will not be included in the assets of the Fund.

The Subsequent Subscription fee rates of Class A Fund Units are as follows:

<b>Subsequent Subscription amount (A, ten thousand yuan)</b>	<b>Subsequent Subscription fee rate</b>
$A < 50$	1.5%
$50 \leq A < 100$	1.2%
$100 \leq A < 500$	0.8%
$A \geq 500$	1,000 yuan each time

The Subsequent Subscription fee rate of Class H Fund Units shall not exceed 5%. The specific Subsequent Subscription fee rate will be determined by the Hong Kong Sales Institutions themselves.

## 2) Redemption fee rate

The Redemption fee rates of Class A Fund Units of this Fund are as follows:

<b>Duration of holding (N)</b>	<b>Redemption fee rate</b>
$N < 7$ days	1.50%
$N \geq 7$ days	0.50%

The redemption fee of Class A Fund Units of this Fund shall be borne by the Unitholders who redeem their Class A Fund Units. The Fund will charge a redemption fee of 1.5% on class A investors who hold fund units for less than seven consecutive days. The full amount charged should be credited to the assets of the Fund. A redemption fee of 0.5% applies to class-A Fund Units if the holding period equals or is longer than seven days, and no less than 25% of the total redemption fee shall become the asset of the Fund while the remaining portion being used for the payment of registration fee and other necessary handling charges.

The Redemption fee rates for Class C Fund Units of this Fund are as follows:

<b>Duration of holding (N)</b>	<b>Redemption fee rate</b>
$N < 7$ days	1.50%
$7 \text{ days} \leq N < 30 \text{ days}$	0.50%
$N \geq 30 \text{ days}$	0%

The redemption fee for Class C Fund Units of this Fund shall be borne by the Unitholders who redeem their Class C Fund Units. Redemption fees charged to Unitholders holding Class C Fund Units for less than 30 days shall be credited in full to the assets of the Fund.

The Redemption fee rate of Class H Fund Units is 0.13%.

The redemption fee of Class H Fund Units of this Fund shall be borne by the Unitholders who redeem their Class H Fund Units, and all of the redemption fee shall become the asset of the Fund.

The Fund Manager can adjust the Subsequent Subscription fee rate and the Redemption fee rate within the scope stipulated in Laws and Regulations and the Fund Contract. If there are any changes to the fee rates, the Fund Manager shall publish an announcement on at least one media designated by the CSRC two days prior to the date on which the adjustment begins to take effect.

The Fund manager can develop promotion plans for the Fund based on market

conditions, provided that the provisions of the Laws and Regulations and the stipulations of the Fund Contract are not violated. During the promotional activities of the Fund, the Fund Manager may reduce the Subsequent Subscription fee rate and the Redemption fee rate of the Fund for the Fund Investors within the scope of the promotional activities.

The Sales Institutions may, subject to the provisions of applicable laws and regulations and the terms and conditions agreed in the Fund contract, draw up a fund promotion plan according to market conditions and carry out fund promotion activities on a regular or irregular basis. As for the detailed promotion arrangement and business rules, the regulations of the Sales Institutions shall be applied.

#### (4) Calculation of the Subsequent Subscription Units of Class A Units

The Subsequent Subscription fee in respect of purchasing this Fund shall be paid in advance, i.e. the Subsequent Subscription fee shall be paid when purchasing the Fund. The Subsequent Subscription amount of the Investors includes Subsequent Subscription fee and net Subsequent Subscription amount. The "out-price method" is adopted for calculating the Subsequent Subscription fee. The formula for calculating the Subsequent Subscription units is as follows:

Net Subsequent Subscription amount = Subsequent Subscription amount / (1 + Subsequent Subscription fee rate)

Subsequent Subscription fee = Subsequent Subscription amount – net Subsequent Subscription amount

Subsequent Subscription units = Net Subsequent Subscription amount / Net value of a Class A Fund unit on T Day

Example 2: Assuming that an Investor invests 10,000 yuan to purchase Class A units of this Fund on T Day, the applicable Subsequent Subscription fee rate is 1.50% and the net value of a Class A Fund Unit on T Day is 1.200 yuan, the Subsequent Subscription units received by him are calculated as follows:

Net Subsequent Subscription amount =  $10,000 / (1 + 1.50\%) = 9,852.22$  yuan

Subsequent Subscription fee =  $10,000 - 9,852.22 = 147.78$  yuan

Subsequent Subscription units =  $9,852.22 / 1.20 = 8,210.18$  units

i.e. By investing 10,000 yuan to purchase Class A units of this Fund, an Investor can receive 8,210.18 units of Class A Fund Units.

#### (5) Calculation of the Subsequent Subscription Units for Class C Fund Units

Subsequent Subscription units = Subsequent Subscription amount / Net value of Class C Fund Unit on Day T

The results of the above calculations will be rounded to two decimal places. Any loss resulting from such rounding shall be borne by the Fund assets and any surplus resulting from such rounding shall become part of the Fund assets.

Example 4: Assuming that an Investor invests 10,000 yuan to purchase Class C Fund Units of this Fund and the net value of a Class C Fund Unit on the day of purchase is 1.0500 yuan, the Investor will receive the following number of Subsequent Subscription units:

$$\text{Subsequent Subscription units} = 10,000 / 1.0500 = 9,523.81 \text{ units}$$

In other words, assuming that an Investor invests 10,000 yuan to purchase Class C Fund Units of this Fund and the net value of a Class C Fund Unit on the day of purchase is 1.0500 yuan, the Investor will receive 9,523.81 Class C Fund Units.

#### (6) Calculation of the Subsequent Subscription Units of Class H Units

For calculation of the Subsequent Subscription units of Class H Fund Units, please refer to the Hong Kong Covering Document for details.

If the Hong Kong Sales Institutions have their own requirements on the calculation of the Subsequent Subscription units of Class H Units, the business rules of the Hong Kong Sales Institutions shall prevail.

#### (7) Calculation of the Redemption Proceeds

The “unit Redemption” method is adopted and the Redemption price is calculated based on the net value of a Fund unit on Day T. The Redemption proceeds of Class A and Class C units of this Fund are calculated by the total Redemption proceeds less the Redemption fee. The formula for calculating the Redemption proceeds is as follows.

$$\text{Total Redemption proceeds} = \text{Redeemed units} \times \text{Net value of a Fund unit of the corresponding class on T Day}$$

$$\text{Redemption fee} = \text{Total Redemption proceeds} \times \text{Redemption fee rate}$$

$$\text{Redemption proceeds} = \text{Total Redemption proceeds} - \text{Redemption fee}$$

The results of the above calculations will be rounded to two decimal places. Any loss resulting from such rounding shall be borne by the Fund assets and any gain will be included in the Fund assets.

Example 4: Assuming an Investor redeems 20,000 Class A Fund Units he holds on T Day and the net value of a Class A Fund Unit on T Day is 1.2 yuan. If he holds Class A Fund Units for more than 7 days, the Redemption proceeds that he will receive are calculated as follows:

$$\text{Total Redemption proceeds} = 20,000 \times 1.2 = 24,000 \text{ yuan}$$

$$\text{Redemption fee} = 24,000 \times 0.50\% = 120 \text{ yuan}$$

$$\text{Redemption proceeds} = 24,000 - 120 = 23,880 \text{ yuan}$$

Example 5: Assuming an Investor redeems 10,000 Class C Fund Units he holds on T Day and the net value of a Class C Fund Unit on T Day is 1.2 yuan. If he holds Class C Fund Units for 10 days, the Redemption proceeds that he will receive are calculated as follows:

$$\text{Total Redemption proceeds} = 10,000 \times 1.2 = 12,000 \text{ yuan}$$

$$\text{Redemption fee} = 12,000 \times 0.50\% = 60 \text{ yuan}$$

$$\text{Redemption proceeds} = 12,000 - 60 = 11,940 \text{ yuan}$$

For calculation of the Redemption proceeds of Class H Fund Units, please refer to the Hong Kong Covering Document for details.

If the Hong Kong Sales Institutions have their own requirements on the calculation of the Redemption proceeds of Class H Units, the business rules of the Hong Kong Sales Institutions shall prevail.

#### (8) The Formula for Calculating the Net Value of a Fund Unit

The net value of a Class A Fund Unit, Class C Fund Unit and Class H Fund Unit of the Fund will be calculated separately and published on T+1 Day. In the event of special circumstances, the calculation or the publication can be appropriately delayed. The formula for calculation is:

Net value of a Class A/Class C Fund Unit on T Day = NAV of the Class A/Class C Fund on T Day/the total number of Class A/Class C Fund Units on T Day

Net value of a Class H Fund Unit on T Day = NAV of the Class H Fund on T Day/the total number of Class H Fund Units on T Day.

All the net value of a Class A Fund Unit, a Class C Fund Unit and a Class H Fund Unit of the Fund is denominated in Renminbi.

### **(VII) Subsequent Subscription and Redemption Registration**

(1) Upon consent of the Fund's Sales Institution, the Subsequent Subscription and Redemption applications made by a Fund Investor can be withdrawn before the time specified by the Fund Manager.

(2) After an Investor successfully purchases the Fund, the Registrar of the Fund will increase the interest of the Investor in the Fund and process the registration procedures on T+1 Day. The Investor will be entitled to redeem that portion of Fund units from T+2 Day.

(3) After an Investor successfully redeems the Fund, the Registrar of the Fund will deduct the interest of the Investor in the Fund and process the corresponding registration procedures on T+1 Day.

(4) The Fund Manager may adjust the above schedule for processing the registration procedures to the extent permitted by the Laws and Regulations and shall announce such adjustment at least two days prior to the date on which the adjustment comes into force.

#### **(VIII) Determination of and Method of Processing Substantial Redemption**

##### **(1) Determination of Substantial Redemption**

Substantial Redemption means that on any single Business Day, the net value of the Fund's assets represented by the net number of fund units redeemed exceeds 10% of the net value of the Fund's assets on the previous Business Day.

##### **(2) Method of Processing Substantial Redemption**

Upon the occurrence of a Substantial Redemption, the Fund Manager may decide to accept all the Redemption applications or to defer the processing of part of the Redemption applications based on the status of the asset portfolio of the Fund at that time.

- 1) Accepting all the Redemption applications: If the Fund Manager believes that it is able to pay for all the Redemption applications of the Investors and process the switching between funds, the regular Redemption procedure shall be followed.
- 2) Deferring the processing of part of the Redemption applications: If the Fund Manager believes that it is difficult for the Fund to pay for all the Redemption applications and process all the switch-out applications of



the Investors, or believes that the asset liquidation carried out to satisfy the Redemption and switch-out applications of the Investors will result in higher volatility in the NAV per Unit, the Fund Manager will defer the processing of the remaining applications provided that the Fund units involved in the Redemption and switch-out applications accepted by the Fund Manager on that day are not less than 10% of the net value of the Fund on the previous day. With regard to the Redemption and switch-out applications received on that day, the number of redeemed or switch-out units processed on that day shall be determined based on the ratio of the number of units involved in the Redemption or switch-out application of the single account to the total number of units involved in the Redemption and switch-out applications received. Unless the Investor decides at the time that the application is submitted that the application for the portion that is not accepted on that day shall be withdrawn, the unaccepted portion of Class A or Class C Fund Units will be processed on the next Business Day. Any application of Class A or Class C Fund Units the processing of which is deferred to the next Business Day will not enjoy any priority in relation to Redemption and switching out and the amount involved shall be calculated based on the NAV per Unit of the class on the next Business Day. The same procedure shall apply to any further deferral of the processing of the applications until all the Redemption and switch-out applications are satisfied. The deferral of the processing of some of the Redemption applications is not subject to the minimum number of units per redemption.

- 3) With regard to the unaccepted portion of Class H Fund Units, the default practice is to defer their Redemption, i.e. that portion will be automatically redeemed on the next Business Day of Class H Units until it is fully redeemed. The deferred Redemption applications will be processed together with the Redemption applications of the next Business Day and shall not enjoy any priority. The Redemption proceeds shall be calculated based on the net value of the Fund Units on

the next Business Day. The same procedure shall apply until all the Redemption applications are processed. The partially deferred redemption is not subject to the minimum unit requirement on a single redemption for Class H Fund Units.

- 4) During the period of deferred redemption, the Fund Manager has the right to cancel some or all of the deferred redemption applications for Class H Fund Units upon the request of the Hong Kong Sales Institutions.

In the case of a Substantial Redemption and the deferral of the processing of such applications, the Fund Manager will make a disclosure in accordance with the relevant requirements of the CSRC and SFC.

(3) In the event of a Substantial Redemption, if the redemption requested by a single class A or class C Unitholder exceeds 20% of the Fund's NAV, and the fund manager encounters difficulties in paying all the redeemed Fund Units or believes that monetization of assets entailed by redemption may result in significant fluctuations in the Fund's NAV, it may postpone processing the redemption request. Two scenarios:

- 1) If the Fund Manager believes that it is capable of paying for all the redemptions requested by other investors, redemption applications submitted by such investors should be processed according to the standard operating procedure to protect their interests. As regards Substantial Redemptions requested by individual class A or class C investors, which are in excess of 20% of the Fund's NAV, the Fund Manager shall confirm the portion of Fund Units for which redemption can be accepted on the same day, in line with the amount of funds it has available. The handling of the remaining portion not yet confirmed will be automatically postponed. The postponed redemption requests will be processed alongside the redemption requests received on the next Business Day, and do not have priority over the new requests. The redemption amount will be calculated based on the NAV per unit of the class on the next Business Day until all the Fund Units concerned are redeemed. If a Unitholder chooses to withdraw the redemption request for the remaining Fund Units, the redemption request will be cancelled for those Units which have not been accepted on the day of request submission.

- 2) If the Fund Manager thinks that it is difficult even to pay for redemptions requested by other investors, it may redeem a certain percentage of Fund Units

(including a Substantial Redemption worth more than 20% of the Fund's NAV requested by an individual class A or class C investor and the redemption requested by other investors) for which redemption is requested, whose worth should be no less than 10% of the Fund's NAV of the previous Business Day, and postpone payment for the remaining redemption requested. Specific arrangements should be made according to “(2) Deferring the processing of part of the Redemption applications” above.

(4) Suspension of acceptance and deferral of payment: Where considered necessary, the Fund Manager may stop accepting Redemption applications upon the occurrence of Substantial Redemption of the Fund for more than two consecutive Business Days. The payment of the Redemption proceeds with respect to Redemption applications already confirmed may be deferred for not more than 20 Working Days. When the acceptance of Redemption applications is suspended upon the occurrence of continuous Substantial Redemption, the Fund Manager shall prepare and announce the interim report within two days.

#### **(IX) Situations in which Subsequent Subscription is Rejected or Subsequent Subscription or Redemption is Suspended and the Handling of such Situations**

(1) In any of the following situations, the Fund Manager may reject or stop accepting Investors' Subsequent Subscription applications for one or several classes of units:

- 1) The Fund cannot operate normally or the Fund Manager cannot accept Investors' Subsequent Subscription applications due to Force Majeure;
- 2) The Fund Manager cannot calculate the NAV of the Fund for the day due to unusual market closure during the trading hours of the securities exchange;
- 3) Valuation of the Fund Assets is suspended in accordance with the provisions of the Fund Contract;
- 4) The size of the Fund assets is too large such that the Fund Manager is unable to identify appropriate investment types or the occurrence of other situations that may have negative impact on the performance of the Fund and hence prejudice the interests of the existing Unitholders;
- 5) The Fund Manager has reasonable grounds to believe that the acceptance

of one or some Subsequent Subscription applications may affect or prejudice the interests of other Unitholders;

- 6) The Fund Manager, after consulting with the Fund Custodian, shall stop calculating the Fund's NAV and suspend accepting redemption applications if there are no quoted prices in active markets that can serve as reference for assets that account for 50% or more of the NAV of the Fund on the previous valuation day and the use of valuation techniques still leads to significant uncertainty in term of their fair value;
- 7) Accepting a subscription application from an individual investor will result in the net value of his/her shareholding exceeding 50% of the Fund's NAV;
- 8) Other situations prescribed by the provisions of the Laws and Regulations or specified by the CSRC.

Upon the occurrence of the situation specified in items 1, 2, 3, 4 or 6 listed above, the Fund Manager shall make an announcement thereof as required.

If an Investor's Subsequent Subscription application is rejected, the amount for the Subsequent Subscription that is rejected shall be refunded to the Investor.

Once the situation causing the suspension of Subsequent Subscription no longer exists, the Fund Manager shall resume the processing of the Subsequent Subscription applications in a timely manner.

(2) In any of the following situations, the Fund Manager may stop accepting Investors' Redemption applications:

- 1) The Fund Manager is unable to pay the Redemption proceeds due to Force Majeure;
- 2) The Fund Manager cannot calculate the NAV of the Fund for the day due to unusual market closure during the trading hours of the securities exchange;
- 3) The Fund Manager may stop accepting Redemption applications in accordance with the provisions of the Fund Contract upon the occurrence of Substantial Redemption consecutively;
- 4) Valuation of the Fund Assets is suspended in accordance with the provisions of the Fund Contract;

- 5) The Fund Manager, after consulting with the Fund Custodian, shall stop calculating the Fund's NAV and defer the payments of redemption or suspend accepting redemption applications if no active markets are available for reference for the assets that account for 50% or more of the NAV of the Fund on the previous valuation day and the use of valuation techniques still leads to significant uncertainty in term of their fair value;
- 6) Other situations prescribed by the provisions of the Laws and Regulations or specified by the CSRC.

Upon the occurrence of the situation specified in items 1), 2), 3), 4) or 5) listed above, the Fund Manager shall make an announcement thereof as required.

With regard to the Redemption applications already confirmed, the Fund Manager shall make full payment. If the full payment cannot be made for the time being, the Fund Manager shall make pro-rata payments to the Redemption applicants according to the ratio of the number of units involved in the accepted Redemption application of a single Redemption applicant to the total number of units involved in all the accepted Redemption applications. The remaining portions of the payments shall be made on the subsequent Business Days.

Once the situation causing the suspension of Redemption no longer exists, the Fund Manager shall resume the processing of the Redemption applications in a timely manner.

(3) When the Fund is re-opened for Subsequent Subscription or Redemption after the end of the suspension period, the Fund Manager shall make an announcement thereof as required.

- 1) If the suspension lasts for one day, the Fund Manager shall, on the day on which the Fund is re-opened for Subsequent Subscription or Redemption, publish an announcement on the re-opening of the Fund for Subsequent Subscription or Redemption and the latest NAV per unit of each class of Fund Units on the CSRC Designated Media;
- 2) If the suspension lasts for more than one day but less than two weeks, the Fund Manager shall publish an announcement on the re-opening of the Fund for Subsequent Subscription or Redemption on the Designated Media of the CSRC one Working Day prior to the day on which the

Fund is re-opened for Subsequent Subscription or Redemption and shall announce on the day on which the Fund is re-opened for Subsequent Subscription or Redemption the latest NAV per unit of each class of Fund Units;

- 3) If the suspension lasts for more than two weeks, the Fund Manager shall publish the suspension announcement at least once every two weeks during the suspension period. When the Fund is re-opened for Subsequent Subscription or Redemption after the end of the suspension period, the Fund Manager shall publish an announcement on the re-opening of the Fund for Subsequent Subscription or Redemption on the Designated Media of the CSRC at least two days in advance and shall announce on the day on which the Fund is re-opened for Subsequent Subscription or Redemption the latest NAV per unit of each class of Fund Units.

In addition to the situations prescribed in the Fund Contract of each fund where Subsequent Subscription can be rejected or suspended, the Fund Manager may reject or suspend accepting Subsequent Subscription applications for Class H Fund Units in the following situations. If an Investor's Subsequent Subscription application is rejected, the amount (excluding interest) for the Subsequent Subscription that is rejected shall be refunded to the Investor.

- (1) The amount of cross-border Renminbi of all of the Recognized Mainland Funds reaches or exceeds the total amount prescribed by the State;
- (2) Class H Fund Units account for more than 50% of the Fund's assets;
- (3) Other situations where the Recognized Mainland Funds shall be suspended as prescribed by the CSRC or SFC.

In the event of the aforementioned situations where Subsequent Subscription is suspended, the Fund Manager shall immediately file the case with the CSRC and SFC and inform the Hong Kong Representative, such that the Hong Kong Representative or the Fund Manager may inform the Hong Kong Sales Institutions, and publish an announcement on the suspension of Subsequent Subscription on the Designated Media within the timeframe prescribed.

## 9. Fund Switching

Fund Switching refers to Unitholders' application for the switching of all or part of the units of this Fund that they hold into units of other open-end funds managed by the Fund Manager and registered by the same Registrar in accordance with the provisions of the Fund Manager during the Duration of this Fund.

The Fund Manager will process the switching between funds for Investors at an appropriate time after the Fund Contract takes effect. By then, the specific processing time, business rules and switching fee rate will be set out in the announcement on Fund Switching. The Fund Manager shall publish the announcement on at least one Designated Media of the CSRC no later than two days prior to the commencement of the switching operation in accordance with the relevant provisions.

The Fund Manager has launched the Switching business for Class A Fund Units of the Fund, effective from 24 September 2009.

The Fund Manager has launched the Switching business for Class C Fund Units of the Fund, effective from 13 November 2023.

Whether the Sales Institutions may handle the Fund Switching is subject to the regulations of each Sales Institutions. The specific regulations on the Fund Switching shall be in accordance with the specific regulations of each Sales Institutions. Investors shall go to the Sales Institutions who sells proposed switch-out funds and switch-in funds for fund switching.

## 10. Non-trading Transfer and Agency Transfer of the Fund

(I) Non-trading transfer refers to the act of transferring a certain number of Fund units from the Fund Account of an Investor to the Fund Account of another Investor in accordance with certain rules without conducting the trading, such as the Subsequent Subscription or Redemption of the Fund, including inheritance, donation, judicial enforcement and other acts approved by the institution of Fund register and transfer. In any of the above situations, the transferee shall be a qualified Individual Investor or Institutional Investor. Among which:

(1) “Inheritance” shall mean a legal heir’s inheritance of the Fund units held by a Unitholder upon the death of the Unitholder.

(2) “Donation” shall mean a Unitholder’s donation of the Fund units legally held by him to a welfare foundation or other philanthropic social groups.

(3) “Judicial enforcement” shall mean the compulsory transfer of the Fund units held by a Unitholder to other natural persons, legal persons, social groups or other organizations as ordered by a judicial authority according to the valid legal documents.

The situations in which the Fund’s Registrar may process non-trading transfers are set out in the business rules that it announces.

(II) The relevant information required by the Fund’s Registrar shall be provided for the processing of non-trading transfers. Any application for the processing of a non-trading transfer shall be directly lodged to the Fund’s Registrar or its designated institution.

(III) When a Unitholder changes to another Sales Institution (Outlets) for the processing of the Subsequent Subscription and Redemption of the Fund, the Investor may process the Agency Transfer for the Fund units held by him based on the actual situation of each Sales Institution. The Fund’s Sales Institution may charge a fee for Agency Transfer according to the standard so prescribed.

(IV) Investors shall comply with the relevant rules of Hong Kong Sales Institutions when going through non-trading transfer and agency transfer of Class H Fund Units.



## **11. Freezing, Unfreezing and Pledge of Fund Units**

(I) The Fund's Registrar only accepts requests made by a competent authority of the State in accordance with the law for the freezing or unfreezing of Fund units. If the Fund units are frozen, the interest accruing on the part being frozen (including cash dividend and dividend re-investment) shall be frozen as well.

(II) Subject to the then effective Laws and Regulations, the Fund Registrar may process the pledge or other operation of the Fund units, publish and implement the corresponding business rules.

(III) Freezing, unfreezing and pledge of Class H Fund Units shall comply with the relevant laws, regulations and operating rules of Hong Kong.

## 12. Regular Savings Plan

The Fund Manager may provide Investors with services for the Regular Savings Plan, the specific rules of which shall be then published on an announcement or specified in the updated prospectus by the Fund Manager.

The Fund Manager officially launched the Regular Savings Plan of Class A Fund Units of this Fund on 30 July 2009.

The Fund Manager officially launched the Regular Savings Plan of Class C Fund Units of this Fund on 13 November 2023.

Whether the Sales Institutions may carry out Regular Saving Plan of the Fund is subject to the regulations of each Sales Institutions. The specific regulations on the Regular Saving Plan shall be in accordance with the specific regulations of each Sales Institutions.



## 13. Fund Investment

### (I) Investment Objectives

The Fund aims to deliver strong investment returns and outperform the benchmark consistently. The Fund seeks to invest in large-cap blue chip companies that are in leading positions in various industries as well as companies that are expected to generate sustainable profit growth. On the basis of rational risk control, the Fund will invest in companies that offer solid dividend income and long-term capital growth.

### (II) Investment Universe

The Fund is an equity fund with its scope of investment including equities issued and listed in the PRC in accordance with laws, treasury bonds, financial bonds, enterprise bonds, central bank bills, convertible bonds, warrants, asset-backed securities, and other financial instruments which are eligible for fund investments as permitted by the national securities regulatory authorities. After taking appropriate procedures, the Fund Manager may include other types of investments, if permitted by laws and regulations or by any regulatory authorities in the future, in the Fund's investment scope.

The asset allocation of the Fund's portfolio is as follows: equities shall account for 85%-95% of the Fund's assets, and warrants shall account for 0-3%, of the net asset value of the Fund. Investment in fixed income securities and cash shall account for 5%-15% of the Fund's assets, of which investment in cash (not including settlement provisions, guarantee deposits paid or subscription amount receivables) or government bonds which have a maturity of less than one year shall account for at least 5% of the net asset value of the Fund.

The Fund invests no less than 80% of its assets in the equities of large-cap blue chip companies listed on the China A-share market, which are undervalued but with sustainable and stable profit growth and have established leading position in their respective sectors. The Fund Manager will rank the stocks listed on the China A-share market quarterly in a descending order according to their respective total market capitalization. The top 30% of stocks with the largest total market capitalization are considered as large caps. The above restriction does not apply if the proportion of

investment in large caps falls below the above requirement as a result of relative changes in prices of stocks held by the Fund, provided that the Fund Manager shall make adjustment within a reasonable period of no longer than 3 months.

In course of the Fund's practical management, the actual asset allocation of the Fund will be adjusted proactively by the Fund Manager, taking into account the macro-economic conditions of the PRC and cyclical changes in the securities market, with an aim to achieve an optimal risk-return balance for all investment in various assets while maintaining the investment percentage within the above limits. Subject to any new requirements of laws and regulations, the Fund Manager may make appropriate adjustment to the above percentage.

### **(III) Investment Philosophy**

Higher positions, blue chip companies and selective research. Specifically, this Fund's investment philosophy includes the following three aspects.

#### **(1) An equity fund with higher positions**

This Fund's investment in equities accounts for 85%-95% of its assets, of which, no less than 80% of equity assets is invested in large-cap blue chip companies listed on the A-share market of the PRC which enjoy sustained and steady profit growth, are undervalued and have leading positions in various industries. This Fund reduces subjective judgment on the trend of the equity market and focuses on "bottom-up" stock selection by following the established and stable investment style and strategy with a view to achieving higher capital gain in the long term.

#### **(2) Investing in large-cap blue chips**

This Fund's definition of large caps: the Fund Manager ranks the stocks listed on the A-share market of the PRC according to the total market capitalization in descending order every quarter. The top 30% of stocks with the largest total market capitalization on the A-share market are considered to be large caps. Such listed companies often enjoy leading positions in their respective industries and have stable cash inflow, hence, they can avoid operational risk which may be exposed by small caps at the startup stage.

#### **(3) Creating investment value by research**

High quality large caps are characterized by low operational risk, solid financial

condition, regulated operation of the company and information transparency. In addition, prices of large caps are difficult to be manipulated and are subject to lower volatility. By forecasting the leading positions the companies will have in various industries and the monopolistic resources that can be used, this Fund seizes opportunities in key investment areas. Conducting comprehensive research on listed companies in areas such as industry prosperity, core competitiveness, financial condition, etc., allows this Fund to achieve excess return more easily, i.e. creating investment value by research.

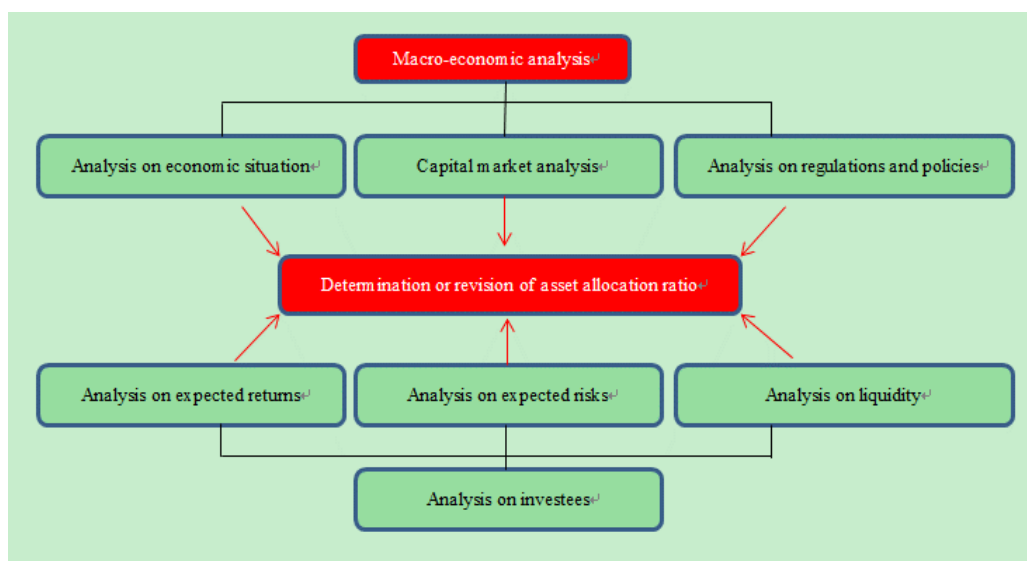
#### **(IV) Investment Strategies**

By fully leveraging on the Fund Manager's advantage on research and combining the rigorous and standardized fundamental analysis and the active investment style, this Fund adjusts the proportion of major classes of financial assets dynamically and makes decisions regarding the stock portfolio by a bottom-up approach based on the analysis and judgement on macro-economic conditions and the trend of the financial market.

##### **1. Asset Allocation Strategies**

According to this Fund's investment philosophy of "higher positions, blue chip companies and selective research" and the equity selecting strategy of "creating value by research", when making investment decisions, this Fund makes moderate adjustment and determines the proportion of fund assets in various classes of assets such as equities, bonds, cash, etc., based only on the relative changes in the risk return characteristics of the selected securities.

The decision-making process regarding asset allocation is as follows:



## 2. Sector Allocation Strategy

Sector researchers regularly provide investment ratings on various sectors and allocation recommendations by analyzing the characteristics of different sectors. Sector analysts make recommendations on allocations to key sectors, based on internal and external research resources, coupled with macro-fundamental analysis, etc. The Portfolio Manager team will have discussions on the allocations to various sectors based on the recommendations of sector researchers and sector analysts, together with the expectations and judgments on market investment conditions. Investment decision-making committee will make recommendations on sector allocations based on the recommendations of sector researchers and sector analysts as well as the Portfolio Managers' discussion results, and the Portfolio Managers will then make allocations to various sectors accordingly.

Taking into account that the pool of large caps selected by this Fund may encounter issues resulting from an excessively high industry concentration ratio, during actual operation, this Fund will determine the potential impact of changes in sectors' economic variables on various sectors and obtain the relative investment value of different sectors based on analysis and forecasts on the industry environment, industry policies and competitive landscape. Based on the results, this Fund will then add small and mid caps to the portfolio moderately in order to make suitable adjustments on the sector allocation of the portfolio's constituent stocks, provided that the proportion of equity assets does not exceed the 20% limit, so as to avoid non-systematic risk of the

portfolio resulting from an excessively high industry concentration ratio.

### **3. Equity Assets Investment strategy**

#### **(1) Pool of Primarily-selected Stocks**

According to this Fund's investment philosophy and the characteristics of target clients, the pool of primarily-selected stocks of this Fund is subject to selection based on the total market capitalization. The Fund Manager ranks the stocks listed on the A-share market of the PRC according to the total market capitalization in descending order every quarter and the top 30% of listed companies with the largest total market capitalization on the A-share market constitute the pool of primarily-selected stocks of this Fund.

Newly-issued stocks can be included in the pool of primarily-selected stocks of this Fund directly.

#### **(2) Individual Stocks Selection System Focusing on Competitive Advantages**

High quality large caps are characterized by low operational risk, solid financial condition, regulated operation of the company and information transparency. In addition, prices of large caps are difficult to be manipulated and are subject to lower volatility. By forecasting the leading positions the companies will have in various industries and the monopolistic resources that can be used, this Fund seizes opportunities in key investment areas. Conducting comprehensive research on listed companies in areas such as industry prosperity, core competitiveness, financial condition, etc., allows this Fund to achieve excess return more easily.

This Fund focuses on analyzing the large caps' unique competitive advantages while the Fund Manager conducts comprehensive value and growth analysis on the primarily-selected stocks and combines the results with industry status analysis, thereby selecting and investing in large-cap blue chip companies which enjoy sustained and steady profit growth, are undervalued and have leading positions in various industries. Value indicators include: P/B ratio, earnings per share ratio, annual cash flow/market capitalization, dividend yield, etc.; growth indicators include: revenue growth rate of principal businesses, profit growth rate of principal businesses, P/E ratio, ROE, etc. When striving to select undervalued listed companies to the greatest extent possible, this Fund does not rigidly adhere to one particular value indicator or growth indicator listed above but rather generally considers the governance standard, core



competitiveness, etc. of a listed company.

The standard setting principles of each indicator are as follows:

λ P/B ratio

The market average is used as the reference value of the evaluation indicator. Where a company issues both A shares and H shares (or B shares), its total market capitalization is represented by the sum of the market capitalization of its B shares and that of its A shares.

λ Earnings per share

In respect of a listed company which recorded positive earnings per share in the past three years and has been listed on a stock exchange for less than three years, data in its adjusted accounting statements will be used as reference.

λ Annual cash flow/market capitalization

The market average is used as the reference value of the evaluation indicator. The cash flow used in the calculation is the net cash flow generated from operating activities.

λ Dividend yield

The after-tax rate of return of bank demand deposits is used as the reference value of the evaluation indicator: the filter value for dividend yield is determined based on the average market dividend yield.

λ Revenue growth rate of principal businesses

The GDP growth rate is used as the reference value of the evaluation indicator: for listed companies which are in the phase of continuous growth, growth rates for the past three years are examined, and the growth rates for the coming two years are forecasted. For listed companies which are in the start-up phase, its growth trend for the next three years and the realization probability are examined.

λ Profit growth rate of principal businesses

The GDP growth rate is used as the reference value of the evaluation indicator: for listed companies which are in the phase of continuous growth, growth rates for the past three years are examined, and the growth rates for the coming two years are forecasted. For listed companies which are in the start-up phase, its growth trend for the next three years and the realization probability are examined.

λ P/E ratio

The reciprocal of the after-tax rate of return of one-year bank demand deposits is

used as the reference value of the evaluation indicator: the filter value for P/E ratio is determined based on the average market P/E ratio and the performance growth of the listed company.

#### $\lambda$ ROE

The after-tax rate of return of one-year bank demand deposits is used as the reference value of the evaluation indicator: the filter value for ROE is determined based on the GDP growth rate and the general ROE of the listed company.

### (3) Corporate Governance Assessment and On-site Inspection and Study

By using the application method of HSBC Global Asset Management (汇丰环球投资管理) in relation to the scoring system of listed companies for reference, this Fund established a comprehensive corporate governance assessment system to carry out thorough assessment on the governance standard of companies, such that companies which fail the assessment can be resolutely avoided. Meanwhile, this Fund empirically verifies the comprehensive assessment results through on-site inspection and study, so as to ensure the investment risk is minimized.

The assessment on corporate governance structure refers to the comprehensive inspection on the flexibility, completeness and regulation of the listed company's organization and system in respect of operation and management, which includes the separation of ownership and managerial right, protection of shareholders' interests, operation and management independence, degree of interference by the government and the parent company within the company, the implementation of management decisions and the effectiveness of communications, the actual implementation of shareholders' general meetings, meetings of the board of directors and meetings of the supervisory committee, the thoroughness of enterprise restructuring, the formulation and implementation of internal control in the enterprise, etc. Corporate governance structure is a key factor in determining the assessed value of a company as well as the sustainability of a company's profitability. As governance structure defects are common in the listed companies of the PRC, the Fund Manager especially pays attention to the governance structure assessment of the listed companies when selecting individual stocks, in an effort to select stocks with sustainable profitability for the investors. The Fund Manager assesses the governance standard of a listed company mainly through the following five aspects:

- λ Industrial structure;
- λ Industry outlook;
- λ Ability of creating shareholder value;
- λ Strategy and management quality of the company;
- λ Corporate governance.

#### (4) Optimized Allocation based on Risk Adjustment

This Fund optimizes its allocation to sectors and individual stocks based on the overall assessment and risk adjustment of listed companies, in order to avoid high industry concentration in the portfolio.

### **4. Bond Investment Strategy**

This Fund's main purpose of investing in fixed-income assets is to fully leverage on the investment opportunism in fixed-income assets when the risk in the equity market increases significantly, so as to enhance the Fund's return on investment and effectively lower the investment risk of the Fund in general. This Fund's adopts a "top-down" investment strategy in respect of the investment in fixed-income assets and seeks to achieve excess return by active investment based on analysis on the forecast of the future interest rate trend, movements in the yield curve, yield spreads and fundamentals of companies.

#### (1) Forecast of Interest Rate Trend

The ability to accurately predict the future trend of interest rates can bring excess return to the investment in bonds. This Fund will conduct comprehensive analysis on the changes in monetary policies, fiscal policies and exchange rate policies by closely monitoring the macro-economic conditions in order to grasp the trend of interest rates, thereby avoiding interest rate risk and increasing investment return through increasing the bond investment duration when the interest rate is expected to decrease and moderately shortening the duration when the interest rate is expected to increase.

#### (2) Analysis on the Movements in the Yield Curve

The yield curve reflects the relationship between the duration and yield of bonds. Investment research department achieves return on investment by adjusting the proportion of short-term and long-term assets in the bond portfolio based on the predictions on the changes in the shape of the yield curve.

#### (3) Analysis on Yield Spreads

Based on the forecasts and analyses on the yield spreads between different sectors in the same market (such as treasury bonds and financial bonds), the same class of asset in different markets, and between different sectors in different markets, the investment department adopts active approach in selecting suitable classes of assets to trade with in order to achieve investment return. Under normal conditions, yield spreads among those classes of assets are stable, however, under specific circumstances, such as a particular sector is subject to changes in credit risk in a certain phase of a business cycle or there are changes in the market demand and supply, such stable relationship will be broken. Hence, if the situations can be predicted and trades are made in advance, arbitrage can be carried out or loss can be reduced.

#### (4) Analysis on Fundamentals of Companies

Analysis on fundamentals of companies is the key factor when making investment decisions regarding corporate bonds (including convertible bonds). Research department evaluates the degree of credit risk exposed by the bonds of a company and make value judgment based on the general “qualitative” and “quantitative” analysis it conducts on the bond issuing company’s financial and operating condition, operating capability, creditworthiness of management, the competition situation of the industry in which it operates, etc., together with the results of practical research. For the convertible bonds, through the judgment on the price movement of the underlying stocks and the linkage between the underlying stocks and convertible bonds, the advantage of stock purchase price via converting bonds can be taken or the arbitrage can be achieved.

### **5. Investment Strategies on Other Assets**

#### (1) Investment Strategies on Warrants

This Fund makes active investments in warrants provided that the investment risk is under control and the safety of the Fund assets is safeguarded. This Fund’s investment strategies on warrants include the following aspects:

1) Determining the prices of warrants by conducting comprehensive assessment on key factors such as the reasonable intrinsic value of the underlying stocks of the warrants, prices of the underlying stocks, exercise price, exercise time, way of exercise, history of share prices, expected volatility and risk-free return rate, etc. and applying various option pricing models generally recognized by the market.

2) Making decisions on whether to buy, hold or sell the warrants based on the difference between the reasonable intrinsic value of the warrants and the market price, i.e. the “value price”, and the sensitivity of the reasonable intrinsic value of the warrants to the pricing parameters, coupled with the consideration regarding the reasonable intrinsic value of the underlying stocks.

3) Achieving the objective of improving the risk and return characteristics of a portfolio by making use of the properties of derivatives in warrants through investment in a combination of warrants and securities.

#### (2) Investment Strategy on Asset-backed Securities

Subject to the strict compliance with the provisions of the relevant Laws and Regulations and the Fund Contract, this Fund adheres to the principles of sound investment and, with risks being under strict control, generally applies active strategies such as duration management, analysis on the movements in the yield curve, analysis on yield spreads and analysis on fundamentals of companies, etc., to select and invest in classes of assets with higher risk-adjusted return based on credit research and liquidity management, so as to achieve long-term and stable return from the Fund assets.

### (V) Benchmark for Performance Comparison

The Fund’s performance benchmark for performance comparison is: CSI 300 Index \* 90% + Interbank deposit rate \* 10%. This Fund adopted such comparison benchmark mainly due to the following reasons:

1) CSI 300 Index is a PRC’s A-share index authorized by Shanghai Stock Exchange and Shenzhen Stock Exchange and was developed by China Securities Index Co., Ltd. Its samples are selected from the top 300 stocks by market capitalization in Shanghai Stock Exchange and Shenzhen Stock Exchange which can reflect the general development trend of the A-share market.

2) This Fund is an equity fund. During the course of operation, this Fund maintains 85%-95% of its assets in equities, with the remaining assets being invested in bonds and other short-term financial instruments with high liquidity. Among the equity assets, no less than 80% is invested in large-cap blue chip companies listed on the A-share market of the PRC which enjoy sustained and steady profit growth, are undervalued, and have leading positions in various industries. In the long run, the average proportion

of the Fund assets in equities is 90% and the proportion of assets in bond investment is 10%. As such, this Fund determined the weight of stock index and bond index for the performance comparison benchmark to be 90% and 10% and the interbank deposit rate is used as the yield of bond assets.

Therefore, “CSI 300 Index \* 90% + Interbank deposit rate \* 10%” is the ideal benchmark for evaluating the performance of this Fund’s investment.

If the calculation or compilation of the above benchmark index stops or if the index is renamed, or if there are changes in the Laws and Regulations in future or the market launches an index with higher authority and can better reflect the risk and return characteristics of this Fund, the Fund Manager will, as the case may be, upon agreement with the Fund Custodian, adjust the performance evaluation benchmark of this Fund, file such adjustment with the CSRC and publish an announcement in a timely manner, however, it is not required to convene a Unitholders’ meeting.

#### **(VI) Risk and Return Characteristics**

This Fund is an equity fund, a type of fund with higher risks among open-end funds, and its expected risk and return are higher than those of a bond fund and mixed fund. This Fund mainly invests in large-cap concept stocks and is considered to be an investment product with a medium risk level among equity funds.

#### **(VII) Prohibited Investment and Investment Restrictions**

(1) The Fund assets shall not be used for the following purposes:

- 1) Underwriting securities;
- 2) Providing loans or guarantees to others;
- 3) Making investment with unlimited liability;
- 4) Trading other fund units, unless otherwise prescribed by the State Council;
- 5) Making capital contribution to the Fund Manager or Fund Custodian of this Fund or trading the stocks or bonds issued by the Fund Manager or Fund Custodian of this Fund;
- 6) Trading the securities issued by or securities underwritten during the underwriting period by the controlling shareholder of the Fund Manager or Fund Custodian of this Fund or a company that is materially interested

- in the Fund Manager or Fund Custodian of this Fund;
- 7) Engaging in insider dealing, manipulating the trading prices of securities and engaging in other improper securities trading activities;
- 8) Other activities prohibited by the CSRC in accordance with the relevant provisions of the laws and administrative regulations.

If the above restriction provisions are cancelled by the Laws and Regulations or the regulatory department, the Fund Manager will not be restricted by those provisions after performing the appropriate procedures.

(2) Restrictions on the holdings limits in the Fund's investment portfolio

- 1) The market value of the shares of a listed company held by the Fund shall not exceed 10% of the NAV of the Fund;
- 2) The exposure of this Fund and other funds managed by the Fund Manager to a security issued by a company shall not exceed 10% of that security;
- 3) The proportion of the Fund's portfolio: investment in equities accounts for 85%-95% of the Fund assets, investment in warrants accounts for 0-3% of the NAV of the Fund. Investment in fixed income securities and cash accounts for 5%-15% of the Fund assets, of which investment in cash (not including settlement provisions, guarantee deposits paid or subscription amount receivables) or government bonds maturing in less than one year accounts for no less than 5% of the NAV of the Fund.
- 4) The amount of Fund assets used to apply for the Subsequent Subscription of shares issued shall not exceed the total assets of this Fund and the number of shares for which the Fund applies shall not exceed the total number of shares issued this time by the company intending to issue the shares;
- 5) The balance of the funds borrowed from the repurchase of bonds in the interbank market shall not exceed 40% of the NAV of the Fund;
- 6) The sum of cash (not including settlement provisions, guarantee deposits paid or subscription amount receivables) and government bonds maturing within one year that are kept by the investment portfolio of the Fund shall not be less than 5% of the NAV of the Fund;
- 7) The same warrant held by all the funds that are managed by the Fund

- Manager shall not exceed 10% of that warrant;
- 8) The investment by the Fund in all types of asset-backed securities of the same originator shall not exceed 10% of the NAV of the Fund;
  - 9) The market value of all the asset-backed securities held by the Fund shall not exceed 20% of the NAV of the Fund;
  - 10) The ratio of the number of the same asset-backed security (meaning having the same credit rating) held by the Fund shall not exceed 10% of the size of that asset-backed security;
  - 11) The investment by all the funds managed by the Fund Manager in all types of asset-backed securities of the same originator shall not exceed 10% of the total size of all those types of asset-backed securities;
  - 12) The Fund shall make investments in asset-backed securities with a credit rating of BBB or above. When the Fund holds any asset-backed securities, if their credit ratings decline and no longer meet the investment criteria, they shall be all sold out within 3 months of the issuance date of the rating report;
  - 13) On any trading day, the total purchase amount of warrants shall not exceed 0.5% of the NAV of the Fund on the previous trading day.
  - 14) The percentage of investment in restricted tradable securities shall be subject to the requirements specified in the Notice of Matters about Any Fund's Investment in Restricted Tradable Securities Such As Non-publicly Issued Stocks (Zheng Jian Ji Jin Zi No. [2006]141) and any subsequent relevant requirements;
  - 15) The number of outstanding shares issued by a listed company held by all open-ended funds (including partially open-end funds which are currently open for purchase and redemption) managed by the Fund Manager should not exceed 15% of the total number of outstanding shares in the listed company; the number of outstanding shares issued by a listed company held by all portfolios managed by the Fund Manager shall not exceed 30% of the total number of outstanding shares in the listed company;
  - 16) The market value of assets with trading restrictions in which the Fund



actively invested should not exceed 15% of the Fund's NAV. In the event that this investment limit is violated due to factors beyond the control of the Fund Manager, e.g. securities market fluctuations, trading suspension for shares in the listed company and changes in fund size, the Fund Manager shall not proactively increase investment in such assets with trading restrictions;

- 17) Where the Fund carries out a reverse repurchase with a private equity securities asset management product or another entity (as counterparty) recognized by the CSRC, the qualification requirements of the acceptable collaterals should be the same as the investment scope in the Fund Contract;
- 18) Should there be any change, by laws and regulations, in the restriction on the investment proportion of an investment portfolio agreed under the contract of the Fund, the revised requirement shall prevail. If the aforesaid restriction is revoked by laws and regulations or by the regulatory authority, which is applicable to the Fund, the Fund's investments shall no longer be subject to such restriction.

If any factor (other than the Fund Manager) (except items 6, 12, 16 and 17 above), such as fluctuation of stock market, merger of listed companies, change in the Fund's size, payment of consideration in the equity division reform, makes the Fund's investment proportion become incompliant with the investment proportion required above, the Fund Manager shall make relevant adjustment within 10 trading days.

If other provisions are stipulated by the Laws and Regulations, those provisions shall be complied with.

The Fund Manager shall, within six months from the date on which the Fund Contract takes effect, ensure that the holdings limits in the investment portfolio of the Fund comply with the relevant stipulations of the Fund Contract. The Fund Custodian shall begin supervising and examining the investment ratio of the Fund from the date on which the Fund Contract takes effect.

**(VIII) Principles and Methods in respect of Exercising the Rights of Shareholders and Creditors by the Fund Manager on behalf of the Fund**

(1) It will not seek to have a controlling shareholding of listed companies and will not participate in the operation and management of the invested listed companies;

(2) It will try to maintain the safeguard and added value of the Fund's properties;

(3) It will independently exercise, on behalf of the Fund, the rights of shareholders and creditors in accordance with relevant requirements of the country, and protect the benefits of the investors of the Fund.

### **(IX) Report of Investment Portfolio of the Fund**

The board of directors and directors of the Fund Manager warrant that there exists no false statement, misleading information or major omission in the Fund's report of investment portfolio, and will assume individual and joint responsibilities for the truthfulness, accuracy and integrity of the content.

Bank of Communications Co., Ltd., the Fund Custodian, reviewed the financial indicators, performance of net value and report of investment portfolio in this report on 18 July 2025 pursuant to the Fund Contract, and guarantees that there exists no false statement, misleading information or major omission in the content reviewed.

The reporting period of the Fund's report of investment portfolio started from 1 April 2025 to 30 June 2025. The financial information in this report has not been audited.

#### **9.1 Fund portfolio at the end of reporting period**

No.	Item	Amount (Yuan)	% of total Fund assets
1	Equity investment	1,998,479,668.39	89.31
	Of which: stocks	1,998,479,668.39	89.31
2	Fund investment	-	-
3	Fixed income investment	-	-
	Of which: bonds	-	-
	Asset-backed securities	-	-
4	Precious metal investment	-	-

5	Financial derivative investment	-	-
6	Financial assets purchased under resale agreement	-	-
	Of which: Financial assets purchased under resale agreement of outright repo	-	-
7	Total bank deposits and settlement provisions	222,442,057.39	9.94
8	Other assets	16,647,847.41	0.74
9	Total	2,237,569,573.19	100.00

## 9.2 Domestic Stock portfolio by industry at the end of reporting Period

Code	Industry category	Fair value (Yuan)	% of NAV of the Fund
A	Agriculture, forestry, husbandry and fishery	-	-
B	Mining	80,070,484.00	3.66
C	Manufacturing	1,650,533,786.89	75.51
D	Electricity, heat, gas and water generation and supply	-	-
E	Construction	-	-
F	Wholesale and retail	-	-
G	Transportation, storage and postal services	72,467,911.00	3.32
H	Accommodation and catering	-	-
I	Information transmission, software and information technology services	-	-
J	Finance	111,988,389.50	5.12
K	Real estate	50,999,220.00	2.33

L	Leasing and commercial services	-	-
M	Scientific research and technical services	32,419,877.00	1.48
N	Water conservancy, environment and public facilities management	-	-
O	Resident services, repair and other services	-	-
P	Education	-	-
Q	Health and social work	-	-
R	Culture, sports and entertainment	-	-
S	Comprehensive business	-	-
	Total	1,998,479,668.39	91.43

### 9.3 The analysis of top ten stocks investments by percentage of the fair value in the NAV of the Fund at the end of the reporting period

No.	Stock Code	Stock Name	Quantity (Number of shares)	Fair Value (Yuan)	% of NAV of the Fund
1	601233	Tongkun Group Co.,Ltd	15,068,573	159,726,873.80	7.31
2	601688	Huatai Securities Co.,Ltd.	6,287,950	111,988,389.50	5.12
3	000807	Yunnan Aluminium Co.,Ltd.	6,366,397	101,735,024.06	4.65
4	002475	Luxshare Precision Industry Co., Ltd.	2,740,200	95,057,538.00	4.35
5	603816	Jason Furniture(Hangzhou)Co.,Ltd.	3,579,100	91,338,632.00	4.18
6	000933	Henan Shenhua Coal & Power Co.,Ltd	5,346,100	88,959,104.00	4.07

7	000100	Tcl Technology Group Corporation	20,523,200	88,865,456.00	4.07
8	000725	BOE Technology Group Co., Ltd.	22,067,900	88,050,921.00	4.03
9	600309	Wanhua Chemical Group Co.,Ltd.	1,582,038	85,841,381.88	3.93
10	603225	Xinfengming Group Co.,Ltd	7,687,800	81,875,070.00	3.75

#### **9.4 Bond portfolio by types of bonds at the end of the reporting period**

None.

#### **9.5 The analysis of top five bond investments by percentage of the fair value in the NAV of the Fund at the end of the reporting period**

None.

#### **9.6 The analysis of top ten asset-backed securities investments by percentage of the fair value in the NAV of the Fund at the end of the reporting period**

None.

#### **9.7 The analysis of top five precious metal investments by percentage of the fair value in the NAV of the Fund at the end of the reporting period**

None.

#### **9.8 The analysis of top five warrant investments by percentage of the fair value in the NAV of the Fund at the end of the reporting period**

None.

#### **9.9 The details of trading of stock index futures invested by the Fund at the end of the reporting period**

##### **9.9.1 The analysis of holdings and profit and loss of stock index futures invested by the Fund at the end of the reporting period**

None.

### **9.9.2 The investment policies of the stock index future investments of the Fund**

None.

### **9.10 The details of trading of treasury bond futures invested by the Fund at the end of the reporting period**

#### **9.10.1 The investment policies of the treasury bond future investments of the Fund**

None.

#### **9.10.2 The analysis of holdings and profit and loss of treasury bond futures invested by the Fund at the end of the reporting period**

None.

#### **9.10.3 Investment assessment of the treasury bond investments of the Fund**

None.

### **9.11 Notes of the investment portfolio report**

9.11.1 As of the end of the reporting period, none of the issuers of the Fund's top ten securities by investment amount, with the exception of Huatai Securities Co., Ltd. (SSE: 601688, hereinafter "Huatai Securities"), have been subject to regulatory investigations or incurred public censures or penalties during the 12-month period preceding the report date.

The Jiangsu Office of the China Securities Regulatory Commission issued a rectification order to Huatai Securities on April 19, 2024, citing inadequate compliance controls in proprietary trading operations, deficiencies in client suitability management and fiduciary duty enforcement, insufficient qualification management of personnel and internal control deficiencies in co-investment businesses.

To date, the Fund's investment decision-making process regarding Huatai Securities Co., Ltd. has adhered to our internal investment decision-making protocols. We will maintain proactive monitoring of this position and will execute appropriate portfolio adjustments.

9.11.2 Among the top ten securities invested by the Fund, no invested security was

outside the selectable stock list specified under the Fund Contract.

### 9.11.3 Composition of Other Assets

No.	Name	Amount (Yuan)
1	Deposits provided	442,426.97
2	Receivables of securities settlement	16,043,605.57
3	Dividend receivables	-
4	Interest receivables	-
5	Subscription money receivables	161,814.87
6	Other receivables	-
7	Deferred expenses	-
8	Others	-
9	Total	16,647,847.41

9.11.4 The analysis of convertible bonds being held and in the conversion period at the end of the reporting period

None.

9.11.5 The details of restriction on trading for the top ten stocks of the Fund at the end of the reporting period

None.

9.11.6 Other part of writing descriptions in the notes of the investment portfolio report

In the investment portfolio reports, because of rounding up, there will possibly be decimal difference between the sum of percentage of the asset market value to the fund net value of all assets and the total; because of the number of digits reserved after the decimal point, the asset market value to the fund net value ratio may be zero.

## 14. Fund Performances

The Fund Manager undertakes to manage and operate the Fund assets on the principle of being honest, trustworthy, diligent and responsible, but does not guarantee that this Fund will be profitable. Past results of the Fund are not indicative of its future performance. Investment involves risks and Investors should read the Prospectus of this Fund carefully before making investment decisions.

### (I) Table of comparison between the net value growth rate of Fund units and the yield benchmark of performance comparison for the same period

#### 1. HSBC Jintrust Large Cap Equity Fund Class A

Period	Net value growth rate <sup>①</sup>	Standard deviation of net value growth rate <sup>②</sup>	Yield benchmark of performance comparison <sup>③</sup>	Standard deviation of yield benchmark of performance comparison <sup>④</sup>	①-③	②-④
24 June 2009 (Effective date of the Fund Contract) – 31 December 2009	17.28%	1.53%	14.39%	1.89%	2.89%	-0.36%
1 January 2010 – 31 December 2010	8.20%	1.41%	-11.19%	1.43%	19.39%	-0.02%
1 January 2011 – 31 December 2011	-19.39%	1.14%	-22.44%	1.17%	3.05%	-0.03%
1 January 2012 – 31 December 2012	4.99%	1.09%	6.87%	1.15%	-1.88%	-0.06%
1 January 2013 – 31 December 2013	10.36%	1.29%	-6.81%	1.25%	17.17%	0.04%
1 January 2014 – 31 December 2014	60.25%	1.34%	46.57%	1.09%	13.68%	0.25%
1 January 2015 – 31 December 2015	35.18%	2.42%	5.10%	2.24%	30.08%	0.18%
1 January 2016 – 31 December 2016	6.46%	1.43%	-10.08%	1.26%	16.54%	0.17%
1 January 2017 – 31 December 2017	28.07%	0.62%	19.67%	0.57%	8.40%	0.05%
1 January 2018 – 31 December 2018	-20.61%	1.29%	-22.71%	1.20%	2.10%	0.09%
1 January 2019 – 31 December 2019	42.94%	1.27%	32.54%	1.12%	10.40%	0.15%
1 January 2020 – 31 December 2020	42.64%	1.47%	24.56%	1.29%	18.08%	0.18%
1 January 2021 – 31 December 2021	-1.52%	1.31%	-4.64%	1.05%	3.12%	0.26%
1 January 2022 – 31 December 2022	-28.28%	1.35%	-19.43%	1.15%	-8.85%	0.20%



Period	Net value growth rate①	Standard deviation of net value growth rate②	Yield benchmark of performance comparison③	Standard deviation of yield benchmark of performance comparison④	①-③	②-④
December 2022						
1 January 2023 - 31 December 2023	-2.91%	0.92%	-10.20%	0.76%	7.29%	0.16%
1 January 2024 - 31 December 2024	10.31%	1.54%	13.25%	1.21%	-2.94%	0.33%
1 January 2025 - 30 June 2025	3.12%	1.02%	0.04%	0.92%	3.08%	0.10%
24 June 2009 (Effective date of the Fund Contract) – 30 June 2025	342.12%	1.37%	25.84%	1.26%	316.28%	0.11%

## 2. HSBC Jintrust Large Cap Equity Fund Class H

Period	Net value growth rate①	Standard deviation of net value growth rate②	Yield benchmark of performance comparison③	Standard deviation of yield benchmark of performance comparison④	①-③	②-④
30 December 2015 (Inception Date of Class H Unit)- 31 December 2015	-1.06%	0.21%	-0.74%	0.63%	-0.32%	-0.42%
1 January 2016 - 31 December 2016	6.36%	1.43%	-10.08%	1.26%	16.44%	0.17%
1 January 2017 - 31 December 2017	27.91%	0.62%	19.67%	0.57%	8.24%	0.05%
1 January 2018 - 31 December 2018	-20.69%	1.29%	-22.71%	1.20%	2.02%	0.09%
1 January 2019 - 31 December 2019	42.81%	1.27%	32.54%	1.12%	10.27%	0.15%
1 January 2020 - 31 December 2020	42.48%	1.47%	24.56%	1.29%	17.92%	0.18%
1 January 2021 - 31 December 2021	-1.54%	1.31%	-4.64%	1.05%	3.10%	0.26%
1 January 2022 - 31 December 2022	-28.29%	1.35%	-19.43%	1.15%	-8.86%	0.20%
1 January 2023 - 31 December 2023	-2.94%	0.92%	-10.20%	0.76%	7.26%	0.16%
1 January 2024 - 31 December 2024	10.16%	1.54%	13.25%	1.21%	-3.09%	0.33%
1 January 2025 - 30 June 2025	3.07%	1.02%	0.04%	0.92%	3.03%	0.10%
30 December 2015 (Inception Date of Class H Unit) - 30 June 2025	69.02%	1.26%	4.67%	1.09%	64.35%	0.17%

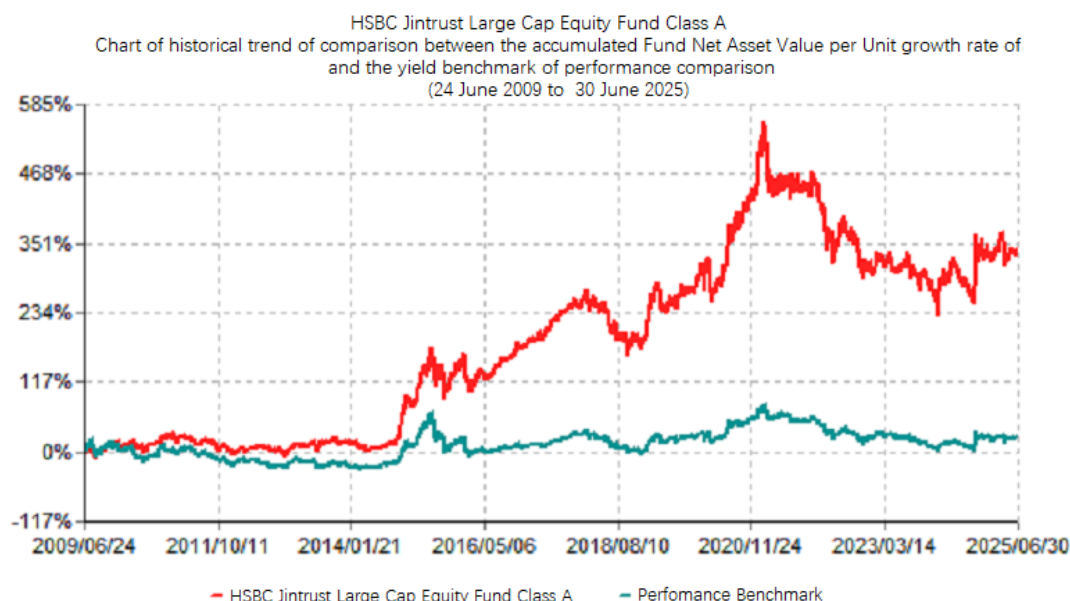
### 3. HSBC Jintrust Large Cap Equity Fund Class C

Period	Net value growth rate①	Standard deviation of net value growth rate②	Yield benchmark of performance comparison③	Standard deviation of yield benchmark of performance comparison④	①-③	②-④
13 November 2023 (Inception Date of Class C Unit) - 31 December 2023	-3.37%	0.84%	-3.89%	0.69%	0.52%	0.15%
1 January 2024 - 31 December 2024	9.84%	1.54%	13.25%	1.21%	-3.41%	0.33%
1 January 2025 - 30 June 2025	2.92%	1.02%	0.04%	0.92%	2.88%	0.10%

13 November 2023 (Inception Date of Class C Unit) - 30 June 2025	9.24%	1.35%	8.83%	1.09%	0.41%	0.26%
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## (II) Chart of historical trend of comparison between the accumulated net value growth rate of the Fund and the yield benchmark of performance comparison

### 1. HSBC Jintrust Large Cap Equity Fund Class A



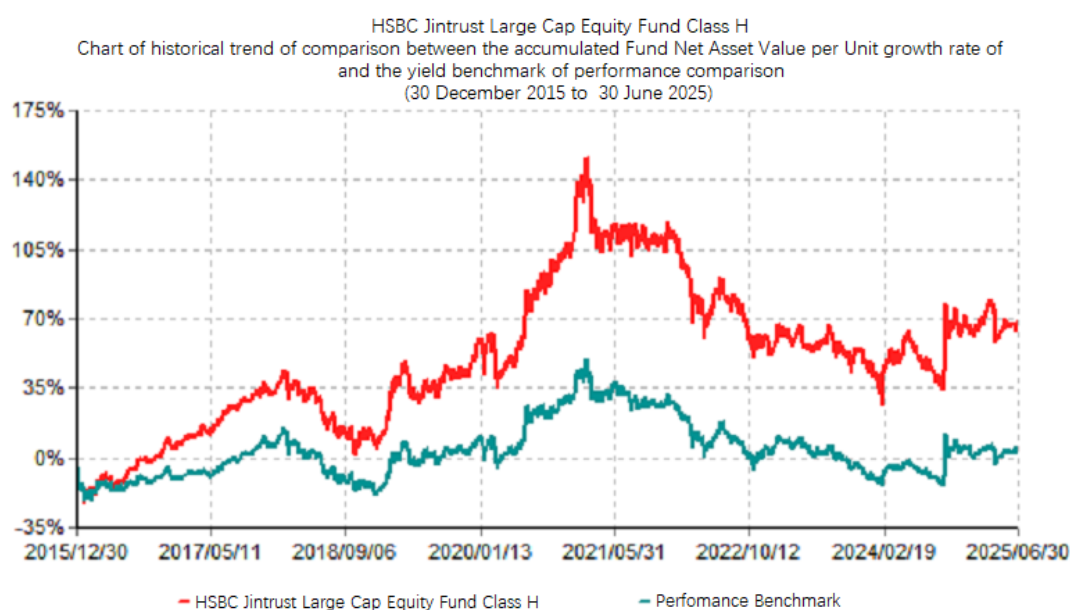
#### Notes:

1. As agreed in the Fund Contract, the percentage and scope of stock investment of the Fund are that 85%-95% of the Fund's assets can be invested therein. Of which, the Fund shall make at least 80% stock investment in domestic market for A shares of large-cap blue chips with continuously steady profit growth, underestimated market prices as well as leading positions in their respective industries. The percentage and scope of fixed-income security and cash investment of the Fund are that 5%-15% of the Fund assets can be invested therein. Of which, the Fund shall make an investment of at least 5% of the Fund's NAV in cash (not including settlement provisions, guarantee deposits paid or subscription amount receivables) or government bonds with their maturity dates within one year. As agreed in the Fund Contract, the Fund shall complete the position building within 6 months from the effective date of the Fund Contract. As at 24 December 2009, all investment percentages of the Fund satisfied the percentages agreed in the Fund Contract.

2. During the reporting period, the Fund's benchmark of performance comparison = CSI 300 Index \* 90% + Interbank deposit rate \* 10%.

3. The above calculation of the net value growth rate of the Fund has taken into account the income of dividends on shares invested by the Fund generated during the reporting period. The calculation of the yield benchmark of performance comparison for the same period has not taken into account any income of dividends on shares of constituent stocks of the CSI 300 Index generated during the reporting period.

## 2. HSBC Jintrust Large Cap Equity Fund Class H

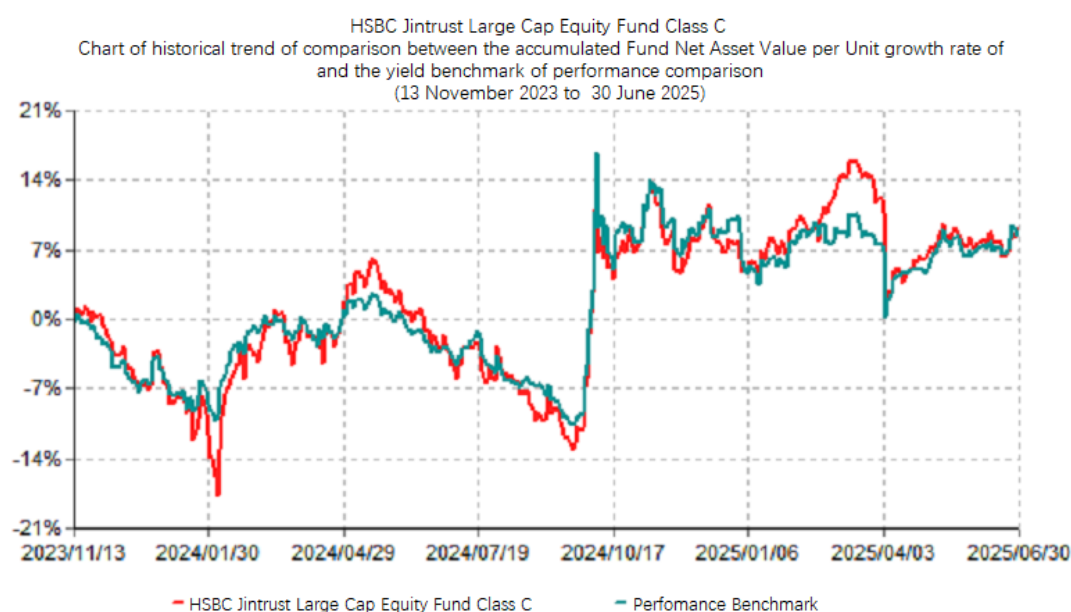


Notes:

1. As agreed in the Fund Contract, the percentage and scope of stock investment of the Fund are that 85%-95% of the Fund's assets can be invested therein. Specifically, the Fund shall make at least 80% of its stock investment on under-valued large-cap blue chips with persistent and stable earnings growth and leading positions in their respective industries on the domestic A-share market. The percentage and scope of fixed-income securities and cash investment of the Fund are that 5%-15% of the Fund's assets can be invested therein. Specifically, the Fund shall make an investment of at least 5% of the Fund's NAV in cash (not including settlement provisions, guarantee deposits paid or subscription amount receivables) or government bonds due within one year.

2. During the reporting period, the Fund's benchmark of performance comparison = CSI 300 Index \* 90% + Interbank deposit rate \* 10%.
3. The above calculation of the net value growth rate of the Fund has taken into account the income of dividends on shares invested by the Fund generated during the reporting period. The calculation of the yield benchmark of performance comparison for the same period has not taken into account any income of dividends on shares of constituent stocks of CSI 300 Index generated during the reporting period.
4. Class H units have been added to the Fund since 30 December 2015.

### 3. HSBC Jintrust Large Cap Equity Fund Class C



Notes: 1. As agreed in the Fund Contract, the percentage and scope of stock investment of the Fund are that 85%-95% of the Fund's assets can be invested therein, among which the Fund shall make at least 80% stock investment in domestic market for A shares of large-cap blue chips with continuously steady profit growth, underestimated market prices as well as leading positions in their respective industries. The percentage and scope of fixed-income securities and cash investment of the Fund are that 5%-15% of the Fund assets can be invested therein. The Fund shall make an investment of at least 5% of the Fund's Net Asset Value in cash (not including settlement provisions, guarantee deposits paid or subscription amount receivables etc.) or government bonds

with their maturity dates within one year.

2. In the reporting period, the Fund's benchmark of performance comparison = CSI 300 Index \* 90% + Interbank deposit rate \* 10%.

3. The above calculation of the net asset value growth rate of the Fund has taken into account the income of dividends on shares invested by the Fund which were generated in the reporting period. The calculation of the yield benchmark of performance comparison for the same period has not taken into account any income of dividends on shares of constituent stocks of CSI 300 Index which were generated in the reporting period.

4. The Class C Units of HSBC Jintrust Large Cap Equity Securities Investment Fund incepted on 13 November 2023.

# 15. Fund Assets

## (I) Composition of Fund Assets

### (1) Total Asset Value of the Fund

The Total Asset Value of the Fund shall mean the sum of the value of all types of securities and notes purchased by this Fund, the principal and interest of bank deposits, the accrued interest of bonds, receivables for Subsequent Subscription of the Fund and other receivables of the Fund, margins deposited and the value created by other investments.

The composition of the Fund assets mainly includes:

1. Bank deposits and their accrued interest;
2. Settlement reserves and their accrued interest;
3. Margins deposited in accordance with the relevant provisions;
4. Receivables for settlement of securities trading;
5. Receivables for Subsequent Subscription of the Fund;
6. Stock investments and their valuation adjustment;
7. Bond investments, their valuation adjustment and accrued interest;
8. Other investments and their valuation adjustment;
9. Other assets.

### (2) NAV of the Fund

The NAV of the Fund shall mean the value after deducting liabilities from the Total Asset Value of the Fund.

## (II) Fund Asset Accounts

The Fund Custodian shall open the Fund's custodial account for bank deposits at its business establishment in the name of "HSBC Jintrust Large Cap Equity Securities Investment Fund", open the Fund's account for settlement reserves in the name of the Fund Custodian at China Securities Depository and Clearing Corporation Limited, open the secondary account for settlement reserves in the name of "HSBC Jintrust Large Cap Equity Securities Investment Fund" at the custodial system of the Fund Custodian, open the securities account in the names of both the Fund Custodian and "HSBC Jintrust Large Cap Equity Securities Investment Fund" at China Securities Depository and

Clearing Corporation Limited and open the custodial account for interbank bonds in the name of “HSBC Jintrust Large Cap Equity Securities Investment Fund” and these accounts shall be reported to the People’s Bank of China for filing. The above Fund asset accounts opened shall be independent of their own asset accounts and other fund asset accounts of the Fund Manager, the Fund Custodian, the Fund Sales Agencies and the Fund Registrar.

If the relevant Laws and Regulations of the State are amended, the Fund Manager and the Fund Custodian are entitled to implement the new provisions.

### **(III) Custody and Disposal of the Fund Assets**

(1) The Fund assets are separated from the assets owned by the Fund Manager and the Fund Custodian and shall be held under the custody of the Fund Custodian.

(2) The assets and income received by the Fund Manager and the Fund Custodian due to the management and utilization of the Fund assets or other situations shall be included as the Fund assets.

(3) If the Fund Manager or the Fund Custodian is liquidated for reasons such as dissolution in accordance with the law, deregistration in accordance with the law or a declaration of bankruptcy in accordance with the law, the Fund assets shall not fall within the liquidation scope.

(4) A creditor’s right in the Fund assets cannot be used to offset the debt obligations of the assets owned by the Fund Manager and the Fund Custodian. The creditor’s right and debt obligations of different Fund assets cannot offset each other. The debt obligations not arising from the Fund assets themselves shall not be enforced against the Fund assets.



## 16. Valuation of Fund Assets

### (I) Valuation Purpose

The purpose of the Valuation of the Fund Assets is to reflect the value of the Fund assets in an objective and accurate manner and provide the basis for calculating the Subsequent Subscription and Redemption prices of the Fund units.

### (II) Valuation Date

The valuation date of this Fund is the normal business day of the securities exchange related to this Fund and the non-business day on which the net value of the Fund shall be disclosed to the public as prescribed by the Laws and Regulations of the State.

### (III) Valuation Targets

Assets and liabilities such as stocks, bonds and warrants owned by the Fund and the principal and interest of bank deposits, receivables and other investments.

### (IV) Valuation Methods

#### (1) Valuation Methods for Stocks

- 1) An outstanding listed stock is valued based on its closing price as quoted by the stock exchange on which it is listed on the valuation date; for a stock that is not traded on the valuation date and there are no material changes in the economic environment after the last trading day, the stock should be valued based on its closing price on the last trading day; for a stock that is not traded on the valuation date and where there are material changes in the economic environment after the last trading day, the stock should be valued based on its fair value which is determined after adjustment is made on its closing price on the last trading day with reference to the prevailing market prices of similar types of investments and factors of significant changes. If there is sufficient evidence stating that the closing price on the last trading day cannot truly reflect the fair value, the fair value should be determined after adjustment is made on the closing price on the last trading day, and the stock should be valued

based on such fair value.

## 2) Valuation of Unlisted Stocks:

① In respect of stocks which are issued for the first time, valuation technique is adopted to determine the fair value for valuation. Where the fair value is difficult to be reliably measured by applying a valuation technique, the stock is valued at cost.

② In respect of stocks which are issued publicly for the first time with a specific lock-up period, after the same stocks are listed on a stock exchange, the stocks are valued based on the valuation of such stocks listed on the stock exchange on the valuation date determined according to clause 1).

③ In respect of stocks issued by way of issuance of bonus shares, share increase by conversion, placement and public issuance of new shares, etc., the stocks are valued based on the valuation of the same outstanding stocks of the listed company listed on a stock exchange on the valuation date determined according to clause 1).

④ The valuation of stocks in a private placement with a specific lock-up period shall be conducted as follows:

A. Where the valuation of the same stocks listed and traded on a stock exchange on the valuation date determined according to clause 1) is lower than the initial cost of the stocks in the private placement, the valuation of the same stocks listed and traded on a stock exchange determined according to clause 1) shall be used as the value of the stocks in the private placement on the valuation date;

B. Where the valuation of the same stocks listed and traded on a stock exchange on the valuation date determined according to clause 1) is higher than the initial cost of the stocks in the private placement, the value of the stocks in the private placement on the valuation date shall be determined using the formula below:

$$FV = C + (P - C) \times (DI - Dr) / DI$$

Of which: FV is the value of the stocks in the private placement on the valuation date; C is the initial cost of the stocks in the private placement (if any ex-rights affect the market price due to any equity affairs, the initial cost of the stocks shall be adjusted accordingly on the ex-rights date); P is the market price of the same stocks listed and traded on a stock exchange on the valuation date; DI is the number of trading days on the stock exchange included in the lock-up period of the stocks in the private placement;

Dr is the remaining lock-up period from the valuation date, i.e. the number of trading days on the stock exchange from the valuation date to the end of the lock-up period, exclusive of the valuation date.

⑤ In respect of stocks which have been suspended from trading for a prolonged period, index return method is adopted for valuation. In the event that there are material changes in the market environment in the future, the Fund Manager may adopt other reasonable valuation methods for valuation upon negotiation with the Fund Custodian.

3) Valuation shall be conducted according to the new provisions of the State.

## (2) Valuation Methods for Bonds

- 1) A bond listed and traded on a stock exchange and transacted at a clean price is valued based on its closing price on the valuation date; for a bond that is not traded on the valuation date and there are no material changes in the economic environment after the last trading day, the bond should be valued based on its closing price on the last trading day; for a bond that is not traded on the valuation date and there are material changes in the economic environment after the last trading day, the bond should be valued based on its fair value which is determined after adjustment is made on its closing price on the last trading day with reference to the prevailing market prices of similar types of investments and factors of significant changes. If there is sufficient evidence stating that the closing price on the last trading day cannot truly reflect the fair value, the fair value should be determined after adjustment is made on the closing price on the last trading day, and the bond should be valued based on such fair value.
- 2) A bond listed and traded on a stock exchange and not transacted at a clean price is valued based on the clean price resulting from deducting the interest receivable of the bond included in the closing price of the bond from the closing price of the bond on the valuation date; for a bond that is not traded on the valuation date and there are no material changes in the economic environment after the last trading day, the bond should be valued based on the clean price resulting from deducting the interest receivable of the bond on the last trading day included in the closing

price of the bond from the closing price of the bond on the last trading day; for a bond that is not traded on the valuation date and there are material changes in the economic environment after the last trading day, the bond should be valued based on its fair value which is determined after adjustment is made on its closing price on the last trading day (clean price) with reference to the prevailing market prices (clean prices) of similar types of investments and factors of significant changes. If there is sufficient evidence stating that the closing price on the last trading day (clean price) cannot truly reflect the fair value, the fair value should be determined after adjustment is made on the closing price on the last trading day (clean price), and the bond should be valued based on such fair value.

- 3) In respect of unlisted bonds which are issued for the first time, valuation technique is adopted to determine the fair value for valuation. Where the fair value is difficult to be reliably measured by applying a valuation technique, the bond is valued at cost.
- 4) Bonds traded in the interbank bond market are valued based on the fair value determined according to the processing standards or advice given by the industry association and in consideration of factors such as market trading prices, quoted market prices, liquidity and yield curves, etc.
- 5) Valuation shall be conducted according to the new provisions of the State.

### (3) Valuation Methods for Warrants

- 1) An outstanding listed warrant is valued based on its closing price as quoted by the stock exchange on which it is listed on the valuation date; for a warrant that is not traded on the valuation date and there are no material changes in the economic environment after the last trading day, the warrant should be valued based on its closing price on the last trading day; for a warrant that is not traded on the valuation date and there are material changes in the economic environment after the last trading day, the warrant should be valued based on its fair value which is determined after adjustment is made on its closing price on the last trading day with reference to the prevailing market prices of similar types of investments

and factors of significant changes. If there is sufficient evidence stating that the closing price on the last trading day cannot truly reflect the fair value, the fair value should be determined after adjustment is made on the closing price on the last trading day, and the warrant should be valued based on such fair value.

- 2) In respect of unlisted warrants which are issued for the first time, valuation technique is adopted to determine the fair value. Where the fair value is difficult to be reliably measured by applying a valuation technique, the warrant is valued at cost.
- 3) In respect of unexercised warrants whose trading has been suspended, valuation technique is adopted to determine the fair value for valuation.
- 4) In respect of warrants for placing of shares which are allocated due to holding of shares, from the ex-rights date of the placing to the confirmation date of the placing, if the closing price is higher than the placing price, the valuation should be conducted based on the difference between the closing price and the placing price; if the closing price is lower than the placing price, the valuation should be zero.
- 5) Valuation shall be conducted according to the new provisions of the State.

#### (4) Valuation Methods for Asset-backed Securities

- 1) In respect of asset-backed securities transferred by way of block trading on the stock exchange, valuation technique is adopted to determine the fair value. Where the fair value is difficult to be reliably measured by applying a valuation technique, the asset-backed security is valued at cost.
- 2) Asset-backed securities traded in the national interbank market are valued based on the fair value determined according to the processing standards or advice given by the industry association and in consideration of factors such as market trading prices, quoted market prices, liquidity and yield curves, etc.
- 3) Valuation shall be conducted according to the new provisions of the State.

#### (5) Valuation Methods for Other Assets

Other assets are valued in accordance with the relevant provisions of the State.

(6) In any case where the Fund Manager adopts the abovementioned valuation methods for the valuation of the Fund assets, an appropriate valuation method is considered to have been adopted. However, if the Fund Manager believes that the abovementioned valuation methods for the valuation of the Fund assets cannot objectively reflect the fair value of the Fund assets, the Fund Manager may conduct valuation based on the price that can best reflect the fair value upon agreement with the Fund Custodian according to specific conditions, after taking into consideration of the various factors in the market.

If the Fund Manager or the Fund Custodian discovers that the valuation of the Fund is in violation of the valuation methods and procedures stipulated in the Fund Contract and the provisions of the relevant Laws and Regulations or fails to fully protect the interest of the Unitholders, the party which discovered the violation shall inform the other party and conduct valuation according to the agreed methods, procedures and the provisions of the relevant Laws and Regulations in order to protect the interest of the Unitholders.

The Fund Manager shall be responsible for the accounting of the Fund according to the *Funds Law*. Therefore, with respect to any accounting issue related to the Fund, if the parties concerned fail to reach a consensus after discussions on the basis of equality, the Fund Manager has the right to publish in public its calculation result of the net value of the Fund.

#### **(V) Valuation Procedures**

The Fund Manager and the Fund Custodian shall jointly conduct daily valuation of the Fund. After finishing the valuation of the NAV per Unit, the Fund Manager shall report the valuation result to the Fund Custodian in writing. The Fund Custodian shall then verify the valuation according to the valuation methods, time and procedures specified in the Fund Contract. If the valuation is correct, the Fund Custodian shall sign and return the valuation result to the Fund Manager. The month-end, mid-year and year-end valuation verification shall be performed simultaneously with the checking of the accounting books and records of the Fund.

#### **(VI) Situations in which Valuation is Suspended**

(1) The stock exchange on which the Fund's investment is traded is closed because

of statutory public holidays or for other reasons;

(2) The Fund Manager or the Fund Custodian cannot accurately assess the value of the Fund due to Force Majeure or other situations;

(3) The valuation of a certain type of investment that accounts for a substantial portion of the Fund changes significantly and the Fund Manager decides to defer the valuation to protect the interests of the Investors;

(4) There are no quoted prices in active markets that can serve as reference for assets that account for 50% or more of the NAV of the Fund on the previous valuation day, and the use of valuation techniques still leads to significant uncertainty in term of their fair value (under such circumstances, valuation suspension is subject to an agreement between the Fund Manager and the Fund Custodian);

(5) Other situations stipulated by the CSRC and the Fund Contract.

#### **(VII) Calculation of NAV per Unit**

The net value of a Class A Fund Unit and Class H Fund Unit of the Fund will be calculated separately. Both the net value of a Class A Fund Unit of the Fund and the net value of a Class H Fund Unit of the Fund is denominated in Renminbi.

Net value of a Class A Fund Unit on T Day = NAV of the Class A Fund on T Day/the balance of the total number of Class A Fund Units on T Day.

Net value of a Class H Fund Unit on T Day = NAV of the Class H Fund on T Day/the balance of the total number of Class H Fund Units on T Day.

Net value of a Fund Unit shall be accurate to 0.0001 yuan and shall be rounded to four decimal places. If the state stipulates otherwise, such provisions should apply.

#### **(VIII) Handling of Valuation Errors**

(1) A valuation error of the NAV per Unit shall be deemed to have occurred if the valuation of the Fund assets results in any error in the number within the four decimal places (including the fourth decimal place) that represents the NAV per Unit of a Class A Unit or Class H Unit.

The Fund Manager and the Fund Custodian shall take necessary, appropriate and reasonable measures to ensure the accuracy and timeliness of the Valuation of the Fund Assets. Upon the actual occurrence of any error in valuation or calculation of the NAV per Unit, the Fund Manager shall make an immediate correction and take reasonable

measures to prevent further losses. If any calculation error amounts to or exceeds 0.25% of the NAV per Unit, the Fund Manager shall inform the Fund Custodian and report the matter to the CSRC. If any calculation error amounts to 0.5% of the NAV per Unit, the Fund Manager shall inform the Fund Custodian, make an announcement in accordance with the provisions of the Fund Contract and report the matter to the CSRC for filing.

## (2) Types of Errors

If another party concerned suffers any loss due to any error caused by the Fund Manager, the Fund Custodian, the Registrar, the Sales Agencies or the Investor in the course of operation of the Fund, the responsible party shall compensate the party concerned that suffers such loss due to the error (“the suffering party”) according to the “Principles for Handling Errors” outlined below.

The major types of the above errors include but are not limited to: errors in filing information, errors in data transmission, errors in calculating data, system failure and errors, and errors in placing orders. An error that is caused by any technical reason and cannot be foreseen or avoided and is beyond control given the existing level of technology of the industry shall be regarded as Force Majeure.

If the trading information of an Investor is lost, erroneously handled or causing other errors due to Force Majeure, the party related to the error caused by Force Majeure has no obligation to compensate other parties concerned, but the party that receives improper benefit due to that error shall remain obliged to return such improper benefit.

## (3) Principles for Handling Errors

The loss suffered by an Investor due to an error in the valuation of the Fund shall be borne by the Fund Manager and the Fund Custodian in accordance with the Laws and Regulations. The Fund Manager or the Fund Custodian is entitled to recover the loss from the responsible party for any liability that it shall not assume. The parties to the Fund Contract shall handle errors in the valuation of the Fund according to the principles stipulated below.

- 1) If an error has already occurred but has not caused any loss to the party concerned yet, the party responsible for the error shall coordinate all parties and make corrections in a timely manner. The expenses incurred from the correction of the error shall be borne by the party responsible for the error. The loss suffered by the party concerned due to any error



that is not corrected in a timely manner by the party responsible for the error shall be borne by the party responsible for the error. If the party responsible for the error has made coordination for correction actively and the parties having the obligation to assist does not make the correction even though it has sufficient time to do so, the party responsible for the error and the party that has failed to make the correction shall, in accordance with the law, be liable for their corresponding part of compensation in respect of the loss arising or increasing therefrom. The party responsible for the error shall confirm with the party concerned the correction status to ensure that the error has been corrected;

- 2) The party responsible for the error shall take responsibility for the direct loss but not the indirect loss that the party concerned may suffer, and shall only be liable to the party concerned that is directly affected by the error and not any third party;
- 3) The party that receives improper benefit due to the error shall have the obligation to return such improper benefit in a timely manner, but the party responsible for the error shall remain liable for the error. If other parties concerned suffer loss because the party that receives improper benefit does not return all or any of such improper benefit, the party responsible for the error shall compensate for the loss of the suffering party and shall be entitled to require the party that receives improper benefit to return such improper benefit to the extent of the amount of compensation it paid. If the party that receives such improper benefit has already returned such portion of improper benefit to the suffering party, the suffering party shall reimburse the party responsible for the error the difference between the sum of the compensation amount it has received and the portion of such improper benefit that is returned to and received by it and its actual loss;
- 4) The error adjustment shall be made in such a way that ensures that the correct situation is restored, as far as possible, as if no error had occurred;
- 5) If the loss of Fund assets is caused by any reason attributable to the Fund

Manager, the Fund Custodian shall recover the loss from the Fund Manager for the benefit of the Fund. If the loss of Fund assets is caused by any reason attributable to the Fund Custodian, the Fund Manager shall recover the loss from the Fund Custodian for the benefit of the Fund. If the loss of Fund assets is caused by a third party other than the Fund Manager and the Fund Custodian, the Fund Manager shall be responsible for recovering the loss from the party making the error;

- 6) If the party making the error does not compensate the suffering party as required and the Fund Manager or the Fund Custodian assumes the compensation liability on its own initiative in accordance with the laws, administrative regulations, the Fund Contract or other provisions or according to the judgment of the court or the arbitral award, the Fund Manager or the Fund Custodian is entitled to recover the loss from the party making the error and is entitled to require that party to compensate or make reimbursement of the expenses incurred and the loss arising therefrom;
- 7) Errors may also be handled according to other principles prescribed by the Laws and Regulations.

#### (4) Procedures for Handling Errors

Upon discovery of an error, the parties concerned shall handle the error in a timely manner. The procedures for handling errors are as follows:

- 1) Investigation of the cause of the error, list of all the parties concerned and determining the party responsible for the error based on the cause of the error;
- 2) Assessment of the loss caused by the error according to the principles for handling errors or such methods as agreed with the parties concerned;
- 3) The party responsible for the error shall make the correction and compensate for the loss according to the principles for handling errors or such methods as agreed with the parties concerned;
- 4) If the trading data of the Fund's Registrar has to be corrected according to the method for handling errors, the Fund's Registrar shall make the correction and confirm with the parties concerned the correction of the

errors;

- 5) If the calculation error made by the Fund Manager and the Fund Custodian amounts to 0.5% of the NAV per Unit, the Fund Manager shall publish an announcement and report to the CSRC for filing in respect of the matter. If the calculation error amounts to or exceeds 0.25% of the NAV per Unit, the Fund Manager shall inform the Fund Custodian and report the matter to the CSRC.

#### **(IX) Handling of Special Situations**

(1) An error made by the Fund Manager when conducting valuation in accordance with item (6) of the Valuation Methods shall not be regarded and handled as an error with respect to the NAV per Unit.

(2) If the Fund Manager and the Fund Custodian fail to detect any error despite having taken necessary, appropriate and reasonable checking measures due to Force Majeure or an error in the data transmitted by the stock exchange and the depository and clearing company, the Fund Manager and the Fund Custodian may be exempted from the liability to compensate for the error in the Valuation of the Fund Assets arising therefrom. However, the Fund Manager shall actively take necessary measures to eliminate the impact arising therefrom.

# 17. Fund Income and Distribution

## (I) Composition of the Fund Profit

The Fund's profit refers to the balance of the Fund's interest income, investment return, gain from change in fair value, and other income after deducting relevant costs and fees. The Fund's realized income refers to the balance of the Fund's profit after deducting gain from change in fair value.

## (II) Distributable profit of the Fund

Distributable profit of the Fund refers to the lower of the undistributed profit and the realized income in the undistributed profit as at the base date of income distribution.

## (III) Principles of income distribution

(1) The Fund Income of Class A Fund Units is distributed in cash or by way of dividend reinvestment (i.e. the automatic conversion of cash dividends into Fund units for reinvestment which is calculated on the basis of the net value of ex-rights Fund units on the date of distributed dividend reinvestment). Unitholders may choose the manner of cash distribution or dividend reinvestment. If Fund unitholders have not made their choices in advance, the presumed dividend distribution manner shall be the distribution of cash dividends; the Fund Income of Class H Fund Units is distributed in cash only;

(2) Each Fund unit of each class of Fund units shall have the same right to receive a distribution;

(3) For each class of Fund units, after any fund income distribution, the net value of each Fund unit shall not be lower than its denomination. It means that after deducting the amount of the distributed income of each Fund unit, the net value of a Fund unit on the base date of income distribution shall not be lower than its denomination;

(4) Subject to the fulfillment of conditions for the Fund's dividend distribution, there shall not be more than 4 instances of fund income distribution for each class of Fund units;

(5) For each fund income distribution of each class of Fund units, each fund income distribution per fund unit shall not be lower than 50% of the distributable profit per fund unit of the corresponding class of Fund units on the said base date of income

distribution. Income distribution cannot be made until 3 months' expiry from the effective date of the Fund Contract.

(6) Any Fund unit being under application for subscribing on the record date of dividend distribution entitlement may not enjoy the dividend distribution of that time. A Fund unit being under application for redemption on the record date of dividend distribution entitlement may enjoy the dividend distribution of that time;

(7) Class A Fund Units and Class H Fund Units may differ in terms of the time, ratio and amount of income distribution, which will be formulated by the Fund Manager and made public after being verified by the Fund Custodian;

(8) Any provisions as otherwise prescribed by the Laws and Regulations or the regulatory authority.

#### **(IV) Income Distribution Plan**

The Fund's income distribution plan shall set out content such as the base date of income distribution, the distributable profit as of the base date of income distribution, the scope of Fund Income, the targets to which the Fund Income is distributed, the distribution principles, the distribution time, the distribution amount and ratios, the distribution method and the relevant handling charges.

#### **(V) Determination and Publication of the Income Distribution Plan**

Class A Fund Units and Class H Fund Units may differ in terms of the time, ratio, and amount of income distribution, which will be formulated by the Fund Manager and made public after being verified by the Fund Custodian.

The Fund Manager shall publish the fund income distribution plan of Class A Fund Units on the Designated Media according to provisions of the Measures on Information Disclosure. The Fund Manager shall publish the fund income distribution plan of Class H Fund Units and file with relevant authorities in accordance with the rules of the CSRC and SFC.

The period between the dividends distribution date of the Fund and the base date of income distribution (i.e. the cut-off date for the calculation of distributable profits) shall not exceed 15 Working Days.

#### **(VI) Fees Incurred During Income Distribution**

(1) Income is distributed by the two following ways: by way of dividends reinvestment which is free of any reinvestment charge; by way of cash bonus, from which a certain amount or proportion may be withdrawn for the payment of registration handling fee, and if such fee is charged, the specific standard and method of withdrawal shall be stated in the Prospectus or other announcements.

(2) Handling fees, such as bank transfer fees, etc., incurred during income distribution shall be borne by the Unitholders; if the cash bonus received by the Unitholder is insufficient to pay the abovementioned handling fees, such as bank transfer fees, etc., or the amount of cash bonus of a certain class of Fund Units is lower than the amount prescribed by the Fund Manager, the Registrar shall automatically convert the cash bonus of the Unitholder into Fund units of the said class by using the ex-rights NAV per Unit on the bonus interests reinvestment date as the basis of calculation.

## 18. Fund Expenses and Taxes

### (I) Types of Fund Expenses

- (1) Management fee payable to the Fund Manager;
- (2) Custody fee payable to the Fund Custodian;
- (3) Securities trading expenses of the Fund;
- (4) Information disclosure expenses after the Fund Contract takes effect;
- (5) Expenses of the general meetings of the Unitholders;
- (6) Accountants' fees and solicitors' fees after the Fund Contract takes effect;
- (7) Other fees that may be included in accordance with the relevant provisions of the State.

### (II) Accrual Methods, Accrual Standards and Payment Methods of the Fund Expenses

#### (1) Management Fee Payable to the Fund Manager

The rate of the Fund management fee is 1.20% per annum.

In general, the Fund management fee shall be accrued at an annual rate of the NAV of the Fund of the preceding day. The calculation method is shown below:

$$H = E \times \text{Annual management fee rate} \div \text{Number of days in the current year}$$

H is the Fund management fee accrued every day

E is the NAV of the Fund on the preceding day

The Fund management fee is accrued daily to the end of each month and is paid monthly. The Fund Custodian shall, after verification, make a lump-sum payment to the Fund Manager from the Fund assets within the first fifteen Working Days of the following month.

#### (2) Fund Custody Fee Payable to the Fund Custodian

The rate of the Fund custody fee is 0.20% per annum.

In general, the Fund custody fee shall be accrued at an annual rate of the NAV of the Fund of the preceding day. The calculation method is shown below:

$$H = E \times \text{Annual custody fee rate} \div \text{Number of days in the current year}$$

H is the Fund custody fee accrued every day

E is the NAV of the Fund on the preceding day

The Fund custody fee is accrued daily to the end of each month and is paid monthly. The Fund Custodian shall, after verification, make a lump-sum payment to itself from the Fund assets within the first fifteen Working Days of the following month.

(3) The Fund Manager and the Fund Custodian shall include the expenses listed in items (3) to (7) of clause (I) of this Article in the Fund expenses in the current period in accordance with the relevant regulations and provisions of the relevant agreements.

### **(III) Items Not Included in the Fund Expenses**

The expenses or loss of Fund assets arising from the failure of the Fund Manager and the Fund Custodian to perform or fully perform their obligations and the expenses for handling matters not related to the Fund's operation shall not be included in the Fund expenses. The solicitors' fees, accountants' fees and information disclosure expenses incurred before the Fund Contract takes effect shall not be paid out from the Fund assets.

### **(IV) Adjustment of the Fund Management Fee and the Fund Custody Fee**

The Fund Manager and the Fund Custodian may discuss and reduce the Fund management fee and the Fund custody fee at their discretion without convening a general meeting of Unitholders. The Fund Manager shall make an announcement via at least one Designated Media of the CSRC no later than two days prior to the implementation of the new fee rate.

### **(V) Other Expenses**

The Fund Manager may pay other expenses with the Fund assets in accordance with the relevant provisions of the State and the stipulations of the Fund Contract, and shall make an announcement in accordance with the provisions of the relevant Laws and Regulations.

### **(VI) Taxation**

Each taxpayer involved in the Fund's operation shall perform the obligation to pay tax in accordance with the provisions of the Laws and Regulations of China, Hong Kong and the country where the Investor is located.



## 19. Accounting and Auditing of the Fund

### (I) Accounting Policies of the Fund

(1) The accounting year of the Fund commences on 1 January and ends on 31 December of each year according to the Gregorian calendar.

(2) The Fund adopts RMB yuan as the reporting currency and the unit of account for accounting purposes.

(3) The accounting system shall be the relevant accounting system of the State.

(4) Separate books of account shall be kept and separate accounting shall be performed for the Fund.

(5) The party that takes responsibility for the accounting of the Fund shall be the Fund Manager.

(6) The Fund Manager shall keep complete accounting books and records for daily accounting purposes and shall prepare the Fund's accounting statements in accordance with the relevant provisions. The Fund Custodian shall verify with the Fund Manager regarding the accounting and preparation of statements of the Fund on a regular basis and confirm in a way as agreed in the Custody Agreement.

### (II) Annual Audit of the Fund

(1) The Fund Manager shall engage an accounting firm and its certified accountants or any such other organization with related qualifications for securities and futures which are independent of the Fund Manager and the Fund Custodian to audit the annual financial statements and other prescribed matters of the Fund;

(2) The accounting firm shall obtain the consent of the Fund Manager and the Fund Custodian before replacing the certified public accountant of the Fund;

(3) If, in the opinion of the Fund Manager (or the Fund Custodian), there are sufficient reasons to replace an accounting firm, it shall obtain the consent of the Fund Custodian (or the Fund Manager) before such replacement. The Fund Manager shall make an announcement upon the replacement of accounting firm according to provisions of the Measures on Information Disclosure.

## 20. Disclosure of Fund Information

### (I) Disclosure Principles

The disclosure of Fund information shall comply with the *Funds Law*, the *Measures on Operation*, the *Measures on Information Disclosure*, the *Liquidity Risk Management Regulations*, the Fund Contract and other relevant provisions.

Information disclosure obligors of the Fund include the Fund Manager, the Fund Custodian, Unitholders who convene meetings of Fund Unitholders, governing bodies thereof and other natural persons, legal entities and non-legal entities stipulated by the laws, administrative regulations and the CSRC.

Focusing on protection of Unitholders' interests as the top priority, the obligors shall disclose information about the Fund in compliance with the laws and regulations and rules set out by the CSRC, and guarantee the authenticity, accuracy, completeness, timeliness, conciseness and easy accessibility of the information disclosed.

The information disclosure obligors of the Fund shall, within the time limit specified by the CSRC, disclose stipulated information on the national newspapers (hereinafter referred to as the "Designated Newspapers"), designated websites (hereinafter referred to as the "Designated Websites"), etc. and ensure that investors can access or copy the disclosed information according to the time and the method agreed in the Fund Contract. However, the information disclosure method for disclosure of information of Class H Fund Units by the information disclosure obligor is specified in the prospectus and supplementary documents thereto.

Information disclosure obligors of the Fund undertake not to publicly disclose any information that:

- (1) Disclosing false records, misleading statements or information that contains material omissions;
- (2) Predicting the securities investment results;
- (3) Promising income or bearing losses in violation of the rules;
- (4) Defaming other fund managers, fund custodians or distributors of fund units;
- (5) Publishing congratulatory, complimentary language or recommendation from any natural persons, legal entities or non-legal entities;

(6) Committing other acts prohibited by the CSRC.

Information about the Fund shall be disclosed in Chinese. If information is disclosed in Chinese and a foreign language, information disclosure obligors shall guarantee the consistency between the different versions. In the event of any discrepancies between different versions, the Chinese version shall prevail.

The information disclosed by the Fund in public shall be in Arabic numerals. Unless specifically indicated, the currency unit shall be RMB yuan.

## **(II) Disclosure of Information on Fund Offering**

(1) After the application for the offering of the Fund has been approved by the CSRC, the Fund Manager shall publish the summaries of the Prospectus and the Fund Contract on the Designated Media three days prior to the offering of the Fund units. The Fund Manager and the Fund Custodian shall publish the Fund Contract and the Fund Custody Agreement on their respective websites.

(2) The Fund Manager shall prepare the announcement of the offering with respect to the specific matters regarding the offering of the Fund units and shall publish the announcement on the Designated Media on the date on which the Prospectus is disclosed.

(3) The Fund Manager shall publish the announcement of the taking effect of the Fund Contract on the Designated Media on the following day after the Fund Contract takes effect.

(4) During the continuous operation process of the Fund, in the event of a significant change in information contained in the Fund Prospectus, the Fund Manager shall update the Prospectus accordingly and publish the same on the Designated websites within three working days; and in the event of a change in other information concerning the Prospectus, the Fund Manager shall update the Prospectus at least once every year. Upon termination of operation of the Fund, the Fund Manager will stop updating the Fund Prospectus.

(5) In the event of a significant change information contained in the Product Key Facts after the Fund Contract comes into effect, the Fund Manager shall update the Product Key Facts accordingly and publish the same on the Designated Websites and the websites or sales outlets of the Fund Sales Institutions within three working days;

and in the event of a change in other information concerning the Product Key Facts, the Fund Manager shall update the Product Key Facts at least once every year. Upon termination of operation of the Fund, the Fund Manager will stop updating the Product Key Facts.

### **(III) Periodic Reports**

The periodic reports of the Fund shall be prepared separately by the Fund Manager in accordance with the Laws and Regulations and the provisions stipulated in the documents promulgated by the CSRC in relation to the details and format of information disclosure by securities investment funds and shall be reviewed by the Fund Custodian. The periodic reports of the Fund shall include the annual report of the Fund, the interim report of the Fund and the quarterly report of the Fund.

(1) Annual report of the Fund: The Fund Manager shall complete the annual report of the Fund within three months after the end of each year, publish the annual report on the Designated Websites, and publish an indicative announcement regarding the annual report in the Designated Newspapers. The financial reports in the Fund's annual report shall be audited by an accounting firm qualified for operating securities and futures-related businesses.

(2) Interim report of the Fund: The Fund Manager shall complete the interim report of the Fund within two months after the end of the first half of each year, publish the same on the Designated Websites, and publish an indicative announcement regarding the interim report in the Designated Newspapers.

(3) Quarterly report of the Fund: The Fund Manager shall complete the quarterly report of the Fund within 15 Working Days after the end of each quarter, publish the same on the Designated Websites, and publish an indicative announcement regarding the quarterly report in the Designated Newspapers.

If the Fund Contract has taken effect for less than two months, the Fund Manager does not need to prepare the quarterly report, the interim report or the annual report for the current period.

During the continuous operation process of the Fund, the information about assets in the Fund's portfolios and their liquidity risk analysis shall be disclosed in annual and interim reports.

If the Fund Units held by a single class A investor reach or exceed 20% of the Fund's NAV during the reporting period, the Fund Manager, in order to protect the rights and interests of other investors, shall specify at least the investor's category, numbers of his/her/its holdings and his/her/its holding as a percentage of the total number of fund units at the end of the reporting period, changes in his/her/its holding during the reporting period, and inherent risks of the Fund in the "Other Important Information Affecting Investors' Decisions" section of the periodic report of the Fund, unless otherwise stipulated by the CSRC.

#### **(IV) Announcements of the NAV of the Fund**

After the Fund Contract takes effect and before the processing of the Subsequent Subscription or Redemption of Fund units commences, the Fund Manager shall announce the NAV per Unit and the cumulative NAV per Fund Unit on the Designated Websites at least once every week.

After the processing of the Subsequent Subscription or Redemption of Fund units commences, the Fund Manager shall disclose the NAV per Unit and the cumulative NAV per Unit, by no later than the following day of every Business Day, on the Designated Websites of the Fund, Websites of the Sales Institutions or their sales outlets.

The net asset value of Class H Fund Units is available for inspection at the Hong Kong website of HSBC Global Asset Management (Hong Kong) Limited on each Hong Kong trading day: [www.assetmanagement.hsbc.com/hk](http://www.assetmanagement.hsbc.com/hk).

The Fund Manager shall disclose the NAV per Fund Unit and the cumulative NAV per Fund Unit as of the last day of every half a year and every year on the Designated Websites, by no later than the following day of the last day of every half a year and every year.

#### **(V) Interim Reports and Announcements**

If the Fund is involved in any major event, the party having the information disclosure obligation shall prepare and publish the interim report within two days, and publish the same via the Designated Newspapers and the Designated Websites.

The major event mentioned in the preceding paragraph shall mean any of the following events that may have a significant impact on the interests of the Unitholders or the prices of the Fund units:

- (1) Convening of the general meeting of Unitholders and matters determined at the meeting;
- (2) Termination of the Fund Contract and liquidation of the Fund;
- (3) Change of the operation method of the Fund and mergers of funds;
- (4) Replacement of the Fund Manager, the Fund Custodian or the Fund's Registrar, or replacement of the Fund's accounting firm;
- (5) The Fund Manager authorizes a Fund service agency to process registration, accounting and valuation of Fund Units, or the Fund Custodian authorizes a Fund service agency to process Fund accounting, valuation and verification;
- (6) Change of the legal name or address of The Fund Manager or the Fund Custodian;
- (7) The Fund Manager changes a shareholder with a shareholding of more than 5%, or the Fund Manager changes its actual controller;
- (8) Extension of the Fund Offering Period or early termination of the Fund Offering;
- (9) Change of a senior manager of the Fund Manager, a Portfolio Manager or the manager in-charge of the dedicated Fund Custody Department of the Fund Custodian;
- (10) Replacement of more than 50% of the directors of the Fund Manager within the most recent 12 months;
- (11) Replacement of more than 30% of the key business personnel of the Fund Manager or the dedicated Fund Custody Department of the Fund Custodian within the most recent 12 months;
- (12) Litigation involving the Fund's property, Fund management operations or the fund custody business;
- (13) Major administrative or criminal penalties imposed on the Fund Manager or senior managers or a Portfolio Manager due to activities related to Fund management operations, or major administrative or criminal penalties imposed on the Fund Custodian or the manager in-charge of its dedicated Fund Custody Department due to activities related to Fund custody operations;
- (14) The Fund Manager uses the Fund's property in trades in securities issued or underwritten by the Fund Manager, the Fund Custodian or its controlling shareholder(s), actual controller(s) or companies in which it has a significant stake, or engages in other

forms of major related-party transactions, unless otherwise stipulated by the CSRC;

(15) Any matter concerning the distribution of Fund Income;

(16) Change of the accrual standards, accrual methods or fee rate of the fees such as the management fee, the custody fee, the Subsequent Subscription fee or the Redemption fee;

(17) Error in calculating the NAV per Unit amounting to 0.5% of the NAV per Unit;

(18) Processing of Subsequent Subscription and Redemption begun by the Fund;

(19) Deferred processing of Redemption transactions due to Substantial Redemption;

(20) Suspension of the acceptance of Redemption applications or delays in Redemption payment due to the continuous occurrence of Substantial Redemptions;

(21) The Fund suspends acceptance of Subsequent Subscription or Redemption applications or resumes acceptance of Subsequent Subscription and Redemption applications;

(22) Major events of the Fund such as adjustments in subsequent subscription, redemption or those potentially affecting redemption by investors;

(23) Other matters that the Fund's information disclosure obligors believe may materially affect the interests of the Fund's Unitholders or the prices of the Fund Units, or events prescribed by the CSRC.

## **(VI) Clarification Announcements**

Within the duration of the Fund Contract, if any information on any public Media or circulated in the market may have a misleading effect or lead to significant fluctuations in the Fund Unit price, or may jeopardise Unitholders' interests, the relevant information disclosure obligor shall immediately clarify such information publicly and report such information to the CSRC.

## **(VII) Liquidation Report**

Where the Fund Contract ceases, the Fund Manager shall set up a Fund Assets Liquidation Team to liquidate Fund assets and issue a report according to laws. The Fund Assets Liquidation Team shall publish the liquidation report on the Designated Websites and the indicative announcement on the liquidation report on the Designated

Newspapers.

### **(VIII) Other Information Prescribed by the CSRC**

### **(IX) Management of Information Disclosure**

In addition to information disclosure prescribed by laws and regulations, the Fund Manager and the Fund Custodian may, from the standpoint of providing constructive information for the decision-making of investors, proactively improve the quality of information disclosure services on conditions of ensuring to treat investors fairly, not mislead investors and not affect the normal investment of the Fund. Specific requirements shall meet the relevant provisions of CSRC and self-discipline rules. Information disclosure costs from the said voluntary disclosure shall not be expensed from the Fund assets.

### **(X) Maintenance and Inspection of Information Disclosure Documents**

Once published, information that must be disclosed according to the laws shall be lodged by the Fund Manager and the Fund Custodian in their respective offices, and be made available for the public to retrieve and reproduce, in accordance with the relevant laws and regulations.

### **(XI) Special Requirements on Information Disclosure for Class H Fund Units**

The Fund Manager shall make best efforts to ensure sustained information disclosure (including regular reports of the Fund, interim announcements, etc.) of the Fund to mainland and Hong Kong Investors and shall file with the relevant authorities in accordance with the requirements of laws and regulations.

The Fund shall comply with the rules of the CSRC and SFC in terms of regular information disclosure template, disclosure contents, disclosure time and disclosure methods.

The interim disclosure of information about Class H Fund Units shall also comply with the SFC's information disclosure requirements on Recognized Mainland Funds. Therefore, in case of major changes to Class H Fund Units that Hong Kong Investors shall be aware of, the Fund Manager shall inform the Hong Kong Representative to make relevant information disclosure and file with the relevant authorities in



accordance with the requirements of the SFC.

For detailed information about Class H Fund Units, investors may look at the Hong Kong Covering Document of this Fund.

**(XII) Matters concerning disclosure of information about the Fund shall be determined in compliance with the laws and regulations and provisions of this Chapter/Section.**

## 21. Risk Disclosure

A securities investment fund (hereinafter referred to as a “fund”) is a long-term investment tool. Its major functions are diversifying investments and reducing the individual risk associated with investing in a single security. Funds are different from financial instruments that are expected to provide a fixed income, such as bank deposits and bonds. Investors that buy funds not only enjoy the income from fund investment according to the units they hold but also bear the potential loss arising from fund investment.

A fund may be exposed to various risks in the course of investment operation, including not only market risk but also management risk, technical risk and compliance risk of the fund itself. Substantial redemption risk is a risk specific to open-end funds, which means that when the sum of the net applications for redemption of the fund on a single trading day exceeds 10% of the total fund units, investors may not be able to redeem all the fund units that they hold in a timely manner.

There are different types of funds, such as equity funds, mixed funds, bond funds and money market funds. Investors investing in different types of funds may expect different returns and take different levels of risk. In general, the higher the expectation of returns from a fund, the greater risk an investor takes.

Investors shall carefully read the legal documents of the Fund such as the Fund Contract and the Prospectus, to understand the Fund’s risk and return profile. Investors shall judge whether the Fund is suitable for their own risk tolerance level based on their own investment purposes, investment periods, investment experience and asset conditions.

Investors shall fully understand the differences between the Fund’s Periodic Subscription Plan and saving methods such as fixed deposits by installment. A Periodic Subscription Plan is a simple and easy investment method that guides an Investor to make long-term investments and equalize investment cost. However, a Periodic Subscription Plan cannot avoid risks inherent in Fund investment, nor can it guarantee an Investor’s returns, so it is not an alternative financial management method equivalent to savings.

Change of NAV per Unit as a result of unit split, conversion from a closed-end

fund to an open-end fund, distribution of dividends, etc., does not change the risk-return characteristics of the Fund, reduce the investment risk of the Fund or enhance the investment return of the Fund. Notwithstanding that the offering of the Fund is conducted with an initial denomination of 1 yuan or the NAV per Unit is adjusted to the initial denomination of 1 yuan or around 1 yuan as a result of unit split, conversion from a closed-end fund to an open-end fund, distribution of dividends, etc., under the impact of factors such as market volatility, the investment of the Fund may still suffer a loss or the net value of the Fund may still be lower than the initial denomination.

The Fund Manager undertakes to manage and operate the Fund assets on the principle of being honest, trustworthy, diligent and responsible, but does not guarantee that this Fund will be profitable and does not guarantee a minimum income. The results of other funds managed by the Fund Manager are no guarantee of the performance of this Fund. The Fund Manager reminds the Investors of the “Buyer Beware” principle when investing in the Fund. After making an investment decision, an Investor shall bear his own investment risks arising from the changes in the Fund’s operation conditions and the Fund’s net value.

The Unitholders shall understand and bear the following risks:

### **(I) Market Risk**

The Fund mainly invests in the securities market where prices fluctuate as a result of the impact of various factors, such as economic factors, political factors, investment psychology and trading system, which will in turn lead to changes in the income level of the Fund and cause risk. Major risk factors include:

#### **(1) Policy Risk**

Policy risk refers to the risk that the Fund is exposed to as the income of the Fund is influenced by fluctuations in market prices due to changes in national macro policies such as fiscal policies, monetary policies, industry policies, regional development policies, etc.

#### **(2) Economic Cycle Risk**

Due to cyclical changes in the economy, income level of the securities market may also show cyclical changes, which will lead to changes in the income level of the Fund’s investments and will in turn cause risks.

### (3) Interest Rate Risk

Fluctuations in the interest rates of the financial market will cause changes in the prices and yields of the securities market. Interest rates directly affect the prices and yields of bonds, hence, the financing cost and profits of enterprises will also be affected. The Fund invests in bonds and stocks and its income level may be affected by changes in interest rates.

### (4) Operational Risk of Listed Companies

The operating condition of a listed company is affected by various factors, such as management ability, industry competition, market prospect, technology updates, financial condition, research and development of new products, etc., all of which will lead to changes in the profits of the company. If the listed companies in which the Fund invests have poor management, their share prices may fall or their distributable profits may decrease, which in turn will cause the income of the Fund's investments to decline. There may also be unforeseeable changes in the listed companies. Notwithstanding that the Fund can diversify such non-systematic risk through investment diversification, such risk cannot be completely avoided.

### (5) Inflation Risk

The objective of the Fund is to preserve and achieve appreciation of the value of the Fund assets. If there is inflation, the income gained by the Fund's investment in securities may be offset by inflation, which in turn will affect the value preservation and appreciation of the Fund assets.

### (6) Risk in Connection with the Movements in the Bond Yield Curves

Risk in connection with the movements in the bond yield curves refers to the risk associated with the non-parallel shift in the yield curve and a single duration indicator cannot fully reflect such risk.

### (7) Reinvestment Risk

A decrease in the market interest rate will affect the reinvestment rate of return of the interest income from the fixed-income securities, which will counterbalance the price risk arising from increased interest rate.

## **(II) Credit Risk**

During the course of trading, the Fund may encounter situations such as default in

settlement or default by the issuer of the bonds invested and non-payment of principal and interest due, which in turn will cause a loss in the Fund assets.

### **(III) Management Risk**

The Fund Manager's professional skills, research capability and investment management level directly affect its possession and analysis of information, and the judgment on economic trends and movements in securities prices, which will affect the income level of the Fund's investments. Meanwhile, the soundness of the Fund Manager's investment management system, risk management and internal control system, the ability to effectively prevent ethical risk and other compliance risk, and the level of professional ethics of the Fund Manager will also affect the risk return level of the Fund.

### **(IV) Liquidity Risk**

As an emerging and transitional market, the securities market of the PRC is exposed to higher liquidity risk in general. The stocks and bonds in the investment portfolio of the Fund will be exposed to higher liquidity risk due to various reasons, which becomes more difficult in the execution of securities trading and increases the purchase cost and realization cost. Moreover, the Redemption requests from Investors of the Fund may cause adjustment in the Fund's positions and difficulty in realization of assets, which will in turn increase the liquidity risk.

In order to overcome liquidity risk, the Fund will enhance the tracking, prevention and control of liquidity risk through a series of risk control indicators by adhering to the principles of diversified investment and selection of individual stocks, however, the Fund Manager does not guarantee such risk can be completely avoided.

### **(V) Operational and Technical Risk**

The parties related to the Fund may be exposed to risk, such as ultra vires transactions, insider trading, trading errors, fraud, etc., as a result of operational failure or violation of operational procedures due to inadequate internal control or human factors during the operating process of various parts of the business.

Furthermore, in the back-office operation of an open-end fund, normal trading may be affected as a result of the failure or errors of the technical system, and such failure

or errors may even affect the interest of the Unitholders. Such technical risk may come from the Fund Manager, the Fund Custodian, the Registrar, Sales Institutions, the stock exchanges and the securities registration and clearing institutions, etc.

## **(VI) Compliance Risk**

Compliance risk refers to the risk associated with the violation of the relevant provisions of the laws and regulations of the PRC or the Fund Contract in the course of management or operation of the Fund.

## **(VII) Risks Specific to the Fund**

The Fund seeks to “achieve solid dividend income and long-term capital gain and to realize a yield on assets that is better than the yield benchmark of performance comparison in the long term”. This Fund’s investment in equities accounts for 85%-95% of its assets, of which, no less than 80% of equity assets is invested in large-cap companies listed on the A-share market of the PRC which enjoy sustained and steady profit growth, are undervalued and have leading positions in various industries. This Fund reduces subjective judgment on the trend of the equity market and focuses on “bottom-up” stock selection with a view to achieving higher capital return in the long term.

Therefore, risks specific to this Fund mainly include:

### **■ Full Circulation Risk**

In 2009, shares of 433 listed companies, including a number of large companies with important positions in the national economy, became fully circulated, which was 5.6 times of that of 2008. Sectors with a higher ratio of circulated shares in 2008 were mainly small-cap sectors while the ratio of circulated shares of large sectors remained low or even below average. However, significant changes took place by the end of 2009 as the ratio of circulated shares of large sectors, such as banking, increased significantly in 2009. Such a change may cause the performance of the Fund’s large-cap stocks to be unstable in a given period, thus, there is a possibility that the short-term performance will be behind the broad market.

### **■ Corporate Governance Risk**

Compared with small-cap companies, large-cap blue chip companies have to assume more social responsibilities and obligations to stabilize the economy. As the

global financial crisis which originated from the US subprime mortgage crisis in the end of 2007 continues to affect the economic development of the PRC, in order to ensure stable economic growth and a relatively low inflation rate, large-cap blue chip companies had to assume additional responsibilities and obligations in 2009-2010, which in turn affected its profitability and had a negative effect on the actual investment performance.

■ Financial Derivatives Innovation Risk

The innovation and launch of financial derivatives, such as stock index futures, is an irreversible trend. As the mainstay of the securities market, large-cap blue chip stocks will certainly become the potential target of financial derivatives innovation. Although theoretically, the launch of financial derivatives will provide large-cap blue chip stocks with additional premium opportunities, upon observing the actual performance of warrants after their launch in the securities market of the PRC, financial derivatives innovation may bring additional risk factors to large-cap blue chip stocks.

All these specific risk factors may cause the Fund's performance to be behind the broad market or other equity funds in a particular period.

**(VIII) Risks of Investing in Stocks Listed in Sci-Tech Innovation Board (STAR Market)**

The assets of the Fund may be invested in stocks on the STAR Market and may be exposed to the unique risks arising from the differences in investment objective, market system and trading rules under the STAR Market, including but not limited to delisting risk, market risk, liquidity risk, concentration risk, systemic risk, policy risk and others. The Fund may choose to invest part or none of its assets in stocks listed in the STAR Market according to the needs of investment strategy or changes in the market environment. It is not necessary to invest in stocks listed in the STAR Market.

**(IX) Other Risks**

(1) Risks arising from incomprehensive system construction, personnel allocation, risk management and internal control system, etc., as a result of the rapid development of the Fund's business;

(2) Risks which may arise from financial market crisis and industry competition pressure;

(3) The occurrence of Force Majeure such as wars and natural disasters which may seriously affect the operation of the securities markets and may lead to the loss of the Fund assets;

(4) Risks caused by other accidents.

**(X) Specific Risks for Class H investors**

For specific risks for Unitholders of Class H Fund Units, investors may look at the Hong Kong Covering Document of this Fund.



## **22. Termination of Fund Contract and Liquidation of Fund Assets**

### **(I) Termination of the Fund Contract**

The Fund Contract shall be terminated in any of the following situations:

- (1) The termination decision is made at the general meeting of Unitholders;
- (2) The duties of the Fund Manager and the Fund Custodian are terminated and no new Fund Manager and Fund Custodian are appointed to take over the duties within six months;
- (3) Other situations prescribed by the Laws and Regulations and the provisions of the Fund Contract.

### **(II) Liquidation of the Fund Assets**

(1) If the Fund Contract is terminated, the Fund assets shall be liquidated in accordance with the Laws and Regulations and the relevant provisions of the Fund Contract.

#### **(2) Fund Asset Liquidation Group**

- 1) The Fund asset liquidation group shall be established by the Fund Manager within 30 Working Days from the date on which the Fund Contract is terminated. Before the Fund asset liquidation group takes over the Fund assets, the Fund Manager and the Fund Custodian shall continue to perform their duties of protecting the safety of the Fund assets in accordance with the Fund Contract and the Custody Agreement.
- 2) The Fund asset liquidation group shall comprise the Fund Manager, the Fund Custodian, the Fund's Registrar, certified public accountants and solicitors qualified to engage in securities and futures business and personnel designated by the CSRC. The Fund asset liquidation group may hire necessary staff.
- 3) The Fund asset liquidation group shall be responsible for safekeeping, liquidating, valuing, realizing and distributing the Fund assets. The Fund asset liquidation group may take necessary civil actions in accordance

with the law.

### (3) Liquidation Procedures

- 1) After the termination of the Fund Contract, the Fund asset liquidation group shall take over the Fund assets in a centralized manner;
- 2) The Fund asset liquidation group shall determine the liquidation term according to the conditions of the Fund assets;
- 3) The Fund asset liquidation group shall check and confirm the Fund assets;
- 4) The Fund asset liquidation group shall assess and realize the Fund assets;
- 5) The Fund asset liquidation group shall prepare the liquidation report;
- 6) The accounting firm shall audit the liquidation report;
- 7) The law firm shall issue legal opinions on the liquidation report;
- 8) The Fund liquidation results shall be reported to the CSRC;
- 9) The Fund liquidation announcement shall be published;
- 10) The remaining assets of the Fund shall be distributed.

### (4) Liquidation Expenses

Liquidation expenses mean all the reasonable expenses incurred by the Fund asset liquidation group in the course of the liquidation of the Fund. The liquidation expenses shall first be paid out of the Fund assets by the Fund asset liquidation group.

### (5) Distribution of the Remaining Assets of the Fund

The Fund assets shall be used for payment in the following order:

- 1) Payment of expenses for the liquidation of Fund assets;
- 2) Payment of the Fund's taxes in arrears;
- 3) Payment of the Fund's debts;
- 4) Distribution of the remaining balance after the liquidation, if any, according to the proportions of the Fund units held by the Unitholders.

### (6) Announcement of the Liquidation of the Fund Assets

The announcement about the establishment of the liquidation group shall be published within two days after the establishment of the liquidation group. The major matters in the course of liquidation shall be announced in a timely manner. The liquidation report prepared by the Fund asset liquidation group, after being audited by the accounting firm and the legal opinions of which were issued by the law firm, shall be submitted to the CSRC for approval and shall be announced.

(7) The books of accounts and documents relating to the liquidation of the Fund assets shall be kept by the Fund Custodian for at least 20 years.

## 23. Summary of the Fund Contract

### I. Rights and Obligations of the Unitholders, the Fund Manager and the Fund Custodian

#### (I) Fund Manager

##### (1) Basic Profile of the Fund Manager

Name: HSBC Jintrust Fund Management Company Limited

Domicile: 17/F, HSBC Building, Shanghai International Finance Centre, 8 Century Avenue, Pudong New District, Shanghai

Legal Representative: Liu Pengfei

Date of Incorporation: 16 November 2005

Authority that Approves Its Incorporation: China Securities Regulatory Commission

Document that Approves Its Incorporation: CSRC Zheng Jian Ji Jin Zi [2005] No.172

Scope of Business: Promoting, establishing, registering, managing and selling funds approved by the CSRC, handling the sales, Subsequent Subscription, Redemption and registration of the Fund units, managing other types of assets and investment portfolios approved by the CSRC and operating other businesses approved by the CSRC.

Form of Organization: Limited company

Registered Capital: RMB200 million yuan

Duration: Continuous operation

##### (2) Rights of the Fund Manager

- 1) To offer the Fund in accordance with the law and process the filing procedures for the Fund;
- 2) To independently manage the Fund assets in accordance with the Laws and Regulations and the Fund Contract from the date on which the Fund Contract takes effect;
- 3) To formulate, amend and publish the *Business Rules* in relation to the Offering, Subscription, Subsequent Subscription and Redemption of the Fund, the Agency Transfer, the Fund Switching, the non-trading transfer,

- the freezing and the distribution of income in accordance with the Laws and Regulations and the provisions of the Fund Contract;
- 4) To receive the Fund management fee and other fees prescribed by the Laws and Regulations or approved by the CSRC in accordance with the Laws and Regulations and the provisions of the Fund Contract;
  - 5) To decide the Fund's fee structure and method of fee payment, provided that the relevant Laws and Regulations and the Fund Contract are complied with;
  - 6) To sell Fund units, charge Subscription fees, Subsequent Subscription fees, Fund Redemption handling fees and other fees as prescribed by the Laws and Regulations in accordance with the Laws and Regulations and the provisions of the Fund Contract;
  - 7) To supervise the Fund Custodian in accordance with the Laws and Regulations and the provisions of the Fund Contract, if it is believed that the Fund Custodian has caused significant loss to the Fund assets and the interest of other parties to the Fund Contract due to violation of the Laws and Regulations or the provisions of the Fund Contract, the situation should be reported to the CSRC and CBRC in a timely manner and other necessary measures should be taken in order to protect the interest of this Fund and the relevant parties to the Fund Contract;
  - 8) To select appropriate Sales Agencies for the Fund in accordance with the provisions of the Fund Contract and have the right to conduct necessary supervision and examination of the activities of the Fund's Sales Agencies in accordance with the sales agency agreement;
  - 9) To act as the Fund's Registrar or select or replace the Fund's Registrar, handle the Fund's registration business and conduct necessary supervision and check of the Fund's Registrar in accordance with the provisions of the Fund Contract;
  - 10) To refuse or stop accepting the Subsequent Subscription and Redemption applications within the scope stipulated in the Fund Contract;
  - 11) To obtain margin financing and lending securities for the Fund in

accordance with the law for the benefit of the Unitholders, provided that such operation is permitted by the Laws and Regulations;

- 12) To formulate the plan for the distribution of Fund Income in accordance with the Laws and Regulations and the provisions of the Fund Contract;
- 13) To exercise the right of a shareholder in the investee enterprise on behalf of the Fund and exercise the right arising from investment in other securities on behalf of the Fund in accordance with the Laws and Regulations;
- 14) To nominate a new fund custodian when the duties of the Fund Custodian are terminated;
- 15) To convene the general meetings of Unitholders in accordance with the Laws and Regulations and the provisions of the Fund Contract;
- 16) To exercise the right to commence litigation or take other legal actions for the benefit of the Unitholders in the name of the Fund Manager;
- 17) To choose or replace solicitors, auditors, securities brokers or other external service providers of the Fund and decide their fee rates;
- 18) To exercise other rights prescribed by the Laws and Regulations, the Fund Contract and other legal documents prepared according to the Fund Contract.

(3) Obligations of the Fund Manager

- 1) To offer the Fund in accordance with the law and handle or entrust other institutions recognized by the CSRC to handle the matters concerning the Offering, Subsequent Subscription, Redemption and registration of the Fund units;
- 2) To process the filing procedures for the Fund;
- 3) To manage and operate the Fund assets in an honest, trustworthy, diligent and responsible manner from the Effective Date of the Fund Contract;
- 4) To employ sufficient personnel with professional qualifications to analyze and make decisions on the investment of the Fund, and manage and operate the Fund assets in a professional manner;
- 5) To employ sufficient professionals to handle the Subscription, Subsequent Subscription and Redemption of the Fund units;

- 6) To employ sufficient professionals and be equipped with corresponding technological facilities for the registration of the Fund or entrust other institutions to handle such operations as agents;
- 7) To establish and improve the systems such as internal risk control, supervision and auditing, financial management, personnel management, etc., guarantee that the Fund assets managed are separate from the assets of the Fund Manager; separately manage, keep separate accounts and make separate securities investments for the different funds it manages;
- 8) Not to use the Fund assets to seek illegal benefits for itself or any third party and not to entrust any third party to operate the Fund assets, other than in accordance with the *Funds Law*, the Fund Contract and other relevant provisions;
- 9) To accept the supervision by the Fund Custodian in accordance with the law;
- 10) To adopt appropriate and reasonable measures such that the method of calculating the Subscription, Subsequent Subscription and Redemption prices of the Fund units complies with the provisions of the legal documents such as the Fund Contract, calculate and publish the information on NAV and determine the prices for the Subsequent Subscription and Redemption of the Fund units in accordance with the relevant provisions;
- 11) To perform the information disclosure and reporting obligations in strict accordance with the *Funds Law*, the Fund Contract and other relevant provisions;
- 12) To keep confidential the trade secrets of the Fund and not to divulge the investment plans and investment intention of the Fund. Unless otherwise prescribed by the *Funds Law*, the Fund Contract and other relevant provisions, the information about the Fund shall be kept confidential and shall not be divulged to others before public disclosure;
- 13) To prepare the plan for the distribution of the Fund Income in accordance with the Fund Contract and distribute the Fund Income to the Unitholders in a timely manner;

- 14) To accept the Subsequent Subscription and Redemption applications in accordance with the Laws and Regulations and the provisions of the Fund Contract, and pay redemption proceeds and the dividend amount in full in a timely manner;
- 15) Not to seek a controlling stake in or direct management of listed companies;
- 16) To convene general meetings of Unitholders in accordance with the *Funds Law*, the Fund Contract and other relevant provisions or cooperate with the Fund Custodian and the Unitholders to convene general meetings of Unitholders in accordance with the law;
- 17) To maintain records, accounting books, statements and other relevant information regarding the management of the Fund assets as required;
- 18) To carry out accounting and prepare financial accounting reports for the Fund;
- 19) To prepare Fund quarterly, interim and annual reports of the Fund;
- 20) To ensure that all the documents and information that have to be provided to the Unitholders are sent within the prescribed time limit; and ensure that Investors can inspect the public information relating to the Fund at any time within such period and in such way as stipulated in the Fund Contract, and can obtain the duplicate copy of the relevant information after paying a reasonable fee;
- 21) To organize and join the Fund asset liquidation group and take part in the safekeeping, clearing, valuation, realization and distribution of Fund assets;
- 22) To report to the CSRC and inform the Fund Custodian in a timely manner when facing dissolution, termination in accordance with the law, bankruptcy or the taking over of assets by the receiver;
- 23) To be liable for compensation if its violation of the Fund Contract results in the loss of Fund assets or prejudices the lawful rights and interests of the Unitholders, and its compensation liability shall not be relieved upon expiry of its appointment;
- 24) To act in the interest of the Unitholders by claiming from the Fund



Custodian for loss of the Fund assets arising from the Fund Custodian's violation of the Fund Contract;

- 25) Not to engage in any activity that will harm the Fund assets and the interest of other parties to this Fund;
- 26) To treat different funds and entrusted assets that it manages in a fair manner and prevent the allocation of resources among different funds and entrusted assets from being carried out in a way that prejudices the interest of the Unitholders of the Fund;
- 27) To exercise the right to institute litigation or other legal proceedings on behalf of the Unitholders in the name of the Fund Manager;
- 28) To perform other obligations as prescribed by the Laws and Regulations and the provisions of the Fund Contract.

## **(II) Fund Custodian**

### **(1) Basic Profile of the Fund Custodian**

Name: Bank of Communications Co., Ltd.

Domicile: 188 Yincheng Middle Road, Pudong New District, Shanghai

Legal Representative: Niu Ximing

Date of Incorporation: 30 March 1987

Fund Custody Business Approval Document: CSRC Zheng Jian Ji Zi [1998] No.

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Form of Organization: Limited company

Registered Capital: RMB74.262 billion yuan

Duration: Continuous operation

Scope of Business: Absorbing deposits from the public, offering short-term, medium-term and long-term loans, handling settlement, handling the discounting of notes, issuing financial bonds, acting as an agent for the issue, redemption and underwriting of government bonds, buying and selling government bonds, engaging in interbank lending, providing services and guarantees for letters of credit; acting as an agent for receipts and payments and as an insurance agent, providing safe deposit box services; foreign exchange deposits; foreign exchange loans; foreign exchange remittance; foreign currency exchange; international settlement; settlement and sale of

foreign exchange; interbank foreign exchange lending; acceptance and discount of foreign exchange bills; foreign exchange borrowings; foreign exchange guarantee; issuing and acting as agent for issuing foreign currency marketable securities except stocks; trading and acting as agent for trading foreign currency marketable securities except stocks; proprietary trading and trading on behalf of customers in foreign exchange; agency services for issuance and payment of overseas credit cards; credit investigation, consultancy and attestation services; securities investment fund custodian services.

(2) Rights of the Fund Custodian

- 1) To keep the Fund assets under safe custody in accordance with the Laws and Regulations and the provisions of the Fund Contract;
- 2) To collect the Fund custody fee as stipulated in the Fund Contract;
- 3) To supervise the Fund Manager with respect to the investment operation of the Fund, not execute the Investment Instruction of the Fund Manager and report the matter to the CSRC if the Fund Custodian finds that such Investment Instruction violates the provisions of the Fund Contract or the relevant Laws and Regulations;
- 4) To nominate a new fund manager when the duties of the Fund Manager are terminated;
- 5) To convene the general meetings of Unitholders in accordance with the Laws and Regulations and the provisions of the Fund Contract;
- 6) To supervise the Fund Manager in accordance with the Laws and Regulations and the provisions of the Fund Contract. If the Fund Custodian thinks that the Fund Manager has caused significant loss of the Fund assets and the interests of the Parties to the Fund Contract due to the Fund Manager's violation of the Laws and Regulations or the provisions of the Fund Contract, the Fund Custodian shall report the matter to the CSRC and the CBRC in a timely manner and take other necessary measures to protect the interests of the Fund and the relevant parties to the Fund Contract;
- 7) To exercise other rights prescribed by the Laws and Regulations and the provisions of the Fund Contract.

### (3) Obligations of the Fund Custodian

- 1) To keep the Fund assets under safe custody on the principle of being honest, trustworthy, diligent and responsible;
- 2) To establish a dedicated Fund Custody Department, have business premises that meet the requirements, and employ sufficient and qualified full-time staff who are familiar with the fund custody business to take charge of the affairs concerning the custody of the Fund assets;
- 3) To establish and improve the systems such as internal control, supervision and auditing, financial management and personnel management, etc., ensure the safety of the Fund assets, guarantee that the Fund assets under its custody are separated from the assets which it owns and the different Fund assets, establish separate accounts, perform separate accounting and keep separate books for the different funds under its custody and ensure the separate operation of different funds in aspects such as registration in registers, establishment of accounts, fund transfer and account recording;
- 4) Not to use the Fund assets to seek illegal benefits for itself or any third party and not to entrust any third party to keep the Fund assets under custody, other than in accordance with the *Funds Law*, the Fund Contract and other relevant provisions;
- 5) To keep the major contracts and relevant vouchers signed by the Fund Manager on behalf of the Fund and related to the Fund;
- 6) To open the fund accounts and securities accounts for the Fund assets as required;
- 7) To handle the clearing and settlement matters in a timely manner as stipulated in the Fund Contract and based on the Investment Instruction of the Fund Manager;
- 8) To keep confidential the trade secrets of the Fund. Unless otherwise prescribed by the *Funds Law*, the Fund Contract and other relevant provisions, the information about the Fund shall be kept confidential and shall not be divulged to others before public disclosure;
- 9) To verify and review the NAV of the Fund, the NAV per Unit and the

Subsequent Subscription and Redemption prices for the Fund units that are calculated by the Fund Manager;

- 10) To handle the information disclosure affairs related to the activities of the Fund custody business;
- 11) To issue opinions on financial and accounting reports and quarterly, interim and annual reports of the Fund in terms of whether the Fund Manager's operations are conducted in strict compliance with the provisions of the Fund Contract in all major aspects; if the Fund Manager fails to comply with actions stipulated in the Fund Contract, explanations shall also be provided as to whether the Fund Custodian has taken appropriate measures;
- 12) To keep the records, books of account, statements and other relevant information relating to the Fund custody business and keep the books of account, statements and records of the Fund for more than 15 years as required;
- 13) To establish and maintain the register of Unitholders in accordance with the relevant Laws and Regulations;
- 14) To prepare the relevant books of account and check the accounts with the Fund Manager as required;
- 15) To pay the Fund Income, the Redemption proceeds and the Fund Switching-out proceeds to the Unitholders according to the order of the Fund Manager or the relevant provisions;
- 16) To convene general meetings of Unitholders as required or convene general meetings of Unitholders on its own in accordance with the law so as to cater for the needs of the Unitholders;
- 17) To monitor the investment operation of the Fund Manager as required;
- 18) To join the Fund asset liquidation group and take part in the safekeeping, clearing, valuation, realization and distribution of Fund assets;
- 19) To report to the CSRC and the banking regulator and inform the Fund Manager in a timely manner when facing dissolution, termination in accordance with the law, bankruptcy or the taking over of assets by the receiver;

- 20) To act on behalf of the Fund to claim from the Fund Manager for loss of the Fund assets arising from the Fund Manager's violation of the Fund Contract;
- 21) To be liable for compensation if its violation of the Fund Contract results in the loss of Fund assets and its compensation liability shall not be relieved upon expiry of its appointment;
- 22) Not to engage in any activity that prejudices the interests of the Fund and other parties to the Fund Contract;
- 23) To perform other obligations as prescribed by the Laws and Regulations, the Fund Contract and other legal documents prepared based on the Fund Contract.

### **(III) Unitholders**

(1) The Fund Investors' purchasing or holding (through other lawful ways) of the Fund units shall be deemed as their acknowledgement and acceptance of the Fund Contract. A Fund Investor shall become a Unitholder and a Party to the Fund Contract from the time he receives the fund units of this Fund in accordance with the Fund Contract and the Prospectus, until he no longer holds the fund units of this Fund. It is not necessary for a Unitholder to sign the Fund Contract to become a Party to the Fund Contract. Each Fund unit shall carry the same legitimate interests.

#### **(2) Rights of the Unitholders**

- 1) To receive the distribution of the income from the Fund assets;
- 2) To participate in the distribution of the remaining Fund assets after the liquidation;
- 3) To transfer or apply for the redemption of the Fund units which they hold in accordance with the law;
- 4) To request the convening of the general meetings of Unitholders in accordance with the provisions;
- 5) To attending or appoint a proxy to attend the general meeting of Unitholders and exercise their voting rights on matters considered at the general meeting of Unitholders; in principle, the Nominal Holders of the Fund will attend the general meeting of Unitholders and exercise voting

rights on behalf of Unitholders of Class H Fund Units;

- 6) To review or copy the publicly disclosed information on the Fund;
- 7) To supervise the investment operation of the Fund Manager;
- 8) To initiate litigation against the Fund Manager, the Fund Custodian, the Registrar or the Sales Institutions due to their prejudice of the lawful rights and interests of the Unitholders;
- 9) To exercise other rights prescribed by the Laws and Regulations and the Fund Contract.

(3) Obligations of the Unitholders

- 1) To comply with the Fund Contract;
- 2) To pay the Fund Subscription and Subsequent Subscription amount and the fees prescribed by the Fund Contract;
- 3) To bear the loss of the Fund or assume the limited liability arising from the termination of the Fund Contract to the extent of the amount of the Fund units which they hold;
- 4) Not to engage in any activity that prejudices the lawful interests of the Fund and other Unitholders;
- 5) To implement the effective resolutions that are passed at the general meetings of Unitholders;
- 6) To return any improper benefit received from the Fund Manager, the Fund Custodian and the agent of the Fund Manager for any reason in the course of the trading of the Fund;
- 7) To perform other obligations prescribed by the Laws and Regulations and the provisions of the Fund Contract.

**II. Procedures and Rules for Convening the General Meeting of Unitholders and for Discussion and Voting at Such Meeting**

**(I) The general meeting of Unitholders of this Fund is formed by all the Unitholders of this Fund. All the Unitholders of this Fund shall have equal voting rights and each Fund unit shall carry one vote.**

**(II) The general meeting of Unitholders shall be convened for any of the following purposes:**

- (1) To terminate the Fund Contract;
- (2) To change the operation method of the Fund;
- (3) To replace the Fund Custodian;
- (4) To replace the Fund Manager;
- (5) To raise the remuneration standards of the Fund Manager or the Fund Custodian, except for the raising of such remuneration standards as required by the Laws and Regulations;
- (6) To merge this Fund with another fund;
- (7) To change the type of the Fund;
- (8) To change the investment objectives, universe or strategies of the Fund (unless otherwise prescribed by the Laws and Regulations and the CSRC);
- (9) To change the procedure of the general meeting of Unitholders;
- (10) Other matters for which the general meeting of Unitholders shall be convened as required by the Laws and Regulations, the Fund Contract or the CSRC.

**(III) It is not necessary to convene the general meeting of Unitholders in any of the following situations:**

- (1) To lower the Fund management fee or the Fund custody fee;
- (2) To change the purchase fee rate, redemption fee rate or fee collection method within the scope prescribed by the Laws and Regulations and the Fund Contract;
- (3) To amend the Fund Contract due to the corresponding change in the Laws and Regulations;
- (4) To amend the Fund Contract that such amendment does not involve any change in the rights and obligations of the Parties to the Fund Contract;
- (5) To amend the Fund Contract that such amendment has no substantial adverse impact on the interests of the Unitholders;
- (6) To launch new business or service of the Fund as permitted by the CSRC;
- (7) With the permission of the CSRC, the Fund Manager, the Registrar, the Sales Agencies adjust the rules related to the Fund's business such as Subscription, Subsequent Subscription, Redemption, switching, non-trading transfer and Agency Transfer, etc., within the scope as required by the provisions of the Laws and Regulations;

(8) Other situations except those stipulated in the Laws and Regulations or the Fund Contract to convene the general meeting of Unitholders.

#### **(IV) Convener and Convening Procedures**

(1) Unless otherwise stipulated in the Laws and Regulations or the Fund Contract, the general meeting of Unitholders shall be convened by the Fund Manager. If the Fund Manager does not convene the general meeting as required or cannot convene the general meeting, the Fund Custodian shall convene the general meeting.

(2) If the Fund Custodian considers it necessary to hold the general meeting of Unitholders, it shall submit a written request to the Fund Manager. The Fund Manager shall decide whether to convene the general meeting and shall inform the Fund Custodian of its decision in writing within ten days from the date it receives the written request. If the Fund Manager decides to convene the general meeting, it shall do so within 60 days from the date it issues the written decision. If the Fund Manager decides not to convene the general meeting, the Fund Custodian shall convene the general meeting on its own if it still considers it necessary, and it shall determine the time, venue and method of holding the general meeting and the record date.

(3) If the Unitholders representing 10% or more of the Fund units (calculated on the basis of the Fund units on the date on which the Fund Manager receives the request, hereinafter the same) believe that it is necessary to convene the general meeting of Unitholders, they shall submit a written request to the Fund Manager. The Fund Manager shall decide whether to convene the general meeting and shall inform the representatives of the Unitholders that submit the request and the Fund Custodian of its decision in writing within ten days from the date it receives the written request. If the Fund Manager decides to convene the general meeting, it shall do so within 60 days from the date it issues the written decision. If the Fund Manager decides not to convene the general meeting, but the Unitholders representing 10% or more of the Fund units still consider it necessary to convene the general meeting, they shall submit a written request to the Fund Custodian. The Fund Custodian shall decide whether to convene the general meeting and shall inform the representatives of the Unitholders that submit the request and the Fund Manager of its decision in writing within ten days from the date it receives the written request. If the Fund Custodian decides to convene the general



meeting, it shall do so within 60 days from the date it issues the written decision.

(4) If the Unitholders representing 10% or more of the Fund units request to convene the general meeting of Unitholders for the same matter, but the Fund Manager and the Fund Custodian refuse to convene the general meeting, the Unitholders representing 10% or more of the Fund units are entitled to convene the general meeting of Unitholders on their own but they shall file the notice of the same with the CSRC at least 30 days in advance.

(5) If the Unitholders convene the general meeting of Unitholders on their own in accordance with the law, the Fund Manager and the Fund Custodian shall offer cooperation and shall not hinder or interfere with the convening of the general meeting.

(6) The convener of the general meeting of Unitholders shall be responsible for selecting and determining the time, venue and method of holding the general meeting and the record date.

#### **(V) Time and Procedure for Giving Notice of the Convening of the General Meeting of Unitholders and the Content of the Notice**

(1) The convener shall publish an announcement regarding the convening of the general meeting of Unitholders on the Designated Media 40 days prior to the scheduled date of the general meeting. The notice of the general meeting of Unitholders shall at least set out the following:

- 1) The time, venue and method of convening the general meeting;
- 2) The major matters to be considered at the general meeting;
- 3) The method of holding the general meeting;
- 4) The meeting procedures;
- 5) The record date of the Unitholders who are entitled to attend the general meeting of Unitholders;
- 6) The requirements on the content of the proxy form (including but not limited to the capacity of the proxy, the authority of the proxy and the effective period for acting as the proxy), and the time and place for delivery of the proxy form;
- 7) The voting method;
- 8) The name and telephone number of the standing contact person for the

general meeting;

- 9) The documents that shall be prepared and the procedures that shall be followed by the persons attending the general meeting;
- 10) Other matters that shall be notified by the convener.

(2) If the general meeting is held and the voting process is conducted by written correspondence, the convener shall determine the method of written correspondence and the method of voting in writing, and shall specify in the notice of the general meeting the specific method of written correspondence adopted by the general meeting of Unitholders, the appointed notary institution, and the contact method and contact person of that institution, the method of delivery and receipt of the written votes, and the deadline for voting.

(3) If the convener is the Fund Manager, the Fund Custodian shall be notified in writing to supervise the counting of the written votes at the designated venue. If the convener is the Fund Custodian, the Fund Manager shall be notified in writing to supervise the counting of the written votes at the designated venue. If the conveners are the Unitholders, the Fund Manager and the Fund Custodian shall be notified in writing to supervise the counting of the written votes at the designated venue. If the Fund Manager or the Fund Custodian refuses to appoint a representative to supervise the counting of the written votes, the result of the counting of the votes will not be affected.

## **(VI) Unitholders' Methods of Attending the General Meeting**

### **(1) Methods of Holding the General Meeting**

The general meeting of Unitholders requires attendance in person or by written correspondence.

If the general meeting requires attendance in person, the Unitholders shall attend the general meeting in person or appoint proxies to attend the general meeting through the proxy forms. If the general meeting requires attendance in person, the authorized representatives of the Fund Manager and the Fund Custodian shall attend the general meeting.

If the general meeting is held by written correspondence, the votes shall be cast in written form by written correspondence in accordance with the relevant provisions of the Fund Contract.

The method of holding the general meeting shall be determined by the convener, but the decisions on the replacement of the Fund Manager or the Fund Custodian shall be made at the general meeting of Unitholders and requires attendance in person.

(2) Conditions for Holding the General Meeting of Unitholders

1) The General Meeting Requiring Attendance in Person

Upon the satisfaction of all of the following conditions, the general meeting that requires attendance in person may be held:

① According to the statistics of the Fund units held on the record date by the attendees of the general meeting, the valid Fund units account for 50% or more of the total Fund units on the record date;

② The identity certificates and the evidence of the holding of Fund units of the Unitholders attending the general meeting, the identity certificates of the proxies and the evidence of the Fund units held by the persons appointing the proxies are completely submitted, the procedures for authorizing and entrusting the proxies are completed, the relevant documents issued by the attendees of the general meeting comply with the relevant Laws and Regulations and the provisions of the Fund Contract and the notice of the general meeting and the evidence of the holding of Fund units matches the registration information kept by the Fund Manager.

If any of the above conditions is not satisfied, the convener may determine and announce the time and venue for convening the general meeting again but the record date for determining the Unitholders who are entitled to attend the general meeting shall remain unchanged.

2) The General Meeting Held by Written Correspondence

Upon the satisfaction of all of the following conditions, the general meeting may be held by written correspondence:

① After publishing the notice of the general meeting in accordance with the provisions of the Fund Contract, the convener shall publish the related reminder announcements for two consecutive Working Days;

② Under the supervision of the Fund Custodian (or the Fund Manager if the Fund Custodian is the convener) and the notary institution, the convener shall collect the written votes of the Unitholders and compile statistics about such written votes in the

way prescribed by the notice of the general meeting;

③ The Fund units represented by the Unitholders that directly present the written decisions or authorize others to present the written decisions on their behalf shall account for 50% or more of the total Fund units on the record date;

④ The certificates of the holding of Fund units submitted by the Unitholders that directly present the written decisions or the proxies appointed by the Unitholders to present the written decisions on their behalf shall comply with the Laws and Regulations and the provisions of the Fund Contract and the notice of the general meeting and match the records of the Registrar.

If any of the above conditions for holding the meeting is not satisfied, the convener may determine and announce the time for re-voting but the record date for determining the Unitholders who are entitled to attend the general meeting shall remain unchanged.

If voting is cast by written correspondence, the written votes that apparently meet the requirements of the Laws and Regulations and the notice of the general meeting shall be deemed valid votes, unless there is sufficient evidence to the contrary when the votes are counted. Any vote that is illegible or contradictory shall be deemed an abstention from voting but shall be included when calculating the total Fund units represented by the Unitholders that present the written decisions.

## **(VII) Agenda and Procedures**

### **(1) Agenda and the Right to Propose Motions**

- 1) The agenda shall concern the purposes of convening the general meeting of Unitholders as prescribed in the Fund Contract, and other matters that the convener considers necessary to be put forward to the general meeting of Unitholders for discussion.
- 2) Before the convener of the general meeting publishes the notice of the general meeting, the Fund Manager, the Fund Custodian and the Unitholders that severally or jointly hold 10% or more of the total Fund units on the record date may submit to the convener of the general meeting a motion that is related to the purpose of convening the general meeting and shall be considered and voted on at the general meeting of Unitholders. Besides, they may submit a provisional motion to the

convener of the general meeting after the notice of the general meeting is published. The provisional motion shall be submitted to the convener 35 days prior to the date on which the general meeting is held. The convener shall announce the provisional motion 30 days prior to the date on which the general meeting is held.

- 3) The convener of the general meeting shall review the motion (including the provisional motion) submitted by the Unitholder according to the following principles:

Correlation: If the matter involved in the motion proposed by the Unitholder is directly related to the Fund and is not beyond the scope of authority of the general meeting of Unitholders as prescribed by the Laws and Regulations and the Fund Contract, the convener of the general meeting shall submit the motion to the general meeting for consideration. If the above requirements are not met, the motion shall not be submitted to the general meeting of Unitholders for consideration. If the convener decides not to submit the motion proposed by the Unitholder to the general meeting for voting, it shall give an explanation and clarification at that general meeting of Unitholders.

Procedures: The convener of the general meeting may decide on the procedural issues relating to the motions proposed by the Unitholders. If the motions shall be split or merged for voting, the consent from the proposers of the original motions shall be obtained. If the proposers of the original motions do not agree to the change, the person presiding over the general meeting may request the general meeting of Unitholders to decide on the procedural issues and the motions will be considered according to the procedures decided by the general meeting of Unitholders.

- 4) If a motion submitted by the Unitholders that severally or jointly hold 10% or more of the total Fund units on the record date for consideration and voting at the general meeting of Unitholders or a motion submitted by the Fund Manager or the Fund Custodian for consideration and voting at the general meeting of Unitholders are not passed at the general meeting of Unitholders, the same motion may only be re-submitted for consideration at the general meeting of Unitholders after at least six months.

- 5) If there is a need to revise the original motion or add new motions after the convener of the general meeting of Unitholders publishes the notice for convening the general meeting, an announcement thereof shall be made at least 30 days prior to the date on which the general meeting of Unitholders is convened. Otherwise, the date for holding the general meeting shall be postponed and it shall be guaranteed that the interval between that date and the announcement date shall be at least 30 days.

## (2) Meeting Procedures

### 1) The General Meeting Requiring Attendance in Person

When the general meeting that requires attendance in person is held, the person presiding over the general meeting shall, according to the prescribed procedures, announce the meeting procedures and matters to take note of at the general meeting, determine and announce the scrutineer, and then read out the motions which shall be voted on under the supervision of the notary institution after discussion and which shall form the resolutions of the general meeting and be witnessed by a practicing solicitor.

The general meeting shall be presided over by the authorized representative of the Fund Manager. If the authorized representative of the Fund Manager is unable to preside over the general meeting, the authorized representative of the Fund Custodian shall preside over the general meeting. If the authorized representatives of the Fund Manager and the Fund Custodian are unable to preside over the general meeting, the representative elected by the simple majority votes cast by the Unitholders and proxies attending the general meeting that represent more than 50% of the Fund units shall preside over the general meeting of Unitholders. If the Fund Manager and the Fund Custodian do not attend or preside over the general meeting of Unitholders, the validity of the resolutions of the general meeting of Unitholders shall not be affected.

The convener shall prepare a register of Unitholders attending the general meeting. Such a register shall set out the names of the persons (or the names of the entities) attending the general meeting, the numbers of the identity certificates, the residence addresses, and the Fund units with voting right held or represented by the persons attending the general meeting, and the names of the persons (or entities) appointing the proxies.

### 2) The General Meeting Held by Written Correspondence

If a general meeting is held by written correspondence, the convener shall announce the motions 30 days in advance and shall count all the valid votes under the supervision of the notary institution on the day following the voting deadline specified in the notice so as to form the resolutions.

(3) The general meeting of Unitholders shall not vote on an agenda that has not been announced in advance.

### **(VIII) Conditions, Voting Method and Procedures for the Formation of Resolutions**

(1) Each Fund units held by the Unitholder shall have equal voting rights.

(2) The resolutions of the general meeting of Unitholders are classified into general resolutions and special resolutions:

#### **1) General Resolutions**

To be valid, a general resolution shall be passed by votes representing 50% or more of the voting rights held by Unitholders and proxies attending the general meeting. All matters other than those specified below that have to be approved by the passing of special resolutions may be approved by the passing of general resolutions;

#### **2) Special Resolutions**

To be valid, a special resolution shall be passed by votes representing more than two-thirds of the voting rights held by Unitholders and proxies attending the general meeting. The replacement of the Fund Manager or the Fund Custodian, the change of the operation method of the Fund and the termination of the Fund Contract shall be approved by the passing of special resolutions.

(3) The matters decided at the general meeting of Unitholders shall be reported to the CSRC in accordance with the law for approval or filing and shall be announced.

(4) The general meeting of Unitholders adopts the method of voting by open ballot.

(5) All the items listed in all the motions or the same motion proposed at the general meeting of Unitholders shall be considered and voted on separately.

### **(IX) Counting of Votes**

(1) The General Meeting Requiring Attendance in Person

1) If the general meeting of Unitholders is convened by the Fund Manager or the Fund Custodian, the person presiding over the general meeting of

Unitholders shall announce after the commencement of the general meeting that two representatives of the Unitholders elected among the Unitholders and proxies attending the general meeting and one supervisor authorized by the convener of the general meeting will jointly act as the scrutineers. If the general meeting is convened by the Unitholders themselves, the person presiding over the general meeting of Unitholders shall announce after the commencement of the general meeting that three Unitholders elected among the Unitholders and proxies attending the general meeting will act as the scrutineers.

- 2) The scrutineers shall immediately count the votes after the votes are cast by the Unitholders and the person presiding over the general meeting shall announce the results of the counting of votes on the spot.
- 3) If the person presiding over the general meeting is in doubt about the voting results submitted, the votes may be recounted. If the person presiding over the general meeting does not recount the votes and a Unitholder or proxy attending the general meeting objects to the voting results announced by the person presiding over the meeting, he is entitled to immediately request the recounting of votes after the announcement of the voting results and the person presiding over the meeting shall immediately recount the votes and announce the recounting results. The votes can only be recounted once.
- 4) The vote counting process shall be notarized by the notary institution. If the Fund Manager or the Fund Custodian refuses to participate in the general meeting of Unitholders or refuses to cooperate in vote counting, the effectiveness of the counting of votes shall not be affected.

#### (2) The General Meeting Held by Written Correspondence

If the general meeting is held by written correspondence, the vote counting method shall be: Two supervisors authorized by the convener of the general meeting shall count the votes under the supervision of the authorized representative of the Fund Custodian (or the authorized representative of the Fund Manager if the Fund Custodian is the convener) and the notary institution shall notarize the vote counting process. If the Fund Manager or the Fund Custodian refuses to appoint a representative to supervise the



counting of the written votes, the counting of votes and the voting results shall not be affected.

**(X) The Taking Effect of the Resolutions of the General Meeting of Unitholders and the Announcement of Such Resolutions**

(1) The convener shall report the general resolutions and special resolutions passed at the general meeting of Unitholders to the CSRC for approval and filing within five days from the date on which such resolutions are passed. The matters decided at the general meeting of Unitholders shall take effect from the date on which the CSRC approves such matters in accordance with the law or issues a no-objection opinion.

(2) The resolutions of the general meeting of Unitholders that have taken effect shall be binding on all the Unitholders, the Fund Manager and the Fund Custodian. The Fund Manager, the Fund Custodian and the Unitholders shall implement the decisions made at the general meeting of Unitholders that have already taken effect.

(3) The resolutions of the general meeting of Unitholders shall be announced on at least one Designated Media within two days from the date of approval or filing.

**(XI) Class H Fund Unitholders' participation in the general meeting of Unitholders**

As the Nominal Holder of Class H Fund Units of the Fund, the Hong Kong Representative or Hong Kong Sales Institutions shall, in accordance with the Fund Contract and relevant laws and regulations and after fully soliciting the opinions of Investors in Hong Kong, provide services to Class H Fund Unit Investors regarding their exercise of relevant rights in relation to the general meeting of Unitholders. Such services include demanding on behalf of the Investors that a general meeting of Unitholders be convened, convening a general meeting of Unitholders on behalf of the Investors, attending a general meeting of Unitholders on behalf of the Investors, exercising the voting right of Unitholders at the general meeting on behalf of the Investors, etc.

**III. Principles and Methods of the Distribution of Fund Income**

**(I) Composition of the Fund Profit**

The Fund's profit refers to the balance of the Fund's interest income, investment return, gain from change in fair value, and other income after deducting relevant costs

and fees. The Fund's realized income refers to the balance of the Fund's profit after deducting gain from change in fair value.

## **(II) Distributable profit of the Fund**

Distributable profit of the Fund refers to the lower of the undistributed profit and the realized income in the undistributed profit as at the base date of income distribution.

## **(III) Principles of income distribution**

(1) The Fund Income of Class A Fund Units is distributed in cash or by way of dividend reinvestment (i.e. the automatic conversion of cash dividends into Fund units for reinvestment which is calculated on the basis of the net value of ex-rights Fund units on the date of distributed dividend reinvestment). Unitholders may choose the manner of cash distribution or dividend reinvestment. If Fund unitholders have not made their choices in advance, the presumed dividend distribution manner shall be the distribution of cash dividends; the Fund Income of Class H Fund Units is distributed in cash only;

(2) Each Fund unit of each class of Fund units shall have the same right to receive a distribution;

(3) For each class of Fund units, after any fund income distribution, the net value of each Fund unit shall not be lower than its denomination. It means that after deducting the amount of the distributed income of each Fund unit, the net value of a Fund unit on the base date of income distribution shall not be lower than its denomination;

(4) Subject to the fulfillment of conditions for the Fund's dividend distribution, there shall not be more than 4 times of fund income distribution for each class of Fund units;

(5) For each fund income distribution of each class of Fund units, each fund income distribution per fund unit shall not be lower than 50% of the distributable profit per fund unit of the corresponding class of Fund units on the said base date of income distribution. Income distribution cannot be made until the expiry of 3 months from the effective date of the Fund Contract.

(6) Any Fund unit being under application for subscribing on the record date of dividend distribution entitlement may not enjoy the dividend distribution of that time. A Fund unit being under application for redemption on the record date of dividend distribution entitlement may enjoy the dividend distribution of that time;

(7) Class A Fund Units and Class H Fund Units may differ in terms of the time, ratio, and amount of income distribution, which will be formulated by the Fund Manager and made public after being verified by the Fund Custodian;

(8) Any provisions as otherwise prescribed by the Laws and Regulations or the regulatory authority.

#### **(IV) Income Distribution Plan**

The Fund's income distribution plan shall set out content such as the base date of income distribution, the distributable profit as of the base date of income distribution, the scope of Fund Income, the targets to which the Fund Income is distributed, the distribution principles, the distribution time, the distribution amount and ratios, the distribution method and the relevant handling charges.

#### **(V) Determination and Publication of the Income Distribution Plan**

The income distribution plan of Class A Fund Units and Class H Fund Units shall be formulated by the Fund Manager separately and determined by the Fund Custodian after verification.

The Fund Manager shall publish the fund income distribution plan of Class A Fund Units on the Designated Media according to provisions of the Measures on Information Disclosure. The Fund Manager shall publish the fund income distribution plan of Class H Fund Units and file with relevant authorities in accordance with the rules of the CSRC and SFC.

The period between the dividends distribution date of the Fund and the base date of income distribution (i.e. the cut-off date for the calculation of distributable profits) shall not exceed 15 Working Days.

#### **(VI) Fees Incurred During Income Distribution**

(1) Income is distributed by the two following two means: by means of dividends reinvestment which is free of any reinvestment charge; by means of cash bonus, from which a certain amount or proportion may be withdrawn for the payment of registration handling fee, and if such fee is charged, the specific standard and method of withdrawal shall be stated in the Prospectus or other announcements.

(2) Handling fees, such as bank transfer fees, etc., incurred during income distribution shall be borne by the Unitholders; if the cash bonus received by the

Unitholder is insufficient to pay the abovementioned handling fees, such as bank transfer fees, etc., or the amount of cash bonus of a certain class of fund unit is lower than the amount prescribed by the Fund Manager, the Registrar shall automatically convert the cash bonus of the Unitholder into Fund units of that class of fund unit by using the ex-rights NAV per Unit on the dividend interest reinvestment date as the basis of calculation.

#### **IV. Withdrawal and Payment Methods and Proportions of Expenses Related to the Management and Utilization of Fund Assets**

##### **(I) Types of Fund Expenses**

- (1) Management fee payable to the Fund Manager;
- (2) Custody fee payable to the Fund Custodian;
- (3) Securities trading expenses of the Fund;
- (4) Information disclosure expenses after the Fund Contract takes effect;
- (5) Expenses of the general meetings of the Unitholders;
- (6) Accountants' fees and solicitors' fees after the Fund Contract takes effect;
- (7) Other fees that may be included in accordance with the relevant provisions of the State.

##### **(II) Accrual Methods, Accrual Standards and Payment Methods of the Fund Expenses**

###### **(1) Management Fee Payable to the Fund Manager**

The rate of the Fund management fee is 1.20% per annum.

In general, the Fund management fee shall be accrued at an annual rate of the NAV of the Fund of the preceding day. The calculation method is shown below:

$$H = E \times \text{Annual management fee rate} \div \text{Number of days in the current year}$$

H is the Fund management fee accrued every day

E is the NAV of the Fund on the preceding day

The Fund management fee is accrued daily to the end of each month and is paid monthly. The Fund Manager shall make a payment order of fund management fee to the Fund Custodian, and the Fund Custodian shall, after verification, make a lump-sum payment to the Fund Manager from the Fund assets within the first fifteen Working

Days of the following month.

(2) Fund Custody Fee Payable to the Fund Custodian

The rate of the Fund custody fee is 0.20% per annum.

In general, the Fund custody fee shall be accrued at an annual rate of the NAV of the Fund of the preceding day. The calculation method is shown below:

$$H = E \times \text{Annual custody fee rate} \div \text{Number of days in the current year}$$

H is the Fund custody fee accrued every day

E is the NAV of the Fund on the preceding day

The Fund custody fee is accrued daily until the end of each month and is paid monthly. The Fund Manager shall make a payment order of fund custodian fee to the Fund Custodian, and the Fund Custodian shall, after verification, make a lump-sum payment to itself from the Fund assets within the first fifteen Working Days of the following month.

(3) The Fund Manager and the Fund Custodian shall include the expenses listed in items (3) to (7) of clause (I) of this Article in the Fund expenses in the current period in accordance with the relevant regulations and provisions of the relevant agreements.

**(III) Items Not Included in the Fund Expenses**

The expenses or loss of Fund assets arising from the failure of the Fund Manager and the Fund Custodian to perform or fully perform their obligations and the expenses for handling matters not related to the Fund's operation shall not be included in the Fund expenses. The solicitors' fees, accountants' fees and information disclosure expenses incurred before the Fund Contract takes effect shall not be paid out from the Fund assets.

**(IV) Adjustment of the Fund Management Fee and the Fund Custody Fee**

The Fund Manager and the Fund Custodian may discuss and reduce the Fund management fee and the Fund custody fee at their discretion without convening a general meeting of Unitholders. The Fund Manager shall make an announcement on at least one Designated Media of the CSRC no later than two days prior to the implementation of the new fee rate.

**(V) Other Expenses**

The Fund Manager may pay other expenses with the Fund assets in accordance with the relevant provisions of the State and the stipulations of the Fund Contract, and shall make an announcement or filing in accordance with the provisions of the relevant Laws and Regulations.

## **(VI) Taxation**

Each taxpayer involved in the Fund's operation shall perform the obligation to pay tax in accordance with the provisions of the Laws and Regulations of China, Hong Kong and the country where the Investor is located.

## **V. Investment Directions and Investment Principles of the Fund Assets**

### **(I) Investment Objectives**

The Fund aims to deliver strong investment returns and outperform the benchmark consistently. The Fund seeks to invest in large-cap blue chip companies that are in leading positions in various industries as well as companies that are expected to generate sustainable profit growth. On the basis of rational risk control, the Fund will invest in companies that offer solid dividend income and long-term capital growth.

### **(II) Investment Universe**

This Fund is an equity fund with its investment universe including equities listed in the PRC in accordance with law, treasury bonds, financial debts, corporate debts, central bank notes, convertible bonds, warrants, asset-backed securities and other financial instruments permitted by the securities regulatory authorities of the PRC to be invested by the Fund. If the Fund is permitted by Laws and Regulations or regulatory authorities to invest in other investment types in the future, the Fund Manager may include those types in its investment universe after performing the appropriate procedures.

The proportion of the Fund's portfolio: investment in equities accounts for 85%-95% of the Fund assets, investment in warrants accounts for 0-3% of the NAV of the Fund. Investment in fixed income securities and cash accounts for 5%-15% of the Fund assets, of which investment in cash (not including settlement provisions, guarantee deposits paid or subscription amount receivables) or government bonds maturing within one year accounts for no less than 5% of the NAV of the Fund.

This Fund invests no less than 80% of its equity assets in large-cap blue chip companies listed on the A-share market of the PRC which are undervalued, enjoy sustained and steady profit growth and have leading positions in various industries. The Fund Manager ranks the stocks listed on the A-share market of the PRC according to the total market capitalization from large to small every quarter. The top 30% of stocks with the largest total market capitalization on the A-share market are considered to be large caps. The above restriction does not apply if the investment proportion of large caps drops to below the above requirement as a result of relative changes of prices of stocks held by the Fund, however, the Fund Manager shall adjust the proportion within a reasonable period of no longer than 3 months.

During the actual management of the Fund, the Fund Manager makes active adjustment to the specific allocation proportion of this Fund according to the macro-economic conditions of the PRC and the stage changes of the securities market, so as to optimally balance the risks and returns on various investments made out of the Fund assets, while the investment proportion is still within the above limit. The Fund Manager may make proper adjustments to the above proportions if there are new requirements stipulated in the Laws and Regulations.

### **(III) Investment Philosophy**

Higher positions, blue chip companies and selective research. Specifically, this Fund's investment philosophy includes the following three aspects.

#### **(1) An equity fund with higher positions**

This Fund's investment in equities accounts for 85%-95% of its assets, of which, no less than 80% of equity assets is invested in large-cap blue chip companies listed on the A-share market of the PRC which enjoy sustained and steady profit growth, are undervalued and have leading positions in various industries. This Fund reduces subjective judgment on the trend of the equity market and focuses on "bottom-up" stock selection by following the established and stable investment style and strategy with a view to achieving higher capital gain in the long term.

#### **(2) Investing in large-cap blue chips**

This Fund's definition of large caps: the Fund Manager ranks the stocks listed on the A-share market of the PRC according to the total market capitalization in

descending order every quarter. The top 30% of stocks with the largest total market capitalization on the A-share market are considered to be large caps. Such listed companies often enjoy leading positions in their respective industries and have stable cash inflow, hence, they can avoid operational risk which may be exposed by small caps at the startup stage.

(3) Creating investment value by research

High quality large caps are characterized by low operational risk, solid financial condition, regulated operation of the company and information transparency. In addition, prices of large caps are difficult to be manipulated and are subject to lower volatility. By forecasting the leading positions the companies will have in various industries and the monopolistic resources that can be used, this Fund seizes opportunities in key investment areas. Conducting comprehensive research on listed companies in areas such as industry prosperity, core competitiveness, financial condition, etc., allows this Fund to achieve excess return more easily, i.e. creating investment value by research.

**(IV) Benchmark for Performance Comparison**

This Fund's benchmark for performance comparison is: CSI 300 Index \* 90% + Interbank deposit rate \* 10%.

This Fund adopted such comparison benchmark mainly due to the following reasons:

1) CSI 300 Index is a PRC's A-share index authorized by Shanghai Stock Exchange and Shenzhen Stock Exchange and was developed by China Securities Index Co., Ltd. Its samples are selected from the top 300 stocks by market capitalization in Shanghai Stock Exchange and Shenzhen Stock Exchange which can reflect the general development trend of the A-share market.

2) This Fund is an equity fund. During the course of operation, this Fund maintains 85%-95% of its assets in equities, with the remaining assets being invested in bonds and other short-term financial instruments with high liquidity. Among the equity assets, no less than 80% is invested in large-cap blue chip companies listed on the A-share market of the PRC which enjoy sustained and steady profit growth, are undervalued, and have leading positions in various industries. In the long run, the average proportion



of the Fund assets in equities is 90% and the proportion of assets in bond investment is 10%. As such, this Fund determined the weight of stock index and bond index for the performance comparison benchmark to be 90% and 10% and the interbank deposit rate is used as the yield of bond assets.

Therefore, “CSI 300 Index \* 90% + Interbank deposit rate \* 10%” is the ideal benchmark for evaluating the performance of this Fund’s investment.

If the calculation or compilation of the above benchmark index stops or if the index is renamed, or if there are changes in the Laws and Regulations in future or the market launches an index with higher authority and can better reflect the risk and return characteristics of this Fund, the Fund Manager will, as the case may be, upon agreement with the Fund Custodian, adjust the performance evaluation benchmark of this Fund, file such adjustment with the CSRC and publish an announcement in a timely manner, however, it is not required to convene a Unitholders’ meeting.

## **(V) Risk and Return Characteristics**

This Fund is an equity fund, a type of fund with higher risks among open-end funds, and its expected risk and return are higher than those of a bond fund and mixed fund. This Fund mainly invests in large-cap blue-chip stocks and is considered to be an investment product with a medium risk level among equity funds.

## **(VI) Prohibited Investment and Investment Restrictions**

(1) The Fund assets shall not be used for the following purposes:

- 1) Underwriting securities;
- 2) Providing loans or guarantees to others;
- 3) Making investment with unlimited liability;
- 4) Trading other fund units, unless otherwise prescribed by the State Council;
- 5) Making capital contribution to the Fund Manager or Fund Custodian of this Fund or trading the stocks or bonds issued by the Fund Manager or Fund Custodian of this Fund;
- 6) Trading the securities issued by or securities underwritten during the underwriting period by the controlling shareholder of the Fund Manager

or Fund Custodian of this Fund or a company that is materially interested in the Fund Manager or Fund Custodian of this Fund;

- 7) Engaging in insider dealing, manipulating the trading prices of securities and engaging in other improper securities trading activities;
- 8) Other activities prohibited by the CSRC in accordance with the relevant provisions of the laws and administrative regulations.

If the above restriction provisions are cancelled by the Laws and Regulations or the regulatory department, the Fund Manager will not be restricted by those provisions after performing the appropriate procedures.

(2) Restrictions on the holdings limits in the Fund's investment portfolio

- 1) The market value of the shares of a listed company held by the Fund shall not exceed 10% of the NAV of the Fund;
- 2) The exposure of this Fund and other funds managed by the Fund Manager to a security issued by a company shall not exceed 10% of that security;
- 3) The proportion of the Fund's portfolio: investment in equities accounts for 85%-95% of the Fund assets, investment in warrants accounts for 0-3% of the NAV of the Fund. Investment in fixed income securities and cash accounts for 5%-15% of the Fund assets, of which investment in cash or government bonds maturing in less than one year accounts for no less than 5% of the NAV of the Fund.
- 4) The amount of Fund assets used to apply for the Subsequent Subscription of shares issued shall not exceed the total assets of this Fund and the number of shares for which the Fund applies shall not exceed the total number of shares issued this time by the company intending to issue the shares;
- 5) The balance of the funds borrowed from the repurchase of bonds in the interbank market shall not exceed 40% of the NAV of the Fund;
- 6) The sum of cash (not including settlement provisions, guarantee deposits paid or subscription amount receivables) and government bonds maturing within one year that are kept by the investment portfolio of the Fund shall not be less than 5% of the NAV of the Fund;
- 7) The same warrant held by all the funds that are managed by the Fund

- Manager shall not exceed 10% of that warrant;
- 8) The investment by the Fund in all types of asset-backed securities of the same originator shall not exceed 10% of the NAV of the Fund;
  - 9) The market value of all the asset-backed securities held by the Fund shall not exceed 20% of the NAV of the Fund;
  - 10) The ratio of the number of the same asset-backed security (meaning having the same credit rating) held by the Fund shall not exceed 10% of the size of that asset-backed security;
  - 11) The investment by all the funds managed by the Fund Manager in all types of asset-backed securities of the same originator shall not exceed 10% of the total size of all those types of asset-backed securities;
  - 12) The Fund shall make investments in asset-backed securities with a credit rating of BBB or above. When the Fund holds any asset-backed securities, if their credit ratings decline and no longer meet the investment criteria, they shall be all sold out within 3 months of the issuance date of the rating report;
  - 13) On any trading day, the total purchase amount of warrants shall not exceed 0.5% of the NAV of the Fund on the previous trading day;
  - 14) The percentage of investment in restricted tradable securities shall be subject to the requirements specified in the Notice of Matters about Any Fund's Investment in Restricted Tradable Securities Such As Non-publicly Issued Stocks (Zheng Jian Ji Jin Zi No. [2006]141) and any subsequent relevant requirements;
  - 15) The number of outstanding shares issued by a listed company held by all open-ended funds (including partially open-end funds which are currently open for purchase and redemption) managed by the Fund Manager should not exceed 15% of the total number of outstanding shares in the listed company; the number of outstanding shares issued by a listed company held by all portfolios managed by the Fund Manager shall not exceed 30% of the total number of outstanding shares in the listed company;
  - 16) The market value of assets with trading restrictions in which the Fund

actively invested should not exceed 15% of the Fund's NAV. In the event that this investment limit is violated due to factors beyond the control of the Fund Manager, e.g. securities market fluctuations, trading suspension for shares in the listed company and changes in fund size, the Fund Manager shall not proactively increase investment in such assets with trading restrictions;

- 17) Where the Fund carries out a reverse repurchase with a private equity securities asset management product or another entity (as counterparty) recognized by the CSRC, the qualification requirements of the acceptable collaterals should be the same as the investment scope in the Fund Contract;
- 18) Should there be any change, by laws and regulations, in the restriction on the investment proportion of an investment portfolio agreed under the contract of the Fund, the revised requirement shall prevail. If the aforesaid restriction is revoked by laws and regulations or by the regulatory authority, which is applicable to the Fund, the Fund's investments shall no longer be subject to such restriction.

If any factor (other than the Fund Manager) (except items 6, 12, 16 and 17 above), such as fluctuation of stock market, merger of listed companies, change in the Fund's size, payment of consideration in the equity division reform, makes the Fund's investment proportion become incompliant with the investment proportion required above, the Fund Manager shall make relevant adjustment within 10 trading days.

If other provisions are stipulated by the Laws and Regulations, those provisions shall be complied with.

The Fund Manager shall, within six months from the date on which the Fund Contract takes effect, ensure that the holdings limits in the investment portfolio of the Fund comply with the relevant stipulations of the Fund Contract. The Fund Custodian shall begin supervising and examining the investment ratio of the Fund from the date on which the Fund Contract takes effect.

## **VI. Method of Calculating and Announcing the NAV of the Fund**

The NAV of the Fund shall mean the value after deducting liabilities from the Total Asset Value of the Fund.

The Total Asset Value of the Fund shall mean the sum of the value of all types of securities and notes purchased by this Fund, the principal and interest of bank deposits, the accrued interest of bonds, receivables for Subsequent Subscription of the Fund, margins deposited and the value created by other investments.

### **(I) Method of Calculating the NAV of the Fund**

The valuation targets of this Fund include assets and liabilities, such as the stocks, bonds and warrants owned by the Fund and the principal and interest of bank deposits, receivables and other investments.

After the Fund Contract takes effect, valuation of the Fund assets shall be conducted on every Working Day.

This Fund conducts valuation in the following ways:

#### **(1) Valuation Methods for Stocks**

- 1) An outstanding listed stock is valued based on its closing price as quoted by the stock exchange on which it is listed on the valuation date; for a stock that is not traded on the valuation date and there are no material changes in the economic environment after the last trading day, the stock should be valued based on its closing price on the last trading day; for a stock that is not traded on the valuation date and there are material changes in the economic environment after the last trading day, the stock should be valued based on its fair value which is determined after adjustment is made on its closing price on the last trading day with reference to the prevailing market prices of similar types of investments and factors of significant changes. If there is sufficient evidence stating that the closing price on the last trading day cannot truly reflect the fair value, the fair value should be determined after adjustment is made on the closing price on the last trading day, and the stock should be valued based on such fair value.

#### **2) Valuation of Unlisted Stocks:**

- ① In respect of stocks which are issued for the first time, valuation technique is adopted to determine the fair value for valuation. Where the fair value is difficult to be reliably measured by applying a valuation technique, the stock is valued at cost.

② In respect of stocks which are issued publicly for the first time with a specific lock-up period, after the same stocks are listed on a stock exchange, the stocks are valued based on the valuation of such stocks listed on the stock exchange on the valuation date determined according to clause 1).

③ In respect of stocks issued by way of issuance of bonus shares, share increase by conversion, placement and public issuance of new shares, etc., the stocks are valued based on the valuation of the same outstanding stocks of the listed company listed on a stock exchange on the valuation date determined according to clause 1).

④ The valuation of stocks in a private placement with a specific lock-up period shall be conducted as follows:

A. Where the valuation of the same stocks listed and traded on a stock exchange on the valuation date determined according to clause 1) is lower than the initial cost of the stocks in the private placement, the valuation of the same stocks listed and traded on a stock exchange determined according to clause 1) shall be used as the value of the stocks in the private placement on the valuation date;

B. Where the valuation of the same stocks listed and traded on a stock exchange on the valuation date determined according to clause 1) is higher than the initial cost of the stocks in the private placement, the value of the stocks in the private placement on the valuation date shall be determined using the formula below:

$$FV = C + (P - C) \times (DI - Dr) / DI$$

Of which: FV is the value of the stocks in the private placement on the valuation date; C is the initial cost of the stocks in the private placement (if any ex-rights affect the market price due to any equity affairs, the initial cost of the stocks shall be adjusted accordingly on the ex-rights date); P is the market price of the same stocks listed and traded on a stock exchange on the valuation date; DI is the number of trading days on the stock exchange included in the lock-up period of the stocks in the private placement; Dr is the remaining lock-up period from the valuation date, i.e. the number of trading days on the stock exchange from the valuation date to the end of the lock-up period, exclusive of the valuation date.

⑤ In respect of stocks which have been suspended from trading for a prolonged period, index return method is adopted for valuation. In the event that there are material

changes in the market environment in the future, the Fund Manager may adopt other reasonable valuation methods for valuation upon negotiation with the Fund Custodian.

3) Valuation shall be conducted according to the new provisions of the State.

(2) Valuation Methods for Bonds

- 1) A bond listed and traded on a stock exchange and transacted at a clean price is valued based on its closing price on the valuation date; for a bond that is not traded on the valuation date and there are no material changes in the economic environment after the last trading day, the bond should be valued based on its closing price on the last trading day; for a bond that is not traded on the valuation date and there are material changes in the economic environment after the last trading day, the bond should be valued based on its fair value which is determined after adjustment is made on its closing price on the last trading day with reference to the prevailing market prices of similar types of investments and factors of significant changes. If there is sufficient evidence stating that the closing price on the last trading day cannot truly reflect the fair value, the fair value should be determined after adjustment is made on the closing price on the last trading day, and the bond should be valued based on such fair value.
- 2) A bond listed and traded on a stock exchange and not transacted at a clean price is valued based on the clean price resulting from deducting the interest receivable of the bond included in the closing price of the bond from the closing price of the bond on the valuation date; for a bond that is not traded on the valuation date and there are no material changes in the economic environment after the last trading day, the bond should be valued based on the clean price resulting from deducting the interest receivable of the bond on the last trading day included in the closing price of the bond from the closing price of the bond on the last trading day; for a bond that is not traded on the valuation date and there are material changes in the economic environment after the last trading day, the bond should be valued based on its fair value which is determined after adjustment is made on its closing price on the last trading day

(clean price) with reference to the prevailing market prices (clean prices) of similar types of investments and factors of significant changes. If there is sufficient evidence stating that the closing price on the last trading day (clean price) cannot truly reflect the fair value, the fair value should be determined after adjustment is made on the closing price on the last trading day (clean price), and the bond should be valued based on such fair value.

- 3) In respect of unlisted bonds which are issued for the first time, valuation technique is adopted to determine the fair value for valuation. Where the fair value is difficult to be reliably measured by applying a valuation technique, the bond is valued at cost.
- 4) Bonds traded in the interbank bond market are valued based on the fair value determined according to the processing standards or advice given by the industry association and in consideration of factors such as market trading prices, quoted market prices, liquidity and yield curves, etc.
- 5) Valuation shall be conducted according to the new provisions of the State.

(3) Valuation Methods for Warrants

- 1) An outstanding listed warrant is valued based on its closing price as quoted by the stock exchange on which it is listed on the valuation date; for a warrant that is not traded on the valuation date and there are no material changes in the economic environment after the last trading day, the warrant should be valued based on its closing price on the last trading day; for a warrant that is not traded on the valuation date and there are material changes in the economic environment after the last trading day, the warrant should be valued based on its fair value which is determined after adjustment is made on its closing price on the last trading day with reference to the prevailing market prices of similar types of investments and factors of significant changes. If there is sufficient evidence stating that the closing price on the last trading day cannot truly reflect the fair value, the fair value should be determined after adjustment is made on the closing price on the last trading day, and the warrant should be valued based on such fair value.



- 2) In respect of unlisted warrants which are issued for the first time, valuation technique is adopted to determine the fair value. Where the fair value is difficult to be reliably measured by applying a valuation technique, the warrant is valued at cost.
- 3) In respect of unexercised warrants whose trading have been suspended, valuation technique is adopted to determine the fair value for valuation.
- 4) In respect of warrants for placing of shares which are allocated due to holding of shares, from the ex-rights date of the placing to the confirmation date of the placing, if the closing price is higher than the placing price, the valuation should be conducted based on the difference between the closing price and the placing price; if the closing price is lower than the placing price, the valuation should be zero.
- 5) Valuation shall be conducted according to the new provisions of the State.

#### (4) Valuation Methods for Asset-backed Securities

- 1) In respect of asset-backed securities transferred by way of block trading on the stock exchange, valuation technique is adopted to determine the fair value. Where the fair value is difficult to be reliably measured by applying a valuation technique, the asset-backed security is valued at cost.
- 2) Asset-backed securities traded in the national interbank market are valued based on the fair value determined according to the processing standards or advice given by the industry association and in consideration of factors such as market trading prices, quoted market prices, liquidity and yield curves, etc.
- 3) Valuation shall be conducted according to the new provisions of the State.

#### (5) Valuation Methods for Other Assets

Other assets are valued in accordance with the relevant provisions of the State.

(6) In any case where the Fund Manager adopts the abovementioned valuation methods for the valuation of the Fund assets, an appropriate valuation method is considered to have been adopted. However, if the Fund Manager believes that the abovementioned valuation methods for the valuation of the Fund assets cannot objectively reflect the fair value of the Fund assets, the Fund Manager may conduct

valuation based on the price that can best reflect the fair value upon agreement with the Fund Custodian according to specific conditions, after taking into consideration various factors in the market.

If the Fund Manager or the Fund Custodian discovers that the valuation of the Fund is in violation of the valuation methods and procedures stipulated in the Fund Contract and the provisions of the relevant Laws and Regulations or fails to fully protect the interest of the Unitholders, the party who discovered the violation shall inform the other party and conduct valuation according to the agreed methods, procedures and the provisions of the relevant Laws and Regulations in order to protect the interest of the Unitholders.

The Fund Manager shall be responsible for the accounting of the Fund according to the *Funds Law*. Therefore, with respect to any accounting issue related to the Fund, if the parties concerned fail to reach a consensus after discussions on the basis of equality, the Fund Manager has the right to publish in public its calculation result of the net value of the Fund.

## **(II) Method of Announcing the NAV of the Fund**

After the Fund Contract takes effect and before the processing of the Subsequent Subscription or Redemption of Fund units commences, the Fund Manager shall announce the NAV per Unit and the cumulative NAV per Unit on the Designated Websites at least once every week.

After the processing of the Subsequent Subscription or Redemption of Fund units commences, the Fund Manager shall disclose the NAV per Unit and the cumulative NAV per Unit, by no later than the following day of every Business Day, on the Designated Websites of the Fund, Websites of the Sales Institutions or their sales outlets.

The Fund Manager shall disclose the NAV per Fund Unit and the cumulative NAV per Fund Unit as of the last day of every half a year and every year on the Designated Websites, by no later than the following day of the

## **VII. Causes and Procedures of the Rescission and Termination of the Fund Contract and Method of Liquidating the Fund Assets**

### **(I) Amendment of the Fund Contract**

(1) If the amendment of the Fund Contract has significant impact on the rights and

obligations of the Parties to the Fund Contract as prescribed in clause (2) of Section 10 of the Fund Contract, it shall be approved by the passing of a resolution at the general meeting of Unitholders. The resolution for the amendment of the Fund Contract passed at the general meeting of Unitholders shall be submitted to the CSRC for approval or filing and shall take effect from the date on which the CSRC approved it or issued no-objection opinion.

(2) Except for the circumstance as provided in item (1) above, the content of the Fund Contract may be amended upon the consent of the Fund Manager and the Fund Custodian. Such amendment shall be announced and reported by the Fund Manager to the CSRC for filing within two days.

## **(II) Termination of the Fund Contract**

The Fund Contract shall be terminated in any of the following situations:

- (1) The termination decision is made at the general meeting of Unitholders;
- (2) The duties of the Fund Manager and the Fund Custodian are terminated and no new Fund Manager and Fund Custodian are appointed to take over the duties within six months;
- (3) Other situations prescribed by the Laws and Regulations and the provisions of the Fund Contract.

## **(III) Liquidation of the Fund Assets**

(1) If the Fund Contract is terminated, the Fund assets shall be liquidated in accordance with the Laws and Regulations and the relevant provisions of the Fund Contract.

### **(2) Fund Asset Liquidation Group**

- 1) The Fund asset liquidation group shall be established by the Fund Manager within 30 Working Days from the date on which the Fund Contract is terminated. Before the Fund asset liquidation group takes over the Fund assets, the Fund Manager and the Fund Custodian shall continue to perform their duties of protecting the safety of the Fund assets in accordance with the Fund Contract and the Custody Agreement.
- 2) The Fund asset liquidation group shall comprise the Fund Manager, the Fund Custodian, the Fund's Registrar, certified public accountants and

solicitors qualified to engage in securities-related business and personnel designated by the CSRC. The Fund asset liquidation group may hire necessary staff.

- 3) The Fund asset liquidation group shall be responsible for safekeeping, liquidating, valuing, realizing and distributing the Fund assets. The Fund asset liquidation group may take necessary civil actions in accordance with the law.

### (3) Liquidation Procedures

- 1) After the termination of the Fund Contract, the Fund asset liquidation group shall take over the Fund assets in a centralized manner;
- 2) The Fund asset liquidation group shall determine the liquidation term according to the conditions of the Fund assets;
- 3) The Fund asset liquidation group shall check and confirm the Fund assets;
- 4) The Fund asset liquidation group shall assess and realize the Fund assets;
- 5) The Fund asset liquidation group shall prepare the liquidation report;
- 6) The accounting firm shall audit the liquidation report;
- 7) The law firm shall issue legal opinions on the liquidation report;
- 8) The Fund liquidation results shall be reported to the CSRC;
- 9) The Fund liquidation announcement shall be published;
- 10) The remaining assets of the Fund shall be distributed.

### (4) Liquidation Expenses

Liquidation expenses mean all the reasonable expenses incurred by the Fund asset liquidation group in the course of the liquidation of the Fund. The liquidation expenses shall first be paid out of the Fund assets by the Fund asset liquidation group.

### (5) Distribution of the Remaining Assets of the Fund

The Fund assets shall be used for payment in the following order:

- 1) Payment of expenses for the liquidation of Fund assets;
- 2) Payment of the Fund's taxes in arrears;
- 3) Payment of the Fund's debts;
- 4) Distribution of the remaining balance after the liquidation, if any, according to the proportions of the Fund units held by the Unitholders.

### (6) Announcement of the Liquidation of the Fund Assets

The announcement about the establishment of the liquidation group shall be published within two days after the establishment of the liquidation group. The major matters in the course of liquidation shall be announced in a timely manner. The liquidation report prepared by the Fund asset liquidation group, after audited by the accounting firm and the legal opinions of which were issued by the law firm, shall be submitted to the CSRC for approval and shall be announced.

(7) The books of accounts and documents relating to the liquidation of the Fund assets shall be kept by the Fund Custodian for at least 20 years.

### **VIII. Method of Dispute Resolution**

(I) The laws of the People's Republic of China shall apply to the Fund Contract and its interpretation.

(II) Any dispute between the Parties to the Fund Contract that arises from the Fund Contract or is related to the Fund Contract shall first be resolved through amicable negotiation or mediation. If the dispute cannot be resolved by negotiation or mediation within 60 days from the date on which one party requests the resolution of the dispute by negotiation in writing, either of the parties shall be entitled to submit the dispute to the Shanghai Sub-Commission of the China International Economic and Trade Arbitration Commission for arbitration in accordance with the arbitration rules that are effective at the time the dispute is submitted for arbitration. The arbitration shall be conducted in Shanghai. The arbitral award shall be final and binding on all parties involved in the arbitration.

(III) Except for the content involved in the dispute, other parts of the Fund Contract shall continue to be performed by the Parties to the Fund Contract.

### **IX. Place for Maintaining the Fund Contract and Method for Accessing the Fund Contract by Investors**

A printed copy of the Fund Contract shall be maintained at the offices of the Fund Manager and the Fund Custodian for inspection by Investors. The terms and content of the original Fund Contract shall prevail over those of all other copies.

## 24. Summary of the Fund Custody Agreement

### I. Parties to the Fund Custody Agreement

#### (I) Fund Manager

Name: HSBC Jintrust Fund Management Company Limited

Registered Address: 17/F, HSBC Building, Shanghai International Finance Centre, 8 Century Avenue, Pudong New District, Shanghai

Office address: 17/F, HSBC Building, Shanghai International Finance Centre, 8 Century Avenue, Pudong New District, Shanghai

Legal Representative: Liu Pengfei

Date of Incorporation: 16 November 2005

Authority and Document that Approves its Incorporation: The CSRC Zheng Jian Ji Jin Zi [2005] No.172

Business Scope: Promoting, establishing, registering, managing and selling funds approved by the CSRC, handling sales, Subsequent Subscription, Redemption and registration of the Fund units, managing other types of assets and investment portfolios approved by the CSRC and operating other business approved by the CSRC.

Registered Capital: RMB200 million yuan

Form of Organization: Limited company

Duration: Continuous operation

#### (II) Fund Custodian

Name: Bank of Communications Co., Ltd. (abbreviated as BOCOM)

Registered Address: 188, Yincheng Middle Road, Pudong New District, Shanghai. (Postal Code: 200120)

Office Address: 18, Xianxia Road, Changning District, Shanghai (Postal Code: 200336)

Legal Representative: Peng Chun

Date of Incorporation: 30 March 1987

Authority and Document that Approves its Incorporation: Guo Fa (1986) Zi No.81

issued by the State Council and Yin Fa [1987] No.40 issued by the People's Bank of China

Fund Custody Business Approval Document: CSRC Zheng Jian Ji Zi [1998] No. 25

Business Scope: Absorbing deposits from the public, offering short-term, medium-term and long-term loans, handling domestic and overseas settlement, handling the acceptance and discounting of notes, issuing financial bonds, acting as an agent for the issue, redemption and underwriting of government bonds, buying and selling government bonds and financial bonds, engaging in interbank lending, buying and selling foreign currencies or buying and selling foreign currencies as an agent, engaging in bank card business, providing services and guarantees for letters of credit, acting as an agent for receipts and payments, providing safe deposit box services, engaging in other business approved by the banking regulatory authority under the State Council, and engaging in the exchange settlement and sales business.

Registered Capital: RMB74.262 billion yuan

Form of Organization: Limited company

Duration: Continuous operation

## **II. Supervision and Review of the Fund Manager's Business by the Fund Custodian**

**(I) The Fund Custodian shall monitor the Fund's investment universe and targets in accordance with the provisions of the relevant Laws and Regulations and the stipulations of the Fund Contract.**

In accordance with the stipulations of the Fund Contract, the investment targets of this Fund are exchange-traded stocks, bonds and other types of securities prescribed by the CSRC, which mainly include: stocks (including A shares and stocks of other types and other markets permitted by the regulatory authorities), bonds (including treasury bonds, financial bonds, corporate bonds and convertible bonds, etc. traded on the stock exchange and in the interbank market), short-term financial instruments (including bonds, bond repos, central bank notes, bank deposits, short-term financing bills, etc. maturing within one year), cash assets, warrants, asset-back securities and other financial instruments permitted by the Laws and Regulations or the CSRC to be

invested by the Fund. If funds are permitted by Laws and Regulations or regulatory authorities to invest in other investment types in the future, the Fund Manager may include those types in its investment universe after performing the appropriate procedures.

The Fund Custodian shall use the relevant technological system to monitor whether the actual investment of the Fund complies with the relevant stipulations of the Fund Contract and shall examine suspect situations.

If the Fund Custodian discovers that the investment of the Fund Manager exceeds the above investment universe, it shall send a written request for rectification within ten Working Days to the Fund Manager in a timely manner. If the Fund Manager fails to rectify the violation notified by the Fund Custodian within ten Working Days, the Fund Custodian shall report the case to the CSRC. If the Fund Custodian discovers that the Fund Manager has acted in serious violation of the rules, it shall immediately report the case to the CSRC and request the Fund Manager to make the rectification within ten Working Days.

**(II) The Fund Custodian shall monitor the Fund's investment and financing limits in accordance with the provisions of the relevant Laws and Regulations and the stipulations of the Fund Contract.**

According to the stipulations of the Fund Contract, the investment limits of the holdings of the portfolio of this Fund shall comply with the following provisions:

- (1) The market value of the shares of a listed company held by the Fund shall not exceed 10% of the NAV of the Fund;
- (2) The exposure of this Fund and other funds managed by the Fund Manager to a security issued by a company shall not exceed 10% of that security;
- (3) The proportion of the Fund's portfolio: investment in equities accounts for 85%-95% of the Fund assets, investment in warrants accounts for 0-3% of the NAV of the Fund. Investment in fixed income securities and cash accounts for 5%-15% of the Fund assets, of which investment in cash (not including settlement provisions, guarantee deposits paid or subscription amount receivables) or government bonds maturing in less than one year accounts for no less than 5% of the NAV of the Fund;
- (4) The amount of Fund assets used to apply for the Subsequent Subscription



of shares issued shall not exceed the total assets of this Fund and the number of shares for which the Fund applies shall not exceed the total number of shares issued this time by the company intending to issue the shares;

- (5) The balance of the funds borrowed from the repurchase of bonds in the interbank market shall not exceed 40% of the NAV of the Fund;
- (6) The sum of cash (not including settlement provisions, guarantee deposits paid or subscription amount receivables) and government bonds maturing within one year that are kept by the investment portfolio of the Fund shall not be less than 5% of the NAV of the Fund;
- (7) The same warrant held by all the funds that are managed by the Fund Manager shall not exceed 10% of that warrant;
- (8) The investment by the Fund in all types of asset-backed securities of the same originator shall not exceed 10% of the NAV of the Fund;
- (9) The market value of all the asset-backed securities held by the Fund shall not exceed 20% of the NAV of the Fund;
- (10) The ratio of the number of the same asset-backed security (meaning having the same credit rating) held by the Fund shall not exceed 10% of the size of that asset-backed security;
- (11) The investment by all the funds managed by the Fund Manager in all types of asset-backed securities of the same originator shall not exceed 10% of the total size of all those types of asset-backed securities;
- (12) The Fund shall make investments in asset-backed securities with a credit rating of BBB or above. When the Fund holds any asset-backed securities, if their credit ratings decline and no longer meet the investment criteria, they shall be all sold out within 3 months of the issuance date of the rating report;
- (13) On any trading day, the total purchase amount of warrants shall not exceed 0.5% of the NAV of the Fund on the previous trading day;
- (14) The percentage of investment in restricted tradable securities shall be subject to the requirements specified in the Notice of Matters about Any Fund's Investment in Restricted Tradable Securities Such As Non-publicly Issued Stocks (Zheng Jian Ji Jin Zi No. [2006]141) and any subsequent relevant requirements;

- (15) The number of outstanding shares issued by a listed company held by all open-ended funds (including partially open-end funds which are currently open for purchase and redemption) managed by the Fund Manager should not exceed 15% of the total number of outstanding shares in the listed company; the number of outstanding shares issued by a listed company held by all portfolios managed by the Fund Manager shall not exceed 30% of the total number of outstanding shares in the listed company;
- (16) The market value of assets with trading restrictions in which the Fund actively invested should not exceed 15% of the Fund's NAV. In the event that this investment limit is violated due to factors beyond the control of the Fund Manager, e.g. securities market fluctuations, trading suspension for shares in the listed company and changes in fund size, the Fund Manager shall not proactively increase investment in such assets with trading restrictions;
- (17) Where the Fund carries out a reverse repurchase with a private equity securities asset management product or another entity (as counterparty) recognized by the CSRC, the qualification requirements of the acceptable collaterals should be the same as the investment scope in the Fund Contract;
- (18) Should there be any change, by laws and regulations, in the restriction on the investment proportion of an investment portfolio agreed under the contract of the Fund, the revised requirement shall prevail. If the aforesaid restriction is revoked by laws and regulations or by the regulatory authority, which is applicable to the Fund, the Fund's investments shall no longer be subject to such restriction.

If any factor (other than the Fund Manager) (except items 6, 12, 16 and 17 above), such as fluctuation of stock market, merger of listed companies, change in the Fund's size, payment of consideration in the equity division reform, makes the Fund's investment proportion become incompliant with the investment proportion required above, the Fund Manager shall make relevant adjustment within 10 trading days.

If other provisions are stipulated by the Laws and Regulations, those provisions shall be complied with.

The Fund Manager shall, within six months from the date on which the Fund

Contract takes effect, ensure that the holdings limits in the investment portfolio of the Fund comply with the relevant stipulations of the Fund Contract. If the above restriction provisions are amended or cancelled by the Laws and Regulations or the regulatory department, this Fund shall amend the restrictions on its investment portfolios accordingly.

The Fund Custodian shall monitor this Fund's compliance with the restrictions of the portfolio and the timeline requirement on the adjustment of the portfolio in accordance with the above provisions.

If the Fund Custodian discovers that the investment of the Fund Manager exceeds the investment and financing limits of funds as prescribed by the relevant Laws and Regulations and stipulated by the Fund Contract, it shall send a written request for rectification within ten Working Days to the Fund Manager in a timely manner. If the Fund Manager fails to rectify the violation notified by the Fund Custodian within ten Working Days, the Fund Custodian shall report the case to the CSRC. If the Fund Custodian discovers that the Fund Manager has acted in serious violation of the rules, it shall immediately report the case to the CSRC and request the Fund Manager to make the rectification within ten Working Days.

**(III) The Fund Custodian shall monitor the Fund's compliance with the investment restrictions in accordance with the provisions of the relevant Laws and Regulations and the stipulations of the Fund Contract. The Fund assets shall not be used for the following investment or activities.**

- (1) Underwriting securities;
- (2) Providing loans or guarantees to others;
- (3) Making investment with unlimited liability;
- (4) Trading other fund units, unless otherwise prescribed by the State Council;
- (5) Making capital contribution to the Fund Manager or Fund Custodian of this Fund or trading the stocks or bonds issued by the Fund Manager or Fund Custodian of this Fund;
- (6) Trading the securities issued by or securities underwritten during the underwriting period by the controlling shareholder of the Fund Manager or Fund Custodian of this Fund or a company that is materially interested in the Fund Manager

or Fund Custodian of this Fund;

(7) Engaging in insider dealing, manipulating the trading prices of securities and engaging in other improper securities trading activities;

(8) Other activities prohibited by the CSRC in accordance with the relevant provisions of the laws and administrative regulations.

If the above restriction provisions are cancelled by the Laws and Regulations or the regulatory department, the Fund Manager will not be restricted by those provisions after performing the appropriate procedures.

In accordance with the provisions of the Laws and Regulations in relation to connected transactions in which the Fund is prohibited to engage, the Fund Manager and the Fund Custodian shall provide to each other the list of controlling shareholders of their own institutions or companies that are materially interested in their own institutions within two Working Days after the Fund Contract takes effect. In the case of any change in the above list, the list shall be updated and the other party shall be notified in a timely manner.

If the Fund Custodian discovers that the Fund Manager commits any of the above prohibited investment behavior, it shall send a written request to the Fund Manager for rectification within ten Working Days in a timely manner. If the Fund Manager fails to rectify the violation notified by the Fund Custodian within ten Working Days, the Fund Custodian shall report the case to the CSRC. If the Fund Custodian discovers that the Fund Manager has acted in serious violation of the rules, it shall immediately report the case to the CSRC and request the Fund Manager to make the rectification within ten Working Days.

**(IV) The Fund Custodian shall monitor the Fund Manager's participation in the interbank bond market in accordance with the provisions of the relevant Laws and Regulations and the stipulations of the Fund Contract.**

(1) The Fund Custodian shall monitor the credit risk of the counterparty of the Fund Manager arising from the Fund Manager's participation in the trading in the interbank market in accordance with the provisions of the relevant Laws and Regulations and the stipulations of the Fund Contract.

The Fund Manager shall provide the Fund Custodian with the list of counterparties

in the interbank market that comply with the Laws and Regulations and the industry standards. Within two Working Days after receiving the list, the Fund Custodian shall confirm receipt by phone or letter. The Fund Manager shall update the list of counterparties in bond or repo trading in the interbank market on a regular or irregular basis. The Fund Custodian shall update the list after confirmation of receipt by phone or letter within two Working Days upon receiving the list. The confirmed revised list shall take effect upon receipt of the Fund Custodian's confirmation by the Fund Manager, and for the transactions which have been conducting with the counterparties removed in this update but not yet settled before the new list becomes effective, their settlement shall still be conducted according to the agreement.

(2) The Fund Manager has the responsibility to control the credit risk of its counterparties when participating in the trading in the interbank market. The Fund Manager shall be responsible for claiming from the relevant responsible person for any loss arising from the credit risk of its counterparty.

**(V) The Fund Custodian shall monitor the Fund Manager's selection of deposit-taking banks in accordance with the provisions of the relevant Laws and Regulations and the stipulations of the Fund Contract.**

If the Fund invests in fixed deposits placed with banks, the Fund Manager shall prepare the list of all the deposit-taking banks that meet the conditions in accordance with the provisions of the Laws and Regulations and the stipulations of the Fund Contract and provide the list to the Fund Custodian in a timely manner. The Fund Custodian shall monitor whether the counterparty with respect to the Fund's investment in bank deposits complies with the relevant provisions based on the list.

This Fund's investment in bank deposits shall comply with the following provisions:

(1) The Fund Manager and the Fund Custodian shall establish a regular reconciliation mechanism with the deposit-taking bank to ensure that the accounts of and the accounting performed for the Fund's bank deposit transactions are truthful and accurate.

(2) The Fund Manager and the Fund Custodian shall, in accordance with the relevant provisions, sign a written agreement on this Fund's bank deposit transactions

to specify both parties' respective rights, obligations and duties in procedures such as the signing of relevant agreements, the opening and management of accounts, the communication and execution of Investment Instruction, the transfer of funds, the account reconciliation, the making of payment upon maturity, the maintenance of documents and the issuance, delivery and maintenance of certificates of deposit, and to guarantee the safety of the Fund assets and safeguard the lawful rights and interests of the Unitholders.

(3) The Fund Custodian shall strengthen its monitoring and review of the Fund's bank deposit transactions, strictly examine and verify relevant documents such as the relevant agreements, account information, Investment Instruction and physical copy of the certificates of deposit and earnestly perform its custodial duties.

(4) The Fund Manager and the Fund Custodian shall operate the Fund's deposit business in strict compliance with the relevant Laws and Regulations such as the *Funds Law* and the *Measures on Operation* as well as all the provisions of the State in relation to account management, interest rate management and payment and settlement.

If the Fund Custodian discovers that the Fund Manager has violated the provisions of the relevant Laws and Regulations and the stipulations of the Fund Contract when selecting the deposit-taking banks, it shall send a written request for rectification within ten Working Days to the Fund Manager in a timely manner. If the Fund Manager fails to rectify the violation notified by the Fund Custodian within ten Working Days, the Fund Custodian shall report the case to the CSRC. If the Fund Custodian discovers that the Fund Manager has acted in serious violation of the rules, it shall immediately report the case to the CSRC and request the Fund Manager to make the rectification within ten Working Days or refuse to make the settlement.

**(VI) The Fund Custodian shall monitor other aspects of the investment of the Fund in accordance with the provisions of the Laws and Regulations and the stipulations of the Fund Contract.**

**(VII) The Fund Custodian shall review and verify the calculation of the NAV of the Fund, the NAV per Unit, the availability of receivables, the confirmation of Fund expenses and income, the distribution of Fund Income, relevant information disclosure and the publication of the performance data of the Fund in the Fund's**

**promotion materials in accordance with the provisions of the relevant Laws and Regulations and the stipulations of the Fund Contract.**

**(VIII) The Fund Manager shall actively cooperate with and assist the Fund Custodian in conducting monitoring and verification, give replies and make corrections within the specified period, and give explanations or evidence regarding the doubts of the Fund Custodian. If the Fund Custodian has to submit the Fund monitoring report to the CSRC as required by the regulation, the Fund Manager shall provide the relevant data, information and systems in a proactive manner.**

If the Fund Custodian discovers that the Investment Instruction or the actual investment operation of the Fund Manager violates the *Funds Law* and other relevant regulations, the Fund Contract and the provisions of this Agreement, it shall send a written request for rectification within ten Working Days to the Fund Manager in a timely manner and inform the Fund Manager to conduct verification in a timely manner after receiving the request, provide feedback to the Fund Custodian by phone or in written form to explain the reason for the violation of the rule and the timeline for rectification and guarantee that the rectification will be made in a timely manner within the prescribed timeline. The Fund Custodian is entitled to re-examine the notified matter and urge the Fund Manager to make the rectification at any time within ten Working Days. If the Fund Manager fails to rectify the violation notified by the Fund Custodian within ten Working Days, the Fund Custodian is entitled to report the case to the CSRC.

If the Fund Custodian discovers that the Fund Manager has acted in serious violation of the rules, it shall immediately report the case to the CSRC and request the Fund Manager to make the rectification within ten Working Days.

If the Fund Custodian finds that the Fund Manager's order violates the laws, administrative regulations and other relevant provisions or violates the stipulations of the Fund Contract, it shall refuse to execute the order and shall immediately notify the Fund Manager.

Once the Fund Manager's order has become effective according to the transaction procedure but is found to have violated the laws, administrative regulations and other

relevant provisions or violated the stipulations of the Fund Contract, the Fund Custodian shall immediately notify the Fund Manager and report the matter to the CSRC in a timely manner.

### **III. Review of the Fund Custodian's Business by the Fund Manager**

The Fund Manager shall, in accordance with the provisions of the *Funds Law* and other relevant regulations, the Fund Contract and this Agreement, review the Fund Custodian's performance of its custodial duties, including but not limited to whether the Fund Custodian has kept the Fund assets under safe custody, has opened the fund accounts/securities accounts and bond custodial accounts for the Fund assets, has verified the NAV of the Fund and the NAV per Unit calculated by the Fund Manager, whether the clearing and settlement is processed according to the orders of the Fund Manager, and whether the relevant information disclosure is made and the monitoring of the Fund's investment operation is conducted.

The Fund Manager shall review the Fund assets kept under the custody of the Fund Custodian on a regular basis. The Fund Custodian shall actively cooperate with the Fund Manager in its review, including but not limited to: providing the relevant information to help the Fund Manager examine the integrity and authenticity of the assets under custody and giving replies and making rectification within the prescribed period.

If the Fund Manager discovers that the Fund Custodian has violated the *Funds Law*, the Fund Contract, this Agreement and other relevant provisions such as not keeping separate books of accounts for the management of the Fund assets, misappropriating the Fund assets, failing to execute or postponing the execution of the Fund Manager's fund transfer order without legitimate ground or divulging the information about the investment of the Fund, it shall send a written request for rectification within ten Working Days to the Fund Custodian in a timely manner. After receiving the request, the Fund Custodian shall conduct verification in a timely manner and send a written reply to the Fund Manager. The Fund Manager is entitled to re-examine the notified matter and urge the Fund Custodian to make the rectification at any time within ten Working Days. If the Fund Custodian fails to rectify the violation notified by the Fund Manager within ten Working Days, the Fund Manager shall report



the case to the CSRC.

If the Fund Manager discovers that the Fund Custodian has acted in serious violation of the rules, it shall immediately report the case to the CSRC and request the Fund Custodian to make the rectification within ten Working Days.

#### **IV. Custody of the Fund Assets**

##### **(I) Principles of the Custody of Fund Assets**

(1) The Fund Custodian shall keep the Fund assets under safe custody.

(2) The Fund assets shall be separated from the assets owned by the Fund Manager and the Fund Custodian.

(3) The Fund Custodian shall open fund accounts, securities accounts and bond custodial accounts for the Fund assets as required.

(4) The Fund Custodian shall establish separate accounts for the different Fund assets kept under its custody to guarantee the integrity and independence of the Fund assets.

The Fund Custodian shall keep the Fund assets in safe and full custody, and shall not use, dispose of or distribute any asset of the Fund on its own unless it receives the orders from the Fund Manager.

With regard to the assets receivable arising from the investment of the Fund and the assets receivable arising in the course of the Subsequent Subscription of the Fund, the Fund Manager shall be responsible for determining the settlement date with the party concerned and inform the Fund Custodian of such date. If the Fund assets are not delivered to the Fund Custodian on the settlement date, the Fund Custodian shall request the Fund Manager to adopt measures to expedite the collection in a timely manner. Any loss suffered by the Fund therefrom shall be recovered by the Fund Manager from the party concerned. The Fund Custodian shall not assume any liability arising therefrom.

##### **(II) Verification of the Assets Raised when the Fund Contract Takes Effect**

Within ten days from the date on which the Fund Offering Period expires and after the total Fund units offered, the amount raised by the Fund and the number of Unitholders comply with the relevant provisions such as the *Funds Law* and the

*Measures on Operation*, the Fund Manager shall engage an accounting firm qualified to operate securities-related business to conduct capital verification and issue the capital verification report. To be valid, the capital verification report issued shall be signed by two or more PRC certified public accountants that participate in the capital verification. Upon the completion of the capital verification, the Fund Manager shall deposit all the funds raised into the Fund's accounts for bank deposits that are opened for the Fund by the Fund Custodian. The Fund Custodian shall issue the relevant certification documents on the date on which the funds are received.

### **(III) Opening and Management of the Fund's Bank Deposit Accounts**

(1) The Fund Custodian shall be responsible for the opening and management of the bank deposit accounts of HSBC Jintrust Large Cap Equity Securities Investment Fund.

(2) The Fund Custodian shall open the Fund's bank deposit accounts at its business establishment in the name of this Fund. This Fund's seal specimen for bank records shall be prepared, kept safe and used by the Fund Custodian. All the monetary payments and receipts of this Fund, including but not limited to investment, the payment of Redemption proceeds and the payment of the Fund Income shall be handled through this Fund's bank deposit accounts.

(3) This Fund's bank deposit accounts shall only be opened and used for satisfying this Fund's business needs. The Fund Custodian and the Fund Manager shall not open any other bank deposit accounts in the name of the Fund, and shall not use any of the Fund's bank deposit accounts for activities other than the Fund's business.

(4) The Fund Custodian may make payments through the corporate online banking services for this Fund's bank accounts and handle the fund settlement and transfer for the Fund assets under its custody through the BOCOM's corporate online banking services (abbreviated as "BOCOM E-banking").

(5) Pursuant to the relevant guidelines of the *Operational Guidelines for the Administration of Sales Funds of Cross-border Issuance of Mainland and Hong Kong Securities Investment Funds*, the Fund Custodian will set up a dedicated account for funds raised for "Recognized Mainland Funds" – Class H Units, which will be used for the settlement of subsequent subscription funds, redemption funds and dividend funds

with Hong Kong agents.

(6) The Fund's bank deposit accounts shall be managed in accordance with the Law of the People's Republic of China on Negotiable Instruments, the Measures for the Administration of the Settlement through RMB Bank Accounts, the Regulations for Cash Management, the Provisions of the People's Bank of China on Interest Rate Management, the Notice on the Management of Large Cash Payment, the Measures for Payment and Settlement as well as other relevant provisions.

(7) The Fund Custodian shall manage the Fund's bank deposit accounts that are opened at the Fund Custodian in a stringent manner and shall check the balance of the Fund's bank deposit accounts in a timely manner.

#### **(IV) Opening and Management of the Fund's Securities Settlement Accounts and Fund Settlement Accounts**

The Fund Custodian shall open securities accounts at China Securities Depository and Clearing Corporation Limited in joint names with this Fund.

The Fund's securities accounts shall only be opened and used for satisfying this Fund's business needs. Neither the Fund Custodian nor the Fund Manager shall lend or transfer any securities account of the Fund without the consent of the other party, or use any of the Fund's accounts for activities other than this Fund's business.

The Fund Manager shall not oversell or overbuy securities through the Fund's securities settlement accounts or fund settlement accounts.

If the CSRC or other regulatory authorities allow the Fund to engage in investment business concerning other types of investment after the date on which this Custody Agreement is entered into and that involves the opening and use of related accounts for which relevant provision is not stipulated, the Fund Custodian shall refer to and comply with the above provisions relating to the opening and use of accounts.

The Fund Custodian shall open the accounts for settlement reserves with China Securities Depository and Clearing Corporation Limited in its own name to handle the settlement of the funds with respect to securities trading.

The Fund Custodian shall open the secondary account for settlement reserves with the custodian in the name of this Fund to handle the settlement of the funds with respect to the Fund's securities trading.

**(V) Opening and Management of Bond Custodial Accounts**

(1) After the verification of the funds raised, the Fund Custodian shall be responsible for opening bond custodial accounts with China Government Securities Depository Trust & Clearing Co. Ltd. in the name of this Fund and be responsible for the Fund's bond and fund settlement. After the above procedures are completed, the Fund Custodian shall file the same with the People's Bank of China. The Fund Manager shall be responsible for applying for the Fund's trading qualification in the national interbank lending market and shall open an account with the China Foreign Exchange Trade System for trading in the interbank lending market.

(2) The Fund Manager and the Fund Custodian shall jointly sign the master agreement on bond repo in the national interbank bond market on behalf of the Fund. The Fund Custodian shall keep the original copy of the agreement and the Fund Manager shall keep the counterpart of the agreement.

**(VI) Custody of Marketable Certificates such as the Fund's Physical Securities and Certificates of Deposit from Banks**

The physical securities may be kept under the custody of the Fund Custodian at the vault of the custodian bank and shall be kept separately from other physical securities that do not belong to this Fund or may also be kept under the sub-custody of the depository and clearing institution at its vault. The deposit receipt shall be held by the Fund Custodian. The purchase and transfer of physical securities shall be handled by the Fund Custodian in the way the Fund Manager instructs. The Fund Custodian shall not be responsible for the custody of the securities that are under the actual effective control of institutions other than the Fund Custodian.

The Fund Custodian shall be responsible for the custody of marketable certificates such as certificates of deposit from banks.

**(VII) Maintenance of Major Agreements Relating to the Fund Assets**

Unless otherwise restricted by the relevant business procedures, the original copies of the major contracts relating to the Fund and signed by the Fund Manager on behalf of the Fund shall be maintained by the Fund Custodian and the Fund Manager respectively. Unless otherwise prescribed by this Agreement, the Fund Manager shall

keep as far as is possible at least two original copies for each of the major contracts relating to the Fund and signed by the Fund Manager on behalf of the Fund, so that each of the Fund Manager and the Fund Custodian can hold at least one original copy. The Fund Manager shall deliver the original copy to the Fund Custodian in a timely manner. The contract shall be maintained for such period as prescribed by the relevant provision of the State.

In the case that two or more original copies are unavailable, the Fund Manager shall provide the Fund Custodian with the fax copy of the contract that is stamped with the authorized business seal. The original copy of the contract shall not be transferred unless agreed upon by both parties or to the extent stipulated by the contract.

## **V. Calculation of and Accounting Performed for the NAV of the Fund**

### **(I) Calculation and Verification of the NAV of the Fund and the NAV per Unit**

The NAV of the Fund shall mean the value after deducting liabilities from the Total Asset Value of the Fund. The NAV per Unit shall mean the value resulting from dividing the NAV of the Fund on the calculation date by the total Fund units on the calculation date.

The Fund Manager shall conduct valuation of the Fund assets on every Working Day. The NAV per Unit involved in the Fund's information disclosure shall be calculated by the Fund Manager and verified by the Fund Custodian. The Fund Manager shall calculate the NAV of the Fund of the day after the end of the trading hours on every Working Day and send the result to the Fund Custodian in the form of an encrypted fax after affixing it with the common seal. The Fund Custodian shall send the verified result to the Fund Manager in the form of an encrypted fax after verifying the result of the NAV calculation and affixing it with the common seal. The Fund Manager shall then publish the NAV per Unit. After the conditions become mature, both parties may adopt electronic reconciliation upon negotiation.

Valuation of this Fund is conducted by the following methods:

#### **(1) Valuation Methods for Stocks**

- 1) An outstanding listed stock is valued based on its closing price as quoted by the stock exchange on which it is listed on the valuation date; for a stock that is not traded on the valuation date and there are no material

changes in the economic environment after the last trading day, the stock should be valued based on its closing price on the last trading day; for a stock that is not traded on the valuation date and there are material changes in the economic environment after the last trading day, the stock should be valued based on its fair value which is determined after adjustment is made on its closing price on the last trading day with reference to the prevailing market prices of similar types of investments and factors of significant changes. If there is sufficient evidence stating that the closing price on the last trading day cannot truly reflect the fair value, the fair value should be determined after adjustment is made on the closing price on the last trading day, and the stock should be valued based on such fair value.

## 2) Valuation of Unlisted Stocks:

① In respect of stocks which are issued for the first time, valuation technique is adopted to determine the fair value for valuation. Where the fair value is difficult to be reliably measured by applying a valuation technique, the stock is valued at cost.

② In respect of stocks which are issued publicly for the first time with a specific lock-up period, after the same stocks are listed on a stock exchange, the stocks are valued based on the valuation of such stocks listed on the stock exchange on the valuation date determined according to clause 1).

③ In respect of stocks issued by way of issuance of bonus shares, share increase by conversion, placement and public issuance of new shares, etc., the stocks are valued based on the valuation of the same outstanding stocks of the listed company listed on a stock exchange on the valuation date determined according to clause 1).

④ The valuation of stocks in a private placement with a specific lock-up period shall be conducted as follows:

A. Where the valuation of the same stocks listed and traded on a stock exchange on the valuation date determined according to clause 1) is lower than the initial cost of the stocks in the private placement, the valuation of the same stocks listed and traded on a stock exchange determined according to clause 1) shall be used as the value of the stocks in the private placement on the valuation date;

B. Where the valuation of the same stocks listed and traded on a stock exchange on the valuation date determined according to clause 1) is higher than the initial cost of the stocks in the private placement, the value of the stocks in the private placement on the valuation date shall be determined using the formula below:

$$FV = C + (P - C) \times (DI - Dr) / DI$$

Of which: FV is the value of the stocks in the private placement on the valuation date; C is the initial cost of the stocks in the private placement (if any ex-rights affect the market price due to any equity affairs, the initial cost of the stocks shall be adjusted accordingly on the ex-rights date); P is the market price of the same stocks listed and traded on a stock exchange on the valuation date; DI is the number of trading days on the stock exchange included in the lock-up period of the stocks in the private placement; Dr is the remaining lock-up period from the valuation date, i.e. the number of trading days on the stock exchange from the valuation date to the end of the lock-up period, exclusive of the valuation date.

⑤ In respect of stocks which have been suspended from trading for a prolonged period, index return method is adopted for valuation. In the event that there are material changes in the market environment in the future, the Fund Manager may adopt other reasonable valuation methods for valuation upon negotiation with the Fund Custodian.

3) Valuation shall be conducted according to the new provisions of the State.

## (2) Valuation Methods for Bonds

1) A bond listed and traded on a stock exchange and transacted at a clean price is valued based on its closing price on the valuation date; for a bond that is not traded on the valuation date and there are no material changes in the economic environment after the last trading day, the bond should be valued based on its closing price on the last trading day; for a bond that is not traded on the valuation date and there are material changes in the economic environment after the last trading day, the bond should be valued based on its fair value which is determined after adjustment is made on its closing price on the last trading day with reference to the prevailing market prices of similar types of investments and factors of significant changes. If there is sufficient evidence stating that the closing price on the last trading day cannot truly reflect the fair

value, the fair value should be determined after adjustment is made on the closing price on the last trading day, and the bond should be valued based on such fair value.

- 2) A bond listed and traded on a stock exchange and not transacted at a clean price is valued based on the clean price resulting from deducting the interest receivable of the bond included in the closing price of the bond from the closing price of the bond on the valuation date; for a bond that is not traded on the valuation date and there are no material changes in the economic environment after the last trading day, the bond should be valued based on the clean price resulting from deducting the interest receivable of the bond on the last trading day included in the closing price of the bond from the closing price of the bond on the last trading day; for a bond that is not traded on the valuation date and there are material changes in the economic environment after the last trading day, the bond should be valued based on its fair value which is determined after adjustment is made on its closing price on the last trading day (clean price) with reference to the prevailing market prices (clean prices) of similar types of investments and factors of significant changes. If there is sufficient evidence stating that the closing price on the last trading day (clean price) cannot truly reflect the fair value, the fair value should be determined after adjustment is made on the closing price on the last trading day (clean price), and the bond should be valued based on such fair value.
- 3) In respect of unlisted bonds which are issued for the first time, valuation technique is adopted to determine the fair value for valuation. Where the fair value is difficult to be reliably measured by applying a valuation technique, the bond is valued at cost.
- 4) Bonds traded in the interbank bond market are valued based on the fair value determined according to the processing standards or advice given by the industry association and in consideration of factors such as market trading prices, quoted market prices, liquidity and yield curves, etc.
- 5) Valuation shall be conducted according to the new provisions of the State.



### (3) Valuation Methods for Warrants

- 1) An outstanding listed warrant is valued based on its closing price as quoted by the stock exchange on which it is listed on the valuation date; for a warrant that is not traded on the valuation date and there are no material changes in the economic environment after the last trading day, the warrant should be valued based on its closing price on the last trading day; for a warrant that is not traded on the valuation date and there are material changes in the economic environment after the last trading day, the warrant should be valued based on its fair value which is determined after adjustment is made on its closing price on the last trading day with reference to the prevailing market prices of similar types of investments and factors of significant changes. If there is sufficient evidence stating that the closing price on the last trading day cannot truly reflect the fair value, the fair value should be determined after adjustment is made on the closing price on the last trading day, and the warrant should be valued based on such fair value.
- 2) In respect of unlisted warrants which are issued for the first time, valuation technique is adopted to determine the fair value. Where the fair value is difficult to be reliably measured by applying a valuation technique, the warrant is valued at cost.
- 3) In respect of unexercised warrants whose trading have been suspended, valuation technique is adopted to determine the fair value for valuation.
- 4) In respect of warrants for placing of shares which are allocated due to holding of shares, from the ex-rights date of the placing to the confirmation date of the placing, if the closing price is higher than the placing price, the valuation should be conducted based on the difference between the closing price and the placing price; if the closing price is lower than the placing price, the valuation should be zero.
- 5) Valuation shall be conducted according to the new provisions of the State.

### (4) Valuation Methods for Asset-backed Securities

- 1) In respect of asset-backed securities transferred by way of block trading on the stock exchange, valuation technique is adopted to determine the

fair value. Where the fair value is difficult to be reliably measured by applying a valuation technique, the asset-backed security is valued at cost.

2) Asset-backed securities traded in the national interbank market are valued based on the fair value determined according to the processing standards or advice given by the industry association and in consideration of factors such as market trading prices, quoted market prices, liquidity and yield curves, etc.

3) Valuation shall be conducted according to the new provisions of the State.

(5) Valuation Methods for Other Assets

Other assets are valued in accordance with the relevant provisions of the State.

(6) In any case where the Fund Manager adopts the abovementioned valuation methods for the valuation of the Fund assets, an appropriate valuation method is considered to have been adopted. However, if the Fund Manager believes that the abovementioned valuation methods for the valuation of the Fund assets cannot objectively reflect the fair value of the Fund assets, the Fund Manager may conduct valuation based on the price that can best reflect the fair value upon agreement with the Fund Custodian according to specific conditions, after taking into consideration of various factors in the market.

If the Fund Manager or the Fund Custodian discovers that the valuation of the Fund is in violation of the valuation methods and procedures stipulated in the Fund Contract and the provisions of the relevant Laws and Regulations or fails to fully protect the interest of the Unitholders, the party discovered the violation shall inform the other party and conduct valuation according to the agreed methods, procedures and the provisions of the relevant Laws and Regulations in order to protect the interest of the Unitholders.

The Fund Manager shall be responsible for the accounting of the Fund according to the *Funds Law*. Therefore, with respect to any accounting issue related to the Fund, if the parties concerned fail to reach a consensus after discussions on the basis of equality, the Fund Manager has the right to publish in public its calculation result of the net value of the Fund.

## **(II) Handling of Net Value Errors**

Upon the occurrence of a net value error, the Fund Manager shall be responsible for the handling thereof. The compensation for the loss suffered therefrom by the Unitholders and the Fund shall first be paid by the Fund Manager to the Unitholders or the Fund. The Fund Manager and the Fund Custodian shall define the liabilities assumed by both parties based on the actual situations and shall offer compensation in accordance with the following terms upon confirmation of the liabilities.

(1) If the Fund Manager adopts the valuation methods specified in items (1) to (5) of Chapter 8 “Valuation of the Fund Assets, Calculation and Verification of the NAV of the Fund” in this agreement and makes a net value calculation error, but the Fund Custodian does not discover the error in the course of verification and the Unitholders suffer a loss as a result, both parties shall be jointly liable for compensation with the Fund Manager assuming 70%, and the Fund Custodian assuming 30%, of the liability;

(2) If the Fund Manager and the Fund Custodian fail to reach the same calculation result of the NAV per Unit after numerous re-calculations and verification, the calculation result reached by the Fund Manager shall be announced in public so as to prevent the failure to announce the NAV per Unit as scheduled. The Fund Manager shall be liable for compensating the loss suffered arising therefrom by the Unitholders and the Fund;

(3) If the Fund Manager and the Fund Custodian conduct their valuation based on item (7) of the valuation method, the deviation arising therefrom shall not be treated as the error of the NAV per Unit.

If the Fund Manager and the Fund Custodian have taken necessary, appropriate and reasonable checking measures but still cannot discover an error due to an error in the data transmitted by the exchange or the depository and clearing company, the change in the relevant accounting system or Force Majeure, the Fund Manager and the Fund Custodian may be exempted from the liability to compensate for the error in the valuation of the Fund assets arising therefrom. However, the Fund Manager and the Fund Custodian shall actively take the necessary measures to eliminate the impact arising therefrom.

With regard to the handling of net value errors, if the Laws and Regulations or regulators such as the CSRC or industry associations have laid down new provisions,

such new provisions shall be complied with. If the industry adopts a common practice, the relevant parties shall re-negotiate and determine the principles for handling such errors under the principle of equality and mutual benefit, provided that the Laws and Regulations are not violated and the interests of the Investors are not prejudiced.

### **(III) Situations in which Valuation and Announcement of the NAV per Unit are Suspended**

(1) The securities exchange on which the Fund's investment is traded is closed because of public holidays or for other reasons;

(2) The Fund Manager or the Fund Custodian cannot accurately assess the value of the Fund assets because of Force Majeure or other situations;

(3) The valuation of a certain type of investment that accounts for a substantial portion of the Fund changes significantly and the Fund Manager decides to defer the valuation to protect the interests of the Investors;

(4) Other situations stipulated by the CSRC and the Fund Contract.

### **(IV) Establishment of the Fund's Accounting Books**

After the Fund Contract takes effect, the Fund Manager and the Fund Custodian shall independently establish, post entries in and maintain the full set of this Fund's accounting books according to the same bookkeeping method and accounting treatment principles agreed by both parties, perform reconciliation of the respective accounting books of all the parties concerned and conduct mutual supervision on a regular basis to guarantee the safety of the Fund assets. In the case of divergence in the accounting treatment methods of both parties, the treatment method of the Fund Manager shall prevail.

### **(V) Reconciliation of Accounting Data and Financial Indicators**

Both parties shall perform account reconciliation on each trading day. Upon the discovery of any inconsistency between the accounts of both parties, the Fund Manager and the Fund Custodian shall find out the reasons and make the rectification in a timely manner and ensure that the records in the parallel accounting books posted by all the parties concerned are completely consistent. If the records are found to be inconsistent after reconciliation is performed on that day and the reasons for the incorrect accounts

cannot be identified for the time being, such that the calculation and announcement of the NAV of the Fund are affected, the accounting books of the Fund Manager shall prevail.

#### **(VI) Preparation and Verification of the Periodic Reports of the Fund**

The Fund's financial statements shall be prepared separately and independently by the Fund Manager and the Fund Custodian on a monthly basis. The preparation of monthly statements shall be completed within five Working Days after the end of each month. The periodic reports and documents shall be announced according to the requirements of the Administrative Measures on Information Disclosure of Publicly Offered Securities Investment Funds published by the CSRC. The preparation of quarterly reports shall be completed within 15 Working Days after the end of each quarter. If there is any material change to the information on the Prospectus, the Fund Manager shall, within 3 Working Days, update the Fund Prospectus, and publish the updated Fund Prospectus on the Designated Websites; and shall update the Fund Prospectus at least annually, provided that there is change to other information in the Fund Prospectus. The Fund Manager may no longer update the Fund Prospectus, if the Fund ceases operation. The interim report shall be announced within two months subsequent to the end of the first 6 months of an accounting year of the Fund, and the annual report shall be announced within three months subsequent to the end of an accounting year.

On the date on which the preparation of the monthly statements is completed, the Fund Manager shall affix the business seal to the statements and send the relevant statements to the Fund Custodian in the form of an encrypted fax. The Fund Custodian shall conduct verification within two Working Days and inform the Fund Manager of the verification results in writing in a timely manner. On the date on which the preparation of the quarterly statements is completed, the Fund Manager shall affix the business seal to the statements and send the relevant statements to the Fund Custodian in the form of an encrypted fax. The Fund Custodian shall conduct verification within five Working Days and inform the Fund Manager of the verification results in writing in a timely manner. On the date on which the preparation of the Updated Prospectus is completed, the Fund Manager shall provide the relevant report to the Fund Custodian.

The Fund Custodian shall conduct verification and inform the Fund Manager of the verification results in writing as soon as possible after receiving the relevant report, and assist the Fund Manager in finishing the announcement in the time limit prescribed by the aforementioned regulators. On the date on which the preparation of the interim report is completed, the Fund Manager shall provide the relevant report to the Fund Custodian. The Fund Custodian shall conduct verification and inform the Fund Manager of the verification results in writing within 20 Working Days after receiving the relevant report. On the date on which the preparation of the annual report is completed, the Fund Manager shall provide the relevant report to the Fund Custodian. The Fund Custodian shall conduct verification and inform the Fund Manager of the verification results in writing within 30 Working Days after receiving the relevant report. If the Fund Custodian discovers any inconsistency between the statements of the relevant parties in the course of verification, the Fund Manager and the Fund Custodian shall jointly determine the reasons and make the adjustment in an accounting treatment method acceptable to the relevant parties. After confirming that the statements are errorless upon verification, the Fund Custodian shall affix the common seal to the reports provided by the Fund Manager and each of the relevant parties shall keep one copy of the reports.

After completing the verification of the financial statements, quarterly reports, interim reports or annual reports, the Fund Custodian shall affix the seal to such documents for confirmation or issue the corresponding verification certificates to prepare for the approval of the relevant documents by the competent authorities.

#### **IV. Maintenance of the Registers of Unitholders**

The Fund Manager may entrust the Fund's Registrar to handle registration in and maintain the registers of Unitholders. The content of the registers of Unitholders shall include but not be limited to the names of and the Fund units held by the holders.

The registers of Unitholders shall include the register of Unitholders at the end of the Fund Offering Period, the register of Unitholders on the record date of the Fund, the register of Unitholders on the record date of the general meeting of Unitholders and the register of Unitholders on the last trading day of every year. The Fund's Registrar shall be responsible for preparing and maintaining the registers of Unitholders and take

responsibility for the truthfulness, completeness and accuracy of the registers of holders.

Upon request by the Fund Custodian, the Fund Manager shall provide the Fund Custodian with the registers of Unitholders on a regular or irregular basis.

1. The Fund Manager shall provide the Fund Custodian with the register of Unitholders prepared by the Registrar within ten Working Days after the Effective Date of the Fund Contract and the termination date of the Fund Contract;

2. The Fund Manager shall provide the Fund Custodian with the register of Unitholders prepared by the Registrar within five Working Days after the record date of the general meeting of Unitholders;

3. The Fund Manager shall provide the Fund Custodian with the register of Unitholders prepared by the Registrar within ten Working Days after the last trading day of every year;

4. Apart from the above stipulated time, the Fund Manager may provide the Fund Custodian with the register of Unitholders prepared by the Registrar for business purposes after the Fund Custodian and the Fund Manager reach a consensus upon negotiation.

The Fund Custodian shall properly maintain the electronic versions of the registers of Unitholders and back them up to CDs on a regular basis. These versions shall be maintained for 20 years. The Fund Custodian shall not use the registers of Unitholders that it maintains for purposes other than fund custody business and shall comply with the confidentiality obligation.

## **VII. Method of Dispute Resolution**

The parties concerned agree that all the disputes arising from or relating to this Agreement shall be resolved through amicable negotiation or mediation. If the parties to the Custody Agreement refuse to resolve the dispute through negotiation or mediation or their attempts to resolve the dispute through negotiation or mediation fail, either of the parties shall be entitled to submit the dispute to the Shanghai Sub-Commission of the China International Economic and Trade Arbitration Commission for arbitration in accordance with the Commission's then effective arbitration rules. The arbitration shall take place in Shanghai. The arbitral award shall be final and binding on parties concerned. The arbitration expenses shall be borne by the

unsuccessful party.

During the period in which the dispute is handled, the parties concerned shall abide by their duties as the Fund Manager and the Fund Custodian, continue to perform their obligations prescribed in the Fund Contract and the Custody Agreement in a faithful, diligent and responsible manner and safeguard the lawful rights and interests of the Unitholders.

This Agreement shall be governed by the laws of the People's Republic of China.

## **VIII. Amendment and Termination of the Fund's Custody Agreement and Liquidation of the Fund Assets**

### **(I) Amendment of the Fund's Custody Agreement**

This Agreement may be amended after a consensus is reached upon negotiation by all the parties to this Agreement. The content of the new amended agreement shall not be in conflict with the provisions of the Fund Contract. The new amended agreement shall be submitted to the CSRC for approval.

### **(II) Termination of the Fund's Custody Agreement**

(1) The Fund Contract is terminated;

(2) The Fund Custodian is dissolved, terminated or goes bankrupt in accordance with the law, or has its fund custody qualification revoked in accordance with the law or the Fund assets taken over by another fund custodian for other reasons;

(3) The Fund Manager is dissolved, terminated or goes bankrupt in accordance with the law, or has its fund management qualification revoked in accordance with the law or its fund management right taken over by another fund manager for other reasons;

(4) The occurrence of a matter that causes the termination as prescribed by the *Funds Law*, the *Measures on Sales*, the *Measures on Operation* or other Laws and Regulations.

### **(III) Liquidation of the Fund Assets**

#### **(1) Fund Asset Liquidation Group**

Before the Fund asset liquidation group takes over the Fund assets, the Fund Manager and the Fund Custodian shall continue to perform their duties of protecting the safety of the Fund assets in accordance with the provisions of the Fund Contract



and the Custody Agreement.

- 1) The formation of the Fund asset liquidation group: The Fund asset liquidation group shall comprise the Fund Manager, the Fund Custodian, the Fund's Registrar, certified public accountants and solicitors qualified to engage in the relevant business and personnel designated by the CSRC. The Fund asset liquidation group may hire necessary staff.
- 2) Duties of the Fund asset liquidation group: The Fund asset liquidation group shall be responsible for safekeeping, liquidating, valuing, realizing and distributing the Fund assets. The Fund asset liquidation group may take necessary civil actions in accordance with the law.

(2) Procedures of the Liquidation of Fund Assets

- 1) After the termination of the Fund Contract, the Fund asset liquidation group shall take over the Fund assets in a centralized manner;
- 2) The Fund asset liquidation group shall determine the liquidation term according to the conditions of the Fund assets;
- 3) The Fund asset liquidation group shall check and confirm the Fund assets;
- 4) The Fund asset liquidation group shall assess and realize the Fund assets;
- 5) The Fund asset liquidation group shall prepare the liquidation report;
- 6) The accounting firm shall audit the liquidation report;
- 7) The law firm shall issue legal opinions on the liquidation report;
- 8) The Fund liquidation results shall be reported to the CSRC;
- 9) The Fund liquidation announcement shall be published;
- 10) The remaining assets of the Fund shall be distributed.

(3) Liquidation Expenses

Liquidation expenses mean all the reasonable expenses incurred by the Fund asset liquidation group in the course of the liquidation of the Fund. The liquidation expenses shall first be paid out of the Fund assets by the Fund asset liquidation group.

(4) Distribution of the Remaining Assets of the Fund

The Fund assets shall be used for payment in the following order:

- 1) Payment of expenses for the liquidation of Fund assets;
- 2) Payment of the Fund's taxes in arrears;
- 3) Payment of the Fund's debts;

- 4) Distribution of the remaining balance after the liquidation, if any, according to the proportions of the Fund units held by the Unitholders.

- (5) Announcement of the Liquidation of the Fund Assets

The announcement about the establishment of the liquidation group shall be published within two days after the establishment of the liquidation group. The major matters in the course of liquidation shall be announced in a timely manner. The liquidation report prepared by the Fund asset liquidation group, after audited by the accounting firm and the legal opinions of which were issued by the law firm, shall be submitted to the CSRC for approval and shall be announced.

- (6) Maintenance of the Books of Accounts and Documents Relating to the Liquidation of the Fund Assets

The books of accounts and documents relating to the liquidation of the Fund assets shall be kept by the Fund Custodian for at least 20 years.

## 25. Services for Unitholders

The Fund Manager undertakes to provide a range of services to the Unitholders. The Fund Manager is entitled to increase or change the service items according to the needs of the Unitholders and the changes in the market. Major services provided to Unitholders of Class A Fund Units by the Fund Manager are as follows:

### **(I) Statement of Account Services**

The Fund Manager's Statement of Account is sent via electronic Statement of Account by default. Electronic Statement of Account includes Statement of Account via e-mail (monthly, quarterly) and Statement of Account via short message (quarterly). Fund Unitholders who have subscribed to Statement of Account via email will continue to receive Statement of Account via email from our company. For clients who have not subscribed to Statement of Account via email, those who have given us a valid mobile phone number will receive Statement of Account via short message by default and those who have given us a valid email address will receive Statement of Account via e-mail by default.

Should any Fund Unitholders need to obtain paper Statement of Account for a certain period of time due to special reasons, please call the Fund Manager's customer service hotline 021-20376888\*0 for staff services. After our customer service staff verify a Unitholder's name, ID number for account-opening or fund account number, trading information, mailing address and postal code as accurate, we will mail paper Statement of Account to Fund Unitholders for free.

### **(II) Fund Switching Services**

The Fund Manager will process the switching between funds for Investors at an appropriate time after the Fund Contract takes effect. By then, the specific processing time, business rules and switching fee rate will be set out in the announcement on fund switching.

The Fund Manager launched the switching services of this Fund on 24 September 2009.

### **(III) Periodic Subscription Plan**

When the technical conditions become mature, the Fund Manager will provide Investors with regular investment services by using direct sales outlets or sales agency outlets. Through the Periodic Subscription Plan, Investors can purchase Fund units regularly through a fixed channel. A separate announcement will be made for the relevant rules of the Periodic Subscription Plan.

The Fund Manager officially launched the Regular Savings Plan of this Fund on 30 July 2009.

#### **(IV) Online Services**

Investors may make enquiries, complaints and recommendations and seek all types of assistance through the customer service mailbox on the website of the Fund Manager.

The website of the Fund Manager provides all types of information such as the Fund's announcements, investment information, financial management publications and general knowledge about funds. Investors may make enquiries or obtain customized information based on their respective user habits.

The website of the Fund Manager will provide Investors with services such as Fund account enquiries, transaction details enquiries, and change of the enquiry password.

Company website: [www.hsbcjt.cn](http://www.hsbcjt.cn)

Email: [services@hsbcjt.cn](mailto:services@hsbcjt.cn)

#### **(V) Information Customization Services**

HSBC Jintrust will provide its clients with all types of information services, including market information, financial management information and information about its funds. Unitholders may submit the application for information customization through the website of HSBC Jintrust and the customer service hotline, and the Fund Manager shall send the information customized for the Unitholders on a regular basis through the short message services for mobile phones and e-mail. Information that can be customized includes: net value of the Fund, reminder of the company's latest announcements, all types of regular and irregular market reports, and wealth management information.

Besides sending the above information customized for Unitholders, the Fund

Manager will send information such as festival and birthday greetings and product promotion materials to clients providing their mobile phone numbers and email addresses on a regular or irregular basis. If a Unitholder does not wish to receive such information, it may cancel this service through the customer service hotline.

#### **(VI) Telephone Services Provided by the Call Center**

The automatic voice response system of the call center provides information enquiry services about transaction status, balance of the fund accounts, and fund products and services for 24 hours a day and seven days a week.

The agents in the call center provide services to Investors from 9:00-11:30, 13:00-17:30 on every trading day. Investors may receive special services such as business consultation, information enquiry, service complaint, information customization and information amendment services through the hotline.

Customer service telephone No.: 021-20376888

Fax: 021-20376998

#### **(VII) Handling of Complaints**

Investors may complain about the services provided by the Fund Manager and the sales outlets by calling the hotline of the customer service center of HSBC Jintrust Fund Management Company Limited or by letter or email.

Complaints received during Working Days shall be handled on the principle of “the giving of timely replies”. With regard to a complaint for which a reply cannot be given in a timely manner, the Fund Manager undertakes to give a reply to the complaint lodged by the Investor within two Working Days. With regard to a complaint lodged on a non-Working Day, the Fund Manager shall give a reply on the following Working Day.

## 26. Other Disclosure

The matters of the relevant announcements from 8 June 2024 to 9 June 2025 were stated below. The following announcements were published in the specified media.

<b>Date of Disclosure</b>	<b>Content of Announcement</b>
2024/6/28	Update to Prospectus of HSBC Jintrust Large Cap Equity Securities Investment Fund (First Update in 2024)
2024/6/28	Update to Product Key Facts of HSBC Jintrust Large Cap Equity Securities Investment Fund (Class A)
2024/6/28	Update to Product Key Facts of HSBC Jintrust Large Cap Equity Securities Investment Fund (Class C)
2024/7/6	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Change of Senior Executives
2024/7/19	2024 Q2 Report on Certain Funds of HSBC Jintrust Fund Management Co., Ltd.
2024/7/20	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Change of Senior Executives
2024/7/26	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Appointing Shenwanhongyuan Securities and Shenwan Hongyuan Securities (Western) as Sales Agencies of HSBC Jintrust Open-end Funds
2024/7/26	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Appointing Shenwanhongyuan Securities and Shenwan Hongyuan Securities (Western) as Sales Agencies of HSBC Jintrust Open-end Funds
2024/7/27	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Change of Chairman
2024/8/31	2024 Interim Report on Certain HSBC Jintrust Funds
2024/9/3	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Appointing Postal Savings Bank of China as Sales Agency of HSBC Jintrust Open-end Funds
2024/9/5	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Appointing Bank of Communications as Sales Agency of HSBC Jintrust Open-end Funds
2024/9/11	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Appointing Industrial and Commercial Bank of China as Sales Agency of HSBC Jintrust Large Cap Equity Securities Investment Fund (Class C)
2024/10/14	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Appointing Huicheng Fund as Sales Agency of HSBC Jintrust Large Cap Equity Securities Investment Fund (Class C)
2024/10/25	2024 Q3 Report on Certain Funds of HSBC Jintrust Fund Management Co., Ltd.
2024/10/25	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Adjusting Transaction Limits for HSBC Jintrust Open-end Funds through JD Kenteri Fund Sales Co., Ltd.
2024/11/11	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Appointing China Life Insurance as Sales Agency of HSBC Jintrust Open-end Funds
2024/11/15	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Appointing TX Fund as Sales Agency of Certain HSBC Jintrust Open-end Funds
2024/12/18	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Participating in Rate Concession Campaign through Zhongou Wealth

2024/12/18	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Appointing Zhongou Wealth as Sales Agency of HSBC Jintrust Open-end Funds
2024/12/31	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Adjusting Transaction Limits for HSBC Jintrust Open-end Funds through Puyi Fund
2024/12/31	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Participating in Rate Concession Campaign through Puyi Fund
2024/12/31	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Appointing Puyi Fund as Sales Agency of HSBC Jintrust Open-end Funds
2024/12/31	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Inviting Investors of Direct Sales Department to Promptly Update Investor Classification Materials and Undergo or Re-undergo Risk Tolerance Assessment
2024/12/31	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Reminding Investors to Prevent Financial Fraud
2024/12/31	Reminder of HSBC Jintrust Fund Management Company Limited on Completing Identity Information of Clients
2024/12/31	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Reducing Management and Custody Rates for Certain Funds and Revising Fund Contract and Other Legal Documents
2025/1/21	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Appointing Ningbo Bank as Sales Agency of HSBC Jintrust Open-end Funds
2025/1/22	2024 Q4 Report on Certain Funds of HSBC Jintrust Fund Management Co., Ltd.
2025/1/25	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Change of Senior Executives
2025/2/7	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Adjusting Transaction Limits for HSBC Jintrust Open-end Funds through Zhongou Wealth
2025/3/6	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Appointing Taixin Wealth as Sales Agency of HSBC Jintrust Large Cap Equity Securities Investment Fund (Class C)
2025/3/31	Overview of Transactions and Commission Payments through Securities Companies of HSBC Jintrust Public Funds (2024)
2025/3/31	2024 Annual Report on Certain Funds of HSBC Jintrust Fund Management Co., Ltd.
2025/3/31	Fund Contract of Fund Manager of HSBC Jintrust Large Cap Equity Securities Investment Fund
2025/3/31	Custody Agreement of HSBC Jintrust Large Cap Equity Securities Investment Fund
2025/4/1	Update to Prospectus of HSBC Jintrust Large Cap Equity Securities Investment Fund (First Update in 2025)
2025/4/1	Update to Product Key Facts of HSBC Jintrust Large Cap Equity Securities Investment Fund (Class A)
2025/4/1	Update to Product Key Facts of HSBC Jintrust Large Cap Equity Securities Investment Fund (Class C)
2025/4/22	2025 Q1 Report on Certain Funds of HSBC Jintrust Fund Management Co., Ltd.



2025/5/8	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Appointing China Merchants Bank as Sales Agency of HSBC Jintrust Open-end Funds
2025/5/20	Announcement of HSBC Jintrust Fund Management Co., Ltd. on Appointing Tailian Fund as Sales Agency of Certain HSBC Jintrust Open-end Funds

## **27. Methods of Maintaining and Inspecting the Prospectus**

Once published, the Prospectus and other information that must be disclosed according to the laws shall be lodged by the Fund Manager and the Fund Custodian in their respective offices, and be made available for the public to retrieve and reproduce, in accordance with the relevant laws and regulations.

Hong Kong investors may inspect the Prospectus, regular reports, interim reports and other information of this Fund that must be disclosed according to the laws free of charge at the registered office of the Hong Kong representative during its normal office hours on working days. For details, please refer to the Hong Kong Covering Document of this Fund.

## 28. Documents Available for Inspection

Documents of Class A Fund Units such as documents available for inspection shall be maintained at the offices and business premises of the Fund Manager, the Fund Custodian and the Sales Agencies for free inspection during office hours.

(I) Approval documents of the CSRC for the Offering of the HSBC Jintrust Large Cap Equity Securities Investment Fund;

(II) The Fund Contract of the HSBC Jintrust Large Cap Equity Securities Investment Fund;

(III) The Custody Agreement of the HSBC Jintrust Large Cap Equity Securities Investment Fund;

(IV) Legal opinions;

(V) Approval document on the business qualification of the Fund Manager and the business licence of the Fund Manager;

(VI) Approval document on the business qualification of the Fund Custodian and the business licence of the Fund Custodian;

(VII) *The Business Rules of the Open-end Funds of HSBC Jintrust Fund Management Company Limited*;

(VIII) Other documents required by the CSRC.

Documents of Class H Fund Units such as documents available for inspection shall be maintained at the registered office of the Hong Kong representative and are available for inspection free of charge during its office hours. For details, please refer to the Hong Kong Covering Document of this Fund.

HSBC Jintrust Fund Management Company Limited

25 July 2025