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SFC authorisation is not a recommendation or endorsement of the Trust or the Sub-Fund nor does it guarantee the commercial merits of the Trust or the Sub-Fund or their performance. It does not mean the Trust or the Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

If you are in doubt about the contents of this announcement, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

Haitong CSI300 Index ETF (the “**Trust**”)

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

Haitong CSI300 Index ETF
Stock Code: 82811 – RMB Counter
Stock Code: 02811 – HKD Counter
(the “**Sub-Fund**”)

Announcement

Amendments to Reflect the Requirements under the Revised Code on Unit Trusts and Mutual Funds

Unless otherwise indicated, all undefined capitalised have the same meanings in this announcement as defined in the Prospectus of the Trust and the Sub-Fund dated 1 January 2020. The Manager accepts full responsibility for the accuracy, as at the date of this announcement, of the information contained in it.

Haitong International Asset Management (HK) Limited, the manager of the Trust and the Sub-Fund (the “**Manager**”), wishes to inform Unitholders of the following changes: (i) amendments to the Prospectus to reflect the requirements under the revised Code on Unit Trusts and Mutual Funds (“**Code**”) issued by the Securities and Futures Commission in Hong Kong (“**SFC**”); (ii) amendments to the trust deed of the Trust dated 13 January 2013, as amended and supplemented from time to time (the “**Trust Deed**”) to reflect the requirements under the Code; and (iii) other miscellaneous, drafting, editorial and ancillary updates and amendments to the Prospectus. Unless otherwise specified, the effective date of the changes mentioned in this announcement is 1 January 2020.

Investors should exercise caution in dealing with the Units of the Sub-Funds.

Dear Unitholders,

A. Background

The Trust and the Sub-Fund are subject to the Code issued by the SFC. The Code has been revised. The Trust Deed is amended by way of a supplemental deed (“**Supplemental Deed**”) and the Prospectus is amended by way of a revised Prospectus (“**Revised Prospectus**”) to reflect the requirements under the revised Code.

B. Amendments to the Trustee Deed and the Prospectus

The following key changes are made to the Trust Deed and/or the Prospectus (where applicable) to reflect the requirements under the revised Code:

1. Trustee and Manager - additional obligations of the Trustee and the Manager under Chapters 4 and 5 respectively of the revised Code.
2. Investment Restrictions: Core Requirements - amendments to the core requirements of the investment limitations and prohibitions under Chapters 7 and 8.6 (unlisted index funds and index tracking exchange traded funds) of the revised Code, including but not limited to amendments in relation to the following: spread of investments, restrictions on investment in commodities, restrictions on making loans, limitations on borrowing, financial derivative instruments, securities financing transactions and collateral etc.

A summary of the key revised investment restrictions/requirements pursuant to the revised Code are set out in Annexure A enclosed with this Announcement.

It is clarified in the Revised Prospectus and the revised Product Key Facts Statement of the Sub-Fund (“KFS”) that the Sub-Fund will not use financial derivative instruments for any purposes.

In addition, investment restrictions under Chapter 8.2 (money market funds) of the revised Code are also included in the Trust Deed and Revised Prospectus for future sub-funds of the Trust. Note however, that the Sub-Fund is not a money market fund and as such, the investment restrictions under Chapter 8.2 do not apply to the Sub-Fund.

For further details on the investment restrictions, please refer to Schedule 1 of the Revised Prospectus.

3. Other Amendments – other amendments and enhancement of disclosures to reflect the requirements of the revised Code including the following:
 - (a) amendments to reflect the requirements under the revised Code on transactions with connected persons and soft dollars arrangements;
 - (b) enhanced disclosures on arrangements in handling unclaimed proceeds of Unitholders where a Sub-Fund is terminated;
 - (c) amendments to reflect the requirements under the revised Code on suspension of dealing of units;
 - (d) enhanced disclosures relating to the information relating to each Sub-Fund that is available on the Manager’s website; and
 - (e) removal of the disclosures on the weightings of the top 10 largest constituent securities of the underlying index of the Sub-Fund from the Prospectus and KFS of the Sub-Fund. The most updated list of the constituents of the index of the Sub-Fund together with their respective weightings will be available on the relevant website as disclosed in the Prospectus.

In addition, other miscellaneous, drafting, editorial and ancillary updates and amendments are made to the Trust Deed and the Prospectus.

Please refer to the Revised Prospectus and the Supplemental Deed for further details.

C. Increase in trustee fee

With effect from 1 February 2020, the Trustee will increase the trustee fee with an additional fixed fee of US\$4,000 per annum for the Sub-Fund. For the avoidance of doubt, the aggregate fees payable to the Trustee (in the capacity of Trustee) shall not exceed the maximum of 1.0% per annum of the Net Asset Value of the Sub-Fund as provided in the Trust Deed and stated in the Prospectus.

D. Implication of Changes

Save as disclosed in this Announcement, the above changes will not result in any material change to the investment objective and risk profile of the Sub-Fund and there will be no increase in the fees payable out of the assets of the Sub-Fund as a result of the changes. The above changes will also not result in a change in the manner in which the Trust and the Sub-Fund currently operate or are being managed save as disclosed in this Announcement.

E. Availability of Documents

Copies of the Trust Deed together with all supplemental deeds (including the Supplemental Deed) can be inspected free of charge at the Manager's office during normal office hours (Monday to Friday (excluding public holidays), from 9:00a.m. to 6:00p.m.) at the address stated below. A copy of the Trust Deed, any supplemental deeds (including the Supplemental Deed) may be obtained from the Manager on application at a reasonable fee.

The Revised Prospectus and updated KFS are available on our website (www.haitongetf.com.hk)¹ and the HKEX's website (www.hkex.com.hk).

F. Enquiries

Investors who have any enquiries regarding the above may contact the Manager at 22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong or call our enquiry hotline at (852) 3588 7699 during normal office hours.

We would like to take this opportunity to thank you for your valuable support and we look forward to be of continued service to you.

Haitong International Asset Management (HK) Limited
as Manager of Haitong CSI300 Index ETF

¹ This website has not been reviewed or authorized by the SFC.

ANNEXURE A

SUMMARY OF KEY REVISED INVESTMENT RESTRICTIONS

The key amendments to the investment restrictions are as follows:

- (a) the aggregate value of a Sub-Fund's investments in, or exposure to, any single entity (other than Government and other public securities) through the following may not exceed 10% of its latest available Net Asset Value:
 - (i) investments in securities issued by that entity;
 - (ii) exposure to that entity through underlying assets of financial derivative instruments; and
 - (iii) net counterparty exposure to that entity arising from transactions of over-the-counter financial derivative instruments.

The above restrictions are subject to modifications or exceptions as set out in 8.6 of the Code in respect of index tracking exchanged traded funds.

- (b) subject to the requirements under the revised Code, the aggregate value of a Sub-Fund's investments in, or exposure to, entities within the same group (i.e. generally, entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognized accounting standards) through the following may not exceed 20% of its latest available Net Asset Value:
 - (i) investments in securities issued by those entities;
 - (ii) exposure to those entities through underlying assets of financial derivative instruments; and
 - (iii) net counterparty exposure to those entities arising from transactions of over-the-counter financial derivative instruments.
- (c) the value of a Sub-Fund's cash deposits made with the same entity or entities within the same group may not exceed 20% of its latest available Net Asset Value provided that the 20% limit may be exceeded in certain circumstances specified in the revised Code.
- (d) a Sub-Fund may not invest in physical commodities unless otherwise approved by the SFC and disclosed in the investment policies of the Sub-Fund.
- (e) subject to the requirements under the revised Code, a Sub-Fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. For the avoidance of doubt, reverse repurchase transactions in compliance with the requirements under the revised Code are not subject to the limitations in this paragraph.
- (f) the maximum borrowing of a Sub-Fund has been reduced to 10% of its latest available Net Asset Value. For the avoidance of doubt, sale and repurchase transactions in compliance with the requirements under the revised Code are not subject to the limitations in this paragraph.
- (g) a Sub-Fund may acquire financial derivative instruments for hedging purposes.
- (h) a Sub-Fund may also acquire financial derivative instruments for non-hedging purposes in accordance with its investment objective and policy subject to the limit that such Sub-Fund's net exposure relating to these financial derivative instruments ("**net derivative exposure**") does not exceed 50% of its latest available Net Asset Value.

Net derivative exposure shall be calculated in accordance with the Code and the requirements and guidance issued by the SFC which may be updated from time to time. For the avoidance of

doubt, financial derivative instruments acquired for hedging purposes will not be counted towards the 50% limit so long as there is no residual derivative exposure arising from such hedging arrangement.

- (i) to limit the exposure to each counterparty, a Sub-Fund may receive collateral from such counterparty, provided that the collateral complies with the requirements in the revised Code.